Annual financial report

2019

Universal registration document

(New version of the Registration Document)

TF1 LE GROUPE

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- The information in the Annual Financial Report is shown clearly in the table of contents and in the relevant chapters via the pictogram AFR
- The information in the Non-Financial Performance Statement is shown clearly in the table of contents and in the relevant chapters *via* the pictogram NFPS

2019

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

(NEW VERSION OF THE REGISTRATION DOCUMENT)

This is a free translation into English of the TF1 2019 universal 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.

Disclaimer

This amended version dated 6 April 2020 includes an adjustment made in chapter 6 on page 191.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The Universal Registration Document was filed with the AMF on 10 March 2020. AMF is the competent authority in respect of Regulation (EU) 2017/1129, and the Document was filed without prior approval, in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for a public offer of securities or for the admission of securities to trading on a regulated market if it is supplemented by an offer notice and if applicable, a summary and all amendments made to the Universal Registration Document. The ensuing set of documents is approved by the AMF in accordance with (EU) 2017/1129.

This document has been prepared by the issuer and engages the liability of its signatories.

It may be viewed on and downloaded from: **www.groupe-tf1.en**

TF1 GROUP INTEGRATED REPORT

ABOUT THIS REPORT

METHODOLOGY

This report is inspired by the framework published by the International Integrated Reporting Council (IIRC). It builds on a pro-active initiative extending back several years in the area of Corporate Social Responsibility and transparent communication with all stakeholders.

It was prepared by an internal working group headed up by Financial Communication in collaboration with the Strategy and CSR Departments.

SCOPE

The report covers the 2019 financial year (1 January to 31 December 2019), and TF1 group entities within the scope of the financial consolidation.

It reminds readers of our objectives for 2019, provides a progress report, and includes medium/long-term projections to give a forward-looking vision of the Group in its environment.

MESSAGE FROM OUR CHAIRMAN & CEO

DEAR SHAREHOLDER,

In line with the goal we have set ourselves, the TF1 group is gradually confirming its status as a global player in the production, broadcasting and distribution of content. Content is increasingly the common denominator of our activities, from the development of our television programmes to the shows at the La Seine Musicale arena, and from Newen to My Little Paris.

2019 was resolutely a year of growth – operationally, by strengthening our brands and business models – but also financially, by reaching the target we set ourselves three years ago of double-digit current operating margin. This is testimony to our vitality, and our ability to seize the many opportunities that come our way.

In our core broadcasting business, our ambition has been to reaffirm our mass media status by bringing together large audiences around federating events like Women's World Cup Football, the launch of the new Mask Singer show, and the French drama Le Bazar de la Charité. Looking forward, the makeover of the MYTF1 platform will enable us to accompany changing viewing habits by offering every viewer a personalised user experience.

Maintaining our audience shares of commercial targets at a high level[1] continues to underpin our market leadership, which is fundamental to our model and is reflected in the strong growth in the number of video views on MYTF1[2]. This suggests we have adopted the right editorial line, especially on fresh local content: French drama, sport, entertainment and news. These have been the most popular genres in recent years. The TF1 group is the only player in the market with such a high level of ambition in different genres, and achieving so much success!

We are demonstrating the sustainability of our model by sourcing income streams that complement the advertising revenues of our free-to-air channels. In particular, this involves expanding ad revenues on MYTF1, as well as securing distribution agreements for our channels and add-on services. Tighter control over programming costs, in line with the target announced, is boosting our margin in this segment.

We are also continuing to strengthen our position upstream of our value chain. Four years after it was acquired, Newen is growing both sales and profit margins as it wins more clients (from traditional media groups to global online platforms), increases the number of hours produced, and expands its geographical footprint (with De Mensen in Belgium and Reel One in Canada in 2019). This performance validates our acquisitions strategy. The burgeoning order book for the coming years suggests this business has a fine future ahead of it.

2019 was also a year of restructuring for our digital arm Unify. Yes, costs have been hit by the launch of the one-stop airtime sales agency Unify Advertising, the recruitment of new talents to accompany the growth in the business and putting together sales teams. However, developments like the successful repositioning of Marmiton, the strong growth of Gamned! and the expansion of the Gambettes boxes show that Unify now has the resources to meet its targets.

Crédit : TF1/Christophe Chevalin

Mindful of our mass impact, we aim to positively inspire society, both through our content, and more generally through our actions. Under the TF1 Initiatives banner, the Group is engaging around three themes: solidarity, diversity and a sustainable society. So we are supporting numerous initiatives on solidarity; by giving a platform or donations to charities looking to raise their profile; our channels represent French society in all its diversity and our programmes are raising awareness of environmental sustainability. In this way, the TF1 group has become a key player in achieving social cohesion, helping French people live together better.

2020 is shaping up as a year of multiple opportunities: audiovisual reform, the launch of Salto[3], the arrival of segmented advertising, the rollout of Unify, and the continuing development of Newen. 2020 will be a key year in the continuing transformation of our business model and in creating value for all our stakeholders.

Boulogne-Billancourt, 9 March 2020

Gilles C. PELISSON
Chairman & CEO of the TF1 group

(1) 32.6% of women under 50 purchasing decision-makers, and 29.4% of 25-49 year-olds.
(2) 1.8 billion video views in 2019, up 24% year-on-year.
(3) Subscription video on demand platform, a joint venture between the TF1, M6 and France Télévisions groups.

GROUP PROFILE

No.1
PRIVATE SECTOR FREE-TO-AIR BROADCASTER IN FRANCE

5 FREE-TO-AIR CHANNELS

32.6%
SHARE OF TARGET AUDIENCE (1)

€2,337m
IN REVENUE

3,207
EMPLOYEES(2)

Our ambition: to **positively inspire society** by **informing** and **entertaining** a mass audience. Our extensive **content offer** and **add-on services** are accessible on all devices to address changes in viewing habits. We are also a major player in **audiovisual production** through our subsidiary Newen, and have a presence in **digital** via Unify.

We are still **France's leading private-sector broadcaster,** attracting a 32.6% share of the key target audience of "women aged under 50 purchasing decision-makers" with our five free-to-air channels: TF1, TMC, TFX, TF1 Séries Films and LCI. Alongside this core business we have developed a **massive offer of add-on services,** especially through our MYTF1 online platform, giving users a personalised **content** access experience. We also broadcast **special-interest theme channels:** TV Breizh, Histoire TV, Ushuaïa TV and Série Club(3).

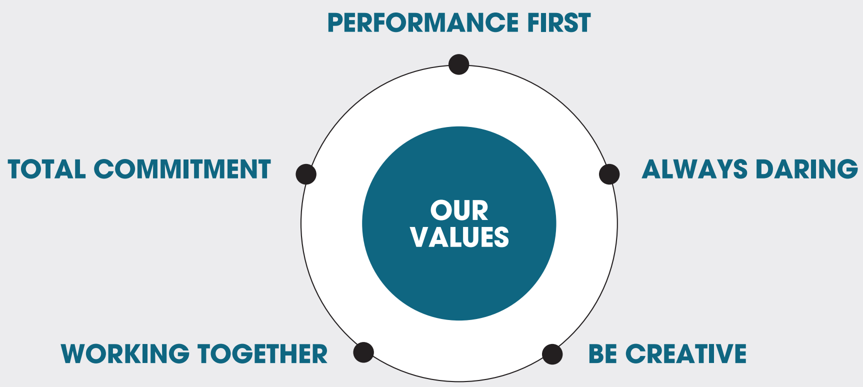
Our **advertising sales house** sells airtime on our own content and services, but also on the Indés Radios network and third-party websites.

To meet the growing demand for TV content experienced in recent years, we repositioned ourselves further up the value chain by acquiring the **Newen Studios** group. Operating mainly in Europe, and more recently in Canada too, Newen produces a vast range of content for a diverse client base, from traditional broadcasters to internet platforms.

Through our **Unify** division, we offer advertisers digital advertising solutions backed by powerful content and well-known brands with strong, engaged communities (Aufeminin, Marmiton, My Little Paris, Doctissimo, etc.), alongside a social e-commerce offer.

We also have a broad range of **complementary activities** in the entertainment and leisure sectors through TF1 Entertainment (music production, board games, live shows, licensing and publishing), and in the film industry with TF1 Films Production and TF1 Studio.

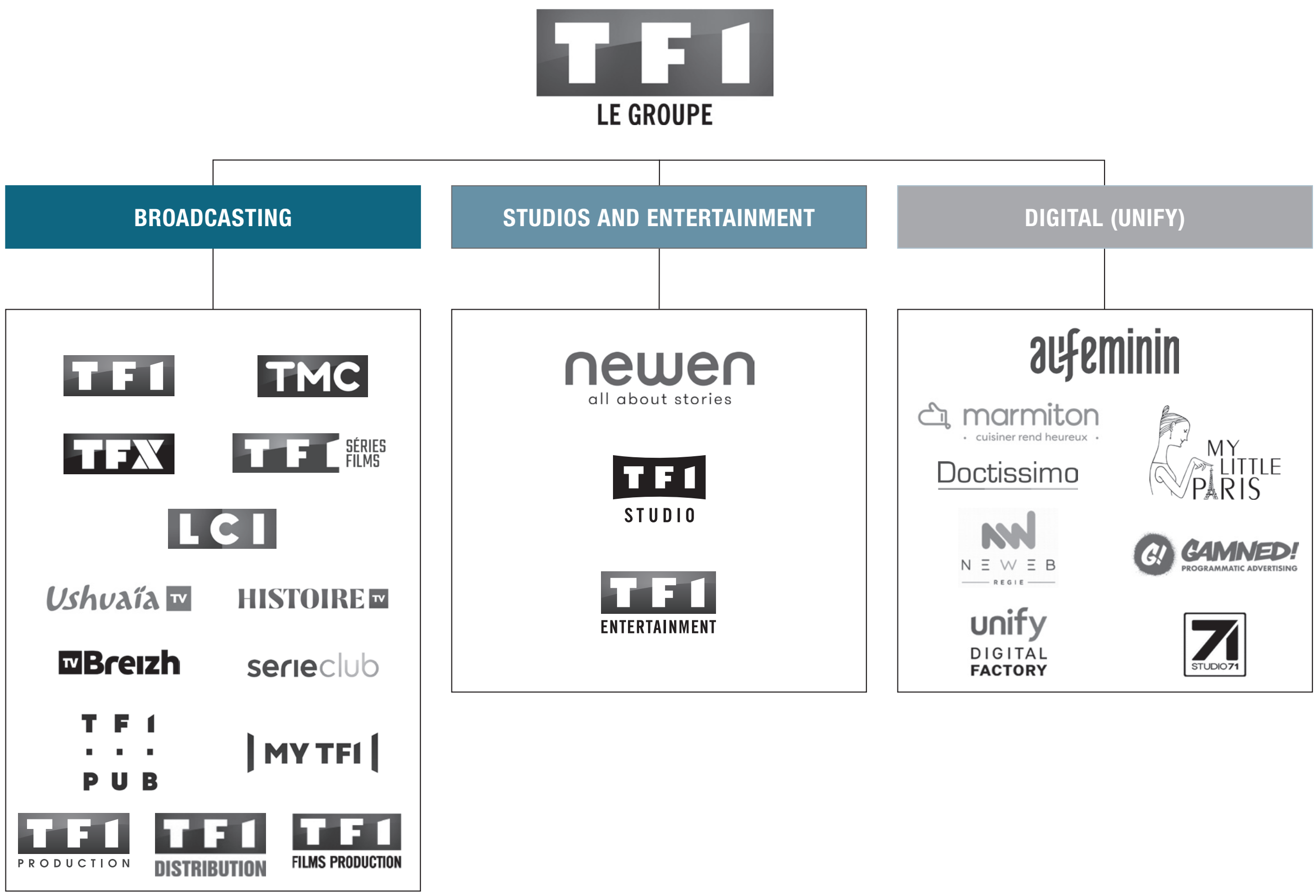
As a media group, TF1 is aware of its **responsibilities** and is engaged in high-quality dialogue with all its stakeholders in order to enhance transparency and continually improve its practices. Our TF1 Initiatives brand is home to all of our CSR activities, built around three pillars: solidarity, diversity and sustainability.



(1) Médiamétrie – Target audience: women aged under 50 purchasing decision-makers (W<50PDM).
(2) Employees on permanent contracts.
(3) 50% owned by TF1.

1. THE GROUP AND ITS ENVIRONMENT

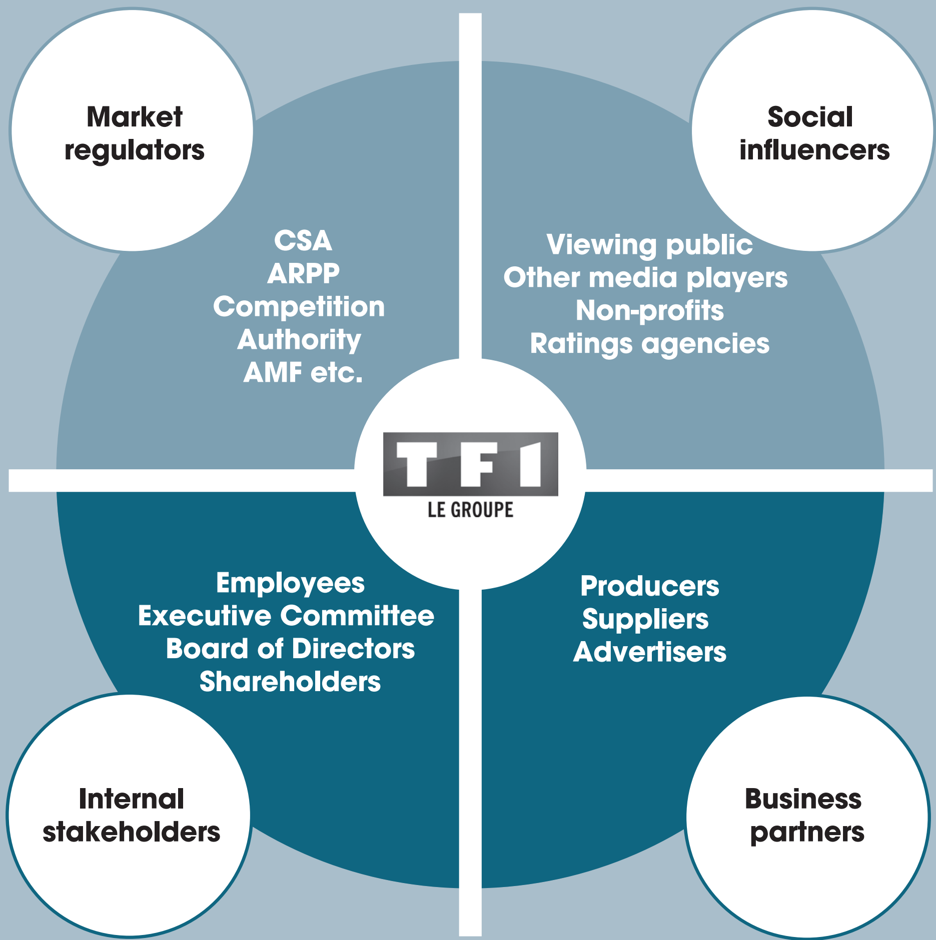
ORGANISATION AND ACTIVITIES



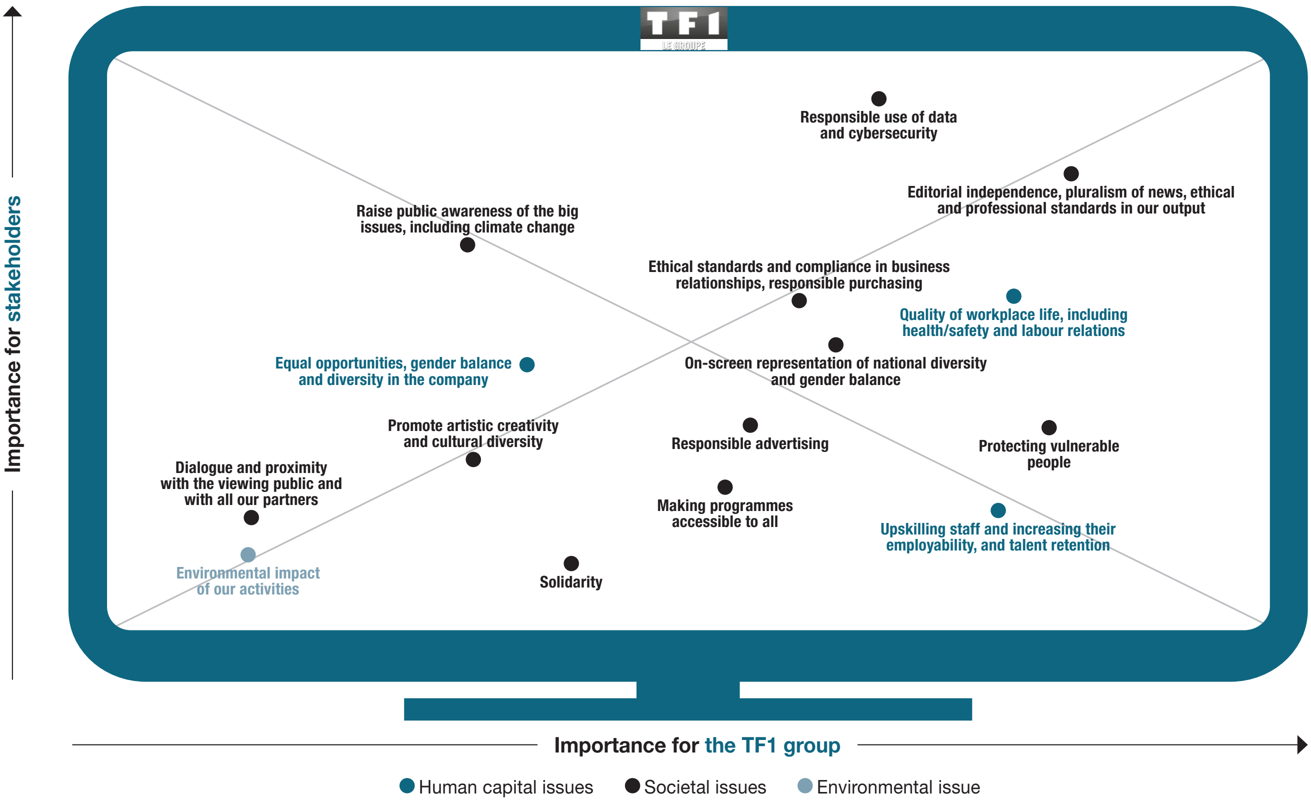
See Section 1.2 of this universal registration document for a simplified organisation chart showing the Group's subsidiaries.

OUR STAKEHOLDERS

In our corporate governance as in all our activities we apply ethical and responsible principles in our dealings with regulators, the viewing public, our customers and suppliers, and our staff. We account for our activities to the community in a manner that is **exhaustive** and **transparent.**



CSR ISSUES – MATERIALITY MATRIX



The methodology for the materiality matrix is described in the Foreword to Chapter 4 of this document.

Human capital issues	**Objective**
Upskilling staff and increasing their employability, and talent retention	For us as a company: be able to rely on the competence and commitment of staff, and on the quality of training pathways. Retain talent, especially in job profiles with high demand. Develop agile, collaborative working practices. For our employees: acquire knowledge and expertise in line with the company's needs, and gain more autonomy in building a career.
Quality of workplace life, including health/safety and labour relations	Reduce occupational hazards, develop social dialogue, maintain the health and safety of staff and quality of workplace life.
Equal opportunities, gender balance and diversity in the company	Guarantee equality of opportunity, in particular providing work for people with disabilities, and promote diversity in the company. Ensure there is gender balance in terms of seniority and pay.
Societal issues	**Objective**
Editorial independence, pluralism of news, ethical and professional standards in our output	Generate public confidence with independent, high-quality news output. Unite the viewing public around programmes made for all, which comply strictly with our ethical and professional commitments to society.
Responsible use of data and cybersecurity	Protect the personal data of our customers, consumers and staff, and guarantee that those data are handled and used responsibly. Combating illegal copying of content is a key priority. This involves measures to pro-actively protect our content, and a robust approach towards any unlawful expropriation of content.
On-screen representation of national diversity and gender balance	Reflect the diversity of French society in the content of our programmes fairly and without stereotyping. This is a role we take seriously not just in our broadcasting activities, but also at corporate level, working with all other interested parties in a wholly non-competitive spirit.
Ethical standards and compliance in business relationships, responsible purchasing	Apply our social responsibility principles within the supply chain. Strive for fairness in the sharing of value created by the various players in the Group's ecosystem, in particular by protecting copyright, which is a major source of economic equilibrium in our industry.
Protecting vulnerable people	Provide trigger warnings and protect vulnerable viewers such as children and teenagers from inappropriate content and addiction.
Raise public awareness of the big issues, including climate change	Use our programmes to raise awareness of the big environmental and social issues.
Responsible advertising	Respect our commitment to provide wholesome, true and honest advertising. Within our ecosystem, encourage consumer behaviour that shows more respect for natural resources.
Making programmes accessible to all	Media accessibility means making programmes intelligible to everyone, specifically people with visual or hearing impairment or psychological issues. Making programmes accessible is a legal obligation for all broadcasters.
Dialogue and proximity with the viewing public and with all our partners	As the leading generalist media outlet, always listen to society in order to respond better to its needs. Make ourselves available to anyone who wants to contact the Group. Combat online violence.
Promote artistic creativity and cultural diversity	Enhance cultural offerings, favour the emergence of new talents, and encourage diversity of styles and modes of expression.
Solidarity	Support non-profits that promote good causes, especially around social inclusion.
Environmental issue	**Objective**
Environmental impact of our activities	Reduce our direct environmental footprint. Encourage the film and TV industries to build environmental protection into their practices.

SHARE OWNERSHIP AND STOCK MARKET INFORMATION

SHARE FACTSHEET

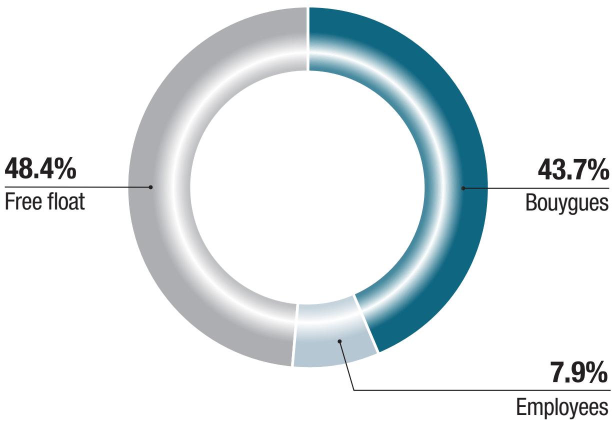
LISTED ON: Euronext Paris

MARKET: Compartment A

ISIN CODE: FR0000054900

MAIN INDICES:
SBF 120
CAC MID 60
CAC MID & SMALL
NEXT 150®
EURO STOXX® MEDIA

SHARE OWNERSHIP AT 31/12/2019



STOCK MARKET DATA

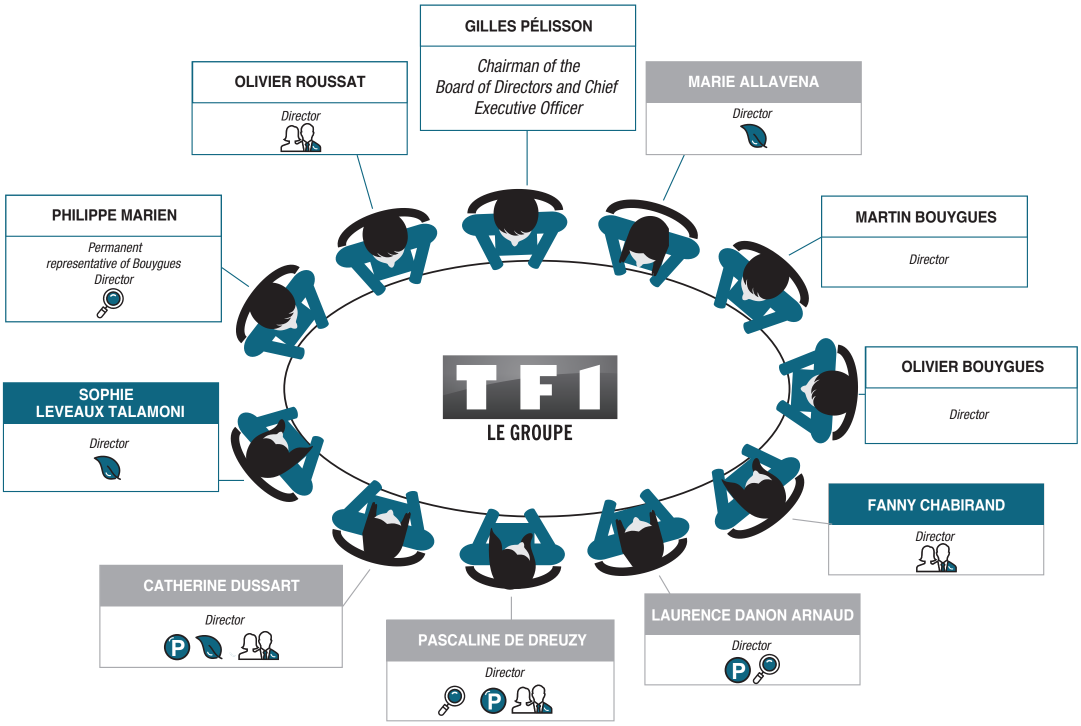
Share price *(€)*	2019	2018	2017
High(1)	10.08	12.75	13.43
Low(1)	6.40	6.61	9.35
2019 closing price	7.40	7.08	12.29
Performance of TF1 shares over the year	+4.5%	-42.4%	+30.0%
Performance of the SBF 120 over the year	+25.2%	-11.7%	+10.8%
Market capitalisation at 31 December *(€ million)*	1,556	1,486	2,579
Average daily volume traded *(thousands of shares)*(2)	402	247	269
Number of shares in issue at 31 December *(million)*	210.2	209.9	209.9

(1) Highs and lows represent the highest and lowest values recorded at close of trading.
(2) Euronext.

2. OUR GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS SPECIALIST COMMITTEES

AT 31/12/2019



Employee representative director

Independent director

Committees

- Audit Committee
- Ethics and CSR Committee
- Selection and Remuneration Committee
- P Committee chair

See Section 3.1.3 of this Universal Registration Document for career résumés of Board members.

BOARD PROFILE

AT 31/12/2019

11
DIRECTORS

10 YEARS
AVERAGE LENGTH OF SERVICE

44%
INDEPENDENT DIRECTORS(1)

8
MEETINGS IN 2019

2
EMPLOYEE REPRESENTATIVES

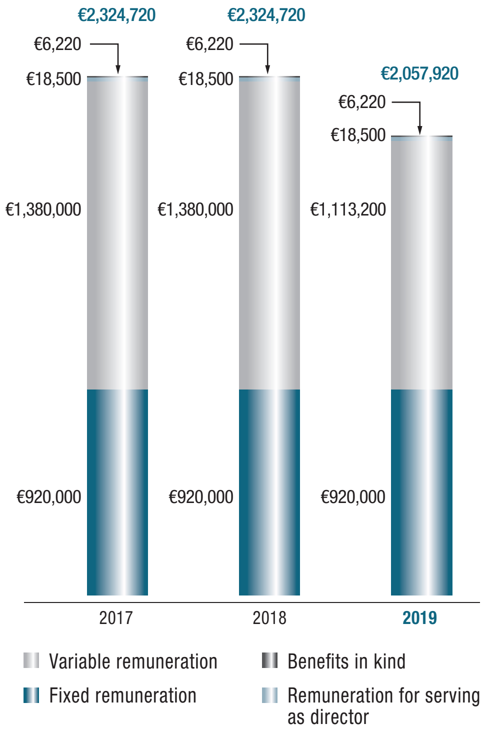
60 YEARS
AVERAGE AGE

44%
FEMALE DIRECTORS(1)

(1) Excluding employee representative Directors.

REMUNERATION POLICY: CRITERIA ALIGNED ON STRATEGY AND SUSTAINABLE DEVELOPMENT

TRENDS IN EXECUTIVE OFFICER'S REMUNERATION



EXECUTIVE OFFICER'S REMUNERATION

- The remuneration determined by the Board of Directors is in the general interests of the company, and takes into account the following three factors:
  - business performance;
  - stock market performances;
  - peer and intra-group comparisons.
- The following factors are taken into account in determining the Executive Officer's fixed remuneration:
  - the level and difficulty of his 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.
- Variable remuneration is contingent on the attainment of objectives based on collective and individual criteria, both quantitative and qualitative. The variable remuneration of the Executive Officer is defined according to five criteria and capped at 150% of his fixed remuneration.
- Since 2014, the Executive Officer's variable remuneration has included a qualitative criterion relating to the company's CSR performance, requiring that TF1 retain its place in at least four extra-financial CSR indices; that was indeed the case in 2019: DJSI, MSCI, Gaïa and ISS (formerly Oekom).

REMUNERATION OF EXECUTIVE COMMITTEE MEMBERS

- Since 2017, the variable compensation of each Executive Committee member has included a CSR criterion, weighted at 5%. The actual criterion varies between each Executive Committee member, depending on their managerial responsibilities and the associated CSR issues.

3. OUR BUSINESS MODEL NFPS

OUR 6 KINDS OF CAPITAL

HUMAN CAPITAL

- Talent pool and staff commitment.
- Training and upskilling, especially in the digital universe.
- Goal congruence and company loyalty.
- Equal opportunities and diversity.

2019 HIGHLIGHTS

Quality of Workplace Life and Equal Opportunities Agreement, including prevention of psycho-social risks, plus an agreement on teleworking.

2nd "Week of Engagement" for TF1 staff, focused in 2019 on awareness of the UN Sustainable Development Goals and on adding value to individual employees' personal commitments to good causes.

New **"Leadership Connect"** course to help managers adapt to change.

KEY FIGURES

167 internal **job transfers** (+29% vs 2018).

Growing proprortion of women in top management: **40%** in 2019 (vs 36% in 2018).

No. 24 in world top 100 companies for gender equality in 2019 (source: Equileap).

INTELLECTUAL CAPITAL

- Editorial expertise and viewer relationships.
- Production and acquisition of audiovisual rights (cinema, series, drama, sport etc.).
- Commercial expertise in advertising airtime sales and relationships with advertisers.
- Intellectual property developed in-house and TF1 group brands (games, formats, licences, etc.).
- The ability to innovate, especially in processes and technologies.

2019 HIGHLIGHT

The TF1 group, as media vertical rep at **Station F,** launched **season 4** of its accelerator program, for start-ups offering solutions in 3 areas: IA, Data, and Monetisation.

KEY FIGURES

21 start-ups incubated since we initiated our program at Station F.

R&D budget: **€9.2 million** in 2019.

Makeover of the **MYTF1** platform for an enhanced, personalised uesr experience.

More than 1,200 hours of content produced by Newen in 2019.

SOCIAL CAPITAL

- Public trust and loyalty.
- Respect for ethical commitments and professional integrity, which are core to our mission.
- Channels that listen to viewers and internet users.
- Commitment to promoting social cohesion and "living together better" in France.

2019 HIGHLIGHT

Screening on TF1 of the **2nd run of** *C'est Quoi Cette Question,* a short programme that helps in the fight against discrimination in France.

3rd edition of the "Women in the News" survey, part of the drive for better representation of female experts on TV news bulletins.

Rollout of **Facil'ITI,** a website accessibility solution for people with disabilities, on LCI.fr, MYTF1 and TF1&Vous.

KEY FIGURES

€47 million of charitable giving (free ad slots, donation of gameshow cash prizes, telethons, etc), plus cash donations to **152 charities.**

FINANCIAL CAPITAL

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

2019 HIGHLIGHT

BBB+ rating reiterated in July 2019 by S&P with stable outlook.

KEY FIGURES

2019 net profit: **€155 million.**

Shareholders' equity attributable to the Group at 31 December 2019: **€1,562 million.**

Net debt: **€126 million** at 31 December 2019 (excluding lease obligations).

Market capitalisation at 31 December 2019: **€1.6 billion.**

NATURAL RESOURCES

TF1's activities mainly use:

- electricity (office management processes);
- fuel oil (generators and outside broadcast units).

Most greenhouse gas emissions are generated outside the Group by audiovisual production activities. This led to TF1 setting up the Ecoprod collective in 2009.

TF1's main impact is its ability to raise public awareness of green issues.

2019 HIGHLIGHTS

ISO 50001 Certification audit (control over energy consumption at TF1 HQ in Boulogne Billancourt) successfully passed.

Renewably sourced electricity purchasing contract signed for the Atrium building.

Raising staff awareness of eco-friendly behaviour via "eco-saver" workshops, and of climate change issues with more "Climate Fresco" workshops.

KEY FIGURE

5% reduction in electricity consumption versus 2018.

MANUFACTURING CAPITAL

- TF1's main building, including 5 studios.
- Production equipment (from production to broadcast).
- Board game manufacturing facility for TF1 Entreprises.

2019 HIGHLIGHTS

Unify entities streamlined onto **4 sites** instead of 7.

Ongoing refit, transformation and modernisation of work spaces in our Tower and Atrium buildings as part of the **TF1 by Nextdoor** project to encourage synergies, team spirit and innovation.

KEY FIGURES

TF1 owns its HQ building at Boulogne Billancourt: **35,167 m^2.**

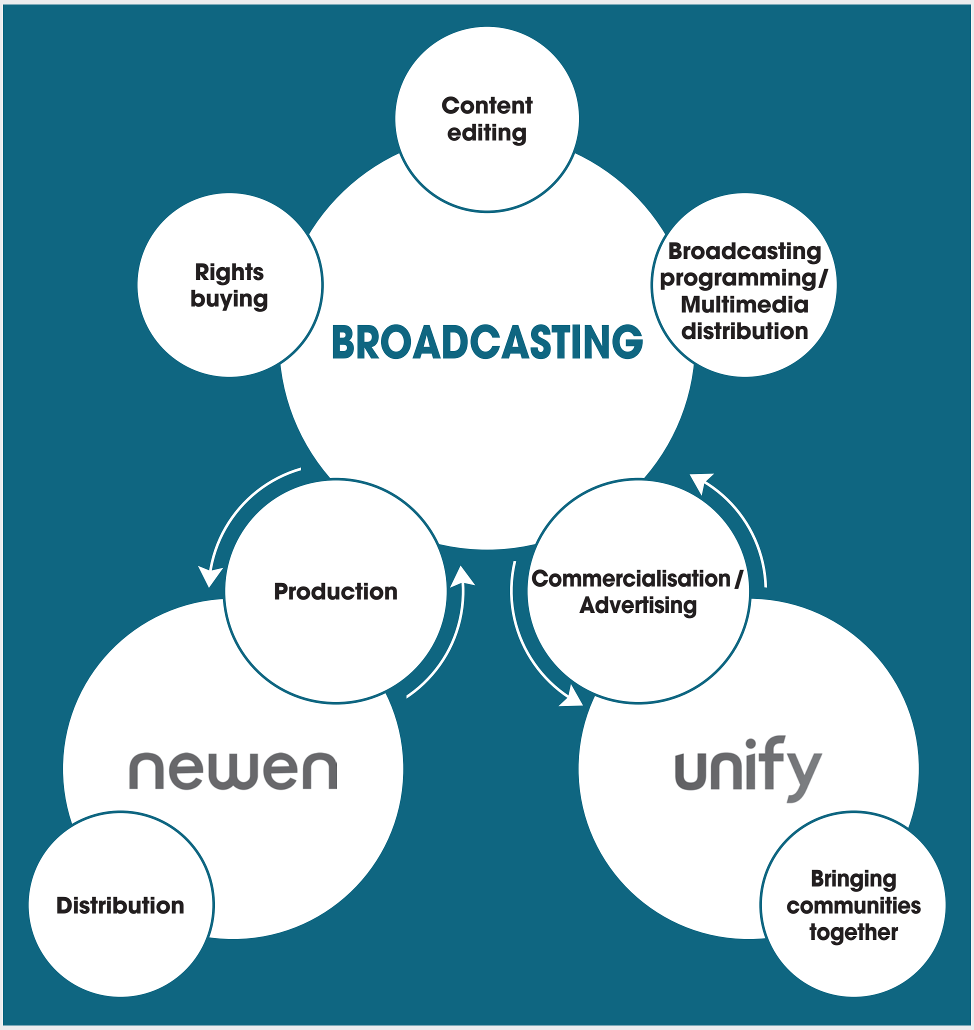
Programmes broadcast by TF1: **over 7,000 hours.**

HOW WE CREATE AND DISTRIBUTE VALUE

CAPITAL

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

OUR BUSINESS MODEL



CREATING VALUE FOR	SUCCESSES
OUR PUBLIC ■ High-quality and varied offer of content and services; ■ Accessible anytime, and on any device; ■ Vast range of add-on services.	**Loyal, engaged mass audience: France's no. 1 private-sector broadcaster.**
OUR ADVERTISERS ■ Variety of high-impact premium advertising slots for all targets; ■ Innovative solutions (multi-platform, digital, targeted, real-time, etc.).	**Loyal, multi-platform advertisers: TF1 Pub winner of the "Airtime Agency of the Year" award[1].**
REGULATORS, FRENCH STATE ■ Scrupulous compliance with laws, regulations and commitments, with active involvement in policy-making; ■ Major contributor to society through taxes and duties paid in France.	**Share of our programme budgets devoted to works by "dependent" producers raised to 30%[2].**
FRENCH AUDIOVISUAL LANDSCAPE ■ Substantial financial contribution *via* the French production obligation promoting the development of the industry; ■ Responsible employer of French broadcasting industry talent.	**Supply of high-quality national content: French drama on TF1 attracted all of the top 50 audiences for the genre in 2019 among W<50PDM.**
CIVIL SOCIETY AND CHARITIES ■ Promoting diversity in the workplace and in our programmes; ■ Supporting charities with donations and free advertising airtime.	**Support for over 150 charities dedicated to solidarity, diversity, and sustainable development.**
OUR EMPLOYEES ■ Advantageous terms of employment; ■ Building employability through career pathways and skills development.	**Teleworking rolled out in all activities where it is feasible.**
OUR SHAREHOLDERS ■ Maximising asset value; ■ Transparent communication; ■ Consistent dividend payout policy.	**Loyal, engaged shareholders: Bouygues has been a shareholder since TF1 was privatised in 1987.**

(1) Grand Prix de l'Innovation media 2019 (Stratégies magazine).
(2) 26% prior to 1 January 2019.

4. MARKET TRENDS: A SOURCE OF OPPORTUNITY

MACRO TRENDS	1 OMNIPRESENCE OF GLOBAL PLAYERS	2 WAYS OF CONSUMING VIDEO ARE CONTINUING TO CHANGE
CONTEXT	The GAFAN companies (Google, Apple, Facebook, Amazon, Netflix) and YouTube are strengthening their central role in the direct to consumer relationship. They have unrivalled spending power in content, technologies and innovation. The dynamism of these giants, stimulated by the competition between them, is leading to the creation of duopolies and oligopolies in some markets, such as digital advertising (Google, Amazon, Facebook) and proprietary SVOD platforms.	Video consumption is increasing massively for all targets, especially on SVOD. The decline in individuals' daily viewing time is continuing, with consumers turning more and more to catch-up offers, 3 screens and SVOD. The public is confirming its appetite for premium delinearised content, and content designed for platforms. In this environment, market players are creating or reinforcing their OTT offers, in both the United States and Europe.
OPPORTUNITIES/ RESPONSES	Traditional players are consolidating to grow bigger. In the United States, media giants are emerging, as witness the takeover of Warner Media by AT&T, of 21st Century Fox by Disney, and of Sky by NBC-Comcast. This consolidation of the American market is leading to the arrival in Europe and France of new OTT SVOD offers like Disney+. In OTT, there are more and more joint ventures between European players, such as the 7TV project in Germany between ProSieben and Discovery, LOVEStv in Spain between Mediaset España, RTVE and Atresmedia, and RTL's pan-European project. The TF1 group has strengthened itself by developing its production arm (Newen) and creating a digital arm, Unify. This was also the logic behind the launch of the Salto platform with the France Télévisions and M6 groups.	Upstream of the value chain, the pressure to acquire talents and supply exclusive local content is growing. In response, the TF1 group has beefed up its production capacity for premium content via its subsidiary Newen, and is also producing content for platforms like Netflix and Amazon. The Group has achieved excellent performances in all programme types, demonstrating its unique ability to attract mass audiences for powerful must-see programming, including French drama, entertainment, news and sport. As of April 2020, the other TV content viewing modes will be included in Médiamat metrics (estimated at +10 minutes per day). In digital, TF1 is continuing to build direct to consumer relations, and now has a complete and coherent range built around MYTF1 in OTT, and via partnerships with distributors. Salto will ultimately complement this positioning.
KEY INDICATORS	– Build-up of Newen with the recent acquisitions of controlling stakes in De Mensen and Reel One. DE MENSEN / REEL ONE ENTERTAINMENT – Launch of one-stop ad sales house Unify Advertising. unify – Commercial launch of Salto with France Télévisions and M6 in September 2020 (platform going live in June 2020). salto	– Newen is one of the leading audiovisual content distributors in France and internationally, producing over 1,200 hours a year and with an international catalogue of 5,500 hours sold in more than 130 countries. newen all about stories – The TF1 core channel attracted all of the top 100 audiences of 2019 among W<50PDM, and 98 of the top 100 among 25-49 year-olds. TF1 – MYTF1: France's no. 1 catch-up service: 1.8 billion video views. MY TF1

3 THE USER EXPERIENCE IS KEY

Users are demanding an experience that is personalised, fluid, omni-channel and always available, so they can consume their preferred content more easily.

In this context, artificial intelligence and data lie at the heart of the customer loyalty dynamic. These tools improve the user experience via innovative interfaces that are becoming ever more technologically sophisticated.

For advertisers, the digital players' recasting of advertising solutions enhances the service component of the experience, while the new formats offered to consumers are less intrusive and more innovative.

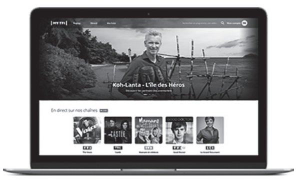
Historically we have provided a broad, high-octane mix of news and entertainment to satisfy mass audiences across all platforms.

Now, in response to users' new demands, we are constantly innovating to reinvent the direct relationship with the consumer. On our various platforms, the objective is to offer a coherent user journey by serving all consumer universes.

By supporting start-ups, we are investing in innovation so that we can better understand the new needs of consumers.

Our Unify Digital Division, built around Aufeminin, is developing tailored digital offers for advertisers on the basis of vertical communities (fashion, beauty, parenting, cookery, lifestyle, etc.).

– Makeover of the MYTF1 portal in June 2019 with a more immersive 100% video experience. 27 million registered users* on MYTF1, delivering better monetisation thanks to data.



– MediaLab seasons 4 & 5.

MEDIA LAB TF1

– Verticals developed by Unify:
food with Marmiton, lifestyle with Aufeminin, health with Doctissimo...
Unify has 80% reach in the 25-49 age range**.

unify

4 TECHNOLOGY AND DATA ARE ESSENTIAL TO VIDEO CONTENT MONETIZATION

The advertising market has seen programmatic become the main conduit for digital advertising.

In parallel, data-driven targeting offers have multiplied in Europe, so that advertisers are now able to achieve scale and efficiencies by allying the pulling power of TV media with targeting.

Unify is building all its brands around three activities: publishers, brand solutions and services, and social e-commerce.

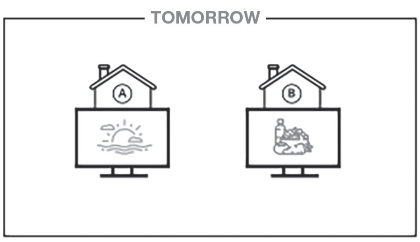
The Unify Advertising online ad sales house is now offering its clients – agencies and advertisers – the full range of Unify media brands and services.

Digitisation of ad sales in our core business is continuing with the extension of La Box and the launch of La Box Entreprises to deal directly with small advertisers. Our TV airtime sales house has strengthened its offer by marketing TV data campaigns.

– Expanding range of programmatic ad solutions offered by Unify.

GAMNED! PROGRAMMATIC ADVERTISING

– Segmented TV should open the way for targeted TV ad spots.



* as at 31/12/2019.

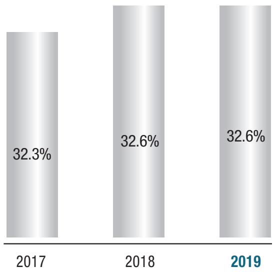
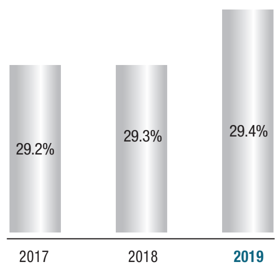
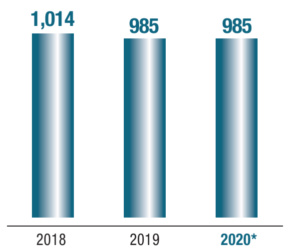
** Source: Médiamétrie/Netrating Female target audience - December 2019 audience figures.

5. OUR STRATEGIC PRIORITIES

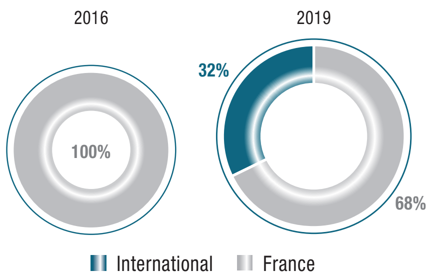
STRATEGY

We intend to consolidate our position as a broadcaster of content, while affirming our direct-to-consumer strategy and establishing a position in production and distribution.

We are activating four key levers to achieve our strategic objectives and continue improving our profitability:

STRATEGIC PRIORITY	STRATEGIC LEVER	DELIVERED
1 **FOCUS EFFORTS ON THE CORE BUSINESS TO MAINTAIN DIFFERENTIATION**	■ In linear: We are looking to consolidate our market leadership among multi-channel target audiences by ramping up our editorial differentiation strategy. To achieve this, we will – while adapting our business model – continue to commit to strong programming, strengthen local content, and anchor our statutory position in news. TF1 Pub aims to serve the interests of all advertisers, on all platforms and in all territories, through its direct relationship with advertisers, unrivalled high-quality offer, automated purchasing, accelerated targeting and effectiveness metrics. ■ In non-linear: The TF1 group now offers every TV viewer their own personalised, multi-screen, 100% video experience. We deliver an enhanced range of digital products with powerful content and quality customer journeys, plus a mix of all monetisation models. Particular attention is paid to developing the relationship with the consumer and marketing our offer. With our MYTF1 platform and soon SALTO, we will be able to offer complementary consumer universes to meet the differing needs of audiences. We are keen to perpetuate and enhance reinforced partnerships with distributors around emerging themes such as new TV viewing habits and segmented TV. The TF1 group is rolling out a major digital transformation and reinventing the television experience on all screens, giving a stronger direct relationship with its audiences.	– A winning multi-channel, multi-screen strategy Audience share of women aged under 50 purchasing decision-makers  Audience share of 25-49 year-olds  – MYTF1, the Group's 6th channel, and 100% digital: 8 of the top 10 catch-up audiences of 2019 were in MYTF1 MY TF1 – Control over the cost of programmes Change in the cost of programmes (€m) 

* *2020 guidance as announced to the market.*

STRATEGIC PRIORITY	STRATEGIC LEVER	DELIVERED
2 **CONTINUING THE DEVELOPMENT AND CONSOLIDATION OF NEWEN**	The TF1 group is looking to strengthen its production and distribution businesses in France and to pursue an international growth strategy designed to make Newen a major player in Europe: a market leader in fiction, but also present in all audiovisual genres in order to capitalise better on the global demand for content. Without talent there is no content, so Newen will integrate new talents in the creation process while continuing to develop its existing talents and formats.	– Newen revenues driven by international operations* 
3 **CONTINUING THE DEVELOPMENT AND CONSOLIDATION OF OUR UNIFY DIGITAL DIVISION**	In digital, our Unify Division is home to powerful digital communities like Aufeminin, Marmiton and Doctissimo, and is making tailored offers to advertisers: • Unify is building all its brands around three activities: publishers, brand solutions and services, and social e-commerce. • The Unify Advertising airtime sales house is now offering all its media and services brands to clients – both agencies and advertisers.	– Audience of 48 million unique visitors in France across all Unify brands, equating to 80% reach**. – Objectives confirmed to the market: revenue of at least €250 million and EBITDA margin of at least 15% for Unify in 2021.
4 **PUTTING TECHNOLOGY AND DATA AT THE HEART OF OUR PRIORITIES**	We want to take ownership of the new viewing habits emerging from the technology and data revolutions. That means evolving our offers, and measuring the overall effectiveness of each item of content through all the media on which it is exploited. Technology and data must serve the user experience, and offer users an intuitive, cross-channel experience. We intend to use high-powered tech platforms to offer internet users the highest standards of ergonomics and browsing quality. Data is also a central asset in enhancing know-your-customer and refining advert targeting. We use data to generate special moments that reinvent brand differentiation, in compliance with current data protection regulations.	**Owned data** = 27 million registered users*** — MY TF1 — Targets: gender & age **Shared and/or bought data** — Food: relevanc, marmiton (cuisiner rend heureux) — Lifestyle: aufeminin — High Tech: LES NUMERIQUES — Health: Doctissimo

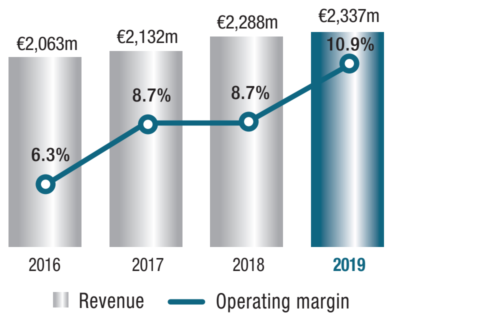
* Based on the geographical location of the entity.

** Médiamétrie/Netrating - Female target audience - Audience figures, December 2019.

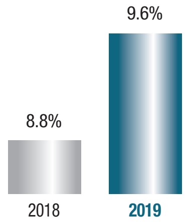
*** As at 31/12/2019

6. OUR PERFORMANCE

CONSISTENT MARGIN GROWTH



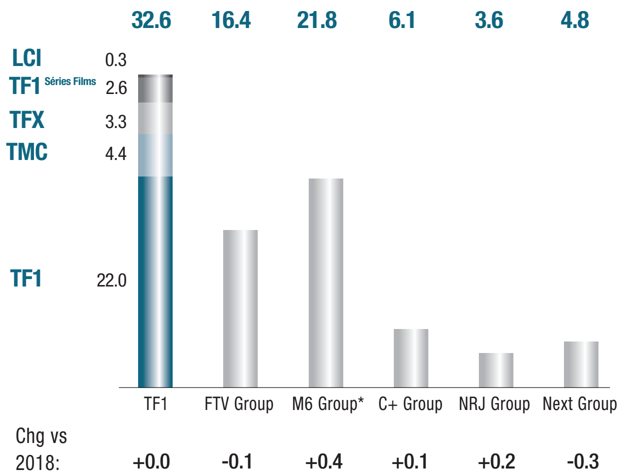
ROCE* ON AN UPTREND



* *Roce = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including non-controlling interests + net debt at period-end.*

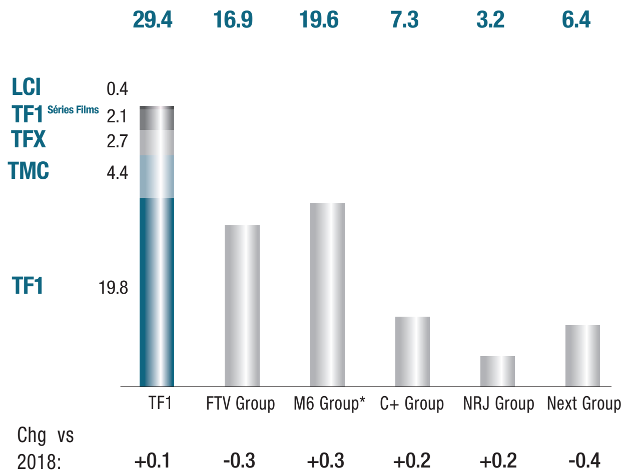
MARKET LEADER FOR TARGET AUDIENCES

Audience shares of women under 50 purchasing decision-makers (in %)

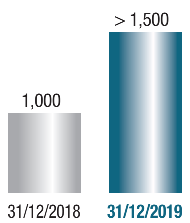


* including Gulli as of September 2019.

Audience shares of individuals aged 25-49 (in %)



ROBUST ORDER BOOK* FOR NEWEN (IN HR)



* *Projects > €1m and excluding Reel One.*

UNIFY DIGITAL BRANDS ATTRACTING EVER MORE USERS*

marmiton – cuisiner rend heureux

22 million unique visitors, or 1 in 3 of the French population.

aufeminin

7.9 million unique visitors

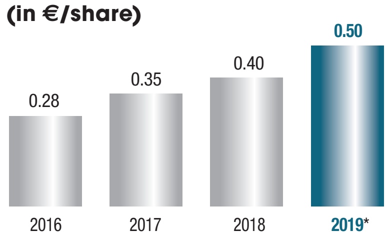
* *Médiamétrie/Netrating - Female target audience - Dec 2019.*

RECOGNITION FOR OUR EXTRA-FINANCIAL PERFORMANCE

MSCI · SAM Now a Part of S&P Global · Corporate ESG Performance Prime, rated by ISS ESG · Gaïa Rating

SHAREHOLDER RETURNS IN LINE WITH ACTUAL RESULTS

Dividend (in €/share)



* *subject to approval at the General Meeting on 17 April 2020.*

7. OUTLOOK

Our 2019 full-year results confirm our capacity to improve our profitability in line with our target.

The TF1 group has sustainable growth momentum, and opportunities – in content, tech and data – to position itself as a major player in the video market.

We have announced the following guidance:

- in 2020 :
  - double-digit current operating margin;
  - cost of programmes of €985 million.
- in 2021 :
  - revenue of at least €250 million from the Unify digital division;
  - EBITDA margin of at least 15% from the Unify digital division;
  - improvement in the TF1 group's return on capital employed[1] relative to the 2018 level (8.8%).

(1) *ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including non-controlling interests + net debt at period-end.*

1

PRESENTATION OF THE TF1 GROUP

1.1 GROUP HISTORY

2019

Authorisations received for the launch of Salto, an OTT platform shared by TF1, France Télévisions and M6

The airtime sales agency Unify Advertising launch

Newen acquires De Mensen in Belgium and Reel One in Canada

Home Shopping is sold off

2018

Distribution agreements signed with Bouygues Telecom, Orange, Iliad and Canal+

TF1 owns 100% of the Newen group

Acquisition of the Aufeminin group

2017

Marketing agreement for TF1 advertising space in Belgium

TF1 signs a distribution agreement with Altice-SFR

Newen takes a majority shareholding in Tuvalu

Sale of stake in AB Group

2016

TF1 acquires a 70% equity interest in the Newen group

Gilles Pélisson is appointed Chairman and CEO of TF1 group

TF1 becomes the 100% owner of the capital of TMC

2015

TF1 sells its stake in Eurosport to the Discovery Communication group

The CSA approves free broadcasting for the LCI channel

2014

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

2012

The TF1 group launches HD1, the Group's fourth free-to-air channel

2011

TF1 groups its digital offer around the federating brand, MYTF1, available on all screens

2010

AB Group and TF1 finalise the transaction aimed at TF1's acquisition of 100% of the NT1 channel and a 40% stake in the TMC channel held by AB Group

2008

TF1 is now available in HD on DTT

2007

TF1 and AB Group finalise TF1's acquisition of a 33.5% minority share in AB Group

2005

TF1 and AB Group finalise the takeover of TMC from the Pathé group

TF1 and AB Group each hold 40% of the channel, with the Principality of Monaco holding the remaining 20%

Digital Terrestrial Television (DTT) arrives in France

2004

TF1 increases its stake in TV Breizh to 71.1%

The TF1 group finalises the acquisition of 100% of the capital of Histoire

2001

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

1996

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

1994

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

The news channel LCI is launched on cable on 24 June

1991

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

1987

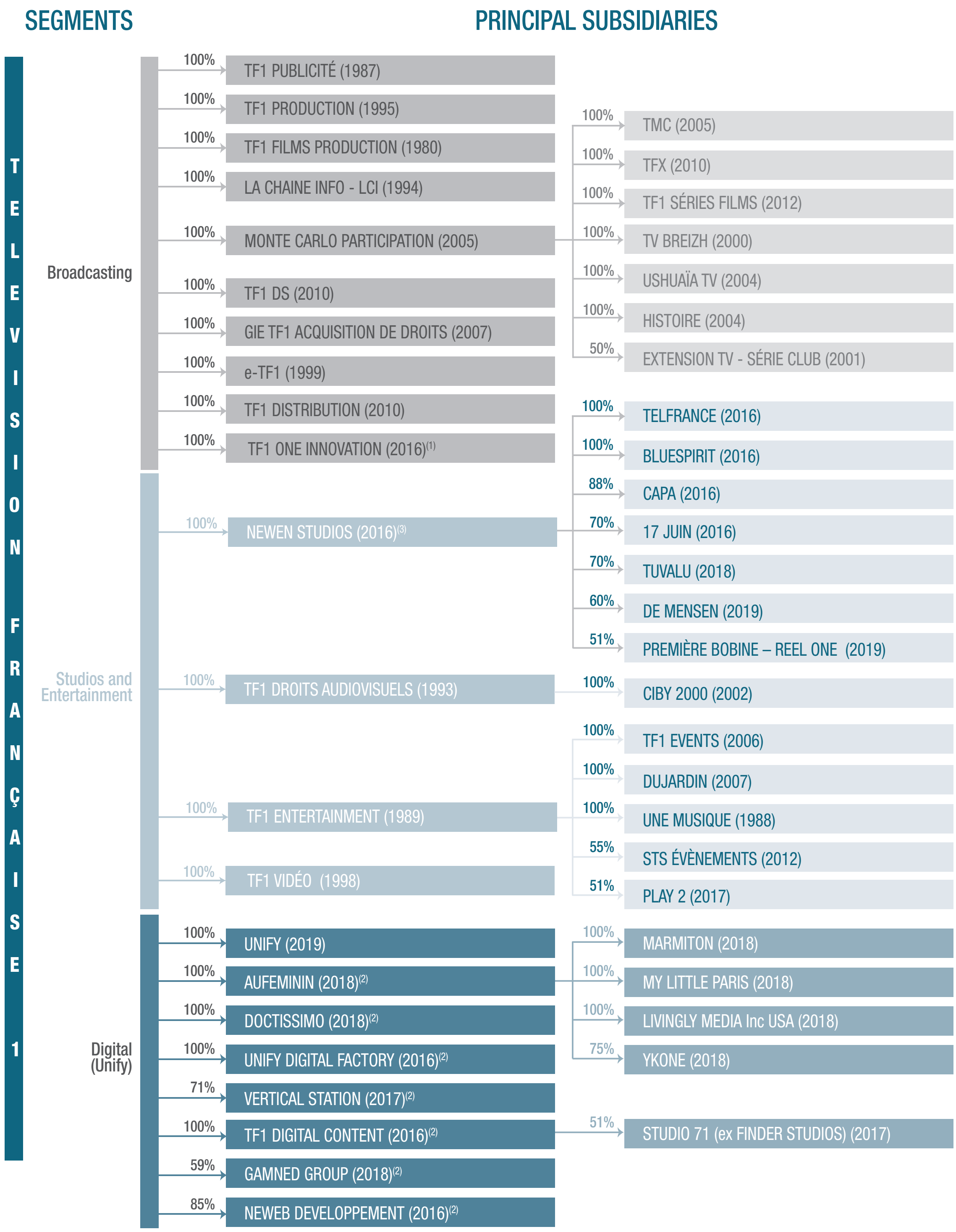
The Bouygues group becomes the operator of the TF1 channel, which is privatised and listed on the Stock Exchange on 24 July

Francis Bouygues becomes the Chairman and Chief Executive Officer of TF1

1.2 SIMPLIFIED ORGANISATION CHART

SIMPLIFIED ORGANISATION CHART OF THE TF1 GROUP AS OF 31 DECEMBER 2019

As % of share capital held



(1) Held via TF1 EXPANSION.
(2) Held via UNIFY.
(3) Group of approximately 100 subsidiaries.

The year of incorporation and/or acquisition is shown in parentheses.

1.3 GROUP MARKETS

1.3.1 TELEVISION IN FRANCE

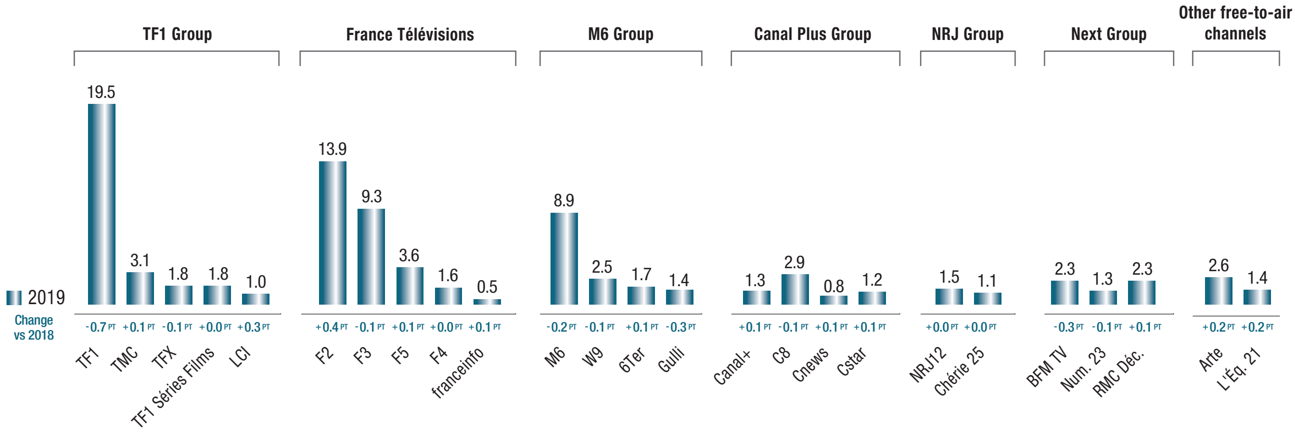
Television is historically the core business of the TF1 group which produces five free-to-air channels (TF1, TMC, TFX, TF1 Séries Films and LCI) and thematic channels (TV Breizh, Histoire TV, Ushuaïa TV and Série Club).

The television market has changed considerably over the last few years:

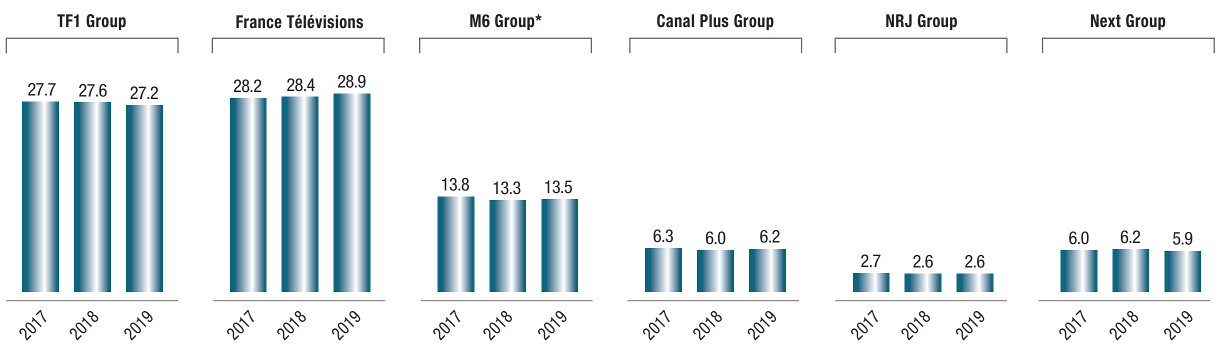
- a growing number of channels with the arrival of DTT in 2005, then HD DTT in 2012, with the total number of free-to-air channels having risen from 6 before 2005 to 27 at present. At the same time, this change has coincided with the arrival of new free-to-air television groups (NextRadioTV, NRJ Group, Canal Plus, and Amaury);
- television equipment has improved significantly with the introduction of internet-connected televisions;
- new personal, mobile screens have appeared via devices such as smartphones and tablets, promoting mobile consumption and the personalisation of media content;
- with generalised access to high-speed internet, these new uses have accelerated the delinearisation of content consumption, although linear consumption remains strong;
- pure player video entities such as Google, Amazon, Facebook, Apple and Netflix have consolidated their position, constituting a new way of broadcasting television content across different screens.

1.3.1.1 FRENCH AUDIOVISUAL LANDSCAPE, EQUIPMENT, RECEPTION MODES AND CONSUMPTION[(1)]

AUDIENCE SHARE OF INDIVIDUALS AGED 4 AND OVER (AS A %)

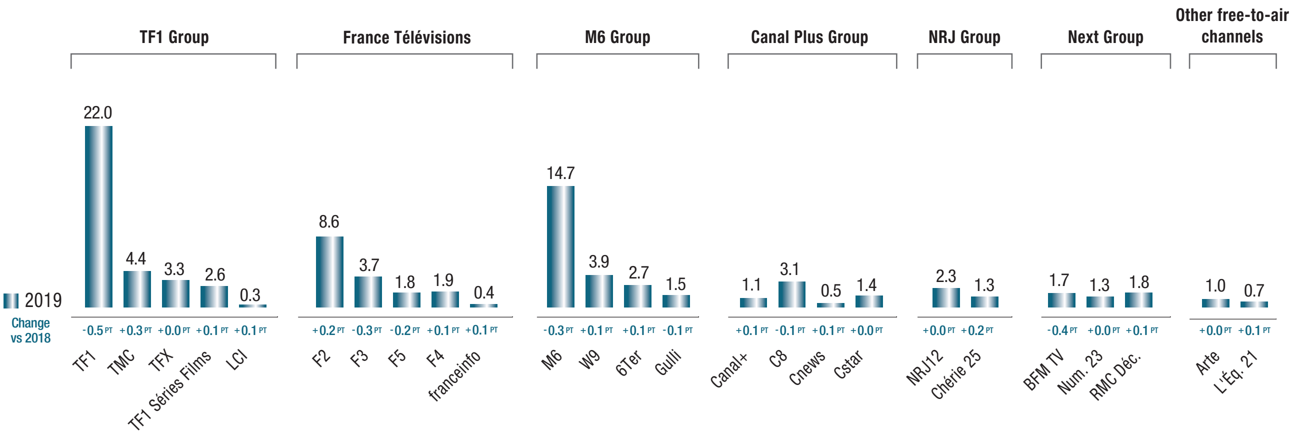


GROUP AUDIENCE SHARE OF INDIVIDUALS AGED 4 AND OVER (AS A %)

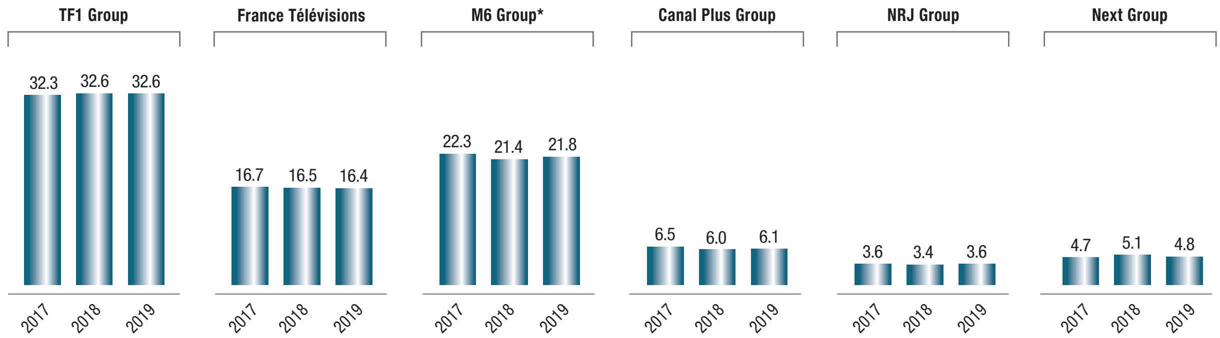


(1) Médiamétrie – Médiamat.
* *Including Gulli since September 2019.*

AUDIENCE SHARE OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS (AS A %)

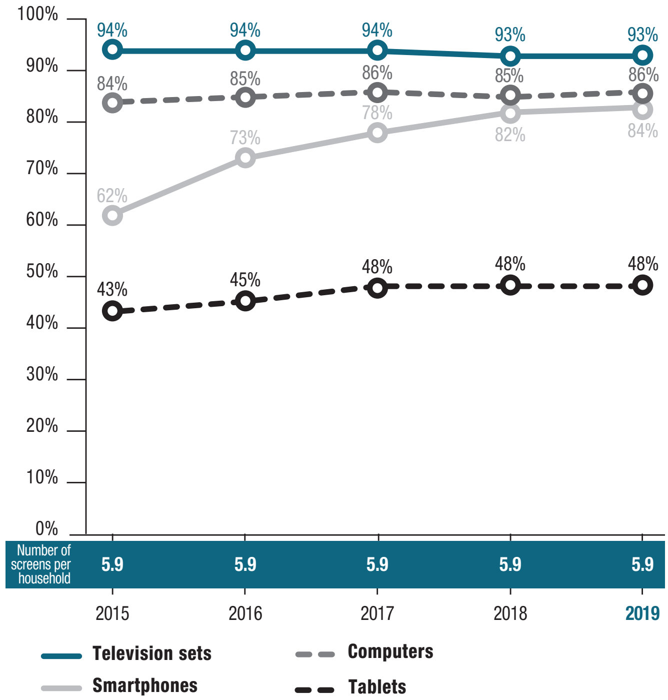


GROUP AUDIENCE SHARE OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS (AS A %)



AUDIOVISUAL EQUIPMENT(1)

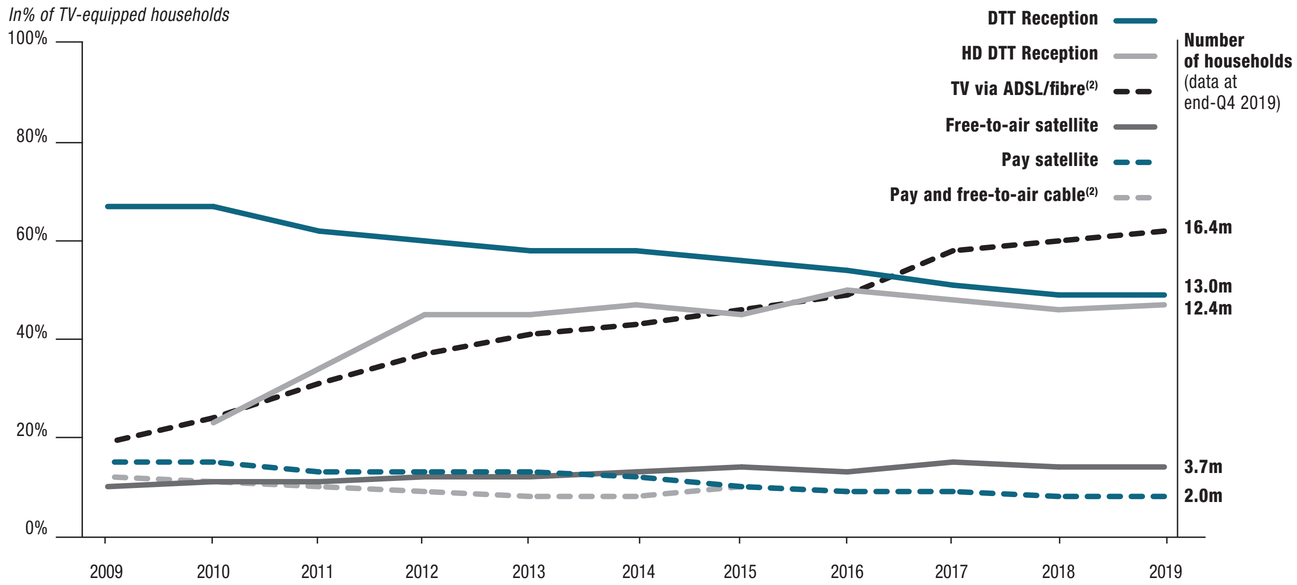
The number of screens per household is stable at six screens, supported by the number of mobile screens (smartphones, computers and tablets). Almost every French household now has a television set: 93% have at least one TV set.



(1) *Médiamétrie – Home Devices and GfK for smartphones – Data at end-Q4 2019.*
* *Including Gulli since September 2019.*

TRENDS IN TELEVISION RECEPTION MODES [1]

Of TV-equipped households, 50% have DTT as a reception mode for television. Thanks to the increase in households eligible for triple-play fixed internet offers IPTV (television via ADSL, cable/fibre), a steady increase is observed with a 62% penetration.

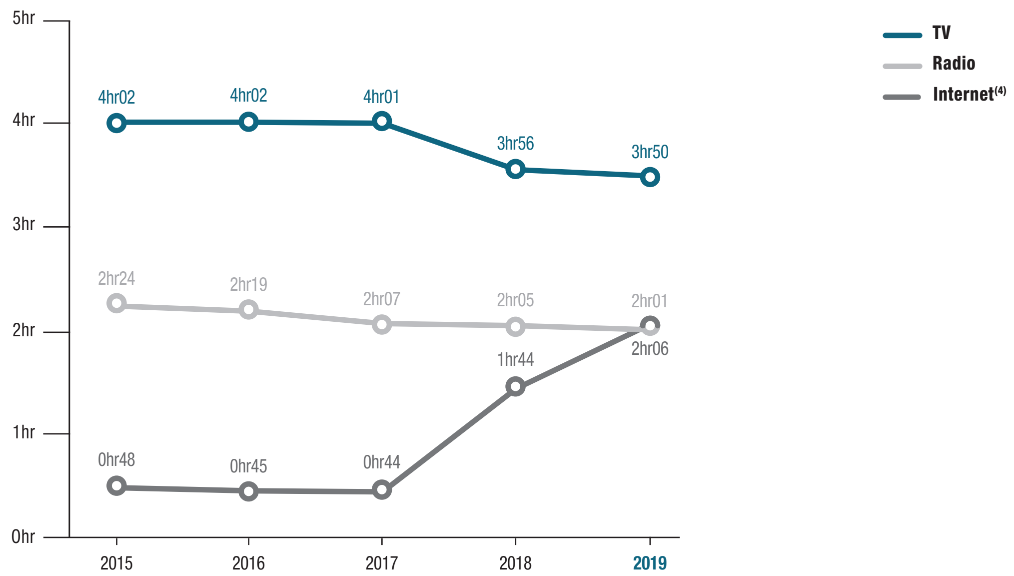


CONSUMPTION

Note: These figures do not include time spent watching live or catch-up television when on the move on other devices (computers, tablets, smartphones, etc.), or outside the home on any device. Médiamétrie estimates such outside the home consumption at 10 minutes. Over the next two years, Médiamétrie will upgrade audience measurement and gradually include mobile consumption and consumption outside the home.

Television – the top media choice[3]

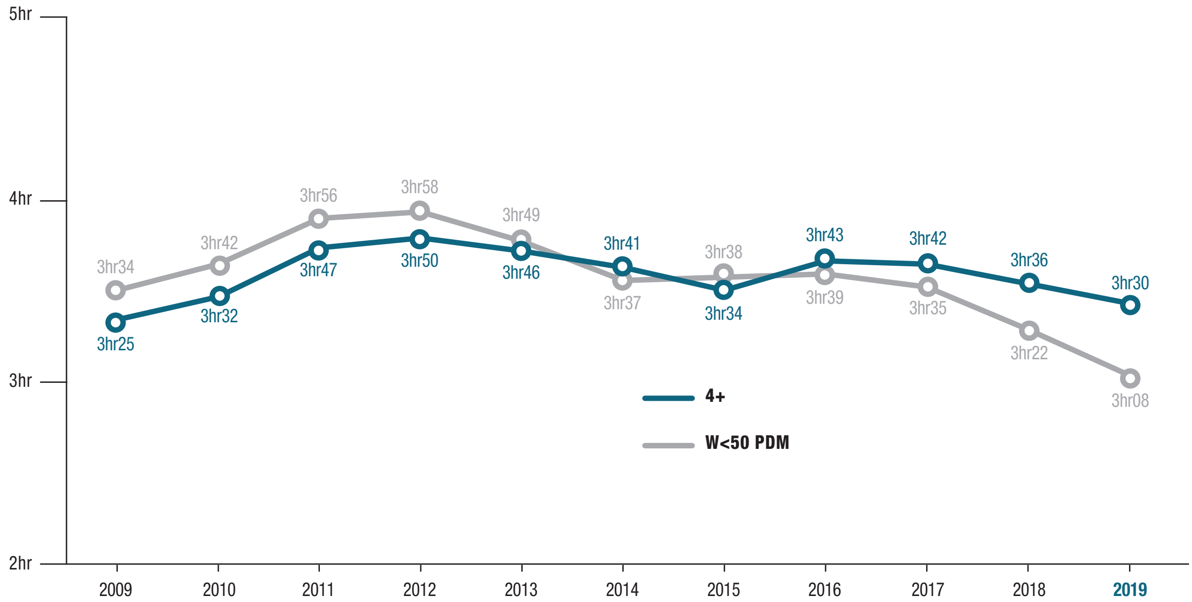
Television is still the most popular media with the French population on a daily basis. An individual aged 15 and over in France watches an average of 3 hours and 50 minutes of television a day, compared with 2 hours and 1 minute for radio and 2 hours and 6 minutes surfing on the Internet.[4]



(1) *Médiamétrie – Médiamat. Data at end 2019.*
(2) *Médiamétrie includes cable via ADSL since 2017.*
(3) *Médiamétrie – Médiamat/Radio/NetRatings.*
(4) *Before 2018, the measurement only included fixed internet. Since 2018, the measurement covers three-digital screen internet. This is time spent surfing, meaning the time spent on the internet excluding watching video.*

TV viewing time remains at high levels[1]

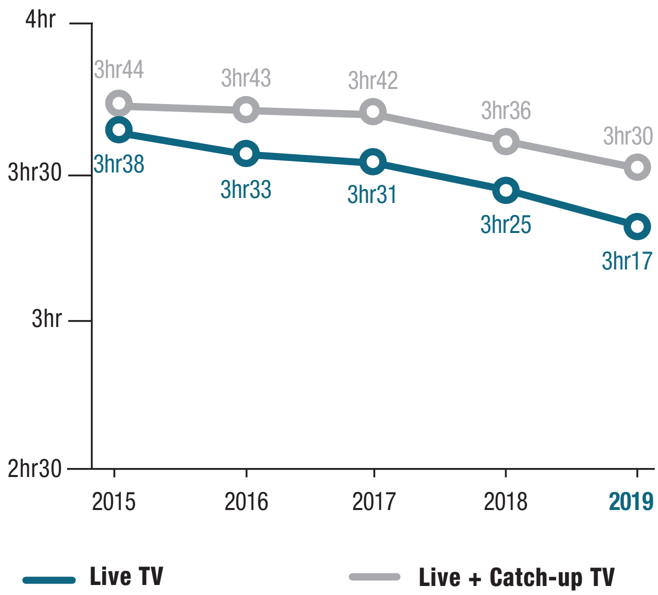
INDIVIDUAL VIEWING TIMES FOR INDIVIDUALS AGED 4 AND OVER AND WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS (W<50 PDM)



The gradual integration of catch-up viewing[2]

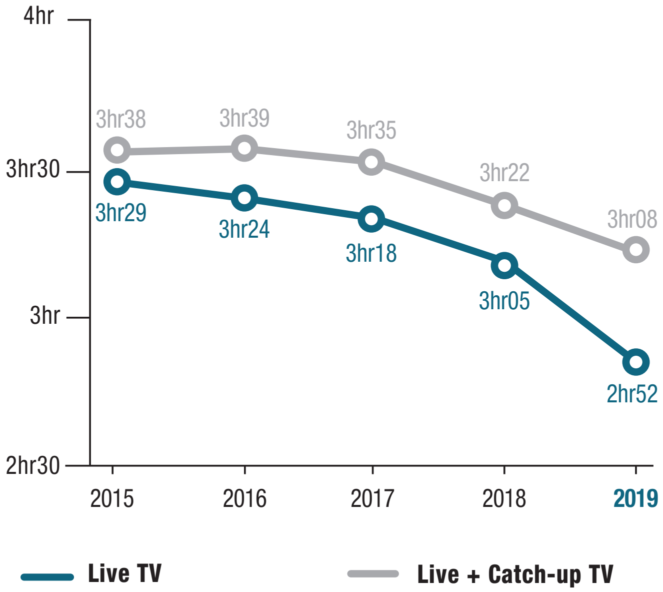
Médiamat audience ratings have since January 2011 integrated private recordings on hard disk, DVD recorders and video cassette recorders. Catch-up TV viewing was included in audience ratings in October 2014.

INDIVIDUAL VIEWING TIMES FOR INDIVIDUALS AGED 4 AND OVER



(1) Médiamétrie – Médiamat. Consolidated data.
(2) Médiamétrie – Médiamat. Live and consolidated data.

LISTENING TIME OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS



Other TV viewing modes(1)

Other TV viewing modes have yet to be integrated in Médiamat ratings. They will be, as of April 2020, and according to Médiamétrie's current estimates, they will amount to more than 10 minutes of consumption per day, or over 5% of consumption.

THE GROWTH IN POPULARITY OF MULTI-SCREEN USAGE

At end December 2019, close to 47 million French citizens aged 15 and over had internet access, equivalent to more than 88% of the population.

The increase in smartphones use continued in 2019 with: 40.6(2) million French citizens using them to go on the internet, whereas connections using a computer (37.6 million (2)) or tablet (19.9 million (2)) were slightly down.

Multi-screen technology has, however, been on offer from the TF1 group for a long time now with 32.7 million French citizens accessing at least once a month the Group's websites and apps via at least one of the three digital screens. In detail, by device:

- 12.4(2) million French citizens connect via their computer(3);
- 24.2(2) million French citizens connect via their smartphone(3);
- 7.3(2) million French citizens connect via their tablet(3).

The TF1 group channels, through their inclusion in the MYTF1 digital brand (TF1, TMC, TFX and TF1 Séries Films) are achieving good digital audience ratings, whatever the screen:

- 13.7 million French citizens watch one of the TF1 group's channelsvia their television set(4);

and digital screens:

- 5.0 million French citizens watch videos on MYTF1 via their smartphone(5);
- 3.1 million French citizens watch videos on MYTF1 via their computer(5);
- 1.3 million French citizens watch videos on MYTF1 via their tablet (5).

The time spent per video viewer on the MYTF1 website is 2 hours and 12 minutes(1) on all three screens (and 3 hours and 6 minutes(5) on computers). MYTF1, with 8.3 million(5) unique video viewers, is the leading video provider of the generalist TV broadcasters.

(1) Médiamétrie - Global TV -15+ individuals.
(2) Global Internet Panel – Médiamétrie – December 2019 – Individuals aged 15+.
(3) Connected at least once to the device.
(4) Médiamat – Médiamétrie Data – December 2019. Individuals aged 15+.
(5) Global Internet Panel – Médiamétrie – December 2019 – Individuals aged 15+.

1.3.1.2 TRENDS AND CHANGES IN THE TELEVISION MARKET

SLOWDOWN IN THE FRAGMENTATION OF FREE-TO-AIR TELEVISION AND ONGOING RISE IN NON-LINEAR CONSUMPTION

The number of free-to-air channels in France is not expected to change significantly in the coming years.

In addition, the deployment of fibre optic should continue to favour an increase in the number of IPTV-eligible households.

Lastly, non-linear consumption of content should continue to advance, due to the improvement in available speeds on mobiles and tablets (widespread availability of 4G and arrival of 5G) as measured by Médiamétrie to be completed to account for the new uses in the Médiamétrie measurement.

1.3.2 ADVERTISING MARKET

1.3.2.1 CHANGE IN NET PLURIMEDIA INVESTMENTS IN 2019[1]

Note:

- *on the date of publication of this report, IREP's results in the BUMP – Baromètre Unifié du Marché Publicitaire (Unified Survey of the Advertising Market) for 2019 had not yet been published. The data provided below relate to the first nine months of 2019, while the data from the Observatoire de l'e-pub (Observatory of e-advertisement) for SRI covered the whole of 2019*;
- *the method for reporting to IREP changed in 2019: from now on, revenues from each media include the revenues from media brand extension into digital, all formats, all distribution methods combined, excluding any 100% digital diversification (e.g. mytf1.fr and eurosport.fr are included in television, but Studio71 is not)*;
- *the collection and calculation method for SRI changed in 2019; 2018 records have been restated;*
- *SRI data also include declared information regarding the digital extensions of historical media*.

PLURIMEDIA ADVERTISING REVENUES – NET DATA

Net plurimedia revenues, first 9 months	2019 net revenues *(€m)*	Change: 2019 vs 2018 *(in %)*
Television	**2,368**	**-0.8**
Of which sponsoring	*216*	*0.4*
Press	**1,185**	**-4.1**
Outdoor advertising	**868**	**4.0**
Radio	**385**	**1.9**
Cinema	**60**	**0.4**
TOTAL	**4,866**	**-0.6**

Net annual digital investments 2019	2019 net revenues *(€m)*	Change: 2019 *vs* 2018 *(in %)*
Digital	**5,862**	**12**
Of which Search	*2,478*	*9*
Of which Social	*1,447*	*21*
Of which Display	*1,165*	*13*
*Of which Other Levers**	*772*	*7*

** Affiliation, comparators and emailing.*

Over the first three quarters of 2019, plurimedia advertising revenues were stable (-0.6%) at €4,866 million. Radio showed good momentum, up by 1.9%, as did outdoor advertising, up by 4.0%. Television stayed virtually stable at -0.8%, which was explained by the slowdown in increased investments in sponsorship after two years of sharp increase, as well as the strong basis for comparison effect of 2018 (due to the Football World Cup and Olympic Games). Press is still showing a decline, despite including its digital revenues.

Digital remains the number one media investment for advertisers in 2019, with €5,862 million, and the strongest increase of all media (+12%). While search remained the major segment, claiming 42% of digital revenues, social and display were the fastest growing, up by 21% and 13% respectively.

(1) BUMP – First nine months of 2019/23rd edition of the Observatoire de l'e-pub (Observatory of e-advertisement) from SRI.

1.3.2.2 TELEVISION IN 2019[1]

GROSS MARKET SHARE OF TV CHANNELS – ALL TV (EXCLUDING SPONSORING)

	Year 2019	Year 2018	Year 2017
Free-to-air TV channels	**92.1%**	**92.7%**	**93.5%**
TF1 Pub	**41.7%**	**41.5%**	**41.5%**
TF1	28.5%	29.0%	29.5%
TMC	5.7%	5.6%	5.3%
TFX	3.7%	3.7%	3.9%
TF1 Séries Films	3.0%	2.6%	2.2%
LCI	0.8%	0.6%	0.7%
M6 Publicité	**22.0%**	**23.0%**	**23.5%**
M6	16.1%	17.0%	17.5%
W9/6ter(1)	5.9%	6.0%	6.0%
France Télévisions Publicité	**4.8%**	**4.7%**	**5.1%**
France 2	3.2%	3.1%	3.1%
France 3	1.2%	1.2%	1.3%
France 4	0.0%	0.0%	0.3%
France 5	0.4%	0.4%	0.4%
France Ô	0.0%	0.0%	0.0%
Group Canal Plus Brand Solutions	**8.8%**	**8.9%**	**9.0%**
C8	N/A	6.0%	6.0%
C8Star+(2)	7.8%	N/A	N/A
Cstar	N/A	1.9%	1.9%
CNews	1.0%	1.0%	1.1%
Next Média Solutions	**7.1%**	**7.0%**	**7.3%**
BFM TV	N/A	3.4%	3.9%
BFM TV Max(3)	3.5%	N/A	N/A
RMC Power TNT(4)	3.5%	N/A	N/A
RMC Story	N/A	1.2%	0.9%
RMC Découverte	N/A	2.4%	N/A
RMC Découverte(s)(5)	N/A	N/A	2.5%
NRJ Global	**4.7%**	**4.5%**	**4.3%**
NRJ12	3.2%	3.1%	3.1%
Chérie25	1.5%	1.4%	1.2%
Lagardère Publicité	**1.3%**	**1.5%**	**1.4**
Gulli(6)	1.3%	1.5%	1.4%
Amaury Média	**1.7**	**1.5**	**1.4**
L'Équipe 21	1.7%	1.5%	1.4%
Pay-TV channels	**7.9%**	**7.3%**	**6.5%**
TOTAL TELEVISION	**100.0%**	**100.0%**	**100.0%**

(1) W9 and 6TER are marketed jointly in the "Puissance TNT" package.
(2) In 2017 and 2018, Canal+ channels and C8 were marketed jointly in the "C8+" package. In 2019, Cstar was included in the package that became "C8Star+".
(3) In 2019, all of BFM TV's spots, as well as those of the morning news shows RMC Découverte (Bourdin Direct) and RMC Story (Good Morning Business), were bundled in the "BFMTV MAX" package.
(4) In 2019, RMC Découverte and RMC Story, not including the morning news programmes, were bundled in the "RMC Power TNT" package.
(5) In 2016 and 2017, RMC Découverte, National Geographic Channel, Discovery Channel and Discovery Science were marketed jointly in the "RMC Découverte(S)" package. In 2018, since Next Média Solutions is no longer marketing the Discovery channels or National Geographic, RMC Découverte is the only channel.
(6) Gulli was bought by the M6 Group in September 2019, but all of the channel's advertising revenues are still associated here with Lagardère.

(1) Gross advertising spend – extraction done on 20/01/2020 – Kantar Media – MXplorer – excluding TV sponsorship.

TV MARKET (EXCLUDING SPONSORING)

In 2019, TF1 confirmed its leading position with 28.5% of gross advertising revenues; the channel thus widened the gap with its top competitor M6, which fell back to 16.1%. The TF1 group's free DTT channels all showed an increase in revenues, with a combined 13.2% total of the TV market (up 0.7 points on 2018). In all, TF1 Pub confirmed its place as a clear market leader with gross revenues of €5.4 billion, up by 3.8% on the previous year, ahead of M6 Publicité, Canal+ Brand Solutions, and Next Média Solutions.

1.3.2.3 DISPLAY IN 2019[1]

In 2019, display – stated exclusive of social for the first time – showed better momentum than digital.

While all display segments were growing, the most promising were those in which TF1 Pub is positioned:

- Digital video became the leading display format, ahead of traditional, with €491 million (+19%). Video revenues grew very fast on mobile (+26%) and IPTV (+27%);
- Special Operations, at +20%;
- Digital audio, which posted the strongest growth at +32%.

In addition, the weight of programmatic in video revenues continued to grow in 2019 (+26%) and now makes up 70% of revenues for the segment.

It is essential to note that display inventory, particularly video display, is increasingly dataised: in 2019, sold data inventory made up 25.4% of video display revenues in the market. The most attractive data for advertisers were those provided by TF1 Pub: thus, the TF1 group's emphasis on data collection (DMP, log-in) enabled it to provide high-quality, widespread sociodemographic data (27 million logged on at end 2019). Furthermore, thanks to the strategic partnerships forged by our advertising airtime sales network, this latter also offers advertisers highly sought-after prospective, transactional, and/or geolocalised data.

Thus, whether in terms of commercial offers, formats, purchasing tools or targeting options, TF1 Pub is positioned on the digital market's most attractive sectors.

1.3.2.4 TF1 PUB: A KEY PLAYER IN THE TOTAL VIDEO MARKET

2019: ACCELERATION IN ADVANCED VIDEO AND AUDIO

In 2019, advertising airtime sales, as announced to the market at the start of the 2018 season, accelerated in three areas that constitute the television of tomorrow:

- data: providing the market with an expanded data inventory that is available on four screens (more than 700 targets already), advertising airtime sales had broadcast more than 1,500 campaigns in 2019, generating data revenues that were 80% higher than in 2018. In addition, Unify allowed TF1 Pub to fill out its data panel and offer its advertisers substantial affinity segments (2.4 million "Gluten-Free" impressions and 1.5 million "Quit Smoking" impressions);
- convergence of offers: after setting up a traditional TV/Digital offer ("five-screen CPM"), advertising airtime sales added to its line-up of cross-media mechanisms: thanks to a fruitful collaboration with Unify, TF1 Pub generated significant synergies. Special operations, new formats, creative screens, in all, there were 12 transactions sold, so advertisers were able to place their brands in an original way, on identified thematic affinity verticals.

  Since October 2019, TF1 Pub has also been proposing a digital audio offer to advertisers, allowing them to be present on the channels of Indés Radios, which are listened to on digital platforms (20 million active listeners[1]) The advertising airtime sales network continued to adapt to consumer practices and trends in all media;
- offer accessibility: following the BOX in 2014, TF1 Pub launched the platform version for SMEs and SMIs in 2019: BOX Entreprises. This platform, which is user-friendly and educational, opens up the advertising sales offer to new advertisers and allows TF1 Pub to accelerate in TV programmatic.

The complementarity between TF1 Pub and Unify allows all of the TF1 group's offers to cover more than 96% of French citizens aged 15 and above[2].

2020-2022: TF1 PUB, TV ADVERTISING SALES (TOTAL VIDEO)

At the start of the 2019 season, the advertising sales network launched "Cap 2022", its transformation plan for 2020-2022. It now intends to position itself as a superior advertising sales network, capable of serving the interests of all advertisers on all media and in all territories. To embody this ambition, the advertising sales network now has a new graphic identity and is becoming TF1 Pub.

This transformation will be visible as early as 2020. First, through its new convergent, customer-centric organisation, the cornerstones of which are strengthening advertiser relationships, creating a convergent back office and IS and a consolidated Plurimedia Market Penetration Division. In addition, TF1 Pub is accelerating convergence of purchasing modes *via* the One PTV project, which enables programmatic buying in linear TV, the first such option in Europe.

In this way, the advertising sales network will be ready to seize the opportunities brought by changes in the TV advertising market in 2020. The new audience measurement by Médiamétrie, the Médiamat 2020, due to begin operation in April 2020 will report actual consumption of TV content, because it will cover the four-screen audience, including outside the home. In addition, with segmented television, which should be authorised by decree in the second quarter of 2020, TF1 Pub will be able to expand its offer to its current clients and reach a new type of advertiser, the long tail.

(1) ACPM/OJD Digital radio channels - 12.2019.
(2) Étude Cross-Média (Cross-Media Study) – 2019-1 – Médiamétrie.

1.3.3 RIGHTS AND CONTENT MARKET

AUDIOVISUAL PRODUCTION

TF1 is mainly present in content production via the Newen group.

This sector has undergone significant changes over the last few years worldwide.

Faced with a television content market that has experienced increased demand in recent years, as well as a consolidation around players like Endemol Shine, Banijay and ITV Studios, TF1 acquired the production company Newen Studios, wholly owned since July 2018.

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 30% of its obligation to invest in proprietary audiovisual production from dependent companies (ownership of one share or more).

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

FILM PRODUCTION AND DISTRIBUTION OF FILM RIGHTS[1]

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

- financing, production and/or acquisitions: TF1 Films Production and TF1 Droits Audiovisuels (under the TF1 Studio label);
- cinema distribution: TF1 Droits Audiovisuels – under the TF1 Studio label – with external partners;
- distribution to French and international distributors: TF1 Droits Audiovisuels (under the TF1 Studio label);
- physical and digital video publishing: TF1 Vidéo;
- free-to-air channel distribution: TF1, TMC, TFX and TF1 Séries Films;
- catalogue distribution: TF1 Droits Audiovisuels; TF1 Films Production.

Through its TF1 Films Production subsidiary, the Group co-produces and pre-buys mostly family entertainment films, 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.

Through its TF1 Droits Audiovisuels subsidiary, which operates under the TF1 Studio label, the Group co-produces or buys the full rights to films in order to sell them on all French and international markets. The editorial policy prioritises entertainment, popular, event-based and ambitious films.

(1) CNC.

In France, the operating cycle for a cinematic work is regulated by the media chronology of 21 December 2018, shown below:

MEDIA CHRONOLOGY

DURATION AFTER THEATRICAL RELEASE	4 months	8 months	17 months	18 months	22 months	24 months	27 months	29 months	30 months	36 months	44 months
	DVD/Blu-ray – Pay VOD										
		1st Pay TV window (cinema services) *agreements with professional organisations*									
			2nd Pay TV window (cinema services) and SVOD1 *agreements with professional organisations*								
				1st Pay TV window (cinema services) *no interprofessional agreement*							
					Free-to-air and Pay TV (excluding cinema services) *where the service applies co-production commitments of a minimum of 3.2% of revenue*						
						2nd Pay TV window (cinema services) and SVOD1 *no interprofessional agreement*					
									Free-to-air and Pay TV (excluding cinema services) *in other cases* **and SVOD2**		
										SVOD	
											free VOD

Cinema attendance rose by 6% in 2019 to reach 213 million, the second highest level in 53 years. For the sixth consecutive year, attendance was above 200 million tickets.

French films achieved attendance of 75 million in 2019, a decline of 6% from 2018.

The market share for French films declined to 35% compared to 39% in 2018.

The table below shows the best attended films in 2019:

Attendance for American films rose by 33% to 118 million, the highest level since 1957 with a market share of 55% as compared to 44% in 2018.

In 2019, 16 French films achieved attendance of over one million (compared to 11 in 2018).

The biggest French hit was *Qu'est-ce qu'on a encore fait au Bon Dieu?* with 6.7 million tickets (film co-produced by TF1 Films Production).

Film	Country	Tickets sold *(in €m)*
The Lion King	United States	9.8
Avengers: Endgame	United States	6.8
*Qu'est-ce qu'on a encore fait au bon dieu?**	France	6.7
Frozen 2	United States	6.6
Joker	United States	5.6
Toy Story 4	United States	4.4
Star Wars: Episode 9, The Rise of Skywalker	United States	4.3
How to Train Your Dragon: The Hidden World	United States	3.4
Captain Marvel	United States	3.3
Spider-Man: Far From Home	United States	3.2

CBO Box Office.
** Films co-produced by TF1 Films Production.*

1.3.4 THE ON-DEMAND VIDEO MARKET

The pay digital video market is structured around three types of Consumer Products:

- Video on Demand, (or VOD);
- permanent downloads (or EST, Electronic Sell-Through);
- unlimited access subscription (or SVOD, Subscription Video on Demand).

Video on demand subscription service was once again especially dynamic in France in 2019. The CNC estimates that SVOD consumer spending came to €802 million incl. VAT in France in 2019, up by 64% on 2018. At the same time, the market shrank to €106 million (-20% over one year) and rose to €98 million (+15% over one year).

Thus SVOD made up 80% of the pay digital video market and 58% of video spending (physical and digital).

1.4 GROUP ACTIVITIES

1.4.1 GROUP ACTIVITIES BY SECTOR

1.4.1.1 BROADCASTING

TF1

In a highly competitive but nonetheless controlled environment, TF1 confirmed its position in 2019 as a major mainstream and event-based channel with an unmatched capacity for featuring all genres for all audiences, specifically young viewers. As the leader with a 22% audience share among W<50 PDM, TF1 claims 84 of the top 100 television audiences (including the top spot). In addition to its must-watch position on news, TF1 has distinguished itself with its successful risk-taking, including the Women's Football World Cup, *Le Bazar de la Charité* and *Mask Singer*. By drawing nearly 24 million TV viewers per day to its broadcast, TF1 is the number-one space for creating social bonds in France.

TMC

In 2019, TMC confirmed its leading channel position on DTT. It drew 24 of DTT's 50 best audiences and had a record year on its target audiences, with a 4.4% audience share among 25-to-49-year-olds, CSP+ individuals, and W<50 PDM. With strong performances from *Quotidien* and *Burger Quiz*, TMC confirmed its status as a modern, premium, not-to-be-missed channel. With strong cultural links, TMC stands out with its concert rebroadcasts and a highly competitive cinema offering.

TFX

TFX is the TF1 group's channel targeting a Millennial audience. In 2019, TFX was once again the third most successful TNT channel, with a 3.7% audience share for individuals aged 15 to 24 and 3.3% among W<50 PDM, as a result of its variety of generational programmes which have been the key to its success, in particular TV reality shows and true life story programmes.

TF1 SÉRIES FILMS

TF1 Séries Films is the TF1 group's 100% cinema-series channel. In 2019, TF1 Séries Films had its best year on record among W<50 PDM with a 2.6% audience share and 2.1% of 25-to-49-year-olds. The growth in popularity of the triad of cinema, French drama and US series, drove the channel's very balanced growth in terms of female audiences.

LCI

As the leading French news channel, LCI celebrated its 25th anniversary in 2019. Of all the French news channels, LCI is positioned as the debating channel, hosted by major signings such as David Pujadas, Pascale de la Tour du Pin, Roselyne Bachelot, Audrey Crespo-Mara, Pascal Perri, Arlette Chabot and well-known columnists. In 2019, three short years after moving over to free-to-air DTT, LCI has been the number-two news channel by audience, with a 1% audience share among individuals aged 4 and over. The same year, the TF1 group's 24-hour news channel saw the strongest gains in audience of any 24-hour news channel in the three priority target areas (individuals aged 4 and over, 25-to-49-year-olds and CSP+ individuals). LCI is now a well-known brand across all platforms, its digital version lci.fr is one of the top news websites in France.

MYTF1

MYTF1, the TF1 group's digital platform, offers a new 100% video experience, providing all syndicated programmes for broadcasting in replay. MYTF1, which boasts more than 23 million users, is available on computer, smartphone or tablet, and bundled in the television offer (IPTV) of the main French fixed internet service providers. In 2019, the Group's digital video audiences increased to reach 1.8 billion videos viewed.

TV BREIZH

TV Breizh remains the channel of heroes and the most popular series and offers audiences the option of watching or rewatching their favourite series like *Columbo*, *Hercule Poirot*, *Tandem*, and *Profilage*. As the leading channel in the pay universe with, in 2019 a 0.7% audience share among individuals aged 4 and over, TV Breizh reworked its identity to improve its legibility.

HISTOIRE TV

In 2019, Histoire TV adopted a new identity, now visually reflecting its promise of openness. A true generalist channel among the thematics, the channel more than ever intends to present living history in all its aspects, through a great diversity of formats and perspectives. Annually, more than 300 hours of new programming are available to the nine million households subscribing to the channel across the French-speaking world. In 2019, the channel had market share of 0.1% among individuals aged 4 and above.

USHUAÏA TV

The only channel 100% dedicated to protecting the planet, a theme that has never been more important to French citizens, Ushuaïa TV adopted a new identity in 2019 that is directly inspired by the *Ushaïa Nature* programme. Distributed in more than 30 countries and received by more than 12 million subscriber households, in 2019 the channel had an auience share of 0.1% among individuals aged 4 and above.

SERIE CLUB

Co-owned 50/50 by TF1 and M6, Série Club is broadcast via cable, satellite and the main independent networks.

TF1 PUB

TF1 Pub, the leading plurimedia advertising airtime sales network in France, is the business partner for advertisers and agencies. It markets the most complete product on the market for meeting targeting and coverage requirements. TF1 Pub markets the TF1 group's free-to-air and Pay-TV channels and its digital media (MYTF1, TFOU and lci.fr). TF1 Pub is also the third-party advertising airtime sales unit for radio (Les Indés and M Radio).

Thanks to its content marketplace, a gateway to a multi-screen media product, TF1 Pub creates custom 360-degree systems, drawing on all the Group's assets (programmes, artists, licenses, shows, etc.) to add value for its clients.

With the goal of supporting and positively inspiring the advertising market, TF1 Pub deploys all of its expertise to offer innovative solutions to brands based on awareness, affinity and influence.

TF1 PRODUCTION

TF1 Production is a subsidiary of the TF1 group, which produces programmes for the TF1 group channels. TF1 Production activities primarily focus on unscripted and sports programmes.

TF1 FILMS PRODUCTION

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

These investments allow TF1 to contribute 3.2% of advertising revenue to co-produce European films (of which 2.5% for works produced in French).

1.4.1.2 STUDIOS AND ENTERTAINMENT

NEWEN

Created in 2008, Newen is the audiovisual production and distribution leader in France, with a unique capacity to develop all formats, all registers and all genres: from the daily dramas of prime-time access to headline-making series, to animated features, to prestigious documentaries, to fact-based entertainment, to infotainment magazines and TV movies. Since joining the TF1 group, Newen has accelerated its international expansion, acquiring new entities in the Netherlands (Pupkin), Denmark (Nimbus), Belgium (De Mensen), Canada, the United States and the United Kingdom (Reel One Entertainment). Newen is one of the top audiovisual distributors in France and abroad, with more than 1,200 hours produced per year and a catalogue of 5,500 hours internationally, sold in more than 130 countries to all players in the industry, from public and private channels to platforms.

TF1 STUDIO

TF1 Studio is the TF1 group's in-house cinema brand, bringing together the activities of TF1 Droits Audiovisuels, TF1 International and TF1 Vidéo. TF1 Studio's role is to initiate, co-produce or acquire new cinema projects, showcase films and support talent throughout the value chain: cinema/e-cinema releases, video, VOD, TV/SVOD sales in France, international sales, etc.

New digital broadcasting methods are at the heart of the studio's business activity which is the home for MYTF1VOD, the French VOD service and the SVOD service Jeunesse TFOUMAX.

TF1 Studio is also committed to promoting a catalogue of almost 1,000 heritage films.

TF1 ENTERTAINMENT

TF1 Entertainment is a high-profile player in many segments of the entertainment business: licensing, games/toys, collections, music, and shows.

With its highly developed expertise in creating, exploiting and distributing brands for more than 20 years, TF1 Entertainment owns and represents premium assets. TF1 Entertainment aims to back innovative and ambitious projects, create new products and new events, and develop new talent.

1.4.1.3 DIGITAL UNIT (UNIFY)

In France and internationally, Unify handles the TF1 group's digital business. The unit is made up of fifteen-odd media and service brands, including Aufeminin, Marmiton, Doctissimo, MyLittle Paris, Ykone and Gamned!. As a leader on the health, food and well-being verticals, Unify uses its brands to reach an audience of 48 million unique visitors in France and more than 100 million unique visitors abroad. Unify is developing all of its brands around three activities: digital content publishing, expertise in service of the brands to make them more effective and e-commerce around engaged communities. Unify Advertising is the airtime sales unit and single point of entry to all of its media and service brands, for its clients, agencies and advertisers.

1.4.2 SIGNIFICANT HOLDINGS

SERIE CLUB

Co-owned 50/50 by TF1 and M6, Série Club is broadcast via cable, satellite and the main independent networks.

SALTO

Salto is a public limited company owned equally by the TF1, M6, and France TV groups, created to operate the French OTT platform which is scheduled to launch in September 2020.

CHAMPLAIN MEDIA

Champlain Media is a Canadian group 25% owned by Reel One (itself a 51% owned subsidiary of Newen). Champlain Media specialises in audiovisual production – specifically TV movies – as well as programme distribution in Canada.

1.5 OBJECTIVES AND STRATEGY

1.5.1 MARKET TRENDS ARE A SOURCE OF OPPORTUNITY

OMNIPRESENCE OF GLOBAL PLAYERS

CONTEXT

The GAFAN companies (Google, Apple, Facebook, Amazon, Netflix) and YouTube are strengthening their central role in the direct to consumer relationship, across the entire value chain. They are capturing the vast majority of the growth and have unrivalled spending power in content, technologies and innovation. The dynamism of these giants, stimulated by the competition between them, is leading to the creation of duopolies and oligopolies in some markets, such as digital advertising (Google, Amazon, Facebook) and SVOD (emergence of Netflix, Amazon and Apple with proprietary platforms).

RESPONSES

In order to compete with these global players, the traditional players are consolidating to grow bigger. In the United States, media giants are emerging, as witness the takeover of Warner Media by AT&T, of 21st Century Fox by Disney, and of Sky by NBC-Comcast. This consolidation of the American market is leading to the arrival in Europe and France of new OTT SVOD offers like Disney+. In OTT, there are more and more joint ventures between European players, such as the 7TV project in Germany between ProSieben and Discovery, LOVEStv in Spain between Mediaset España, RTVE and Atresmedia, and RTL's pan-European project. The TF1 group has strengthened itself by developing its production arm (Newen) and creating a digital arm, Unify. This was also the logic behind the launch of the Salto platform with the France Télévisions and M6 groups.

WAYS OF CONSUMING VIDEO ARE CONTINUING TO CHANGE

CONTEXT

Video consumption is increasing massively for all targets, especially on SVOD, with 4.5 million daily users at end 2019[1]. The decline in individuals' daily viewing time is continuing, with consumers turning more and more to catch-up offers, 3 screens and SVOD. The public is confirming its appetite for premium delinearised content, and content designed for platforms. In this environment, market players are creating or reinforcing their OTT offers, both in the United States (Disney+, Hulu, HBOMax, Peacock) and in Europe.

RESPONSES

Upstream of the value chain, the pressure to acquire talents and supply exclusive local content is growing. In response, the TF1 group has beefed up its production capacity for premium content via its subsidiary Newen, and is also producing content for platforms like Netflix and Amazon. The Group has achieved excellent performances in all programme types, demonstrating its unique ability to attract mass audiences for powerful must-see programming, including French drama, entertainment, news and sport. In digital, TF1 is continuing to build direct to consumer relations, and now has a complete and coherent range built around MYTF1 in OTT, and via partnerships with distributors. Salto will ultimately complement this positioning.

THE USER EXPERIENCE IS KEY

CONTEXT

Digital players and the transformations they achieve in the customer experience are raising the bar ever higher. Users are demanding an experience that is personalised, fluid, omni-channel and always available, so they can consume their preferred content more easily. In this context, artificial intelligence and data lie at the heart of the customer loyalty dynamic. These tools improve the user experience via innovative interfaces that are becoming ever more technologically sophisticated, providing a setting for affinity content that drives engagement. For advertisers, the digital players' recasting of advertising solutions enhances the service component of the experience, while the new formats offered to consumers are less intrusive and more innovative. Disruption is also likely to come from voice (connected speakers, personal assistants).

RESPONSES

Historically we have provided a broad, high-octane mix of news and entertainment to satisfy mass audiences across all platforms. Now, in response to users' new demands, we are constantly innovating to reinvent the direct relationship with the consumer. On our various platforms, the objective is to offer a coherent user journey by serving all consumer universes. And by supporting start-ups (in particular via our MediaLab programme at Station F), we are investing in innovation so that we can better understand the new needs of consumers. Our Unify Digital Division, built around Aufeminin, is developing tailored digital offers for advertisers on the basis of vertical communities (fashion, beauty, parenting, cookery, wellness, health, etc).

(1) *Mediamétrie, "L'Année TV 2019"*

TECHNOLOGY AND DATA ARE ESSENTIAL TO VIDEO CONTENT MONETIZATION

CONTEXT

The advertising market has seen programmatic become the main conduit for digital advertising. In parallel, data-driven targeting offers have multiplied in Europe, so that advertisers are now able to achieve scale and efficiencies by allying the pulling power of TV media with targeting. And they are now waiting for data analysis to tell them whether their ad spend is paying off.

RESPONSES

Digitisation of ad sales in our core business is continuing with the extension of La Box and the launch of La Box Entreprises to deal directly with small advertisers. Our TV airtime sales house has strengthened its offer by marketing TV data campaigns, and our Unify Advertising online ad sales house is now offering its clients – agencies and advertisers – the full range of media brands and services available through Unify.

OUR VISION

Content is the common denominator of all our activities, from our TV channels to the La Seine Musicale arena, and from Newen to My Little Paris.

We are convinced that there is nothing more powerful than content. It can move one person, ten people, or millions. It can change the way we see others, the way we see the world, and sometimes even the course of history.

OUR MISSION

As a media group, we have a unique opportunity but also a great responsibility. Through all our content, our ambition is to positively inspire society. This ambition resonates in all our actions and in all our projects.

OUR CONVICTION

MAJOR EVENT TV THAT IS POWERFUL AND FEDERATING

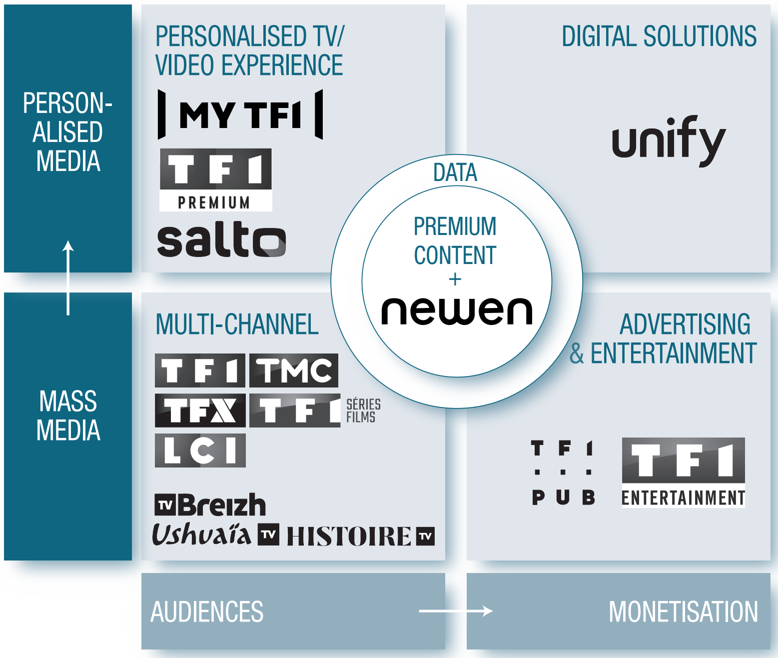
As we have always done, the TF1 group will continue to create a powerful and federating momentum around event content, based on a strong brand.

PERSONALISED CONSUMPTION ON DEMAND, ON A MASS SCALE

We want to offer a personalised TV viewer experience, but on a mass scale. To achieve this, we aim to offer the highest ergonomic standards in the market and to focus on innovation, in particular by investing in technology and data.

1.5.2 OUR STRATEGY

We intend to consolidate our position as a broadcaster of content, while affirming our direct-to-consumer strategy and establishing a position in production and distribution.



- At the heart of the our strategic positioning, our content strategy involves owning distinctive, exclusive and appealing premium content. We will build up a catalogue of content and intellectual property via Newen, and exploit it to the full in France and Europe.
- Our historical forte has been to produce content and generate mass audiences through our multi-channel strategy.
- We are leveraging our core business positions to support the premium quality of our advertising slots, and diversify our income streams through Entertainment.
- We offer everyone their own personalised TV experience through a complete range of digital products on MYTF1, via partnerships with distributors and (shortly) with Salto.
- Setting up the Unify Division means we can offer large advertisers targeted advertising solutions around strong communities and engaging content.
- Data enables us to understand better the expectations of our B2C and B2B customers, making a link between mass/personalised audiences and mass/targeted monetisation solutions.

We are activating four key levers to achieve our strategic objectives and continue improving our profitability:

STRATEGIC LEVER 1: FOCUS EFFORTS ON THE CORE BUSINESS TO MAINTAIN DIFFERENTIATION

LINEAR

We are looking to consolidate our market leadership among multi-channel target audiences by ramping up our editorial differentiation strategy.

To achieve this, we will – while adapting our business model – continue to commit to strong programming, strengthen local content, and anchor our statutory position in news.

TF1 Pub aims to serve the interests of all advertisers, on all platforms and in all territories, through its direct relationship with advertisers, unrivalled high-quality offer, automated purchasing, accelerated targeting and effectiveness metrics.

NON-LINEAR

The TF1 group now offers every TV viewer their own personalised, multi-screen, 100% video experience.

We deliver an enhanced range of digital products with powerful content and quality customer journeys, plus a mix of all monetisation models. Particular attention is paid to developing the relationship with the consumer and marketing our offer.

With our MYTF1 platform and soon SALTO, we will be able to offer complementary consumer universes to meet the differing needs of audiences.

We are keen to perpetuate and enhance reinforced partnerships with distributors around emerging themes such as new TV viewing habits and segmented TV.

The TF1 group is rolling out a major digital transformation and reinventing the television experience on all screens, giving a stronger direct relationship with its audiences.

STRATEGIC LEVER 2: CONTINUING THE DEVELOPMENT AND CONSOLIDATION OF NEWEN

The TF1 group is looking to strengthen its production and distribution businesses in France and to pursue an international growth strategy designed to make Newen a major player in Europe: a market leader in fiction, but also present in all audiovisual genres in order to capitalise better on the global demand for content.

Without talent there is no content, so Newen will integrate new talents in the creation process while continuing to develop its existing talents and formats.

STRATEGIC LEVER 3: CONTINUING THE DEVELOPMENT AND CONSOLIDATION OF OUR UNIFY DIGITAL DIVISION

In digital, our Unify division is home to powerful digital communities like Aufeminin, Marmiton and Doctissimo, and is making tailored offers to advertisers:

- Unify is developing all its brands around three activities: publishing digital content, providing expertise to advertisers to improve their effectiveness, and social e-commerce;
- The Unify Advertising airtime sales house is now offering all its media and services brands to clients – both agencies and advertisers.

STRATEGIC LEVER 4: PUTTING TECHNOLOGY AND DATA AT THE HEART OF OUR PRIORITIES

We want to take ownership of the new viewing habits emerging from the technology and data revolutions. That means evolving our offers, and measuring the overall effectiveness of each item of content through all the media in which it is exploited.

Technology and data must serve the user experience, and offer users an intuitive, cross-channel experience:

- We intend to use high-powered tech platforms to offer internet users the highest standards of ergonomics and browsing quality;
- Data is also a central asset in enhancing know-your-customer and refining advert targeting. We use data to generate special moments that reinvent brand differentiation, in compliance with current data protection regulations.

1.6 REGULATORY ENVIRONMENT

1.6.1 LICENSING REGIME

TF1 is an audiovisual communications service that requires a licence. Initially, TF1 was awarded a 10-year licence from 4 April 1987 (under the law of 30 September 1986); that licence expired in 1997.

The licence was renewed for a further five-year period (via decision no. 96–614 of 17 September 1996) from 16 April 1997, with no requirement to submit to a competitive tendering process.

In accordance with Articles 28-1, 82 and 99 of the law of 30 September 1986 as amended, TF1's broadcasting licence has been "automatically" renewed several times.

TF1 also has a supplementary licence to broadcast in high definition (HD), awarded by the CSA (the French broadcasting regulator) in decision No. 2008-424 of 6 May 2008, for a ten-year period ending 5 May 2018.

In 2016, as part of the process of freeing up the 700 MHz spectrum for telecoms operators and the resulting shutdown of two DTT multiplexes, TF1 (at the request of the CSA) surrendered its licence to broadcast in standard definition (SD), retaining only its licence to broadcast in HD.

On 27 July 2017, the CSA (in decision no. 2017-523) renewed TF1's licence to broadcast on HD DTT for a further five-year period. That licence will expire on 5 May 2023.

Article 42-3 of the French Audiovisual Communication Act of 30 September 1986 as amended states that TF1's licence to operate a national terrestrial television service may be withdrawn by the CSA 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.

1.6.2 PRINCIPAL LEGAL TEXTS AND OBLIGATIONS

The obligations described above are liable to change in the near future, with proposed amendments to the law of 30 September 1986 due to be scrutinised by the French Parliament in 2020.

LEGAL TEXTS

- Terms of reference established by Decree no. 87–43 of 30 January 1987 and by the decision of 27 July 2017 renewing the licence granted to TF1.
- Law no. 86-1067 of 30 September 1986 as amended.
- Directive 2010/13/EU of 10 March 2010 (the Audiovisual Media Services Directive).
- Decree no. 2010-747 of 2 July 2010 as amended, on the contribution of terrestrial television services to the production of made-for-cinema films and audiovisual works.
- Decree no. 90–66 of 17 January 1990 as amended (obligations to broadcast).
- Decree no. 92–280 of 27 March 1992 (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 144 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 on the TF1 core channel must be devoted to French-language programmes.
- There is an obligation to broadcast at least 900 hours of children's programmes annually, comprising 150 hours on the TFX channel and 750 hours on the TF1 core channel (the latter to include at least 650 hours of animation).
- There is an obligation to broadcast at least 800 hours of news programmes 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. This must include at least 120 hours of first-run French-language or European audiovisual works (including 18 hours of repeats) in slots starting between 8pm and 9.30pm.
- 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.
- There is also an obligation to make all the channel's programmes (other than adverts) accessible to the deaf or hard-of-hearing. The CSA may agree to exempt some programmes from this obligation due to their specific nature (this dispensation is written into TF1's terms of reference).

Compliance with those obligations is monitored, and under Articles 42 to 42-11 of the law of 30 September 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.

2

RISKS AND HOW THEY ARE MANAGED AFR

2.1 RISK MANAGEMENT

NFPS

This section describes the principal risks to which the TF1 group believes it is exposed, and which if they materialise could have an adverse effect on its operations, financial position, reputation, future prospects, or stakeholders. Those risks are presented by category. Within each category, the most important risks are described first. The importance of each risk is determined at the date of this Universal Registration Document based on an assessment of its estimated impact and probability, after taking account of measures taken to manage the risk. However, other risks may exist or arise that are not yet identified at the date of this Universal Registration Document, or that are not regarded as likely to have a significant effect if they materialise. Risks that are not mentioned in this Universal Registration Document because they are currently regarded as being of low importance are nonetheless taken into account in the risk management procedures operated within each of the TF1 group's businesses. For a description of the Group's principal internal control and risk management procedures, refer to section 2.3 below.

	Risks	Importance*
2.1.1.1	Risk that programmes will become unsuitable for broadcast	++
2.1.1.2	Risk of loss of key programmes: market leader premium	++
2.1.1.3	Risks related to the growth of digital terrestrial television and to the development of the internet and new media	++
2.1.1.4	Cyber-security	+
2.1.1.5	Risks related to the fee for the signal and associated services (TF1 Premium)	+
2.1.1.6	Risk of intrusion during live public broadcasts	+
2.1.2.4.2	Data protection risks	+
2.1.2.2.1	Risks related to broadcasting licences and CSA enforcement powers	+
2.1.1.7	Future of the Unify division	+
2.1.2.2.2	Complaint by Canal Plus Group against TF1, M6 and France Télévisions	+
2.1.2.2.3	Complaint by Molotov against TF1	+
2.1.2.4.1	Risks related to cookies and internet trackers	+
2.1.3	Environmental, employee-related and governance risks	+
2.1.2.1	Risks related to societal pressure on advertising and programmes	+
2.1.1.8	Broadcasting of TF1 programmes – Risk of signal transmission interruption and execution risk	+
2.1.2.3.	Compliance of content with ethical rules and professional standards	+

* *Importance: estimated impact and probability of occurrence.*

++ *: Of significant importance.*

\+ *: Of moderate importance.*

2.1.1 OPERATIONAL RISKS

2.1.1.1 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 is often low.

Because TF1 channels are constantly adapting their editorial line in response to changes in public taste, an artistic mismatch may sometimes 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

TF1's exposure to this risk relates to multi-year contracts with the biggest production companies. If such a risk were to materialise, there are two ways of mitigating the impact:

- the pooling of rights across the TF1 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.

2.1.1.2. RISK OF LOSS OF KEY PROGRAMMES: MARKET LEADER PREMIUM

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. Consequently, the loss of key programmes represents a risk in terms of reduced audiences, and of reduced capacity to monetise those audiences.

How the risk is managed

Thanks to the talent of its artistic staff and its long-standing special relationships with French and foreign partner producers, the Group currently offers the best programmes. Future programming streams are locked in via multi-year contracts with the biggest production companies, reducing the risk of loss of key programmes in the medium and/or long term.

2.1.1.3 RISKS RELATED TO THE GROWTH OF DIGITAL TERRESTRIAL TELEVISION AND TO THE DEVELOPMENT OF THE INTERNET AND NEW MEDIA

Description of the risk

The TF1 group operates in a constantly changing competitive environment, but the pace of change has accelerated since 2005:

- the development of 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;
- changing patterns of consumption are a response to the expansion of free-to-air offerings, and include a trend towards delinearised viewing (reflecting the rise of connected TV and video content on mobiles and tablets);
- the boom in online video streaming, and above all the arrival of SVoD operators including Netflix and Amazon Prime (soon to be joined by Disney+), are eroding the amount of time people spend watching linear television;
- in addition to audience fragmentation, the proliferation of channels could generate inflationary pressure in the rights market, particularly for high-profile, attractive content such as drama series.

With this growth in free-to-air television offerings, TF1's audience share has inevitably been affected, but has nonetheless proved resilient: while the number of free-to-air channels has increased fourfold since 2004 and SVoD platforms are making inroads, the TF1 core channel's audience share among individuals aged 4 and over has declined from 31.8% in 2004 to 19.5% in 2019.

However, the TF1 group as a whole, including the DTT channels, has an audience share of 27.2%, down by 0.4 of a point year-on-year, among individuals aged 4 and over, and achieved 84 of the top 100 viewing figures in 2019. Although television viewing time is on a constant downtrend, this is partly offset by time-shift viewing (catch-up and recordings). However, current audience metrics do not include non-linear consumption on other devices (computers, tablets, smartphones, etc.) live or in catch-up, or outside the home on any device. Médiamétrie estimates that non-linear consumption was 10 minutes a day in 2019. It is important to recast audience metrics so that they track consumption better and reflect how content is actually consumed. Viewing outside the home on all devices is due to be incorporated into Médiamat ratings during 2020, enhancing our ability to monetise new ways of viewing our content.

How the risk is managed

TF1's ongoing exposure to fragmentation risk is being mitigated by taking the DTT channels up-market and increasing their complementarity, and also by the 2016 switchover of LCI to free-to-air, both of which are limiting the impact on the Group's premium channel.

In this context, the Group is consolidating its market leadership by:

- building a coherent global offer through its free-to-air channels, thanks to high-powered programming;
- positioning itself as a major force in DTT through its portfolio of four complementary channels (TMC, TFX, TF1 Séries Films and LCI);
- optimising the acquisition of programmes for its premium TF1 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 TF1 group's undertakings) on the other;
- tightening its control over the value chain by using its in-house production subsidiaries TF1 Production and Newen for part of its programme output;
- adapting its commercial policy to the new competitive landscape, especially through heavy marketing of slots in programmes with big audience-pulling potential;
- establishing the MYTF1 catch-up site as one of France's leading media websites.

TF1 is also building a position in the connected TV market at reasonable cost, and signing partnership agreements with manufacturers. The Group is following its audiences onto social media (including Twitter and Facebook) by offering viewer interactivity on flagship programmes carried on the premium channel (*Danse avec les Stars*, *The Voice*, *Miss France*).

Personalising the viewer experience also extends to advertising. Segmented advertising (as already practised on digital platforms) involves using geolocation, socio-demographic and interest-based data to substitute one ad for another in real time on linear TV to align on the viewer's profile, in compliance with the European General Data Protection Regulation (GDPR). TF1 Pub is developing segmented advertising with the roll-out of the La BOX Entreprises platform. SNPTV, the French national association of TV advertising (of which TF1 Pub is a member) is working with representatives from telecoms operators to finalise the technical specifications for delivering segmented advertising, and is advocating for the practice to be included in the audiovisual industry reforms due to be introduced by the French government in 2020.

Finally, the ongoing process of adapting TV audience ratings metrics to the new media landscape, which began in 2011, will in 2020 see the inclusion of live and catch-up viewers on computers, tablets and smartphones.

2.1.1.4 CYBER-SECURITY

Description of the risk

The cyber-attacks that affected Sony Pictures, TV5 Monde and M6 in recent years have led TF1 to reassess external threats that might disrupt transmission, and its operations in general. TF1 is aware that attempts to hack into corporate information systems are now a recurring problem; it has responded by further raising its vigilance threshold and is constantly working to ensure the security of its sites, operations and infrastructures.

Following cyber-attacks on radio stations in 2019, TF1 speeded up the implementation of a number of information system security upgrades.

How the risk is managed

To guard against the risk of cyber-attack, security audits are conducted by external consultants to identify any weaknesses in access controls. However, no system can be 100% secure, and the techniques used to attack information systems are continually evolving. Action plans have been implemented to enhance protection of the TF1 group's transmission infrastructures, alongside incident management procedures such as a rapid response plan for hacking attacks. The objective is to constantly upgrade sites and information systems, taking care to ensure that all external systems are included in any corrective measures that may be required.

Finally, if such a risk were to materialise, TF1 has contracted insurance cover commensurate with the level of risk, to protect against some of the consequences of a cyber-attack and manage the risk.

2.1.1.5 RISKS RELATED TO THE FEE FOR THE SIGNAL AND ASSOCIATED SERVICES (TF1 PREMIUM)

Description of the risk

Since the end of 2017, the TF1 group has signed multi-year "TF1 Premium" agreements, covering signals for its DTT channels plus enhanced content and services, with the main French distributors (SFR, Bouygues Telecom, Orange, Free, and the Canal+ group).

This initiative is part of the drive to adapt the Group's business model to new services and the market trend towards digital, which includes the imminent launch of the Salto OTT platform offering the channel signals plus enhanced content and services from the TF1, France Télévisions and M6 groups.

If the "TF1 Premium" agreements were to be called wholly or partly into question, that could have a negative impact on the TF1 group's margin.

How the risk is managed

The TF1 group ensures that it respects non-discrimination clauses, and will monitor closely the legal and regulatory framework of the new model, given that any change may impact the Group going forward.

The Group will also need to ensure that it complies with the undertakings given to the French Competition Authority as a condition for approving the launch of the Salto platform; those undertakings are valid for a five-year period, which may be renewable.

2.1.1.6 RISK OF INTRUSION DURING LIVE PUBLIC BROADCASTS

Description of the risk

In the current security and social climate, TF1 has reassessed its exposure to the risk of intrusion affecting major entertainment shows broadcast live in front of a public audience, preventing the programmes from being properly broadcast.

How the risk is managed

Reinforced measures have been introduced to protect members of the public. Those measures are the responsibility of TF1 for in-house productions, and of the third-party production company for outsourced programmes. In order to retain absolute control over the output on its channels, TF1 has also introduced a slight delay of a few minutes when broadcasting major live entertainment shows in front of a public audience.

2.1.1.7 FUTURE OF THE UNIFY DIVISION

Description of the risk

After taking control of the Aufeminin group in May 2018, the TF1 group set up a new division, bringing all of its digital activities together under the "Unify" banner.

The markets in which Unify operates are highly competitive, and in constant flux. The key factors in competition between media groups building web communities are:

- brand recognition;
- building loyalty among existing members;
- spotting new talent;
- technical expertise;
- the ability to offer innovative user experiences.

Unify's ability to grow revenues (€173 million out of total TF1 group revenues of €2,337 million in 2019) also depends on its ability to keep developing services that make it easier to buy products or services: this will drive increased traffic on its sites, and in turn attract advertisers and partners. Although it is experiencing rapid growth, this is a recent development in consumer behaviour.

The success of Unify is contingent on the performance of its IT systems, hardware and software.

Finally, Unify's mission to step up national and international expansion generates a risk relating to the integration of acquired businesses.

How the risk is managed

To ensure that Unify is fully integrated within its first three years, bridges have been set up between the respective support functions of the TF1 group and Unify. The aim is to help Unify to:

- develop financial, operational and control procedures;
- replace or upgrade its operational and financial information systems;
- ensure that its various activities are legally watertight;
- hire, train, motivate, manage and retain key staff.

Alongside these bridges, governance structures (including monthly operational/strategy committee meetings, and key performance indicators) have been set up to monitor growth in Unify's operations, the integration of acquired businesses, and the unlocking of synergies.

2.1.1.8 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 free-to-air high definition DTT (on the R6 multiplex);
- satellite in high definition digital;
- cable in standard and high definition digital;
- ADSL and fibre optics, and in some cases in standard and high definition digital, via all the internet service providers (Orange, Free, SFR and Bouygues Telecom).

TDF is by far the leading (50% of French TV-owning households at the end of 2019) national TV signal transmission operator in DTT, with a network and technical resources currently unmatched by any other company.

TF1 is therefore dependent on TDF for signal transmission. The emergence of alternative transmission providers is not yet sufficiently advanced for TF1 to manage without TDF for the hosting of transmission equipment. As a consequence, in the event of an outage of the TDF network, TF1 cannot switch to other terrestrial transmission systems to provide quick and affordable coverage of its entire broadcast area.

The loss that TF1 could incur in the event of transmitter failure is proportional to the number of television viewers served by the transmitter. 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.

As regards operator bundles, TF1 is dependent on the technical resources and supervision/maintenance processes put in place by the operators.

How the risk is managed

The variety of alternative networks to DTT (satellite, cable, ADSL and fibre) and of alternative operators minimises the impact of any failures of the DTT network, since those networks are not connected to each other and rely on their own separate resources.

2.1.2 LEGAL, REGULATORY AND ETHICAL RISKS

2.1.2.1 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. This could cause a drop in advertising revenue, or an increase in programmes that have become unsuitable due to new regulations.

How the risk is managed

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.

TF1's Programming/Viewing and Compliance teams exercise the utmost vigilance in protecting young viewers in order to keep this risk to a minimum.

Adverts intended to be shown on the Group's channels and/or via its on-demand audiovisual media services (MYTF1) are subject to pre-vetting by the ARPP (the French advertising regulator) for compliance with current laws and regulations, and with the rules of conduct established by the advertising industry representatives within the ARPP. No advert is broadcast unless it has been cleared by the ARPP.

In addition, the Programming & Broadcasting Division of TF1 Pub, the Group's airtime sales house, views all adverts prior to broadcast, sometimes with input from Legal Affairs. Even if the ARPP has cleared an advert, TF1 Pub may reject it or impose specific broadcast conditions on the advertiser, in cases where it regards an advert as inappropriate for the editorial line of the media on which it is to be shown, particularly as regards the family audience of TF1. In such cases, the advertiser or agency that produced the advert is informed by letter. The parties then seek a solution, adapting the content or time slot of the advert so that it is consistent with the editorial line of the media in question. If no solution can be found, the advert is not shown. This is made clear in the TF1 Pub general terms and conditions of sale.

Adverts intended to be broadcast on radio stations for which TF1 Pub handles airtime sales are not subject to the ARPP pre-vetting procedure. However, the Programming & Broadcasting Division of TF1 Pub has a dedicated team (who receive regular training from the TF1 Pub legal team) listening to each advert to check that it complies with current regulations, rules of conduct, and the editorial line of the radio station.

2.1.2.2 RISKS RELATED TO LICENCES

2.1.2.2.1 RISKS RELATED TO BROADCASTING LICENCES AND CSA ENFORCEMENT POWERS

Description of the risk

TF1 is an audiovisual communications service that requires a licence.

The CSA awarded TF1 a ten-year HD broadcasting licence on 6 May 2008.

In a decision dated 27 July 2017, the CSA extended TF1's licence for a further five years.

TMC, TFX and LCI each hold frequency licences issued by the CSA on 10 June 2003, which were extended for a further five years by a CSA decision of 29 May 2019.

TF1 Séries Films holds a frequency licence issued by the CSA on 3 July 2012, which is due to expire on 22 December 2022. On expiry, the channel could be granted a five-year extension.

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 30 September 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 spots; reducing the term of the licence to use frequencies by up to one year; withdrawal of the licence; or the unilateral termination of the agreement with the CSA.

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 with regulatory requirements.

2.1.2.2.2 COMPLAINT BY CANAL PLUS GROUP AGAINST TF1, M6 AND FRANCE TELEVISIONS: COMPETITION AUTHORITY DECISION OF 27 MAY 2019 – APPEAL BY CANAL PLUS GROUP

Summary: On 9 December 2013 the Canal Plus Group filed a complaint with the Competition Authority relating to practices allegedly adopted by TF1, France Télévisions and M6 in the buying of rights to original French movies known as “catalogue” movies.

The Competition Authority rejected the complaint, taking the view that the practices in question in no way constituted a block on market access.

However, the Canal Plus group lodged an appeal against this decision with the Paris Appeal Court on 2 July 2019.

2.1.2.2.3 COMPLAINT FILED WITH THE COMPETITION AUTHORITY BY MOLOTOV AGAINST TF1

On 12 July 2019 Molotov.tv requested the Competition Authority to take protective measures against practices adopted by TF1 and M6 in the broadcasting and selling of TV channels.

The complaint follows an action brought by TF1 against Molotov for unauthorised resumption of distribution of TF1 group channels.

2.1.2.3 COMPLIANCE OF CONTENT WITH ETHICAL RULES AND PROFESSIONAL STANDARDS

Description of the risk

The principal risk in our relations with society is that we will fail to deliver on our public commitments to uphold ethical and professional standards in the content we produce and broadcast. TF1's status as France's most-watched channel means it has to set a particularly high standard. There is also a risk that the licence-to-operate [1] might be withdrawn if the regulator were to rule that serious breaches had occurred.

How the risk is managed

Delivering on these commitments is a core concern of the TF1 group. Systems are in place to ensure that:

- channel controllers, in conjunction with the General Counsel, discharge their responsibilities for ensuring that programmes are compliant;
- the Group's News operations discharge their responsibilities and remain independent.

2.1.2.3.1 NEWS DIVISION AND THE SOCIETY OF JOURNALISTS

The TF1 News Division has responsibility for ensuring that journalistic ethics are applied.

The TF1 Society of Journalists was set up the day after privatisation and around 75% of the Group's 240 journalists belong to it, although presenters, editors-in chief and heads of news are not members. The role of the Society is to establish a space where any ethical issues relating to the editorial line, journalistic practices, integrity and independence can be discussed.

2.1.2.3.2 JOURNALISTS' CHARTER OF PROFESSIONAL ETHICS AND THE TF1 HONESTY, INDEPENDENCE AND PLURALISM COMMITTEE

The main unions representing journalists in France have adopted a Charter of Professional Ethics, available on the website of the *Syndicat National des Journalistes (SNJ)*: http://www.snj.fr/IMG/pdfsites/default/files/documents/Charte2011-SNJ.pdf. (in French only). The National Collective Labour Agreement for Journalists (CCNTJ), which applies to all of the 37,000 journalists who hold press accreditation in France, also includes ethical principles. Those principles are *de facto* adopted by the Group's journalists, who have press accreditation.

A Code of Conduct specific to the Group's journalists was signed on 28 January 2019, and then sent to all of the Group's journalists on 13 February 2019. All new journalists hired by the Group are given a copy of the Code of Conduct when they sign their employment contract.

The TF1 group's Honesty, Independence and Pluralism Committee met in February 2019, and meetings between journalists and committee members took place in March 2019. During the summer of 2019, employees and third parties were informed about how to refer issues to the Committee.

2.1.2.3.3 NEWS OUTPUT COMPLIANCE

The scope adopted for all content-related issues is the 2018 calendar year.

No warnings or cease-and-desist orders relating to ethical or compliance breaches were made in respect of TF1 group news content.

For the record, TF1 broadcast 7,679 hours of programmes (excluding advertising slots) and more than 10,000 news stories, field reports and studio reports in its news bulletins, while LCI screened between 19 and 20 hours of rolling news programmes a day.

2.1.2.4 ETHICAL AND COMPLIANCE BREACHES

2.1.2.4.1 RISKS RELATED TO COOKIES AND INTERNET TRACKERS

Description of the risk

In January 2017, the European Commission issued a proposal for a new European ePrivacy Regulation, to replace the previous ePrivacy Directive of 2002. The proposed new regulation is complementary to the General Data Protection Regulation (GDPR), in that it deals with electronic communication data. The potential impacts on TF1 include (i) substantially restricting the Group's capacity to freely collect user data using cookies and trackers (files saved in users' browsers to track their browsing history), and (ii) strengthening the position of the internet giants (led by Facebook and Google) who do not rely on cookies and trackers to collect data (because they require users to log in) and who control web browsers (which under the current ePrivacy proposals will be where user consent and refusal would be centralised).

The proposed European ePrivacy regulation brings about a triple paradigm shift in the use of cookies:

- switch from implied consent (displaying a notification banner with no break in browsing) to explicit consent (users must opt in to receive cookies);
- setting up browsers to block all cookies as the default, whereas previously the default setting was to accept cookies;
- prohibition on the use of "cookie walls", the hitherto tolerated practice of making access to a site conditional on accepting cookies.

Pending the future ePrivacy Regulation – still under discussion at European level – CNIL (the French data protection agency) issued its own proposals on cookies and trackers on 19 July 2019. A call for comments from the industry and civil society was launched, with a view to a public consultation in the first quarter of 2020 on a new recommendation about the practical arrangements for obtaining consent.

(1) Refers to the agreement between the CSA and TF1 governing TF1's obligations in terms of broadcasting, ethics and types of programmes.

The two main new recommendations are (i) merely continuing to browse a site will no longer be regarded as a valid expression of consent to accept cookies; (ii) operators that use trackers must be able to prove that they have obtained consent.

CNIL is allowing operators who have to date complied with its 2013 recommendation a six-month grace period from publication of the future recommendation on the practical arrangements for obtaining consent; publication is expected in March 2020 for effective application in September 2020.

The entry into force of the European ePrivacy regulation and how that regulation is interpreted by the CNIL, could have an adverse effect on advertising revenue for the digital division (Unify).

How the risk is managed

To protect against risks related to cookies and internet trackers, TF1 has decided to:

- play an active role in the European legislative process, to put a brake on that process and limit the economic impact on the TF1 group as far as possible;
- play an active role in the CNIL call for comments on its new proposals on cookies;
- gradually roll out registration (log-ins) to access MYTF1, first for live viewing and then catch-up;
- be involved in the project led by GESTE (the French association of online content providers) to develop a single log-in application along the lines of Facebook Connect.

2.1.2.4.2 DATA PROTECTION RISKS

Description of the risk

Given the transformation of its business model, and in particular the expansion of its digital footprint with the creation of Unify, the TF1 group is at risk of breaching data protection legislation and failing to protect users' personal data. This could lead to reputational damage and financial penalties.

How the risk is managed

Following the entry into force of the General Data Protection Regulation (GDPR) on 25 May 2018, the TF1 group appointed a Data Protection Officer (DPO) and issued a general GDPR policy consisting of internal rules and business-specific factsheets. Each TF1 employee is required to adhere to this data protection policy. To help staff assimilate the new policy, all the internal rules were also turned into user-friendly tutorials.

Since March 2019, the DPO has headed up the TF1 group's DPO network. The Group's first cross-disciplinary community, the network consists of 54 data specialists and corporate lawyers from each of the Group's departments and subsidiaries. They are tasked with supporting the organisational and technological changes needed to comply with the GDPR.

TF1 and its subsidiaries have addressed the issue of accountability by developing procedures on the management of individual rights and personal data breaches, a set of frameworks on issues like retention periods, and checklists dealing with security and with privacy by design.

To help staff access the necessary documentation, the corporate intranet has dedicated GDPR pages that include the internal rules, tutorials, factsheets, procedures, frameworks and checklists.

TF1 has also identified a need to provide training for operational and legal staff on security measures, to explain (i) concepts like encryption, pseudonymisation, anonymisation, user access management and traceability and (ii) why it matters to require one security measure rather than another when negotiating contracts.

Legal and operational staff have been provided with model data processing agreements (DPAs) and with standard supplier contract clauses, to help in reviewing existing contracts with subcontractors. The Group has also introduced a checklist for staff to use with new subcontractors, explaining the requirements incumbent on subcontractors under the GDPR.

Data processing registers have been compiled for TF1 and its subsidiaries, and distributed to each business segment for validation. Responsibility for updating the registers to reflect new processes has now been pushed down to segment level.

A data privacy tool has been selected and will be rolled out shortly. This is important because fluid and effective compliance requires us to industrialise updates to our registers, requests to exercise rights, and our ability to generate an audit trail for all our compliance actions.

Compliance is a dynamic and ongoing process, and all of our activities are continuing their efforts to implement recommendations that will bring and keep our practices closer into line with GDPR requirements.

2.1.3 ENVIRONMENTAL, EMPLOYEE-RELATED AND GOVERNANCE RISKS

CSR RISKS RELATING TO SKILLS DEVELOPMENT AND TALENT RETENTION

Description of the risk

For TF1 to succeed, it is essential to have high-calibre, committed people working for us. If our attractiveness as an employer were to diminish such that we were less able to hire and retain the right skills and talents, that could harm our ability to attain our objectives and have a negative impact on our profits.

The synergies between our different operations require management to encourage cross-disciplinary working among our people, along with a high degree of autonomy (which in turn locks in commitment).

How the risk is managed

Our Talent Development Division pays great attention to the need for us to be an attractive employer, and for our staff to be highly employable.

Senior management at both head office and subsidiary level monitor employee-related indicators closely, especially those that illustrate our attractiveness for current and future employees.

Talent scouting includes outreach visits to selected universities and colleges, backed by an increased social media presence. Since 2016, we have been building our brand as an employer via the *Carrières Positives* (Positive Careers) tag-line.

Our talent development and retention approach also builds in a targeted remuneration policy, and training and career development programmes.

For more information, refer to section 4.1.3 of this universal registration document.

2.2 RISK PREVENTION MEASURES RELATING TO PROCESSES

The “Réagir” Committee, created in 2003, continues to work on monitoring and preventing major risks, especially those associated with TF1’s key processes. It also updates TF1’s risk mapping, and regularly tests business continuity plans that may be triggered when an exceptional event results in interrupted 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 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 and transmission continuity is ensured 24/7, and an operations simulation is performed regularly.

There were no broadcasting incidents in 2019 that required fall-back on an external backup site.

Operational since 2011, “Réagir 1 Vigilance” is a preventive plan activated on an as-needed basis, and in particular at any time of heightened risk (building works, equipment maintenance, mass events, live broadcasts, service launches, software upgrades, IT continuity plan tests, etc.). This plan not only ensures that staff remain vigilant, it also offers improved responsiveness to incidents before they escalate. In 2018, 15 “Réagir 1 Vigilance” e-mails were sent to the relevant departments.

In terms of legal risks, TF1 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 Division 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 TF1 is exposed.

As in the case of operational risks, TF1 has insurance policies (including public liability and property) that could be called upon to cover some of the risks mentioned above.

2.3 INTERNAL CONTROL PROCEDURES

2.3.1 INTRODUCTION

This report describes the internal control procedures in place within the TF1 group. It covers TF1 SA (the parent company) and subsidiaries over which it exercises exclusive or majority control.

2.3.2 INTERNAL CONTROL ENVIRONMENT AND GENERAL PRINCIPLES

2.3.2.1 ORGANISATION AND OPERATING PROCEDURES

BACKGROUND

This report is based on information and analyses compiled in collaboration with the various players involved in internal control within TF1 and its subsidiaries, and gives a factual description of the control environment and the procedures in place.

The Internal Control Department co-ordinated the preparation of this report, which was validated by the Group Finance and Purchasing Division (DGAFA) and the Legal Affairs Division (DAJ) before being submitted to the Statutory Auditors and then presented to the Audit Committee and Board of Directors for approval.

Since 2007, TF1 has analysed its internal control system and presented its internal control report in full compliance with the internal control framework published on 22 January 2007 and derived from work carried out by the task force set up by the *Autorité des Marchés Financiers* (AMF), the French financial markets authority. The AMF reference framework was amended in 2010 to incorporate legislative and regulatory changes in the area of risk management, and the AMF recommendation on Audit Committees.

An internal control system should also contribute to control over operations, effectiveness of transactions, 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.

TF1 continually and proactively adapts its internal control system to reflect the nature of its operations, its evolving business model and its strategic goals.

The general internal control environment is underpinned by the Group's corporate governance principles, but also by its organisational structure and operating procedures and by dissemination of its values and rules.

The organisation, composition and operating procedures of the Board of Directors and of the specialist committees that assist the Board (the Audit Committee, the Selection and Remuneration Committee, and the Ethics, CSR and Patronage Committee), as described in the section on corporate governance, comply with corporate governance rules and are conducive to effective internal control.

The Board, under the authority of its Chairman, determines the company's policies and, with the support of the Audit Committee, ensures that appropriate internal control systems are in place within the Group. Key commitments are subject to clear validation processes, with decisions being taken by Executive Management based on proposals from the relevant committees. The Board of Directors is kept regularly informed of such decisions. Gilles Pélisson, as Chairman and CEO of TF1, has operational and functional responsibility for implementing the strategy approved by the Board of Directors for the Group's operations. In particular, he is responsible for organising the deployment of internal control. He is supported by the Executive Committee (COMEX), which comprises the senior executives of TF1 group and meets weekly, and by the General Management Committee (CODG), which includes the heads of each business line and support function and meets monthly. These Committees enable him to communicate the key internal control policies, and to make executives aware of their responsibility for setting up and monitoring internal control systems in their area.

Powers are delegated to meet the twin objectives of making operational staff accountable and controlling commitments at the appropriate level. On the latter point, the company's organisational structure builds in segregation of duties: operational functions are kept separate from accounting functions so as to allow for independent control.

Every year, the Strategy Division works with the COMEX members to prepare a three-year plan setting out the broad lines of the Group's medium-term strategy. The first year of the plan corresponds to the budget for the forthcoming year, and lays down the framework for commitments made by managers of Group entities.

The three-year plan is a key element of the internal control environment, and includes the future direction of the business model as one of its objectives. As well as setting revenue and cost targets the plan also specifies the resources, structures and organisational methods needed to meet those targets.

A summary of the TF1 group three-year plan is presented to the Chairman and CEO and then to the Board of Directors, which approves the budget.

THE INTERNAL CONTROL SYSTEM AND ITS OBJECTIVES

In addition to the three-year plan, the TF1 group is constantly looking to improve its internal control system, maintaining close alignment with its objectives. Since 2007, TF1 has followed an approach applied by the Bouygues group for its main business lines (which include TF1), designed to develop an internal control system based on the AMF reference framework. This process identified a number of simple, measurable principles covering the company's key businesses.

The system is organised around two main components:

- accounting and financial internal control principles relating to the co-ordination, organisation and preparation of accounting and financial information; and
- general internal control principles encompassing all of the company's key processes.

The approach also builds in regular, structured meetings between internal control representatives from each of the Bouygues group's business lines, to organise monitoring of internal control and manage adaptations to deal with regulatory requirements. This shared system is regularly supplemented by internal control principles specific to TF1's operations, and to changes in its business model, strategic goals and environment.

Within the TF1 group, the internal control system is assessed through annual campaigns across a scope that is representative of the challenges and risks inherent in its various activities. A partial scope is covered each year, but the scope changes from year to year so that the majority of the control principles are addressed over a three-year cycle.

A self-assessment methodology is used. Within each entity, the person responsible for the process being analysed prepares and justifies his or her assessment of the application of internal control principles. This is then submitted for validation by a person with a critical perspective (line manager and/or business unit manager). Since 2014, most self-assessments have been in the form of interviews between the person responsible for the process and the head of internal control. This approach helps transmit knowledge about the internal control framework. However, the person responsible for the process still determines the overall rating.

The assessment process has several components: a numerical rating on a scale from one to four, a description of operating procedures, and comments 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 consolidated results of these campaigns are distilled into an aggregate summary by topic, function and operating entity. This serves to alert Executive Management to any inadequacy detected in processes, and to guide and prioritise action plans. The results are also presented regularly to the TF1 Audit Committee, which in turn informs the Board of Directors.

New businesses are incorporated into the assessment campaigns in a manner that reflects the gradual introduction within those entities of the processes, tools and methods used by the TF1 group to co-ordinate, oversee and control operations.

The 2019 assessment campaign addressed topics related to compliance programmes (anti-corruption, competitive practices, promotion of ethical conduct, and embargos), along with principles underpinning controls over human resources and information systems.

All revenue-generating entities within the TF1 group were included in the scope of self-assessment.

Audit assignments are also carried out to check the accuracy of internal control self-assessments. Since 2014, Internal Audit and Internal Control have operated within a single Audit and Internal Control Division (DACI), helping to improve risk control and management within the TF1 group. The DACI also handles the mapping of risks associated with internal control.

IDENTIFYING AND MANAGING RISKS

Risk mapping relies on feedback from regular Risk Committee meetings within the operating units and support functions of Group entities about key events that could have an adverse impact on attainment of the objectives in the three-year plan.

These committees are tasked with identifying emerging risks, systematically reviewing all risks identified during previous years, and removing any risks that no longer apply.

Each risk has an "owner" who is responsible for describing the risk, developing scenarios and assigning probabilities, so that risks can be prioritised and specific risk mitigation measures developed. A distinction is drawn between measures that reduce the probability of a risk occurring, and those that reduce the impact of a risk occurring.

The risk committees also monitor progress on resources put in place to mitigate risk, and propose additional action plans as necessary.

For a description of the principal risks and how they are managed, refer to sections 2.1 ("Risk Factors") and 2.2 "Risk prevention measures relating to processes" of this universal registration document, which also describes the Group's policy on insurance. Market risks (including interest rate risk and exchange rate risk) are discussed in Note 8 to the consolidated financial statements (section 4 of this universal registration document).

2.3.2.2 CONTROL ACTIVITIES

Alongside internal control and risk management, the TF1 group also performs various controls within the operating divisions, and more directly via the support functions.

CONTROL OVER BROADCASTING AND OTHER VITAL COMPANY OPERATIONS

The Technologies Division is responsible for making programmes where it has been retained as producer; for the transmission of programmes, and the transmission network; and for developing and operating the IT applications required for the production of information and secure transaction processing.

Applications used to help ensure that accounting and financial information complies with best practice in control are described in the section on "Financial Information Systems" below.

The Technologies Division co-ordinates the identification, control and prevention of major technological risks liable to affect broadcasting service continuity and the ongoing conduct of the Group's vital operations.

To fulfil this remit, the Division works with the Corporate Services Division (responsible for property and facilities management) to develop security policies in two key areas:

Business continuity

“Réagir”, the crisis management process in place at TF1, identifies and updates the main risk prevention scenarios, and any disaster recovery scenarios required for key processes.

A secure external backup site is in place to ensure resumption of key processes: programme transmission, production of news bulletins, preparation and marketing of advertising spots, and operation of information systems (especially accounting, treasury and payroll).

Procedures are tested regularly so that the system can be adjusted if necessary.

A website and hotline are available so that employees can keep in touch in an emergency.

A crisis management manual has been produced that describes how the crisis management unit will operate in various scenarios.

Information systems security

In response to the increased risk of cyber-attack, the Technologies Division has introduced extra security measures that go beyond compliance with internal control principles on information systems security:

- extending the coverage of the Security Operation Cockpit (SOC) for continuous monitoring of information systems and detecting malfunctions caused by cyber-attacks;
- retaining a specialist TV transmission company on standby to transmit programmes autonomously for 24 to 48 hours;
- regular audit by external specialists to assess the resilience of systems and technical facilities to new risks, and to perform intrusion tests (including in the broadcasting space). The division also works with the Internal Communications Department on campaigns to raise user awareness of cyber-attacks, with a special focus on the vulnerability of attachments and web links.
- systematic involvement of IT security teams, and in particular the Head of Information Systems Security, at an early stage in the development of systems used to produce and transmit TV content. These teams ensure that the security policy is correctly applied, and that the system architecture selected is (and will remain) compatible with security imperatives.

PROGRAMME BUYING AND CONTROLS OVER PROGRAMME COMPLIANCE

TF1 enters into broadcasting rights contracts to secure programming for future years. The rights buying process is subject to an investment approval procedure, in which the role of each decision-maker is defined so as to ensure segregation of duties:

- the Rights Buying Division sets out the key features of the project, such as the unit price and the number of screenings;
- 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 Finance and Purchasing Division validates the inclusion of the acquisition in the cost of future programme schedules and the investment budget of the programme unit, the projected profitability of the acquisition, and the level of inventory. It also checks that the purchase price is in line with market prices and that performance clauses have been included.

Final approval is signed off by either the Chairman and CEO of the TF1 group, or by the Chief Executive Officer of the commissioning channel in line with delegated powers.

Sports rights are usually acquired by bidding in a tendering process. Such bids are governed by domestic regulations (the French Sport Code) and by European regulations. For the most significant projects, the Board of Directors sets up a special committee to advise on the bid.

Programmes broadcast on the Group’s channels are subject to control by the CSA (the French broadcasting regulator) under agreements signed by the channels. Consequently, the TF1 group’s Programme Compliance Division reviews programmes prior to broadcast on its channels, sometimes in collaboration with the Legal Affairs Division. This process also helps minimise the legal risks inherent in broadcasting television programmes.

Programmes intended for children are submitted for advice from psychologists, who are asked to preview the most sensitive programmes.

CONTROLS OVER ADVERTISING COMPLIANCE

Dedicated teams within TF1 Pub preview all advertising spots for the channels on which they sell space (TF1, TMC, TFX, TF1 Séries Films and LCI). They also ensure that all the spots have been submitted to the ARPP (the French advertising self-regulatory organisation) for pre-vetting, and passed for broadcast.

TF1 Pub monitors compliance with laws and regulations covering the broadcasting of advertising on various types of media. Teams from each broadcaster check that the maximum daily and hourly broadcast times for advertising are not exceeded.

STRATEGY, DEVELOPMENT AND TRANSFORMATION DIVISION (DSDT)

The TF1 group’s Strategy, Development and Transformation Division is responsible for conducting strategic studies and making acquisitions, compiling the business plan, monitoring the Group’s equity holdings, and piloting actions derived from the transformation plan in conjunction with Executive Management and members of the Executive Committee.

The DSDT also uses trend analysis to inform strategic studies and align major projects with expected changes in the industry environment.

Transformation plan

The transformation plan launched by Gilles Pélisson in March 2016 focused on two strands. “Preparing for the future” aimed to grow revenue from existing activities alongside new revenue streams. “Reinventing ourselves” sought to make the Group more streamlined and agile, and is now cascading down into projects driven by operational managers and staff, under the guidance of the relevant Executive Committee member.

Business plan

The strategic planning approach relies on an analysis of market trends and of the evolving relationship between industry players, consumption patterns, and the competitive environment. Risk mapping is also taken into account.

In July of each year, once the industry analysis and strategic priorities have been approved and senior management has aligned itself with those priorities, strategic guidance notes are prepared and sent to all Group entities, who use them to develop their three-year plans including the budget for the first year. The budget represents a firm commitment by the management of each entity to the Chairman of the TF1 group. Performance against the budget is measured by the Group Finance and Purchasing Division.

Each company and/or entity prepares its own three-year plan, but receives active support from Group management to ensure that business plans are compiled to consistent and uniform standards across the Group.

The plan is approved by the Board of Directors annually.

Governance

The Strategy Committee meets every two months to review key business indicators and issues relating to strategy, partnerships, development and transformation.

Commitment Committees allow for rapid decision-making on development proposals, monitor progress on ongoing projects, and set guidelines for the teams involved.

Managing equity holdings

The DSDT monitors equity holdings on a regular basis with support from Finance, Legal Affairs and operating divisions. RAISE, a specialist investment fund, makes and manages media-for-equity investments on behalf of the TF1 group. The DSDT ensures that business relations between media-for-equity investees and the Group’s operating entities are optimised.

FINANCE AND PURCHASING DIVISION (DGAFA)

The DGAFA includes all of the Group’s finance functions. It plays a control role by disseminating procedures, methods and guidance throughout the Group.

Audit and Internal Control Division (DACI)

The TF1 group’s Internal Audit function conducts financial, operational and organisational audits in Group entities (except for audits of the reliability, security and operation of information systems, which are performed by the Bouygues group’s Central Audit Department).

All of these audits are conducted according to an annual plan approved by the Executive Management and Audit Committee of the TF1 group. The quarterly Audit Committee meetings include progress reports on the plan, and presentations of key findings and recommendations of completed audits.

Audits are performed following a strict methodology aimed at meeting the standards set by the French Institute of Audit and Internal Control (IFACI). Each audit ends with a report containing recommendations, which are systematically incorporated in an action plan to be applied by the audited entity and monitored by the Internal Audit function.

Financial Support & Purchasing Division (DAFA)

The DAFA covers all the non-core Finance functions: Financial Communications and Investor Relations, Purchasing (other than rights buying), the Tools and Projects Hub, and the Process and Data unit.

These roles are integral to the day-to-day functional support that the Group Finance Division provides to all the operating divisions.

Financial Communications and Investor Relations Department

The Financial Communications and Investor Relations Department engages with shareholders, investors and analysts. As described in more detail in section 2.3.2.3 “Control process for published accounting and financial information” below, the department ensures that the markets and the financial community are regularly updated to give them the clearest and most comprehensive understanding possible of the company’s strategy and business environment. All this is done in strict compliance with market rules and the principle of equal treatment for all investors.

Group Purchasing Division (other than rights buying)

The Purchasing Division optimises the procurement process by applying a high-quality supplier referencing process and a rigorous methodology, in line with best practice.

Our commitment to Responsible Purchasing is described in section 4.2.6 Challenge "Ethics and compliance in business relations, responsible purchasing" of this universal registration document.

Tools and Projects Hub

The Tools and Projects Hub is responsible for piloting upgrades to the financial information system based on the financial modules of the SAP package, and for deploying system improvements to support the ongoing transformation of DGAFA processes and methods.

Process and Data Unit

The main role of the Process and Data Unit is to measure the effectiveness of, and improvements to, the Group’s financial processes. The unit supports finance staff in the ongoing transformation of their processes and methods, with a focus on improving their use of data.

Accounting, Tax, Treasury and Financing Division (DCFTF)

The Accounting and Tax Division (DCF) is responsible for establishing and applying accounting policies, and for preparing the individual and consolidated financial statements of Group companies.

- Accounting standards

The DCF monitors developments in international (IFRS) and French accounting standards, and ensures that appropriate accounting policies are in place. It also plays a co-ordinating and training role by drafting and distributing rules, procedures and accounting policies.

- Financial statements and tax returns

Within the DCF, teams are organised into activity areas (Broadcasting, Newen and Unify) and skills hubs. They keep accounting records of transactions entered into by TF1 group entities, and carry out all accounting closes required for the preparation of financial statements.

They also handle payments made by Group entities, applying procedures consistent with key internal control principles (such as segregation of duties and multiple independent validation), and payment security rules established by the Treasury Department (such as authentication and tamper-proof payment media).

The DCF is also responsible for all the tax returns of individual TF1 group entities (including VAT, income tax, and other taxes and duties); it also manages and prepares tax returns for the Group tax elections that exist within the TF1 group.

- Treasury and Financing Department

This department assesses the Group's funding requirements and ensures that adequate funding is available from sustainable and diversified sources.

It provides centralised treasury management services for the Group (bank accounts, cash pooling, and interest rate and forex risk management), and oversees the security of the Group's money flows while reducing associated risks, including fraud, legal and counterparty risks.

Every year, the department works with the Strategy, Management Control and Investor Relations Departments to produce a dossier for the Standard & Poor's ratings agency and the Banque de France, with whom it liaises throughout the year.

Group Performance Monitoring and Management Control Division (DPPCG)

The DPPCG monitors delivery on the objectives set in the annual budget as approved by the Board. Key steps in this process include:

- the monthly Group reporting package, which summarises and comments on key financial and operating information relating to the various Group entities and on current or future events that may have an impact.

  This document is based on the monthly reporting packages prepared and commented on by each business unit. These include a monthly accounts close, a revised end-of-year forecast, and performance indicators. The DPPCG checks, validates and analyses these packages and then prepares a consolidated dashboard at Group level, which is presented to Executive Management at a set time each month.

  At each monthly accounts close, the DPPCG and DCFTF work together to ensure that all expense and income items are recorded, and are recognised in the correct accounting period. Financial information used in management reporting and in the financial statements all derives from a shared Enterprise Resource Planning (ERP) platform common to all the main structures within the Group, which ensures consistency and control of the data outputs.
- two updates, to allow for adjustments to year-end projections and recalibrate action plans if required;
- a process of regular re-forecasting to assess the impact of current events;
- monthly operating indicators reflecting short-term management objectives for the various business units. These may be used to develop action plans, and hence to measure performance. This process has been rolled out in most Group entities, and enables operational managers at every level to be aware of all available performance indicators.
- a digital dashboard analysing the components of programming margin for the TF1, TMC, TFX, TF1 Séries Films and LCI channels. Additional margin analyses are prepared regularly for individual programmes, dayparts or hourly slots; these are used to focus action plans.

HUMAN RESOURCES AND CSR DIVISION (DGARH & CSR)

The Human Resources and CSR Division plays a key role in selecting, deploying, and developing the human capital needed for TF1 group entities to operate effectively.

It monitors compliance with the French Labour Code and changes in labour policy, in conjunction with the various employee representative bodies. It also co-ordinates the Group's professional training, which aims to develop the technical, interpersonal and managerial skills required for 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.

As part of the overall management cycle the Human Resources Division works with the operating divisions and support functions to plan future human resources needs. These needs are formalised and are an integral part of the three-year financial and strategic planning process determined by Executive Management. Succession plans for the top 160 senior executives are updated annually. Any request for a new hire or internal promotion is subject to a formal approval procedure.

For a description of the Group's Corporate Social Responsibility policy, which contributes to internal control via the reporting of social and societal information, refer to section 4 of this universal registration document.

GENERAL COUNSEL'S DEPARTMENT AND LEGAL AFFAIRS DIVISION (DAJ)

The General Counsel's Department of the Group leads and co-ordinates two functions:

- the General Counsel's Department, directly responsible for:
  - managing relations with external bodies and authorities such as the CSA, the French Competition Authority, the French government and parliament, and the European Commission, working in conjunction with the Group's Institutional Relations and Regulatory Affairs Division,
  - monitoring laws, rules and decrees that affect the broadcasting industry,

- monitoring compliance with regulatory requirements (production-related obligations, CSA reporting, the French Competition Authority, business combinations, abuse of dominant position, restraint of trade, etc.),
- managing relations with trade bodies such as the French copyright collection agency (SACD) and the French TV producers association (USPA), and dealing with industry-wide agreements on broadcasting and production,
- compliance with the Code of Ethics, and applying rules on personal and professional ethics and compliance,
- relations with the Group's Ethics, CSR and Patronage Committee;

- the Legal Affairs Division (DAJ), responsible for:
  - determining the contracting policy and supervising its enforcement within the Group, and more generally monitoring and negotiating key acquisition, distribution and sales contracts in compliance with governance rules,
  - dealing with matters relating to company law (including secretarial support for Board Meetings and General Meetings of TF1 SA, as a publicly quoted company), and assessing legal aspects of business development proposals (corporate acquisitions and divestments, restructuring, etc),
  - dealing with court proceedings and litigation: risks and claims are monitored in close collaboration with the Finance and Purchasing Division (DGAFA) to ensure that they are correctly reported in the financial statements,
  - managing intellectual property such as rights, brands and domain names, and protective measures (especially against piracy),
  - protection and free movement of personal data: TF1 responded to the General Data Protection Regulation (GDPR) by designating a staff member from within the DAJ as a Data Protection Officer (DPO), with the role of co-ordinating personal data protection compliance and providing information and advice to other business lines and functions within the Group. The DPO is supported by a network of data correspondents within each business line and function,
  - monitoring of management risk, insurance, and real estate assets. In particular, the DAJ ensures that there is adequate insurance cover and that premiums and deductibles are commensurate with risk exposure.

For several years, the General Counsel's Department and the DAJ have been involved in a process to enhance security and control over commitments. Tangible results of this process include establishing a Group-wide contracting policy, and standard contract models for all recurring commitments. The DAJ is also working to optimise and secure the insurance policies taken out by TF1 and its subsidiaries so as to be covered against potential risks.

Finally, the DAJ ensures that there is a consistent policy on delegation of powers within the organisation, and works with DGARH to apply that policy. Specifically, subsidiaries over which TF1 exercises exclusive control have been delegated powers based on guidelines established at Group level. In jointly-controlled subsidiaries, internal control is organised on the basis of the TF1 group's expertise and in compliance with shareholder agreements.

2.3.2.3 CONTROL PROCESS FOR PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

FINANCIAL INFORMATION SYSTEMS

The Technologies Division, in conjunction with the Tools and Projects Hub, deploys and supervises the TF1 group's financial information systems (accounting, management, treasury and consolidation).

TF1 operates both internally-developed systems and commercial software. Finance-related applications are rigorously analysed, monitored and operated so as to ensure continuity of service, integrity, security, and legal compliance. As part of the Group's information security policy, technical support and training are provided to staff to help prevent virus or hacking attacks. This is backed by the "Eticnet Charter", a regularly updated document designed to ensure staff take these issues seriously.

TF1 has tools in place to guarantee control over commitments and payments:

- systematic centralised controls:
  - SAP access controls, based on a user role incompatibility matrix,
  - commitment approval procedures based on internal control rules;
- centralised creation and management of databases (suppliers, inventories);
- acceptance only of invoices that relate to a commitment validly approved within the system, by a shared invoice administration department, thereby enhancing segregation of duties between checking invoices on receipt, approving them for payment, and signing off the payment.

Payments made by Group entities are issued from SAP and are subject to multiple approvals including double signature; all payments are subject to formal banking signatory powers, which are updated on a regular basis.

PROCESS FOR THE PRODUCTION, CONSOLIDATION AND VALIDATION OF THE FINANCIAL STATEMENTS

Transaction recording

The TF1 group has fully-documented accounting processes to ensure that transactions are accurately recorded, that all and only those transactions that actually occur are recorded, and that accounting policies are applied consistently from one period to the next.

DCF teams obtain assurance that the processes for collecting and processing financial information are reliable, especially via the SAP and Xotis software packages and upstream operational applications (such as sales, purchases and payroll) that feed data into SAP and Xotis. They issue sales invoices and process payments received from customers, and handle any associated recovery proceedings; they also process purchase invoices, and pay suppliers within the legal time limits. Finally, they file tax and regulatory declarations (having checked them for accuracy) and make sure taxes are paid on time.

Interim accounting closes

At each accounting close, period-end adjusting entries are subject to a joint review by the accounting and management control functions.

The DCF ensures that asset valuation processes have been properly applied, consistently with the accounting policies described in the notes to the financial statements:

- goodwill and equity holdings recognised in the balance sheet:

  Periodic review for evidence of impairment, annual impairment testing, and recognition of impairment losses as necessary;
- audiovisual rights and other assets:

  Review of valuation with reference to the relevant criteria;
- off balance sheet commitments:

  Annual review, focusing in particular on commitments to secure future programming schedules and involving the Programmes and Rights Buying Divisions, the relevant channel, and the finance function;
- litigation and other risks:

  Joint review with Legal Affairs, Human Resources and the operating divisions.

These processes, and their outputs, are reviewed by the Statutory Auditors.

The TF1 group prepares monthly consolidated financial statements using SAP-BFC (the industry standard consolidation tool), which builds in rigorous analyses and controls over data processing and outputs. Year-on-year movements in financial statement line items are analysed and fully explained.

Validation

Elective accounting treatments are reviewed with the Statutory Auditors ahead of each quarterly accounting close and presented to the Audit Committee.

The consolidated financial statements are reviewed each month by the Chief Financial Officer and presented to the Chairman & CEO.

The Statutory Auditors issue an audit opinion on the annual parent company and consolidated financial statements of TF1, and perform a review of the interim consolidated financial statements.

The Audit Committee reviews the consolidated financial statements and the Statutory Auditors' report each quarter, before they are presented to the Board of Directors.

PROCESS FOR MANAGING PUBLISHED FINANCIAL INFORMATION

Only duly authorised persons may communicate financial information to the market. In addition to the Chairman & CEO, these include the Executive Vice President, Group Finance and Purchasing; the Corporate Communications Division; and staff of the Financial Communications and Investor Relations Department.

Published documents are subject to a control and validation process prior to release. This involves not only the Finance function but also Legal Affairs, Human Resources & CSR, and Corporate Communications. Quarterly financial press releases are approved by the Audit Committee and the Board of Directors.

The Financial Communications and Investor Relations Department distributes and communicates financial information about the TF1 group and its strategy through, for example:

- the management reports of the Board of Directors;
- the universal registration document, half-yearly financial reports and quarterly financial information;
- financial press releases;
- presentations to financial analysts and investors.

The Group files its universal registration document with the AMF (the French financial markets authority). Before filing, the universal registration document is reviewed by the Statutory Auditors.

The Corporate Social Responsibility information contained in the universal registration document is also reviewed by an independent third party, in accordance with the implementation decree of Article 225 of the Grenelle 2 Act.

Each issue on which TF1 publishes information is accompanied by discussion and analysis that is validated by Executive Management and updated regularly, providing robust support in the Group's relations with market players.

To guarantee investors equal access to information, all published financial information materials are also made available in English and distributed through the following channels:

- information intended for the general public is posted online (or sent by post on demand) on the corporate website at www.groupe- tf1.fr/en immediately upon publication;
- regulated information is disseminated in accordance with the European Transparency Directive via a primary information provider;
- analyst meetings are accessible in full without restriction, via live or catch-up webcast or via conference call;
- foreign visits and discussions with market players are usually conducted by two representatives from TF1, to ensure that the information provided is accurate and to guarantee equal access to that information. Any documents presented on such occasions are posted immediately on the corporate website at www.groupe-tf1.fr/en.

2.3.2.4 OVERSIGHT OF INTERNAL CONTROL

The two first lines of defence – operational management, and control activities carried out within the support functions – must themselves be subject to further controls. This is the role of the third line of defence, consisting of Internal Audit and the Audit Committee.

INTERNAL AUDIT

Internal Audit performs analyses and tests, and prepares reports, that help senior management identify, manage and control risks more effectively.

As part of its role, Internal Audit obtains assurance (in conjunction with the Internal Control function's own assessment programmes) that self-assessments are accurate and that internal controls are actually being applied. In the process, Internal Audit helps raise staff awareness of internal control principles.

In addition, Internal Audit actively monitors best practice in control implemented within the Group.

A summary of Internal Audit assignments is presented to the Audit Committee every quarter.

2

AUDIT COMMITTEE

The Audit Committee was set up in 2003 and consists of three Directors. To guarantee its independence, no executive officer or employee of TF1 may sit on the Committee.

The Committee reviews the quarterly, half-year and annual financial statements before they are presented to the Board of Directors, and also receives a presentation on the conclusions of the Statutory Auditors. This review includes assessing whether the accounting policies used for the preparation of the financial statements are appropriate and have been consistently applied, and verifying the procedures used to collect and check the information used.

The Audit Committee is also advised of information about how the Group is perceived by the financial markets. This information is provided to the Committee in the form of a summary of what investors expect from the Group; a description of trends in the TF1 share price; and analyst consensus estimates of current-quarter and current-year revenues and profits.

The Audit Committee is provided with regular updates 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 risks. Each year, the third-quarter Audit Committee meeting validates the Internal Audit plan for the following year. A summary report on Internal Audit assignments, highlighting the risks and degree of control for each process audited, is presented to the Audit Committee.

2.3.3 CONCLUSION AND OUTLOOK

Throughout 2019, the TF1 group continued to reorganise its processes to make them more efficient and flexible and achieve greater cross-functionality between the entities. The participation rate in the internal control campaign was judged to be highly satisfactory.

TF1 extended the risk mapping process by updating, reassessing and prioritising risks identified in previous years, and adding new risks that could impair attainment of the Group’s medium-term strategic goals.

The Audit Committee was kept informed of all these activities on a regular basis.

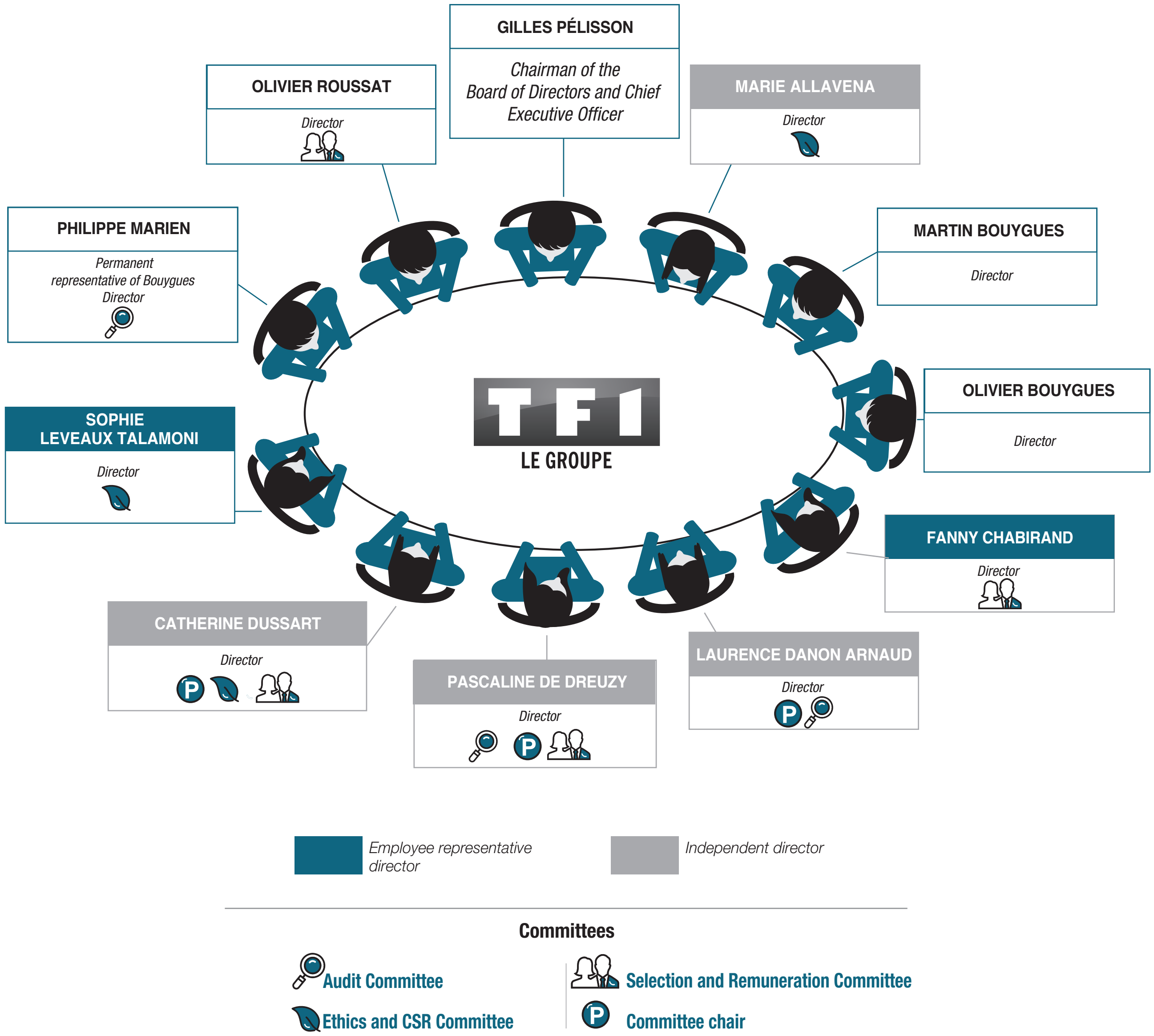
All of these objectives will be rolled forward, supporting a dynamic vision of internal control that relies above all on the skills, sense of responsibility and commitment of all Group employees.

3

CORPORATE GOVERNANCE

3.1 CORPORATE GOVERNANCE STATEMENT

3.1.1 COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT 31 DECEMBER 2019



Type of Director	Method of appointment	Term of office	Number of Directors
Non employee representative Directors	Appointed by an Ordinary General Meeting	3 years	3 to 18
Employee representative Directors	Elected by TF1 SA employees	2 years	2

Since the Annual General Meeting of 14 April 2016, the TF1 Board of Directors has had 11 members, 9 of whom are non employee representative Directors.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2019

DECISIONS MADE AT THE ANNUAL GENERAL MEETING OF 18 APRIL 2019

Appointments	Reappointments	Directors remaining in office	
Marie Allavena[1]	Pascaline de Dreuzy Gilles Pélisson Olivier Roussat	Martin Bouygues Olivier Bouygues Fanny Chabirand[2] Laurence Danon Arnaud	Catherine Dussart Sophie Leveaux Talamoni[2] Bouygues SA *(permanent representative: Philippe Marien)*

(1) Replacing Janine Langlois-Glandier.
(2) Employee representative Director.

CHANGES IN THE COMPOSITION OF THE COMMITTEES IN 2019

AUDIT COMMITTEE

No change during 2019.

Chair	Laurence Danon Arnaud
Member	Pascaline de Dreuzy
Member	Philippe Marien

ETHICS AND CSR COMMITTEE[1]

	Until 18 April 2019	From 18 April 2019
Chair	Janine Langlois-Glandier	Catherine Dussart
Member	Catherine Dussart	Marie Allavena
Member	Sophie Leveaux Talamoni*	Sophie Leveaux Talamoni*

** Employee representative Director.*
(1) The remit of the Ethics and CSR Committee will be extended to include patronage in 2020.

DIRECTOR SELECTION COMMITTEE AND REMUNERATION COMMITTEE (MERGED IN 2019)

Director Selection Committee	Until 11 December 2019
Chair	Martin Bouygues
Member	Olivier Roussat

Remuneration Committee	Until 18 April 2019	From 18 April 2019
Chair	Catherine Dussart	Pascaline de Dreuzy
Member	Fanny Chabirand*	Fanny Chabirand*
Member	Philippe Marien	Philippe Marien

** Employee representative Director.*

Selection and Remuneration Committee	From 11 December 2019
Chair	Pascaline de Dreuzy
Member	Fanny Chabirand*
Member	Catherine Dussart
Member	Olivier Roussat

** Employee representative Director.*

3.1.2 COMPOSITION OF THE BOARD OF DIRECTORS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING OF 17 APRIL 2020

Reappointments	Elections*	Directors remaining in office	
Olivier Bouygues Catherine Dussart	Fanny Chabirand Sophie Leveaux Talamoni	Marie Allavena Gilles Pélisson Olivier Roussat Laurence Danon Arnaud Pascaline de Dreuzy	Bouygues SA (permanent representative: Philippe Marien)** SCDM (permanent representative: Martin Bouygues)***

* *Applies only to employee representative Directors.*

** *Bouygues SA designted Pascal Grangé as its new permanent representative at the end of the TF1 Board of Directors meeting of 13 February, 2020.*

*** *At its 13 February 2020 meeting, the Board of Directors of TF1 co-opted SCDM, represented by Martin Bouygues, to replace Martin Bouygues, who resigned as a Director. Refer to section 8.2.*

A career résumé of each Director is provided in section 3.1.3.

The latest composition of the Board of Directors can be viewed at any time on the corporate website: https://www.groupe-tf1.fr/en/investors/governance/.

The Board of Directors seeks to improve the standard and effectiveness of corporate governance at TF1 by regularly reviewing its composition and diversity, together with the Directors' competencies, experience, commitment, motivation and accountability. Other issues assessed include the proportion of independent Directors and gender balance, and adopting the Board practices best suited to the company.

The Board has sought advice from the Selection and Remuneration Committee in anticipation of the forthcoming Annual General Meeting.

At its meeting of 13 February 2020, the Board reviewed the directorships that are due to expire at the forthcoming Annual General Meeting, taking into account the expertise of the serving Directors and the need to maintain the proportions of independent Directors and female Directors. The Board paid particular attention to the experience and knowledge of the Group's businesses that each Director needs in order to contribute effectively to the work of the Board and its three committees. Overall, the Board has sought to maintain a balanced membership that can address the challenges facing the Group.

REAPPOINTMENT OF TWO DIRECTORS

Refer to "Terms of Office of Directors" in the report of the Board of Directors on the resolutions (section 8 of the universal registration document) for a detailed rationale for the two proposed reappointments.

The terms of office of Catherine Dussart and Olivier Bouygues expire at the end of the Annual General Meeting of 17 April 2020, called to approve the financial statements for the 2019 financial year.

The Board of Directors takes the view that both have been assiduous in their involvement in the work of the Board and (in the case of Catherine Dussart) its committees; their contribution has been highly valued. Their knowledge of the media sector, the audiovisual landscape and global industry brings insights to the Board.

A vote to reappoint these two Directors would maintain the level of expertise on the Board, and would mean that 4 out of 9 Directors would be independent and 4 out of 9 would be female, the same proportions as at present (the two employee representative Directors are excluded from these calculations).

The Board of Directors, in line with the recommendations of the Selection and Remuneration Committee, will ask the shareholders to approve the reappointment of these Directors for a further three-year term of office, expiring at the Annual General Meeting held in 2023 to approve the financial statements for the 2022 financial year.

RATIFICATION OF THE CO-OPTING OF A NEW DIRECTOR

Martin Bouygues informed the Company of his desire to resign from the Board of Directors effective at the end of the Board of Directors meeting of 13 February 2020. The Board of Directors appointed SCDM, represented by Martin Bouygues, as a Director for the remaining term of office, i.e. until the end of the General Meeting called to approve the financial statements for financial year 2020, to be held in 2021. Appointments of Directors made by the Board of Directors are subject to ratification. The Board of Directors is submitting this co-opting to the shareholders for ratification at the forthcoming General Meeting.

ELECTION OF TWO EMPLOYEE REPRESENTATIVE DIRECTORS

Since the company's privatisation and pursuant to Article 66 of law no. 86-1067 of 30 September 1986 as amended, there are two employee representative Directors. They are elected by the employees of TF1 SA. One is elected by an electoral college of managerial staff and journalists, the other by an electoral college of clerical, technical and supervisory staff. All employees with a contract of employment of at least three months at the date of the election are eligible to vote. All employees with a contract of employment of at least two years at the date of the election are eligible to stand.

Employee representative Directors fulfil their remit on the same conditions as non employee representative Directors.

The terms of office of the two employee representative Directors, Fanny Chabirand and Sophie Leveaux Talamoni, will expire in 2020. As required by law, the employee representative Directors are directly elected by TF1 employees in advance of the Annual General Meeting. The first round of elections takes place on 19 March 2020.

The Annual General Meeting of 17 April 2020 will learn the names of the two employee representative Directors elected for two years by the electoral colleges, and will have to formally note their election and designation as employee representative Directors.

TF1 does not fall within the scope of Article L. 225-27-1 of the French Commercial Code, which provides for a mandatory regime for employee representation on the Board of Directors for *sociétés anonymes* above a certain size.

TF1 had no obligation to arrange for the election of Directors representing employee shareholders pursuant to Article L. 225-23 of the French Commercial Code prior to publication of law no. 2019-486 of 22 May 2019 on the Business Growth and Transformation Action Plan (the "Pacte" law), which removed the exemption that applied to TF1.

As a result, the new requirement for Directors representing employee shareholders will be implemented in two phases, at successive Annual General Meetings.

In accordance with Article 186, paragraph II of the Pacte law, the Board of Directors will ask the Annual General Meeting of 17 April 2020 to approve the amendments to the company's Articles of Association required for the election of Directors representing employee shareholders, which must take place at the 2021 Annual General Meeting.

COMPOSITION OF THE BOARD OF DIRECTORS AFTER THE ANNUAL GENERAL MEETING

Subject to approval by the Annual General Meeting of the 12th resolution, the composition of the Board of Directors after the Annual General Meeting will be as follows:

- 4 female independent Directors: Marie Allavena, Laurence Danon Arnaud, Pascaline de Dreuzy and Catherine Dussart;
- 2 employee representative Directors: Fanny Chabirand and Sophie Leveaux Talamoni, subject to the results of the employee representative Director elections of 19 March 2020;
- 1 Executive Director: Gilles Pélisson;
- 4 Directors representing the controlling shareholder: Olivier Bouygues, Olivier Roussat, Bouygues SA (represented by Pascal Grangé) and SCDM (represented by Martin Bouygues).

Excluding employee representative Directors, the TF1 Board of Directors would include: four independent Directors (44%) and four female Directors (also 44%), bearing in mind that Directors elected by employees do not count towards those percentages.

Also subject to the above, with effect from 17 April 2020 the committees would comprise:

Audit Committee

Chair: **Laurence Danon Arnaud**, Independent Director.

Members: **Pascaline de Dreuzy**, Independent Director and **Pascal Grangé**.

Ethics, CSR and Patronage Committee

Chair: **Catherine Dussart**, Independent Director.

Members: **Marie Allavena**, Independent Director and **Sophie Leveaux Talamoni**, Employee representative Director.

Selection and Remuneration Committee

Chair: **Pascaline de Dreuzy**, Independent Director.

Members: **Fanny Chabirand**, Employee representative Director, **Catherine Dussart**, Independent Director and **Olivier Roussat**.

3.1.3 DIRECTORSHIPS AND OTHER POSITIONS HELD BY DIRECTORS IN OFFICE AT 31 DECEMBER 2019

Directorships and other positions held by Directors of TF1 as of 31 December 2019 and during the past five years are listed below. The Directors are compliant with the rules on multiple directorships.

GILLES PÉLISSON

Born 26 May 1957 – French

Chairman & CEO, appointed 19 February 2016
Director since 18 February 2009 – Independent until 28 October 2015

Current term expires: **2022**
Holds **3,000 TF1 shares**
Business address: **1, quai du Point du jour, 92100 Boulogne-Billancourt, France**

EXPERTISE AND EXPERIENCE

Gilles Pélisson is a graduate of ESSEC and holds an MBA from Harvard Business School. He began his career in 1983 with the Accor group, first in the United States and then in the Asia-Pacific region. At Accor, he served as CEO of the Courtepaille restaurant chain and co-Chairman of the Novotel hotel chain. He was appointed CEO of EuroDisney 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, and then Chairman and CEO from February 2004. He was appointed CEO of Accor in January 2006, then Chairman and CEO until January 2011.

From 2011 to 2015 he was an independent Director of Barrière (hotels and casinos in France), NH Hoteles (Spain), Sun Resorts International (Mauritius), Accenture (USA) and TF1, and Senior Advisor to the Jefferies investment bank (New York).

He has been Chairman and Chief Executive Officer of TF1 since 19 February 2016.

OTHER DIRECTORSHIPS AND POSITIONS WITHIN THE TF1 GROUP

In France: Chairman and Director of the TF1 Corporate Foundation. Chairman of the Supervisory Board of Salto Gestion SAS. Chairman of Une Musique SASU.

Outside France: Acting Chairman of Télé Monte-Carlo (TMC)

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Chairman and founder-Director of the Gérard & Gilles Pélisson Foundation for the Paul Bocuse Institute.

Outside France: Director of Accenture PLC (USA).

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2019 - Chairman of Ciby 2000 SASU

2018 – Director of Aufeminin

2017 – Chairman and Director of Monte-Carlo Participations.

2016 – Director of the Lucien Barrière group. Director of

Sun Resorts International (Mauritius). Senior Advisor to Jefferies Inc., New York (United States)

MARIE ALLAVENA

Born 4 July 1960 – Monegasque

Independent Director since 18 April 2019
Member of the Ethics, CSR and Patronage Committee

Current term expires: **2022**
Holds **500 TF1 shares**
Business address: **1, rue Thénard, 75005 Paris, France**

EXPERTISE AND EXPERIENCE

Marie Allavena is a graduate of ESSEC. She began her career in banking, starting at BNP Paribas and then moving to the Crédit Agricole group, where she built up expertise in complex financial engineering (including aircraft financing and LBOs). In 1994, she set up her own business, Futurekids, a computing school that introduced children as young as three years old to new technologies. Her company expanded in France and Monaco, both through direct learning and in schools. She sold her company in 2002 and took up management posts in various consultancy firms, including the Bernard Julhiet group.

In 2006 she teamed up with Serge Eyrolles, joining the Eyrolles group (an independent family-owned publishing house) as General Counsel. She was appointed CEO of the Eyrolles group in 2008.

During her 11 years with the Eyrolles group, she has expanded the company's list from its historical roots in professional and technical publishing to more popular works; Eyrolles books are now translated into 35 languages. Marie Allavena was an early pioneer of digital books, sealing partnerships with big players like Apple and Amazon so that Eyrolles content could be accessed on all platforms and in all formats.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Director of the Eyrolles group; Chairwoman of the Board of Directors of Banque Populaire Rives de Paris; Director of Banque Palatine and Chair of the Risk Committee; Director of COFACE.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2018 – Director of Aufeminin.

2015 – Director of La Procure.

MARTIN BOUYGUES

Born 3 May 1952 – French

Director since 1 September 1987

Current term expires: **2021**
Holds **1,044 TF1 shares**
Business address: **32, avenue Hoche, 75008 Paris, France**

EXPERTISE AND EXPERIENCE

Martin Bouygues joined the Bouygues group in 1974 as a works supervisor. In 1978, he established Maison Bouygues, specialising in the sale of catalogue homes. A Director of Bouygues since 1982, Martin Bouygues was appointed Vice Chairman in 1987. In September 1989, Martin Bouygues succeeded Francis Bouygues as Chairman and CEO of Bouygues. At his instigation, Bouygues continued to expand in construction and media (TF1), and launched Bouygues Telecom in 1996. In 2006 Bouygues acquired a stake in Alstom.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Chairman & CEO and Director of Bouygues (listed company). Chairman of SCDM. Permanent representative of SCDM in its capacity as Chairman of SCDM Participations. Member of the Board of Directors of the Francis Bouygues Corporate Foundation. Member of the Supervisory Board of Domaine Henri Rebourseau.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2019 – Member of the Board of Directors of the Skolkovo Foundation (Russia).

2018 – Permanent representative of SCDM in its capacity as Chairman of Actiby.

2016 – Member of the Supervisory Board and the Strategy Committee of Rothschild & Co (listed company, formerly Paris-Orléans).

2015 – Permanent representative of SCDM in its capacity as Chairman of La Cave de Bâton Rouge.

OLIVIER BOUYGUES

Born 14 September 1950 – French

Director since 12 April 2005

Current term expires: **2020**
Holds **100 TF1 shares**
Business address: **32, avenue Hoche, 75008 Paris, France**

EXPERTISE AND EXPERIENCE

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 Division. From 1983 to 1988 at Bouygues Offshore, he was Director of Boscam, a Cameroon subsidiary, then Director of the France Works and Special Projects Division. From 1988 to 1992 he was Chairman and Chief Executive Officer of Maison Bouygues. In 1992 he became Executive Vice President of the Bouygues group's Utilities Management Division, which combined the French and international activities of Saur. Olivier Bouygues has been a Director of Bouygues since 1984. In 2002 he was appointed Deputy Chief Executive Officer of Bouygues.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Deputy Chief Executive Officer and Director of Bouygues (listed company). Chief Executive Officer of SCDM. Director of Alstom (listed company), Bouygues Construction, Bouygues Telecom and Colas (listed company). Member of the Board of Bouygues Immobilier. Chairman of SCDM Domaines.

Outside France: Chairman of the Board of Directors of Bouygues Europe (Belgium). Director of SCDM Energy Limited (United Kingdom). Chairman and CEO of Seci (Côte d'Ivoire).

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2017 – Chairman of Sagri-E.

2016 – Permanent representative of SCDM in its capacity as a Director of Bouygues SA. Director of Bouygues Immobilier SA.

2015 – Chairman of SCDM Énergie. Director of Eranove

(formerly Finagestion). Director of Sodeci (Côte d'Ivoire), CIE (Côte d'Ivoire) and Sénégalaise des Eaux (Senegal). Liquidator of SIR.

FANNY CHABIRAND

Born 14 September 1976 – French

Employee representative Director since 13 March 2012
Member of the Selection and Remuneration Committee

Current term expires: **2020**
Holds **20 TF1 shares**
Business address: **1, quai du Point du jour, 92100 Boulogne-Billancourt, France**

EXPERTISE AND EXPERIENCE

Fanny Chabirand holds a Masters degree in Tourism Science and Technology. She joined TF1 on 1 January 2007 and since then has worked as a commercial assistant on the TF1 Social and Economic Committee.

OTHER DIRECTORSHIPS AND POSITIONS WITHIN THE TF1 GROUP

None.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

None.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

None.

LAURENCE DANON ARNAUD

Born 6 January 1956 – French

Independent Director since 22 July 2010
Chair of the Audit Committee

Current term expires: **2021**
Holds **100 TF1 shares**
Business address: **30, bd Victor-Hugo, 92200 Neuilly-sur-Seine, France**

EXPERTISE AND EXPERIENCE

Laurence Danon Arnaud enrolled at École Normale Supérieure Paris in 1977. She obtained an "agrégé" teaching qualification in Physics in 1980. After two years of research at the CNRS national scientific research laboratory, she enrolled at the École Nationale Supérieure des Mines engineering school in 1981, graduating in 1984 as a qualified engineer. Laurence then joined the French Ministry of Industry as head of the Industrial Development Department within the Industry & Research directorate of the Picardy region. Three years later she moved to the Hydrocarbons Directorate of the Ministry of Industry, where she headed up the Exploration-Production Department. In 1989, she joined the Elf group, working in commercial managerial roles in the Polymers Division before being appointed head of a unit within the Industrial Specialties Division in 1991. She took on a new role in 1994 as Director of the Global Functional Polymers Division. From 1996 to 2001 she was CEO of Ato-Findley Adhesives, which became Bostik (world no. 2 in adhesives in 2000). In 2001, she was appointed as Chairwoman & CEO of Printemps and a member of the Executive Board of PPR (Pinault Printemps Redoute, now Kering), where she successfully oversaw the repositioning towards fashion and luxury goods. She won the "Enterprise" trophy at the "Femmes en or" (France's "Women of the Year" awards) in 2006.

Following the successful sale of Printemps in October 2006, she left this role in 2007. Laurence joined the Edmond de Rothschild group in 2007 as a member of the Management Board of Edmond de Rothschild Corporate Finance, becoming Chairwoman in 2009.

In just a few years she significantly raised the profile of the firm's mid-cap/family M&A advisory business, engineering some ground-breaking deals. At the start of 2013 she moved to Leonardo & Co. SAS, the French subsidiary of the Italian investment bank Banca Leonardo (one of France's leading M&A specialists handling 30 deals a year), as Chairwoman of the Board of Directors. Following the sale of Leonardo & Co. SAS to Natixis in 2015, Laurence joined her family firm Primerose SAS. Laurence is an officer of the Légion d'honneur and the Ordre de Mérite. She has also been elected to the Académie des Technologies.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Chairwoman of Primerose SAS. Director of Amundi, Groupe Bruxelles-Lambert and Gecina (listed companies).

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2016 – Senior Advisor to Natixis Partners. Director of Cordial Investment & Consulting plc (United Kingdom).

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

PASCALINE DE DREUZY

Born 5 September 1958 – French

Independent Director since 14 April 2016
Chair of the Selection and Remuneration Committee
Member of the Audit Committee

Current term expires: **2022**
Holds **100 TF1 shares**
Business address: **7 rue du Laos, 75015 Paris, France**

EXPERTISE AND EXPERIENCE

A doctor at Hôpitaux de Paris, the holder of an EMBA from HEC and a company director diploma from Sciences-Po-IFA, and currently studying for a Corporate Finance Certificate at ICCF-HEC, Pascaline de Dreuzy has been overseeing innovative and pioneering cross-functional projects at the Necker-Enfants Malades hospital group for more than 25 years. From 2011 to 2013 she was a doctor-manager at strategy consulting firms (ANAP, Arthur Hunt), and then set up her own organisation: P2D Technology, which uses new technologies and AI to build bridges between industry and healthcare, with the aim of helping at-risk people stay in their homes and be remotely monitored. P2D solutions combine human and digital to improve the quality of life of vulnerable people while optimising healthcare costs. In a parallel career, she has been involved in the corporate world from an early age as a Director of one of the family holding companies that controls the PSA group. She is extremely committed to corporate governance: at the end of her term of office on the Board of the French Institute of Directors she joined the Institute's expert groups on CSR, Integrated Reporting, Risk Appetite, Family Company Governance, and the role of Board of Directors in dealing with climate issues; she also teaches one of the Institute's training modules.

She is a Knight of the Légion d'Honneur.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Director, member of the Audit Committee and Chair of the Compensation and Appointments Committee of the Séché Environnement Group since 2017, Director of the Fondation Hugot of the Collège de France since 2017, Director of Samu Social International since 2014, and member of the Expert Committee of the Innovation Investment Fund (life sciences, digital and ecotechnologies) at Bpifrance since 2015.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2019 – Samu Social International: Director

2018 – Navya (listed company): Director and member of the Audit, Appointments and Compensation Committees.

2017 – Diaconesses-Croix Saint Simon Hospitals, Œuvre de la Croix Saint Simon Foundation.

2016 – French Institute of Directors – Director.

2016 – Diaconesses-Croix Saint Simon Hospitals – Chair of the Ethics Committee.

CATHERINE DUSSART

Born 18 July 1953 – French

Independent Director since 18 April 2013
Chair of the Ethics, CSR and Patronage Committee
Member of the Selection and Remuneration Committee

Current term expires: **2020**
Holds **100 TF1 shares**
Business address: **25, rue Gambetta, 92100 Boulogne Billancourt, France**

EXPERTISE AND EXPERIENCE

After studying management, Catherine Dussart began her career as a press officer and then became a producer of documentaries and dramas for cinema and television with the creation of Les Productions Dussart in 1992 and CDP in 1994. Since then she has produced or co-produced nearly 100 films in around 15 countries. Her recent productions include *Laila in Haifa* by Amos Gitai and *Les Irradiés* by Rithy Panh; *A Tramway in Jerusalem* by Amos Gitai and *Graves Without a Name* by Rithy Panh, presented in the official selection at the 2018 Venice Film Festival; *9 fingers* by F.J. Ossang, winner of best screenplay at the 2017 Locarno Festival; *The Exile* by Rithy Panh, presented in the official selection at the 2016 Cannes Film Festival; *Gospel* by Pippo Delbono, presented in the official selection at the 2016 Venice Film Festival; *France Is Our Mother Country* by Rithy Panh (Fipa 2015); *Chauthi Koot (The Fourth Direction)* by Gurvinder Singh (India), presented in the official selection at the 2015 Cannes Film Festival; *Kalo Pothi (The Black Hen)* by Min Bahadur Bham (Nepal), winner of the critics prize at the 2015 Venice Film Festival; and *The Missing Picture* by Rithy Panh, which won the "Un Certain Regard" prize at the 2013 Cannes Film Festival and the Prix Italia and was also an Academy Award nominee for best foreign film. A number of films are in production during 2020, including new films by Rithy Panh, Amos Gitai and Peter Greenaway.

Catherine Dussart is a consultant for the Doha Film Institute.

She has been a member of the World Cinema Subsidy Commission of the French Ministry of Foreign Affairs; Deputy Chair of the Royalty Advances commission of the French National Cinematography Centre (CNC); and a member of the CNC's Distribution Subsidy Commission.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: General Manager of Catherine Dussart Production-CDP.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

None.

SOPHIE LEVEAUX TALAMONI

Born 11 December 1964 – French

Employee representative Director since 3 April 2014
Member of the Ethics, CSR and Patronage Committee

Current term expires: **2020**
Holds **10 TF1 shares**
Business address: **1, quai du Point-du-Jour, 92100 Boulogne-Billancourt, France**

EXPERTISE AND EXPERIENCE

Sophie Leveaux Talamoni has been TF1's Artistic Director of Acquisitions and international development manager since July 2008. She joined the Acquisitions Division of TF1 group in 1993 and was appointed Artistic Manager in 1995, since when she has gradually assumed broader responsibilities across the division's spectrum of activities.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

None.

OTHER DIRECTORSHIPS AND POSITIONS WITHIN THE TF1 GROUP

None.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

None.

PHILIPPE MARIEN

Born 18 June 1956 – French

Permanent representative of Bouygues in its capacity as Director of TF1 since 20 February 2008
Member of the Audit Committee

Current term expires: **2021**
Business address: **32, avenue Hoche – 75008 Paris, France**

EXPERTISE AND EXPERIENCE

Philippe Marien is a graduate of École des Hautes Études Commerciales (HEC). He joined the Bouygues group in 1980 as an international finance manager. In 1984, he was special advisor for the takeover of the AMREP oil services group before being appointed Finance Director of Technigaz, a liquefied natural gas engineering contractor, in 1985. In 1986, he joined the Bouygues group Finance Department to take responsibility for financial aspects of the takeover of Screg. He was successively appointed Director of Finance and Cash Management at Screg (in 1987) and Director of Finance at Bouygues Offshore (in 1991). He was appointed Senior Vice President, Finance and Administration of Bouygues Offshore in 1998, then moved to Bouygues Bâtiment in 2000 as Chief Financial Officer. In March 2003, Philippe Marien became Chief Financial Officer of the Saur group, the Bouygues group's water management subsidiary, where he managed the sale of Saur first by Bouygues to PAI Partners, and then by PAI Partners to a new group of shareholders led by Caisse des Dépôts et Consignations. He was appointed Chief Financial Officer of the Bouygues group in September 2007. In February 2009 Philippe Marien was appointed Chairman of Bouygues Telecom's Board of Directors, a role he held until April 2013. In 2015 he became Group Chief Operating Officer and Chief Financial Officer of Bouygues, with additional responsibilities for Group information systems and innovation and then (in 2016) for Human Resources as well. On 30 August 2016 he was appointed a Deputy Chief Executive Officer of Bouygues, a position he held until 19 February 2020.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Deputy Chief Executive Officer of Bouygues (listed company). Chief Executive Officer of SCDM. Permanent representative of Bouygues in its capacity as a Director of Alstom (listed company), Bouygues Construction, Bouygues Telecom, and Colas (listed company). Permanent representative of Bouygues in its capacity as a member of the Board of Bouygues Immobilier.

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

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2017 – Director of Bouygues Telecom. Permanent representative of Bouygues in its capacity as Director of C2S.

2016 – Permanent representative of Bouygues in its capacity as a Director of Bouygues Immobilier.

2015 – Liquidator of Finamag.

BOUYGUES

Paris Trade and Companies Register (RCS) no. 572 015 246

Director, represented by Philippe Marien since 20 February 2008

Current term expires: **2021**
Holds **91,946,297 TF1 shares**
Registered office: **32, avenue Hoche – 75008 Paris, France**

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

Director of Alstom (listed company), Bouygues Construction, Bouygues Telecom and Colas (listed company). Director of GIE 32 Hoche and GIE Intrapeneuriat Bouygues. Member of the Board of Bouygues Immobilier. Member of the Board of Directors of the management body of Centre Gustave Eiffel (not-for-profit organisation). Member of the Board of Directors of GIE Registrar.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2017 – Director of Bouygues Immobilier and C2S.

2016 – Member of the Board of Directors of Fondation Dauphine.

OLIVIER ROUSSAT

Born 13 October 1964 – French

Director since 18 April 2013
Former permanent representative of Société Française de Participation et de Gestion (SFPG) in its capacity as a Director of TF1 until 2013.
Member of the Selection and Remuneration Committee

Current term expires: **2022**
Holds **100 TF1 shares**
Business address: **32, avenue Hoche, 75008 Paris, France**

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EXPERTISE AND EXPERIENCE

Olivier Roussat is a graduate of the National Institute of Applied Sciences (INSA) in Lyon. He began his career in 1988 at IBM, where he occupied a number of positions in data network services, service delivery and pre-sales. In 1995 he joined Bouygues Telecom 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 of Bouygues Telecom. 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 the headquarters and Technopôle buildings. Appointed Deputy Chief Executive Officer of Bouygues Telecom in February 2007, then Chief Executive Officer in November 2007 and Chairman and Chief Executive Officer of Bouygues Telecom from May 2013 to November 2018; he has served as Chairman of the Board of Directors of Bouygues Telecom since 9 November 2018.

On 1 October 2019, he was appointed Chairman of the Board of Directors of Colas SA. Since 30 August 2016, he has served as a Deputy Chief Executive Officer of Bouygues.

OTHER DIRECTORSHIPS AND POSITIONS OUTSIDE THE TF1 GROUP

In France: Deputy Chief Executive Officer of Bouygues (listed company). Chairman of the Board of Directors of Bouygues Telecom. Chairman of the Board of Directors of Colas (listed company). Director of Bouygues Construction. Member of the Board of Bouygues Immobilier.

FORMER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS

2018 – Chief Executive Officer of Bouygues Telecom.

2016 – Member of the Board of Directors of the Bouygues Telecom Corporate Foundation. Member of the Strategy Committee of Bouygues Énergies & Services.

3.2 CORPORATE GOVERNANCE ARRANGEMENTS AFR

Taken in conjunction with section 3.1 above, the present section constitutes the Board of Directors' report on Corporate Governance required under Article L. 225-37 of the French Commercial Code. The report was prepared by the Secretary to the Board (who is also Group Legal Affairs Director) in conjunction with senior management and the Group Finance Department. It draws upon various internal documents (including the Articles of Association and Rules of Procedure, and minutes of Board and Board committee meetings). It takes account of current regulations; corporate governance recommendations issued by the AMF (the French financial markets authority); the recommendations contained in the AFEP/MEDEF Corporate Governance Code of Listed Corporations (the "AFEP/MEDEF Code"); the report of the French High Committee on Corporate Governance; and market practice.

Under the terms of the Articles of Association, the company is administered by a Board of Directors. The offices of Chief Executive Officer and Chairman of the Board of Directors are combined.

The Board is at all times mindful of corporate governance arrangements at TF1, whether in terms of the composition of the Board or in making the most appropriate decisions about how the Board is organised and operates.

When deliberating, Board members are aware of the need to ensure that all shareholders are treated equally and that the Board should operate as effectively as possible.

TF1 has applied the AFEP/MEDEF Code since 2008. The latest version of the AFEP/MEDEF Code, issued in January 2020, is included as an annex to the Rules of Procedure of the TF1 Board of Directors.

The Board of Directors approved the present report at its meeting of 13 February 2020, after scrutiny by the Selection and Remuneration Committee.

3.2.1 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

RULES APPLICABLE TO THE COMPOSITION OF THE BOARD OF DIRECTORS

The Articles of Association stipulate that the company is administered by a Board of Directors with between three and eighteen members. Pursuant to Article 66 of Law no. 86-1067 of 30 September 1986 as amended on broadcasting freedom, at least one-sixth of the Board of Directors consists of employee representatives.

In accordance with Article L. 225-47 of the French Commercial Code the Board of Directors elects a Chairman from among its members. The Chairman of the Board of Directors organises and directs the work of the Board. He ensures that the company's management bodies function properly, and in particular that the members of the Board are capable of fulfilling their duties.

In accordance with Article L. 225-51-1 of the French Commercial Code, responsibility for executive management is assumed either by the Chairman of the Board of Directors or by another person appointed by the Board of Directors. The Board of Directors is free to choose between the two alternative options for the executive management of the company. On a proposal from the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers.

All Directors are eligible for re-election.

NON EMPLOYEE REPRESENTATIVE DIRECTORS

Non employee representative Directors are appointed by a General Meeting of shareholders.

Since 2015, the term of office of non employee representative Directors has been three years, in order to facilitate the phased rotation recommended by the AFEP/MEDEF Code.

Legal persons may be appointed as Directors. On appointment to the Board, legal persons are required to designate a permanent representative, who is subject to the same conditions and obligations and incurs the same civil and criminal liability as if he or she were a Director in his or her own name, without prejudice to the joint and several liability of the legal person he or she represents.

EMPLOYEE REPRESENTATIVE DIRECTORS

Since the company's privatisation and pursuant to Article 66 of law no. 86-1067 of 30 September 1986 as amended, there have been two employee representative Directors. They are elected by the employees of TF1 SA. One is elected by an electoral college of managerial staff and journalists, the other by an electoral college of clerical, technical and supervisory staff. All employees with a contract of employment of at least three months at the date of the election are eligible to vote. All employees with a contract of employment of at least two years at the date of the election are eligible to stand.

Employee representative Directors hold office for two years. The term of office of an employee representative Director terminates on announcement of the results of the votes of the electoral colleges held to appoint employee representative Directors; such appointment normally takes place two weeks before the General Meeting at which the Director's term of office expires. If one or more seats of employee representative Directors fall vacant due to death, resignation, dismissal or termination of employment contract, the vacant seat is filled by an alternate.

Employee representative Directors have the same powers and responsibilities as non employee representative Directors.

Under the Board's Rules of Procedure, employee representative Directors are required to hold a smaller minimum number of TF1 shares during their term of office (10 shares) than non employee representative Directors (100 shares).

TF1 does not fall within the scope of Article L. 225-27-1 of the French Commercial Code, which provides for a mandatory regime for employee representation on the Board of Directors for *sociétés anonymes* above a certain size.

TF1 had no obligation to arrange for the election of Directors representing employee shareholders pursuant to Article L. 225-23 of the French Commercial Code prior to publication of law no. 2019-486 of 22 May 2019 on the Business Growth and Transformation Action Plan (the “Pacte” law).

Consequently, the new requirement for Directors representing employee shareholders will be implemented in two phases, at successive Annual General Meetings.

In accordance with Article 186, paragraph II of the Pacte law, the Board of Directors will ask the Annual General Meeting of 17 April 2020 to approve the amendments to the company’s Articles of Association required for the election of Directors representing employee shareholders, which must take place at the 2021 Annual General Meeting.

AGE LIMIT

The Articles of Association do not set an age limit for Directors.

BOARD RULES OF PROCEDURE AND DIRECTORS’ CODE OF CONDUCT

The Board’s Rules of Procedure were adopted at a Board meeting on 24 February 2003. They explain the operating procedures, powers, characteristics and remits of the Board and its specialist committees. Those committees comprise the Accounts Committee (renamed the Audit Committee in 2003), the Director Selection Committee, the Remuneration Committee (which had existed as a collegiate body since 1988), and the Ethics and CSR Committee (set up in 2014).

A separate annex to the Board’s Rules of Procedure, the “Directors’ Code of Conduct”, specifies the rights and obligations of Directors.

The Rules of Procedure also lay down principles for the annual evaluation of the Board’s operating procedures.

At its 11 December 2019 meeting, the Board of Directors decided to merge the Director Selection Committee and the Remuneration Committee, change its composition, and amend the Rules of Procedure accordingly.

The Rules of Procedure are updated regularly to take account of best practice in governance, and include in an annex the AFEP/MEDEF Code (currently the latest version as revised in January 2020).

The Rules of Procedure and Directors’ Code of Conduct are available on the TF1 corporate website at:

https://www.groupe-tf1.fr/en/investors/governance.

APPLICATION OF THE AFEP/MEDEF CORPORATE GOVERNANCE CODE

TF1 has for many years applied the majority of the recommendations contained in the AFEP/MEDEF Code, which is included as an annex to the Board’s Code of Conduct.

In 2008, the Board of Directors decided that the company would voluntarily adhere to the AFEP/MEDEF Code. An English-language version of the Code can be viewed on the AFEP website at: https://afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/.

The table below shows TF1’s departures from the AFEP/MEDEF Code, and the reasons for those departures.

Departure from AFEP/MEDEF Code	Explanation
Article 10.3: “It is recommended that at least one meeting not attended by the executive officers should be organised each year.”	The Board is of the opinion that rather than have a meeting attended solely by the independent Directors, it is more appropriate to allow them the opportunity to express their views on the management of the Group from their own distinctive standpoints, in a challenging but supportive manner.

ASSESSMENT OF DIRECTOR INDEPENDENCE

Every year, the Board of Directors – having taken advice from the Selection and Remuneration Committee – assesses the position of each Director individually by reference to all of the independence criteria contained in the AFEP/MEDEF Code.

Under Article 8 of the AFEP/MEDEF Code, a Director is regarded as independent when he or she has no relationship of any kind with the company, its group or its management that may colour their judgment. The Code lists a number of independence criteria, which when applied to TF1 are as follows:

- not being, and not having been within the past five years: (i) an employee or executive officer of TF1; (ii) an employee, executive officer or Director of an entity consolidated by TF1; or (iii) an employee, executive officer or Director of TF1's parent or of an entity consolidated by that parent;
- not being an executive officer of an entity in which (i) TF1 directly or indirectly holds a directorship or (ii) an employee of TF1 is designated as a Director or (iii) an executive officer of TF1 (current, or who has held such office within the past five years) holds a directorship;
- not being a customer, supplier, investment banker, commercial banker or consultant that is (i) material to TF1 or its group or (ii) for which TF1 or its group represents a significant proportion of its business;
- not being related by close family ties to a corporate officer;
- not having been a Statutory Auditor of TF1 within the past five years;
- not having been a Director of TF1 for more than twelve years (a Director ceases to be independent once he or she has served on the Board for twelve years).

A non-executive officer cannot be regarded as independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of TF1 or its group.

Based on the above criteria, the Board has identified the following Directors as independent Directors: Marie Allavena, Laurence Danon Arnaud, Pascaline de Dreuzy and Catherine Dussart.

The four independent Directors have no business relationship with TF1. None of them receives variable compensation in cash or shares, or any compensation linked to the performance of TF1 or its group.

	AFEP/MEDEF Code independence criteria						
	Not having been an employee or executive officer of TF1 or the Bouygues group within the past 5 years	Cross-directorships	Material business relationship	Close family ties with corporate officer	Not having been TF1's auditor within the past 5 years	Not having been a TF1 Director for more than 12 years	Significant shareholder (>10% of the capital/voting rights)
Marie Allavena	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Laurence Danon Arnaud	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Pascaline de Dreuzy	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Catherine Dussart	compliant	compliant	compliant	compliant	compliant	compliant	compliant

The criterion of not having held office as a TF1 Director for more than twelve years is fulfilled by all four independent Directors.

The Board of Directors will ask the Annual General Meeting of 17 April 2020 to reappoint Catherine Dussart and Olivier Bouygues as Directors for a three-year term of office, and to ratify the co-opting of SCDM (represented by Martin Bouygues, a Director who resigned on 13 February 2020).

Catherine Dussart would continue to have no business relationship with the TF1 group, and would retain her status as an independent Director by reference to all the AFEP/MEDEF Code criteria.

Subject to shareholder approval and excluding employee representative Directors, the TF1 Board of Directors would continue to have:

- four female Directors, which means that the proportion of female Directors would be 44%;
- four independent Directors, which means that the proportion of independent Directors would be 44%, above the one-third threshold set by the AFEP/MEDEF Code for a "controlled" company (such as TF1).

The proportion of independent Directors on the Board committees is indicated in the description of the composition of each committee.

DIVERSITY POLICY APPLIED TO BOARD MEMBERS

In accordance with the AFEP/MEDEF Code, the Board periodically reassesses the balance of its membership and of its committees in terms of diversity (gender balance, expertise, experience, etc.).

The objectives, procedures and outcomes of the Board's diversity policy are presented below.

Objectives	The Board takes the view that a good balance is achieved by having Directors with diverse profiles in terms of age, length of service, qualifications and professional experience relevant to the Group's business activities, and also by having a sufficient number of independent Directors.
Procedures	The Board believes that the expertise and experience of its members, their ability to understand the challenges and risks facing the Group, and their complementarity and commitment, all contribute to the balance of the Board. The Board, acting on recommendations from the Selection and Remuneration Committee, takes account of diversity objectives when proposing new Directors or committee members, and during the annual evaluation of the Board. The Board pays particular attention to the experience and knowledge of the Group's businesses that each Director needs in order to contribute effectively to the work of the Board and its committees. The presence of employee representative Directors on the Board and its committees also contributes to the diversity policy.
Outcomes	**Expertise** The Directors are drawn from a variety of backgrounds. The detailed career résumés in section 3.1.3, and the table below, show the diverse nature of Board members' expertise in fields such as the media industry, entrepreneurship, finance, industry and digital. The commitment to diversity is also illustrated by the most recent appointment to the Board in April 2019 (a female Director, with expertise in digital); by the reappointments that the shareholders will be asked to approve at the April 2020 Annual General Meeting: Catherine Dussart (an independent Director and film producer) and Olivier Bouygues; and the ratifiction of the co-opting of SCDM (represented by Martin Bouygues, a Director who resigned on 13 February 2020).
	Independent Directors As of 31 December 2019: -the Board had four independent Directors, which means that the proportion of independent Directors remains at 44%, above the one-third threshold set by the AFEP/MEDEF Code for a "controlled" company (such as TF1); -there was a higher degree of independence on its Selection and Remuneration Committee, a majority of whose members are independent Directors. Overall, six of the eight committee seats (75%) are held by independent Directors.
	International experience Although 10 of the 11 Board members are French nationals, most of them have extensive international professional experience.
	Gender balance As of 31 December 2019: - the Board had four female Directors, which means that the proportion of female Directors remains at 44%; - since 2019, each of the three Board committees has been chaired by a woman; - six of the eight committee seats (75%) are held by women.

DIVERSITY AND COMMITMENT OF THE DIRECTORS

The following table provides a summary presentation of the personal information and experience of the Directors, as well as their commitment to TF1's corporate governance, as of 31 December 2019.

Ten of the Directors are French nationals, and one is a national of Monaco. Martin Bouygues and Olivier Bouygues are brothers; the company is not aware of any other close family ties between Board members.

	Status	Female Male	Age	Expertise	Board committees	First appointed	Current term expires	Years service on Board	2019 Board attendance
Executive Director									
Gilles Pélisson	Not independent	M	62	Audiovisual and digital, International, Governance, Management, CSR, Finance		2009	2022	11	8/8 meetings
Independent Directors									
Marie Allavena	Independent	F	59	Audiovisual and digital, Governance, Management, CSR, Finance	Member Ethics, CSR and Patronage Committee	2019	2022	1	6/6 meetings
Laurence Danon Arnaud	Independent	F	63	International, Governance, Management, Finance	Chair of Audit Committee	2010	2021	9	8/8 meetings
Pascaline de Dreuzy	Independent	F	61	Governance, CSR, Finance	Chair of Selection and Remuneration Comittee, member of Audit Committee	2016	2022	3	8/8 meetings
Catherine Dussart	Independent	F	66	Audiovisual and digital, International, Management, CSR	Chair of Ethics, CSR and Patronage Committee Member of Selection and Remuneration Comittee	2013	2020	6	8/8 meetings
Employee representative Directors									
Fanny Chabirand	Not independent	F	43	Audiovisual and digital	Member of Selection and Remuneration Committee	2012	2020	8	7/8 meetings
Sophie Leveaux Talamoni	Not independent		F	Audiovisual and digital, International, CSR	Member of Ethics, CSR and Patronage Committee	2014	2020	6	7/8 meetings
Non-independent Directors									
Martin Bouygues	Not independent	M	67	Audiovisual and digital, International, Governance, Management		1987	2021	32	8/8 meetings
Olivier Bouygues	Not independent	M	69	Audiovisual and digital, International, Governance, Management, CSR		2005	2020	14	5/8 meetings
Bouygues (represented by Philippe Marien)	Not independent	M	63	Audiovisual and digital, International, Governance, Management, Finance	Member of Audit Committee	2008	2021	12	7/8 meetings
Olivier Roussat	Not independent	M	55	Audiovisual and digital, International, Governance, Management, Finance	Member of Selection and Remuneration Committee	2009	2022	11	6/8 meetings

Audiovisual and digital · International · Governance · Management · CSR · Finance

Average length of service of Directors: 10 years

Average age of Directors: 60

Percentage of women: 44%[(1)]

Percentage of independent Directors: 44%[(1)]

(1) Excluding employee representative Directors.

3.2.2 PRINCIPLES ON WHICH CORPORATE GOVERNANCE OPERATES

GOVERNANCE ARRANGEMENTS

The Board is required by law to elect one of its members (who must be a natural person) as Chairman, to organise and direct the work of the Board and ensure that the company's management bodies function properly. By law, the Board may choose to delegate responsibility for the executive management of the company to either (i) the Chairman of the Board of Directors or (ii) another natural person, who may or may not be a Director.

COMBINING THE OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Gilles Pélisson was appointed as Chairman and Chief Executive Officer at the Board meeting of 17 February 2016, and was confirmed in April 2016 and April 2019 when his reappointment as a Director was approved by the Annual General Meeting.

On the advice of the Director Selection Committee, the Board of Directors concluded that it was preferable not to separate the role of Chairman from that of Chief Executive Officer (given the size of the TF1 group, the specialist nature of its business, and past experience that the proposed governance structure was effective).

The Board has not appointed a Lead Director or Vice Chairman, believing that such appointments are not necessary for the following reasons:

- TF1 is a controlled company and 44% of its Board members qualify as independent, which is above the one-third threshold set by the AFEP/MEDEF Code;
- the way in which the Board and its committees operate allows all Directors complete freedom of judgment and total independence, Board members deal directly with the Chairman and CEO, and have regular access to information about the Group;
- when evaluating the Board, each Director gave a "positive" or "very positive" rating for how both the Board and its committees operate; they also commented that the information they received was precise, the decision-making process was clear, they were free to speak their minds, and agenda items were fully discussed;
- careful attention is paid to preventing conflict of interests;
- shareholder relations with the Board of Directors, especially on corporate governance issues (which according to Article 4.4 of the AFEP/MEDEF Code may be entrusted to a Lead Director), are handled by the Chairman & CEO and the Chief Financial Officer, supported by the Head of Financial Communications. The Board is informed about shareholder expectations as required.

EXECUTIVE MANAGEMENT

In accordance with the law, the Chief Executive Officer has the broadest powers to act in the name of the company under all circumstances. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly accorded by law to Shareholders' Meetings and to the Board of Directors.

LIMITS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The measures in place to balance the exercise of executive powers with the powers of the Board of Directors contribute to good governance within the TF1 group.

The Board's Rules of Procedure specify which important decisions must be taken by the Board:

- the Board of Directors, with the assistance of an ad hoc committee if needed, examines and makes decisions on operations of real strategic importance;
- the strategic priorities, business plans and financing policy for each business segment and the Group are presented to the Board for approval;
- the Board must give its prior approval for any transaction regarded as being of major significance for the Group including investments, organic growth, external acquisitions, disposals, or internal restructuring, particularly where the transaction is outside the scope of the company's stated strategy;
- Board approval is required for the principal guarantees and major commitments entered into by the Group.

The TF1 Board of Directors met eight times in 2019. It approved all corporate actions – in particular, acquisitions and disposals – likely to materially affect the Group's financial results, balance sheet structure or risk profile. One Board meeting was devoted specifically to the three-year plan, with a focus on the strategic context.

In addition, a number of practices (some of them long-established) contribute to the good governance of the company and place limits on the powers of the Chairman and Chief Executive Officer. These include:

- the Board's Rules of Procedure, which specify rules for how the Board and its committees operate, along with the Directors' Code of Conduct;
- the permanent Board committees: the Selection and Remuneration Committee, the Audit Committee, and the Ethics, CSR and Patronage Committee;
- the presence of two employee representative Directors on the Board (since the privatisation of TF1 in 1988), of whom one sits on the Ethics, CSR and Patronage Committee (since 2014) and the other on the Selection and Remuneration Committee (since 2015);
- the presence of independent Directors on the Board and its committees (since 2003);
- the adoption of four compliance programmes that supplement the Code of Conduct in the fields of anti-corruption, conflicts of interest, securities trading and competition;
- Committee of independent Directors: held annually and at attended solely by the independent Directors, at which they can freely discuss any issue.

AGE LIMIT

The Articles of Association set the age limit for holding office as Chairman of the Board of Directors, Chief Executive Officer or Deputy Chief Executive Officer at sixty-seven years.

EXECUTIVE COMMITTEE

Gilles Pélisson and nine senior executives comprise the Executive Committee (EXCO), for which he has direct responsibility. The EXCO reports to Gilles Pélisson and is the senior managerial body in terms of high-level strategic decision-making within the TF1 group.

The EXCO implements the overall strategic orientations determined by the Board. It meets once a week. Key issues discussed include a status report on advertising, financial results, digital initiatives and economic trajectory; an update by each member on the salient matters within his or her sphere of operations, including their staff; and a look forward to major future events. A written record is kept of all decisions.

As of 31 December 2019, there were 10 EXCO members.

Alongside the Chairman and Chief Executive Officer are nine key executives:

- operational:
  - Ara Aprikian: Executive Vice President, Content,
  - François Pellissier: Managing Director of TF1 Pub and Sport,
  - Thierry Thuillier: Executive Vice President of News;
- transverse:
  - Olivier Abecassis: CEO of Unify,
  - Christine Bellin: Vice President, Strategy and Customer Distribution, CEO of e-TF1, CEO of TF1 Distribution
  - Maylis Çarçabal: Vice President, Communication and Brands;
- support:
  - Arnaud Bosom: Executive Vice President, Human Resources and CSR,
  - Jean-Michel Counillon: General Counsel,
  - Philippe Denery: Executive Vice President, Finance and Procurement.

EXCO members and Bibiane Godfroid, CEO of Newen, attend Board meetings on a regular basis to give the Directors insights into market conditions, business performance, new developments and strategy.

SUCCESSION PLANNING

Succession planning is in place.

The Selection and Remuneration Committee reviews succession planning every year.

RULES GOVERNING HOW THE BOARD OPERATES

The TF1 Board of Directors operates in accordance with legal and regulatory requirements, the company's Articles of Association, the Board's Rules of Procedure, and the recommendations of the AFEP/MEDEF Corporate Governance Code.

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

Under the Rules of Procedure, the Board must meet at least once a quarter. In the first quarter, the Board closes off the financial statements for the previous financial year. In the second quarter, it reviews the first-quarter financial statements. In the third quarter, the first-half financial statements are closed off and the strategic priorities are presented to the Board for approval. In the fourth quarter, the Board reviews the third-quarter financial statements and analyses revenue and profit estimates for the current year and subsequent year; in addition, the business plans and financing policies of the Group and its business segments are submitted for Board approval.

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

Board decisions are only valid if at least half of the Board members are present, and are taken on a majority of the members present or represented. In the event of a tie, the chair of the meeting has the casting vote.

REMIT OF THE BOARD

The Board has a key role in determining the strategy and key orientations of the company and the Group, while taking account of the the social and environmental issues arising from its activities.

Consequently, the Board's sphere of action includes:

- the strategic orientations of the company and the Group;
- significant corporate actions including internal restructuring, and major investment decisions (including acquisitions and disposals) likely to materially affect the Group's financial results, balance sheet structure or risk profile;
- monitoring delivery on the above;
- information provided to the shareholders and the financial markets;
- such inspections and verifications as it deems fit;
- determining the remuneration of corporate officers.

Each Board meeting includes an update on corporate actions and events since the previous meeting, and on ongoing key projects likely to be completed before the next meeting. At least once a quarter, the Board is informed by the executive management about the company's financial position, cash position and commitments.

Between Board meetings, Directors receive all useful information about events or corporate actions that are material to the Group. More generally, they may request from the Chairman at any time all information or documents they regard as useful for fulfilling their remit.

COMPETENCIES AND EXPERTISE OF DIRECTORS

More than half of the Directors work in the French audiovisual industry or in telecoms. The other Directors have a very good understanding of the audiovisual industry. For details of the professional experience of the Directors, refer to section 3.1.3.

A number of factors combine to ensure that Board discussions and decision-making are of good quality: the Board members' experience and personal commitment, their ability to understand the challenges and risks facing the Group's businesses, and the good mix of backgrounds and specialist interests.

The Board of Directors is balanced, diverse, experienced, and responsible.

The Board has not appointed any non-voting Directors.

DIRECTOR TRAINING

On being appointed to the Board, each Director is given a presentation on the company, its business segments, and the sectors in which it operates. This includes an induction programme in which the incoming Director meets the heads of each of the Group's main divisions. During their term of office, each Director may receive additional training from key executives of TF1 and its subsidiaries.

Each Director may also obtain further information on their own initiative, the Chairman being available at all times to provide the Board with explanations and information on significant matters.

During 2019, the Directors were shown the new technologies being deployed across the Group's various businesses.

PROVIDING INFORMATION TO DIRECTORS

In general, Directors must be provided in advance with the information necessary for decision-making. During Board discussions, they should make recommendations in full possession of the facts. Decisions are taken collectively.

Directors receive regular information about the company and the Group, including strategic plans and business plans; information for monitoring the Group's operations and their revenues; the company's financial position, cash position and commitments; any event that has or may have a material effect on the Group's consolidated results; and key events affecting human resources and staffing levels.

Since the final quarter of 2017, Directors have had the use of a secure digital platform that enables them to access Board/committee documents and other useful documentation and information (schedule of meetings, notices of meetings, Articles of Association, Board Rules of Procedure, Corporate Governance Code, etc.).

RULES OF CONDUCT – CONFLICTS OF INTEREST – RELATED PARTY AGREEMENTS – CONVICTIONS

Directors are bound by the rules of conduct in the AFEP/MEDEF Code and in the Code of Conduct appended to the Rules of Procedure of the Board of Directors. Those documents are available on the TF1 corporate website.

The Code of Conduct deals with the duty to be informed, the duty of regular attendance, multiple directorships, preventing and managing conflicts of interest, and preventing insider trading. Compliance programmes include rules of conduct on securities trading and the prevention of conflicts of interest.

The Board has also reaffirmed its practice of not allowing Directors to vote if they have a conflict of interest; they are required to leave the meeting when approval is granted, including when regulated agreements are being approved.

UPDATE TO THE GROUP'S INTERNAL CHARTER ON REGULATED AGREEMENTS – PROCEDURE FOR ASSESSING ORDINARY AGREEMENTS - PUBLICATION OF REGULATED AGREEMENTS

The "Pacte" law made substantial changes to the legal regime governing regulated agreements. In the case of a listed company, the Board of Directors is now required to put in place a procedure to assess whether agreements qualify as "ordinary transactions contracted on an arm's length basis", and hence are exempt from the regulated agreements regime.

The Group's Internal Charter on Regulated Agreements, which describes the circumstances in which an agreement is subject to the regulated agreements regime, has been updated.

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

- Bouygues, the controlling shareholder, is represented on the Board of Directors by Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat. Gilles Pélisson is bound by an employment contract with Bouygues;
- Martin Bouygues and Olivier Bouygues are brothers. The company is not aware of any other close family ties between Board members;
- Fanny Chabirand and Sophie Leveaux Talamoni are bound by employment contracts with TF1.

As far as the company is aware, there are no other service contracts between members of the Board of Directors and TF1 or any of its subsidiaries that provide for the award of any benefits under that contract.

As far as the company is aware, no potential conflicts of interest currently exist between the duties of Board members to the company and their private interests or other duties.

The Statutory Auditors' special report on related party agreements (see section 3.3 of this universal registration document) describes the agreements submitted to the Board of Directors for authorisation and on which Directors abstained from voting for reasons related to actual or potential conflicts of interest.

As far as the company is aware, in the last five years no member of the Board has been:

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

EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the Board's Rules of Procedure and the AFEP/MEDEF Code, the Board of Directors carries out an annual evaluation of how well the Board meets shareholder expectations. This involves a review of the composition, organisation and operation of the Board and its committees.

The evaluation has three key objectives:

- evaluate how the Board and its committees are operating;
- check that important issues are suitably prepared and debated;
- measure the actual contribution of each Director to the Board's work through his or her competence and involvement in discussions.

As in previous years, a detailed questionnaire designed to evaluate the performance of the Board and its committees was distributed to Directors and committee members by the Group Legal Affairs Director and Board Secretary. Nine of the ten questionnaires issued were returned (the same proportion as in 2017 and 2018). The responses were compared with those of the two previous years to measure progress.

The evaluation allows each Director to give an opinion on the composition and operation of the Board; the relevance of agenda items; the quality of the discussions; the level of information provided; the assessment of commitments made; the analysis of potential risks; and corporate strategy.

Given the steady progress made on corporate governance issues and the clear satisfaction expressed by the Directors (both during evaluations, and at meetings) on how the Board is operating, the Board has decided to continue with a self-assessment approach rather than retaining a third party.

In line with previous evaluations, the Directors expressed a “high” or “very high” satisfaction rating on the composition and operation of the Board and its committees, on the quality of the information provided, and on the commitment and accountability of their fellow Directors.

Directors also expressed their appreciation of:

- dialogue with the Chairman and the senior management team;
- the fact that one-off Board meetings were held specifically to discuss divestments or M&A activity;
- the quality of the work carried out in the committees;
- the periodic information supplied so that the Directors could work regularly;
- the induction and training pathway.

Some Directors emphasised the consistent progress achieved in corporate governance.

The progress achieved included taking into account comments and preferences expressed by Directors in previous years. For example, the Board obtained approval at the Annual General Meeting of 18 April 2019 of a new female independent Director with expertise in the digital sphere. The Board also explained to the Directors how the TF1 group had come into compliance with data protection regulations, and the IT security systems in place within the Group.

At the end of 2019, some Directors expressed an interest in addressing issues around fake news and climate challenges. The Ethics, CSR and Patronage Committee provided various insights at its 3 February 2020 meeting.

WORK OF THE BOARD OF DIRECTORS IN 2019

The TF1 Board of Directors met eight times in 2019. The average attendance rate of Directors was 91%.

Main issues discussed	
Board Meeting of 30 January	
- Sale of the operational side of Téléshopping's business (product sourcing, marketing and TV production).	Attendance rate 64%
Board Meeting of 14 February	
- 2018 business review and annual financial statements. - Audit Committee report and auditors' opinion on the financial statements. - Closing off the individual and consolidated financial statements; proposed appropriation of earnings, and Board reports. Remuneration Committee report: determination of the variable remuneration of the Chairman & CEO for the 2018 financial year, and of the rules applicable to determining his remuneration for the 2019 financial year. Long-term incentive arrangements for salaried senior executives. - Director Selection Committee report: proposal to reappoint three Directors, and to appoint a new Director. - Ethics and CSR Committee report - Calling of the Annual General Meeting and finalisation of the agenda and proposed resolutions. - Examination of the draft Audiovisual Law, new rules on how soon after release films can be shown on TV, and CNC audiovisual production subsidies. - Progress report on the Salto platform project. - Exceptional purchasing power bonus. - Review of main claims and litigation involving the Group. - Extending the remit of the Board to include promoting the creation of long-term value by the company while taking account of the social and environmental issues relating to its activities. Amendment to the Board's Rules of Procedure. - Reclassification of the Aufeminin group. - Description of the share buyback programme. - New TF1 stock option plan. - Power to give guarantees: general authorisation up to €50m. - Press release.	Attendance rate 100%
Board Meeting of 18 April	
- Decision on combination or separation of the offices of Chairman and CEO. - Reappointment of Gilles Pélisson as Chairman and CEO.	Attendance rate 91%
Board Meeting of 29 April	
- 2019 first-quarter business review and financial statements. - Audit Committee report and auditors' opinion on the financial statements. Closing off the first-quarter financial statements. - Examination of the draft Audiovisual Law. Opinion of the French Competition Authority on the broadcasting industry. Food advertising. - Reclassification of the Neweb Division as part of Unify. - Acquisition of De Mensen. - Gender balance at work. - Consultation with the Economic & Social Committee on strategic orientations. - Press release.	Attendance rate 100%
Board Meeting of 9 July	
- Proposed acquisition of Canadian audiovisual distribution company Première Bobine (Reel One). - Increase of the equity interest in Play 2. -Merger of Music & Live Shows with Content.	Attendance rate 73%
Board Meeting of 24 July	
- 2019 first-half business review and financial statements. - Audit Committee report and auditors' opinion on the financial statements. Closing off the first-half financial statements. - Review of strategic priorities. - "Sapin 2" law - implementation and status report. - Draft Audiovisual Law - renewal of the LCI, TMC and TFX broadcasting licences. -Review of main claims and litigation involving the Group. - Press release.	Attendance rate 100%

Main issues discussed

Board Meeting of 29 October

- 2019 third-quarter business review and financial statements.
- Audit Committee report and auditors' opinion on the financial statements.
- Closing off the third-quarter financial statements.
- Draft Audiovisual Law.
- Increase of the equity interest in Gamned!
- Renegotiation of the TF1 group voluntary profit-sharing agreement.
- Gender balance.
- Evaluation of the Board.
- Progress report on the Salto platform project.
- Share capital – formal confirmation of the increase in share capital by issuance of TF1 shares subscribed for under stock option plans, cancellation of repurchased TF1 shares.
- Press release.

Attendance rate 100%

Board Meeting of 11 December

- Strategy and three-year business plans.
- Major risk mapping.
- Draft Audiovisual Law.
- Report of the Director Selection Committee: merger of the Remuneration and Director Selection Committees, update to the Board's Rules of Procedure.
- Update to the Group Internal Charter on Regulated Agreements, procedure for determining whether agreements are ordinary or regulated, publication of regulated agreements.
- Review of regulated agreements, authorisation of regulated agreements.

Attendance rate 100%

The table below shows the attendance rate of individual Directors at Board and Committee meetings in 2019:

Attendance	Board of Directors		Audit Committee		Director Selection Committee		Remuneration Committee		Ethics and CSR Committee	
Gilles Pélisson	8/8	100%								
Marie Allavena	6/6	100%							1/1	100%
Martin Bouygues	6/6	100%			2/2	100%				
Olivier Bouygues	5/8	63%								
Fanny Chabirand	7/8	88%					1/1	100%		
Laurence Danon Arnaud	8/8	100%	4/4	100%						
Pascaline de Dreuzy	8/8	100%	4/4	100%						
Catherine Dussart	8/8	100%					1/1	100%	1/1	100%
Sophie Leveaux Talamoni	7/8	88%							1/1	100%
Philippe Marien	7/8	88%	4/4	100%			1/1	100%		
Olivier Roussat	6/8	75%			2/2	100%				

COMMITTEE OF INDEPENDENT DIRECTORS

Since 2015, the independent non employee representative Directors have held separate meetings every year so that they can freely discuss any issue. During 2019, the four independent Directors held one such meeting.

BOARD COMMITTEES

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

Each committee issues proposals, recommendations and opinions, and reports to the Board of Directors. Until 11 December 2019, TF1's four specialist committees were the Audit Committee, the Selection and Remuneration Committee, the Director Selection Committee, and the Ethics and CSR Committee.

The Board meeting of 11 December 2019 decided to merge the Remuneration Committee with the Director Selection Committee, changing the membership of the Committee and amending the Board's Rules of Procedure accordingly.

Each committee consists of three or four Directors. Any person serving as Chairman, Chief Executive Officer or Deputy Chief Executive Officer of TF1 cannot be a member of any of the committees.

The Directors believe that these rules guarantee that the committees are independent and effective. The Chair of each committee, who has a casting vote, may not be a member of the company's management or executive bodies. The Audit Committee, Ethics and CSR Committee and Remuneration Committee are chaired by independent Directors.

Committee meetings are called by the Chair of the committee in question, or at the request of the Chairman of the Board of Directors. Opinions are delivered on a simple majority vote of the members. Each committee reports on its work to the next Board meeting.

Before deliberating on any issue within the sphere of a committee's competence, the Board of Directors refers the matter to that committee and takes account of the minutes and report of that committee. The Board of Directors regularly sets up ad hoc committees specifically tasked with examining acquisition or development proposals. The independent Directors appreciate the opportunity to set up such committees, and review committee meeting minutes carefully.

AUDIT COMMITTEE

COMPOSITION AND ATTENDANCE

In accordance with the AFEP/MEDEF Code, two thirds of the committee's members are independent and none is an executive officer. Ever since the committee was set up on 24 February 2003, its members have been chosen for their financial or accounting expertise. The Audit Committee comprises Laurence Danon Arnaud (Chair) and Pascaline de Dreuzy, both of whom are independent Directors, and Philippe Marien. The committee members have through the course of their careers gained a wealth of experience in corporate management, as well as in economics and finance. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate at all meetings.

REMIT

The Audit Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors.

Four meetings are scheduled each year, during which the committee reviews the quarterly, half-year or annual financial statements, plus cash management reports and the conclusions of the Internal Audit and Internal Control Departments before they are submitted to the Board. The committee is tasked with overseeing issues relating to the preparation and audit of accounting and financial information.

In particular, it oversees:

- the process for preparing financial information, which involves the committee:
  - examining the individual and consolidated financial statements before they are presented to the Board,
  - ensuring that the accounting policies used to prepare the financial statements are appropriate and consistently applied,
  - examining changes that have a material impact on the financial statements,
  - examining the principal estimates, judgements and elective treatments used in preparing the financial statements, and the main changes in the scope of consolidation,
  - approving materials used for financial communication purposes, and monitoring the reaction of the financial markets;
- the effectiveness of internal control and risk management systems;
- internal control procedures for the preparation of the financial statements, with assistance from internal departments and competent external advisors;
- the audit of the individual and consolidated financial statements by the Statutory Auditors, and the independence of the Statutory Auditors, which involves the committee:
  - examining in detail the fees paid to the Statutory Auditors by the company and the Group, and checking the size of those fees relative to the total fee income of each audit firm,
  - directing the procedure for selecting and reappointing the Statutory Auditors,
  - making recommendations on Statutory Auditors whose appointment is submitted to the Annual General Meeting for approval;
- all reports and recommendations to the Board of Directors on the foregoing matters, not only on a periodic basis and at accounting closes, but whenever warranted by a specific event.

To fulfil its remit, the committee has access to any accounting and financial documents it sees fit, and must be able to speak with the external auditors and with company employees responsible for financial statement preparation, cash management and Internal Audit without executive officers being present. The committee may hear observations from the Statutory Auditors without company representatives present, so that it can be sure the auditors have had full access to information and have all the resources needed to discharge their responsibilities. The Statutory Auditors present to the committee a summary of their work and of elective accounting treatments used at accounting closes.

The committee reports on its work at the next meeting of the Board of Directors, and informs the Board without delay of any difficulties encountered. The deliberations of the Audit Committee, and the information communicated to the committee, are highly confidential and may not be divulged outside the Board of Directors.

WORK OF THE AUDIT COMMITTEE IN 2019

The committee met four times in 2019 and once in the first two months of 2020. The following were invited to each meeting: the Executive Vice President, Finance and Procurement; the head of Accounting, Tax, Treasury and Financing; the head of Internal Audit and Control; and the Statutory Auditors. Minutes of the proceedings of each meeting were compiled and presented to the Directors. During the examination of the financial statements the Statutory Auditors provided the committee with a note pointing out key aspects of the scope of consolidation, the audit findings, and the elective accounting treatments applied. The Executive Vice President, Finance and Procurement also submitted a report describing risk exposure and the company's major off-balance sheet commitments. The main recommendations of the Statutory Auditors gave rise to an action plan and a monitoring procedure. The Audit Committee also monitored progress on the audit plan, analysed the year-on-year change in the share price, and reviewed major litigation 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 officer. The Remuneration Committee was created in 1988.

Before it was merged with the Director Selection Committee in December 2019, the committee's members were Catherine Dussart (Chair and independent Director), Fanny Chabirand (an employee representative Director), and Philippe Marien. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

REMIT OF THE REMUNERATION COMMITTEE

The Remuneration Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors. The committee's remit is to:

- make proposals to the Board of Directors on the remuneration and benefits awarded to executive officers;
- propose rules for determining the variable remuneration of executive officers, and check annually that the remuneration is commensurate with the assessment of their performance and the company's medium-term strategy;
- make proposals for remuneration and incentive systems for senior executives, and for stock options and performance shares.

WORK OF THE REMUNERATION COMMITTEE IN 2019

The committee met once in 2019 and once during the first two months of 2020. The committee gave the Board its opinion on the determination of the remuneration and supplementary pension of TF1's executive officer. It also met to review the terms and conditions of the new TF1 stock option plans granted by the Board of Directors in June 2019. Minutes of each meeting were compiled and presented to the Directors.

DIRECTOR SELECTION COMMITTEE

COMPOSITION AND ATTENDANCE

The Director Selection Committee was set up on 24 February and until it merged with the Remuneration Committee, its members were Martin Bouygues, Chair, and Olivier Roussat. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

REMIT OF THE DIRECTOR SELECTION COMMITTEE

The Director Selection Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors.

The committee's remit is:

- to periodically examine issues relating to the composition, organisation and operation of the Board of Directors and to make recommendations to the Board;
- and in particular:
  - to assess possible candidates for directorships, bearing in mind that at least one-third of Board members must be independent Directors,
  - to examine proposals to create Board committees, and draw up a list of their powers and members,
  - to assess any measures required to fill executive officer posts that unexpectedly become vacant.

WORK OF THE DIRECTOR SELECTION COMMITTEE IN 2019

The committee met twice in 2019 and once during the first two months of 2020. An assessment of the independence of Directors was discussed by the Director Selection Committee and reviewed by the Board of Directors prior to publication of the Annual Report.

The Director Selection Committee gave its opinion on the composition of the Board and recommended the Board of Directors to ask the Annual General Meeting of 18 April 2019 to reappoint Pascaline de Dreuzy, Gilles Pélisson and Olivier Roussat as Directors, and to appoint Marie Allavena as a Director.

It also recommended that the Board appoint Pascaline de Dreuzy (Chair), Fanny Chabirand (employee representative), Catherine Dussart and Olivier Roussat as members of the merged committee, having previously obtained assurance that both Pascaline de Dreuzy and Catherine Dussart continued to have no business relationship with the TF1 group and still qualify as independent Directors.

Each of the committee's reports was presented to the Directors.

ETHICS AND CSR COMMITTEE

COMPOSITION AND ATTENDANCE

The Ethics and CSR Committee consists of at least two Directors. No executive officer may sit on the committee, which is chaired by an independent Director. A Director may not be appointed to the Ethics and CSR Committee if a corporate officer of TF1 is a member of a similar committee at a company in which that Director is himself or herself a corporate officer.

The Ethics and CSR Committee, formed on 24 July 2014, comprises Pascaline de Dreuzy (chair) and Catherine Dussart, both of whom are independent Directors, and Sophie Leveaux Talamoni who is an employee representative Director.

Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

REMIT OF THE ETHICS AND CSR COMMITTEE

The Ethics and CSR Committee is governed by Rules of Procedure that specify its remit.

The committee's remit is:

- Ethics:
  - to help define rules of conduct or guiding principles to inspire the behaviour of executives and other employees,
  - to propose or offer an opinion on ways to promote exemplary professional behaviour,
  - to oversee compliance with those values and rules of conduct;
- CSR:
  - to examine at least once a year issues the Group is facing in terms of its responsibility to employees, the environment and society,
  - to give the Board its opinion on the CSR report required under Article L. 225-102-1 of the French Commercial Code

In fulfilling its remit, the committee can meet with the Chairman of the Board of Directors or any person designated by him. The committee reports on its work to the next meeting of the Board of Directors.

WORK OF THE ETHICS AND CSR COMMITTEE IN 2019

The committee met once in 2019 and once during the first two months of 2020.

It reviewed key initiatives and issues in ethics, and the Group's Corporate Social Responsibility policy.

The committee acknowledged the many initiatives conducted in 2019.

It also expressed a favourable opinion on compliance measures implemented in 2018, including the impact of legal and regulatory changes on ethics and compliance within the TF1 group. These included:

(i) work to bring the Group into compliance with the Sapin 2 law, including raising awareness of TF1 commitments to maintaining a culture of integrity, transparency and compliance; risk mapping and whistle-blowing; and the creation of the Multidisciplinary Committee;

(ii) measures to ensure compliance with the new data protection requirements that took effect on 25 May 2018 and, in particular, the creation of the new Data correspondents' network.

The committee approved the proposed action plan for 2020.

In CSR, the committee examined initiatives taken by the Group during 2019 in areas such as diversity, gender balance, solidarity, sustainable development, upskilling of employees, and transparency of extra-financial reporting.

The committee expressed a favourable opinion and approved the proposed 2020 Action Plan, which continued along the same lines.

It recommended that the Board of Directors approve the section of the management report relating to consolidated social, environmental and societal information for the year ended 31 December 2019.

SPECIFIC PROCEDURES FOR THE PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

Specific procedures for the participation of shareholders in General Meetings are described in section 7.5.4 of this universal registration document. Shareholder dialogue procedures are set out in section 7.3.2.

FACTORS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

A description of factors liable to have an impact in the event of a public offer for TF1 shares is provided in section 7.5.9 of this universal registration document.

3.3 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

This is a translation into English of a report issued in French 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.

Annual General Meeting held to approve the financial statements for the year ended 31 December 2019

To the Annual General Meeting of TF1,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year ended 31 December 2019, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

AGREEMENTS AUTHORIZED AND MADE DURING THE YEAR ENDED 31 DECEMBER 2019

In accordance with Article L. 225-40 of the French Commercial Code (*Code de commerce*), we have been notified of the following related party agreements made during the financial year ended 31 December 2019 which received prior authorization from your Board of Directors.

1) SHARED SERVICES AGREEMENT WITH BOUYGUES

At its meeting on 11 December 2019, your Board of Directors authorized the renewal, for a period of one year as from 1 January 2020, of the shared services agreement concluded on 23 February 2016 between your Company and Bouygues. Under this agreement, Bouygues provides the various companies in its group with specialist services in different fields, such as finance, law, human resources, insurance, sustainable development, patronage, new technologies and advisory services.

Reasons justifying why the Company benefits from this agreement

The purpose of this shared services agreement, a common arrangement in groups of companies, is to enable your Company to benefit from specialist and management services that Bouygues provides to the various companies in its group in a number of fields.

Financial terms of the agreement

The principle of this agreement is based on rules of allocation and invoicing of the shared service costs including specific services and payment of residual shared costs limited to a percentage of revenue.

The renewal of this agreement had no financial impact during the financial year ended 31 December 2019. It will have effect in financial year 2020.

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

2) USE OF AIRCRAFT OWNED BY AIRBY

At its meeting on 11 December 2019, your Board of Directors authorized the renewal of the agreement offering your Company, for a period of one year as from 1 January 2020, the possibility of using the services of Airby, a company owned indirectly by Bouygues and SCDM, operator of a Global 6000 aircraft and other leased aircraft.

Reasons justifying why the Company benefits from this agreement

This agreement covers the provision and use of aircraft (leased or owned by the Bouygues group) including all costs related to associated flight services.

Financial terms of the agreement

Under this agreement, the use of the Global 6000 is invoiced based on a single flat-rate tariff which remains unchanged at €7,000 per flight hour. The provision by Airby of leased aircraft is still invoiced at the market lease rate, plus €1,000 excluding taxes for chartering services.

The renewal of this agreement had no financial impact during the financial year ended 31 December 2019. It will have effect in financial year 2020.

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS APPROVED IN PRIOR YEARS

A) AGREEMENTS APPROVED IN PRIOR YEARS WHOSE IMPLEMENTATION CONTINUED DURING THE YEAR ENDED 31 DECEMBER 2019

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2019.

1) Shared services agreement with Bouygues

The Annual General Meeting of 18 April 2019 approved the renewal, for a period of one year as from 1 January 2019, of the shared services agreement concluded with Bouygues on 23 February 2016, according to which the latter provides the various companies in its group with specialist services in different fields, such as finance, law, human resources, insurance, sustainable development, patronage, new technologies, and more generally advisory services.

Financial terms of the agreement

In respect of 2019, the amount invoiced by Bouygues was €3,484,031.98 excluding taxes, of which €3,499,578.37 excluding taxes related to financial year 2019 and €15,546.39 excluding taxes corresponded to a regularization concerning financial year 2018.

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

Authorized by your Board of Directors on 30 October 2018.

2) Top-up pension granted to the CEO, Mr Gilles Pélisson

- **Defined-benefit pension agreement for the benefit of the CEO**

The Annual General Meeting of 18 April 2019 approved the granting of a top-up pension to Mr Gilles Pélisson, CEO of your Company, as from 1 January 2019, subject to certain performance conditions for the vesting of the top-up pension rights, which will apply to the defined-benefit pension agreement signed by Bouygues. Entitlement to this top-up pension is only vested after ten years of service with the Bouygues group. Mr Gilles Pélission's vesting of the annual top-up pension rights is contingent upon the fulfilment of performance conditions over which he may have had some control; these conditions are linked to the achievement of an average consolidated net income target in relation to the annual budget:

– for financial year 2018: based on the annual budgets for 2016, 2017 and 2018;

– for subsequent years: based on the annual budget for the current financial year and the annual budgets for the previous two financial years.

Depending on the achievement of the consolidated net income targets, entitlement to the top-up pension will be between 0% and a maximum of 0.92% of the reference salary.

The supplementary pension benefit is capped at eight times the annual limit set by the Social Security.

- **Re-invoicing by Bouygues of pension contributions for the CEO**

The Annual General Meeting of 18 April 2019 also approved the re-invoicing agreement concluded with Bouygues, for a period of one year as from 1 January 2019, in respect of the share of the premium paid by Bouygues to the insurance company for Mr Gilles Pélisson.

Financial terms of the agreement

Bouygues re-invoices your Company for the premiums paid to the insurance company corresponding to its share.

In respect of financial year 2019, Bouygues invoiced the amount of €604,598 excluding taxes (including the 24% tax paid to URSSAF).

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

Mr Gilles Pélisson, CEO of your Company.

Authorized by your Board of Directors on 30 October 2018.

3) Office space provided by the economic interest grouping G.I.E. "32 avenue Hoche"

The Annual General Meeting of 18 April 2019 approved the renewal, for a period of one year as from 1 January 2019, of the agreement regarding the provision of office space on the first floor at 32, avenue Hoche in Paris.

Financial terms of the agreement

In respect of financial year 2019, the amount paid to G.I.E. "32 avenue Hoche" for the provision of this office space was €18,756.80 excluding taxes.

Persons concerned

BOUYGUES (member of the economic interest grouping GIE "32 avenue Hoche"): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (Members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

Authorized by the Board of Directors on 30 October 2018.

B) AGREEMENTS APPROVED IN PRIOR YEARS WHICH WERE NOT IMPLEMENTED DURING THE YEAR ENDED 31 DECEMBER 2019

In addition, we have been notified that the following agreements, which were approved by the Annual General Meeting in prior years, were not implemented during the year ended 31 December 2019.

1) Open Innovation services agreement

The Annual General Meeting of 18 April 2019 approved the Open Innovation services agreement concluded with Bouygues, according to which the latter provides your Company with Open Innovation services.

This agreement defines 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 your Company.

No amount was invoiced by Bouygues in respect of financial year 2019.

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

Authorized by the Board of Directors on 30 October 2018.

2) Use of aircraft owned by Airby

Your Annual General Meeting of 18 April 2019 approved the agreement concluded with Airby covering the provision and use of aircraft (leased or owned by the Bouygues group) including all costs related to associated flight services.

In respect of the year 2019, your Company did not use the aircraft and no amount was invoiced by Airby.

Persons concerned

The company Bouygues (shareholder of your Company): Mr Martin Bouygues, Mr Olivier Bouygues and Mr Olivier Roussat (members of the Board of Directors), and Mr Philippe Marien (permanent representative of Bouygues on the Board of Directors).

Authorized by the Board of Directors on 30 October 2018.

Paris-La Défense, 6 March 2020

The Statutory Auditors

French original signed by:

MAZARS	ERNST & YOUNG Audit
Gilles Rainaut	Laurent Vitse

3.4 DISCLOSURES ON REMUNERATION OF CORPORATE OFFICERS IN RESPECT OF 2019

Report on remuneration in accordance with Article L. 225-37-3 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 January 2020, application of which is overseen by the High Committee on Corporate Governance;
- the AMF Recommendation of 22 December 2008 as amended on 26 November 2018, on disclosures on the remuneration of corporate officers to be included in registration documents.

3.4.1 REMUNERATION OF THE EXECUTIVE OFFICER

PRINCIPLES AND RULES FOR DETERMINING THE REMUNERATION OF THE EXECUTIVE OFFICER

General preliminary remarks:

- The Executive Officer holds an employment contract with Bouygues SA;
- The Board of Directors has not granted the Executive Officer 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 Officer 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 his remuneration as a corporate officer, he is not paid any remuneration by any subsidiary of the Bouygues group or of the TF1 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 Officer of TF1. Before doing so, the Board consults the Selection and Remuneration Committee, which takes into account AFEP/MEDEF recommendations on the remuneration of executive officers of listed companies.

The remuneration determined by the Board of Directors is in 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 was considered in light of 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 Officer 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 Officer'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 Selection and Remuneration Committee. Fixed remuneration is determined in line with the general interests of the company, and takes into account the following factors:

- the level and difficulty of the Executive Officer'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 2019, Gilles Pélisson's fixed remuneration was set at €920,000.

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 Officer.

Those benefits have been valued at €6,220 for the Executive Officer (Gilles Pélisson).

VARIABLE REMUNERATION

General policy on variable remuneration

The criteria for determining variable remuneration are set by the Board in light of AFEP/MEDEF recommendations.

The variable component is an integral part of the Executive Officer's remuneration.

General description of the method used to determine the Executive Officer'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 four objectives are attained, the sum total of the five variable portions equals the overall cap of 150%, which the variable remuneration of the Executive Officer 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. The sum total of the four variable portions calculated on this basis cannot under any circumstances exceed the overall cap, which for the Executive Officer is set at 150% of his fixed remuneration.

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

The four criteria used to determine the variable portion

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

The Executive Officer's gross variable remuneration for 2019 is based on the performances of the TF1 and Bouygues groups, measured by reference to significant economic indicators that are stable and relevant over the long term:

- Quantitative:
  - Criterion P1: variance in free cash flow[1] for Bouygues relative to the business plan (40% of fixed remuneration when the objective is met; captures the financial performances of the entire Bouygues group),
  - Criterion P2: variance in TF1 group current operating margin relative to the business plan (35% of fixed remuneration when the objective is met; gives the Executive Officer an incentive to improve the financial performances of the TF1 group),
  - Criterion P3: variance in TF1 group consolidated net profit[2] relative to the business plan (35% of fixed remuneration when the objective is met; rewards the Executive Officer for meeting budget commitments, and captures year-on-year growth performance). If TF1 group consolidated net profit as specified in the business plan is 20% or more below that of the previous year (2018), P3 is capped at 25%;
- Qualitative:
  - Criterion P4: this criterion comprises four qualitative sub-criteria, including one related to Corporate Social Responsibility (40% of fixed remuneration when the objectives are met).

    A Corporate Social Responsibility criterion has been included in the qualitative criteria since 2014. This criterion is being applied again in 2019, and requires that TF1 retain its place in four extra-financial indices. During 2019, the TF1 group did indeed retain its place in four extra-financial indices: DJSI, MSCI, Gaïa, and ISS (formerly Oekom).

Method used to determine annual variable remuneration:
(FR = Fixed Remuneration)

		Method used to determine variable remuneration		
		Theoretical annual variable remuneration if objective is attained	**Maximum theoretical annual variable remuneration if objective is exceeded**	**Annual variable remuneration awarded based on 2019 performance**
	Objective	*(% of FR)*	*(% of FR)*	*(% of FR)*
P1	Variance vs. plan: Bouygues free cash flow	40%	55%	55%
P2	Variance vs. plan: TF1 Group current operating margin	35%	45%	26%
P3	Variance vs. plan: TF1 consolidated net income excluding exceptional items	35%	60%	0%
P4	Qualitative objectives (including CSR criterion)	40%	40%	40%
		Total = 150% of FR	**Total = 200% of FR scaled down to 150%**	**Total = 121% of FR**
Cap		150%	150%	150%

FR : fixed remuneration.

(1) Free cash flow after changes in working capital relating to operating activities and to non-current assets used in operations.
(2) This indicator will be adjusted to eliminate exceptional items.

Overall cap

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

The variable remuneration awarded to Gilles Pélisson (Executive Officer since 19 February 2016) for 2019 was €1,113,200, or 121% of his fixed remuneration.

The variable remuneration paid to the Executive Officer (Gilles Pélisson) in previous years was:

- 2017: 150% of his fixed remuneration;
- 2018: 150% of his fixed remuneration.

In addition, the Selection and Remuneration Committee decided that from 2017 onwards, if neither of the P2 or P3 components were to be payable, the total amount of the P1 and P4 components would be capped at 75% of fixed remuneration, i.e. half of the 150% overall cap.

EXCEPTIONAL REMUNERATION

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

No exceptional remuneration was awarded to Gilles Pélisson for 2019.

REMUNERATION OF CORPORATE OFFICERS (PREVIOUSLY KNOWN AS DIRECTORS' FEES)

Like the other Directors, the Executive Officer receives and retains remuneration paid by TF1 for his service as a Director; such payments were previously known as "Directors' fees" (see table 2).

STOCK OPTIONS AND PERFORMANCE SHARES

Because the Executive Officer (Gilles Pélisson) holds a contract of employment with Bouygues SA, the Bouygues Board of Directors may award him options giving entitlement to subscribe for new Bouygues shares.

During 2019, Gilles Pélisson received options giving entitlement to subscribe for new Bouygues shares; those options were awarded on 31 May 2019 following a decision taken by the Bouygues Board of Directors on 15 May 2019[(1)].

COMPENSATION FOR CESSATION OF OFFICE

Termination benefits may be paid for salaried positions held within the Group, excluding any period of activity as a corporate officer, in accordance with the French Labour Code and the national collective bargaining agreement applied by the company in question.

No non-competition benefits are paid to corporate officers at the end of their term of office.

ANNUAL GENERAL MEETING OF 18 APRIL 2019 – "SAY ON PAY"

The Annual General Meeting expressed a favourable opinion on the remuneration package awarded to Gilles Pélisson in respect of the 2018 financial year (6th resolution, passed with 80.4% of votes in favour).

The Annual General Meeting also approved the remuneration policy for the Chairman & Chief Executive Officer (principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds awarded to Gilles Pélisson, 7th resolution, passed with 81.4% of votes in favour).

SUMMARY OF THE REMUNERATION OF THE EXECUTIVE OFFICER (GILLES PÉLISSON) IN RESPECT OF THE 2019 FINANCIAL YEAR

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

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

Gilles Pélisson – Chairman and CEO since 19/02/2016 *(€)*	2019	2018
Remuneration payable for the year (see Table 2)	2,057,920	2,324,720
Value of options awarded during the year (see Table 4)	108,800	148,144
Value of performance shares awarded during the year (see Table 6)	-	-
TOTAL	**2,166,720**	**2,472,864**
Change	-12%	-

(1) For details of how such options are awarded, refer to the Bouygues universal registration document.

TABLE 2 – REMUNERATION OF THE EXECUTIVE OFFICER (GILLES PÉLISSON)

Gilles Pélisson – Chairman and CEO since 19/02/2016 *(€)*	2019		2018	
	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	1,113,200	1,380,000	1,380,000	1,380,000
Change	-	-	-	-
% Variable/Fixed(1)	121%	-	150%	-
Cap	150%	-	150%	-
Other remuneration(2)	-	-	-	-
Remuneration for serving as a Director (formerly Directors' fees)	18,500	18,500	18,500	18,500
Benefits in kind	6,220	6,220	6,220	6,220
TOTAL	**2,057,920**	**2,324,720**	**2,324,720**	**2,324,720**

(1) By reference to his fixed annual remuneration of €920,000.
(2) Gilles Pélisson received no additional remuneration whether from TF1, Bouygues, or subsidiaries of TF1.

For 2019, Gilles Pélisson's remuneration amounted to €2,057,920.

Gilles Pélisson's variable remuneration for 2019 was €1,113,200. The quantitative criteria were partially met, and the qualitative criteria were fully met. Payment is suspended pending adoption of the 5th resolution at the Annual General Meeting of 17 April 2020 ("Ex post approval of components of remuneration and benefits paid or awarded to Gilles Pélisson in respect of 2019").

The following factors were taken into account in determining Gilles Pélisson's remuneration:

- The company's performance: the Board took the view that the remuneration was commensurate with the work done and the quality of outcomes. Factors taken into account included growth in Group audience figures, especially among commercial targets; revenue growth (+2.1%); an increase of €56 million in current operating profit (+28.3%); the attainment in 2019 of the objective set three years ago of reaching double-digit current operating margin (2019 figure: 10.9%); and the year-on-year increase of 21.5% in net profit attributable to the Group. In addition, the Group continued to grow the profitability of its core business thanks to complementary revenue streams (MYTF1), and distribution revenue from the agreements signed with telecoms operators and good control over the cost of programmes, in line with the objective set. In production, the Group stepped up the pace of its expansion as demonstrated by the results of Newen, driven mainly by international operations and acquisitions, including De Mensen and Reel One in 2019. Finally, the Group reorganised its Unify digital division to put it into shape to achieve its objectives in 2021, a key element being the launch of the Unify Advertising airtime sales agency.

  In line with the principles set for the remuneration of the Executive Officer, the Board also took account of the three objectives set in the budget for the 2019 financial year.

  Finally, the Board looked at trends in the TF1 share price in 2019. In a media sector that still operates in a challenging environment, the TF1 share price rose by 4.5%, while its main European peers enjoyed mixed fortunes during the year in a range from -10% to +21%;
- 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.

SUPPLEMENTARY PENSION

The Board meeting of 30 October 2018 authorised the award of a supplementary pension to Gilles Pélisson, Chairman and Chief Executive Officer of TF1, with effect from 1 January 2019. Vesting of his supplementary pension rights is subject to certain conditions, which will apply to the defined-benefit collective pension agreement signed by Bouygues. 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. Management of the scheme is contracted out to an insurance company.

Performance conditions

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

For 2019, vesting of Gilles Pélisson's annual supplementary pension rights was calculated by reference to the attainment of objectives for average consolidated net profit relative to the annual budgets for the 2017, 2018 and 2019 financial years.

Depending on the level of attainment of the consolidated net profit objectives, supplementary pension rights are in a range from a minimum of 0% to a maximum of 0.92% of the reference salary. The criteria were met for 2019, so his vested rights amounted to 0.92% of the reference salary.

The annual supplementary pension is capped at eight times the annual upper limit for social security contributions(1); for 2019, that cap is €324,192, which is below the ceiling of 45% of reference salary specified in the AFEP/MEDEF Code.

The Board of Directors also authorised the re-invoicing by Bouygues to TF1 of the portion of the premium paid to the insurance company in respect of Gilles Pélisson, for a period of one year from 1 January 2019.

EXECUTIVE PAY RATIO

The executive pay ratios disclosures provided below comply with paragraphs 6 & 7 of Article L. 225-37-3 of the French Commercial Code.

A) PAY RATIO BETWEEN THE REMUNERATION OF THE EXECUTIVE OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF TF1 SA EMPLOYEES

	2015	2016	2017	2018	2019
Executive Officer	**Nonce Paolini**	**Gilles Pélisson**	**Gilles Pélisson**	**Gilles Pélisson**	**Gilles Pélisson**
Ratio to average remuneration paid to employees	28	13	19	30	30
Ratio to median remuneration paid to employees	35	16	23	37	37

B) TABLE COMPARING THE REMUNERATION OF THE EXECUTIVE OFFICER RELATIVE TO THE PERFORMANCE OF TF1 SA AND TO THE AVERAGE REMUNERATION OF TF1 SA EMPLOYEES

	Change 2015 vs 2014	Change 2016 vs 2015	Change 2017 vs 2016	Change 2018 vs 2017	Change 2019 vs 2018
Annual remuneration paid to the Executive Officer	+0.3%	-54.4%	+45.5%	+72.6%	+2.6%
Company performance: Current operating profit	+35.6%	-18.1%	+43.2%	+5.4%	+30.3%
Company performance: Net profit attributable to the Group	0%	-58.2%	+226.4%	-6.2%	+21.0%
Average remuneration paid to employees	+2.0%	+1.7%	-0.3%	+6.9%	+2.2%
Pay ratio based on average remuneration paid	28 (-1.6%)	13 (-55.2%)	19 (+45.9%)	30 (+61.5%)	30 (+0.4%)

COMMENTS

- 2015 vs 2014: In 2015, Nonce Paolini served as Chairman & Chief Executive Officer for the entire year.
- 2016 vs 2015: Gilles Pélisson took office as Chairman & Chief Executive Officer on 19 February 2016; his fixed remuneration is computed on an annualized basis. No variable remuneration was paid to the Executive Officer in 2016.
- 2017 vs 2016: In 2017, Gilles Pélisson served as Chairman & Chief Executive Officer for the entire year. In 2016, he waived 50% of his variable compensation which as calculated based on the specified criteria would have been €1,062,232.
- 2018 vs 2017: In 2018, Gilles Pélisson served as Chairman & Chief Executive Officer for the entire year.
- 2019 vs 2018: In 2019, Gilles Pélisson served as Chairman & Chief Executive Officer for the entire year.
- The financial statements of the TF1 group for the 2015, 2016 and 2017 financial years include non-current items (restructuring costs, amortisation of audiovisual rights remeasured at fair value in the acquisition of Newen) that could explain the significant changes in net profit attributable to the Group for those years.

REMUNERATION OF NON-EXECUTIVE CORPORATE OFFICERS(2)

The Annual General Meeting of 23 April 2003 set the total amount of remuneration of corporate officers for serving as Directors at €350,000 annually, leaving it to the Board of Directors to determine how this amount should be allocated.

That amount was allocated as follows:

- the theoretical annual amount for each Director is €18,500;
- Committee members:
  - Audit Committee: €3,000 per member per quarter,
  - Selection and Remuneration Committee: €1,350 per member per quarter,
  - Ethics and CSR Committee: €1,350 per member per quarter.

Not all of the €350,000 available for the remuneration of corporate officers for serving as Directors was used in 2019.

The total gross amount of such remuneration before taxes (including Gilles Pélisson) was €269,750, as indicated in the tables below.

(1) The annual upper limit for social security contributions for 2019 is €40,524.
(2) Formerly known as Directors' fees.

TABLE 3 – REMUNERATION OF NON-EXECUTIVE CORPORATE OFFICERS FOR SERVING AS DIRECTORS (FORMERLY KNOWN AS DIRECTORS' FEES) (€)

Non-executive corporate officer	Type of remuneration	Gross amounts before tax due for 2019	Gross amounts before tax due for 2018
Marie Allavena(1)	Remuneration for serving as Director	14,438	-
Martin Bouygues	Remuneration for serving as Director	23,900	23,900
Olivier Bouygues	Remuneration for serving as Director	13,644	18,500
Fanny Chabirand(2) (employee representative)	Remuneration for serving as Director	22,281	23,900
Laurence Danon Arnaud	Remuneration for serving as Director	30,500	30,500
Pascaline de Dreuzy	Remuneration for serving as Director	31,310	30,500
Catherine Dussart	Remuneration for serving as Director	28,490	27,142
Janine Langlois-Glandier(1)	Remuneration for serving as Director	9,462	23,900
Sophie Leveaux Talamoni(2) (employee representative)	Remuneration for serving as Director	22,281	21,922
Philippe Marien	Remuneration for serving as Director	34,281	33,742
Olivier Roussat	Remuneration for serving as Director	20,662	23,900
TOTAL		**251,250**	**257,906**

(1) The Annual General Meeting of 18 April 2019 approved the appointment of Marie Allavena as a Director, replacing Janine Langlois-Glandier.
(2) Remuneration for the employee representative non-executive corporate officers was paid directly to two trade unions: CFTC (€22,281) and FO (€22,281).

No other remuneration was paid to the non-executive corporate officers in respect of their corporate office.

The only remuneration paid by TF1 to Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien was remuneration for serving as a Director (formerly known as Directors' fees) (see table below).

The salaried Directors, Fanny Chabirand and Sophie Leveaux Talamoni, received no exceptional remuneration in respect of their corporate office in the TF1 group.

REMUNERATION OF THE EXECUTIVE OFFICER FOR SERVING AS A DIRECTOR (FORMERLY KNOWN AS DIRECTORS' FEES) (€)

	Gross amounts before tax due for 2019	Gross amounts before tax due for 2018
Gilles Pélisson	18,500	18,500
TOTAL	**18,500**	**18,500**

3.4.2 DISCLOSURES ON STOCK OPTIONS AND PERFORMANCE SHARES

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

This section 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 executive remuneration disclosures to be included in registration documents.

During 2019, the Board of Directors awarded stock subscription options.

PRINCIPLES AND RULES FOR AWARDS OF TF1 STOCK OPTIONS/PERFORMANCE SHARES

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

Currently valid authorisations: The 26th resolution of the Annual General Meeting of 18 April 2019 renewed, for a 38-month period, the authorisation of the Board of Directors to award to employees and senior executives of TF1 or related companies, on one or more occasions, options to subscribe for new or existing shares.

The 27th resolution of the Annual General Meeting of 18 April 2019 authorised the Board of Directors, for a 38-month period, to award to employees and senior executives of TF1 or related companies, on one or more occasions, performance shares which at the Board's discretion may be either existing shares repurchased by the company or new shares issued for the purpose.

To that end, the Annual 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.

A limit for the combined amount of such awards was set at 3% of the share capital.

The 26th and 27th resolutions on stock options and performance share awards stipulate that:

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

Under the 26th resolution on stock options, no discount is permitted. Depending on the circumstances:

- the subscription price must be no less than the average quoted share price over the 20 trading days preceding the date of grant;
- the purchase price of shares must 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 the shares were purchased by the company pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code.

Since 2011, the Board of Directors has granted options entitling their holders to subscribe for new TF1 shares subject to performance conditions. The Board of Directors has decided not to award any TF1 stock options or TF1 performance shares to the Executive Officer.

GENERAL RULES ON AWARDS OF STOCK OPTIONS AND PERFORMANCE 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 performance 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 and performance share plans are awarded to approximately 150 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 stock options or performance shares are awarded to the Executive Officer (Gilles Pélisson);
- no discount is applied to grants of stock options;
- awards of stock options and performance shares are subject to performance conditions;
- 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, and information about stock market law. A dedicated compliance programme was approved and distributed during 2015;
- all TF1 stock option plans and TF1 performance share plans prohibit employees who are on the TF1 insiders list from exercising their options, or selling shares derived from exercised options or awarded shares, during the period preceding publication of the financial statements. That period extends for thirty calendar days up to and including the day of publication of the TF1 half-year and full-year financial statements, and for fifteen calendar days up to and including the day of publication of the quarterly financial statements. This prohibition also applies during any period in which such persons are aware of privileged information, and on the date of publication of such information;
- 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.

PERFORMANCE CRITERIA APPLICABLE TO STOCK OPTIONS AWARDED IN 2019

The following performance criteria determine the number of stock options that will vest:

- actual consolidated revenue on a constant structure basis versus budget:
  - if actual performance is equal to or better than 95% of the objectives: 100% of the options will be exercisable,
  - if actual performance is equal to or better than 85% but less than 95% 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 85%: no options will be exercisable;
- actual ratio of current operating profit to consolidated revenue versus budget, provided that the ratio of net profit to consolidated revenue is at least 3%:
  - 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 75% 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 75%: no options will be exercisable.

The options will vest:

- 50% on the basis of the performances for the 2019 financial year on a constant structure basis, as compared with the budget for that year;
- 50% on the basis of the performances for the 2020 financial year on a constant structure basis, as compared with the budget for that year.

SPECIFIC RULES APPLICABLE TO CORPORATE OFFICERS

No stock options or performance shares are awarded to the Executive Officer (Gilles Pélisson).

POLICY ON STOCK OPTIONS AND PERFORMANCE SHARES

Acting on a proposal from the Selection and Remuneration Committee, the Board has authorised the use of two forms of performance-related medium/long-term incentive plan for key executives.

These plans are intended to:

- keep key executives motivated to deliver growth in revenue and profitability (performance shares);
- foster team spirit by setting collective objectives and giving everyone an interest in sustaining the transformation of TF1 over time;
- build the loyalty of executives over the long term (stock options).

APPLICATION OF PERFORMANCE CONDITIONS FOR PREVIOUS PLANS

2017: For the 2017 stock option plan and the performance share plan awarded in 2017, the performance conditions have been met. The calculation was made (i) 50% on the basis of the arithmetical average of performances in the 2017 and 2018 financial years on a constant structure basis, as compared with the budgets set for those financial years and (ii) 50% on the basis of the arithmetical average of performances in the 2018 and 2019 financial years on a constant structure basis as compared with the budgets set for those financial years. Performances for the 2017, 2018 and 2019 financial years were assessed on a constant structure basis by reference to the budgets set in 2016, 2017 and 2018 for the 2017, 2018 and 2019 financial years, respectively.

2018: For the 2018 stock option plan and the performance share plan awarded in 2018, the calculation will be made (i) 50% on the basis of the arithmetical average of performances in the 2018 and 2019 financial years on a constant structure basis, as compared with the budgets set for those financial years and (ii) 50% on the basis of the arithmetical average of performances in the 2019 and 2020 financial years on a constant structure basis as compared with the budgets set for those financial years.

The Selection and Remuneration Committee will examine the performance criteria on which vesting of the stock options and performance shares is contingent.

GENERAL INFORMATION AND CHARACTERISTICS OF STOCK OPTIONS

Terms and periods of exercise: see Table 8.

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED IN 2019

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED DURING THE YEAR

Options giving entitlement to subscribe for TF1 shares were awarded in 2019 (see Table 8).

On 14 February 2019, the Board of Directors approved the granting on 12 June 2019 of 1,810,500 options, equivalent to 0.86% of the share capital, to 139 grantees from the TF1 group.

The exercise price of €8.87 per share is the average of the quoted market prices on the 20 trading days preceding 12 June 2019.

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 €0.97.

Gilles Pélisson was not awarded any stock subscription options.

During 2019, a total of 568,285 stock subscription options were exercised, all of them under plan no. 13 (exercise price: €6.17). No discount was applied.

As of 31 December 2019, no TF1 stock subscription options were potentially exercisable.

STOCK SUBSCRIPTION OPTIONS AWARDED BY TF1 OR ANY GROUP COMPANY, GRANTED TO OR EXERCISED BY THE EXECUTIVE OFFICER DURING THE YEAR

Gilles Pélisson was not awarded any options to purchase or subscribe for TF1 shares in 2019.

In connection with the office he holds at Bouygues, Gilles Pélisson received during 2019 options giving entitlement to subscribe for new Bouygues shares; those options were awarded on 31 May 2019 following a decision taken by the Bouygues Board of Directors on 15 May 2019.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE OFFICER IN 2019

Name of Executive Officer	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
Gilles Pélisson	Bouygues plan Board Meeting date: 15/05/2019 Date of grant: 31/05/2019	Subscription	€1.36	80,000	€32.59	31/05/2021 to 31/05/2029
TOTAL			**€108,800**	**80,000**		

The exercise price was calculated by reference to the average of the opening quoted market prices on the twenty trading days preceding 31 May 2019; no discount was applied.

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE OFFICER OF TF1 IN 2019

The Executive Officer (Gilles Pélisson) did not exercise any stock subscription options in 2019.

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STOCK SUBSCRIPTION OPTIONS AWARDED BY TF1 OR ANY GROUP COMPANY, GRANTED TO OR EXERCISED BY SALARIED DIRECTORS DURING THE YEAR

Options granted to salaried Directors in 2019 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	2019 plan Board Meeting date: 14/02/2019 Date of grant: 12/06/2019	Subscription	13,000	€8.87
TOTAL			**13,000**	

Sophie Leveaux Talamoni did not exercise any stock subscription options in 2019.

PERFORMANCE SHARES

No performance share plan was awarded in 2019.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE OFFICER

No performance shares were awarded by TF1 to the Executive Officer (Gilles Pélisson) in 2019.

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

No performance shares became available as none has been awarded by the company to the Executive Officer (Gilles Pélisson).

PAST STOCK OPTION AWARDS AND OTHER INFORMATION

TABLE 8 – PAST STOCK OPTION AWARDS

	Plan no. 13	Plan no. 14	Plan no. 15	2017 plan	2018 plan	2019 plan
Date of Shareholders' Meeting	14/04/2011	17/04/2014	17/04/2014	13/04/2017	19/04/2018	18/04/2019
Date of Board Meeting	14/05/2012	29/04/2015	26/04/2016	27/04/2017	25/04/2018	14/02/2019
Date of grant	12/06/2012	12/06/2015	08/06/2016	12/06/2017	08/06/2018	12/06/2019
Type of plan	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription
Total number of options granted subject to performance conditions	1,437,200	1,308,800	642,000	710,400	700,900	1,810,500
to corporate officers	*7,200*	*16,000*	*13,000*	*13,000*	*13,000*	*13,000*
to the 10 employees awarded the greatest number	*302,000*	*368,000*	*114,000*	*118,000*	*103,000*	*460,000*
Start date of exercise period	12/06/2016	12/06/2018	08/06/2019	12/06/2020	08/06/2021	12/06/2021
Expiration date	12/06/2019	12/06/2022	08/06/2023	12/06/2024	08/06/2025	12/06/2029
Subscription price	€6.17	€15.46	€10.99	€11.45	€9.83	€8.87
Terms of exercise	Options may be exercised and shares sold from 4th anniversary of date of grant	Options may be exercised and shares sold from 3rd anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant	Options may be exercised and shares sold from 2nd anniversary of date of grant
Number of shares subscribed at 31 December 2019	568,285	-	-	-	-	-
Cumulative number of options cancelled, not awarded, or forfeited	39,200	105,600	30,000	22,600	41,100	36,000
Number of options outstanding at end of period	-	1,090,300	543,300	620,000	659,300	1,741,000

For an analysis of the movement in the number of options outstanding, refer to Note 7-4-5-2 to the TF1 consolidated financial statements for the year ended 31 December 2019. 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 €0.70 (plan no. 13), €2.75 (plan no. 14), €2.15 (plan no. 15), €1.85 (2017 plan), €0.89 (2018 plan) and €0.97 (2019 plan).

The most recently lapsed plan is stock option plan no. 12, which expired on 10 June 2018.

STOCK OPTIONS GRANTED TO THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) OF TF1 (OR ANY COMPANY WITHIN THE SCOPE OF COMPANIES ENTITLED TO AWARD STOCK OPTIONS) WHO WERE AWARDED THE MOST OPTIONS IN 2019

Employee	Total number of options awarded/shares subscribed or purchased	Exercise price	Expiry date	Plan no.
Ara Aprikian	60,000	€8.87	12/06/2029	2019
Thierry Thuillier	50,000	€8.87	12/06/2029	2019
Philippe Denery	50,000	€8.87	12/06/2029	2019
Jean-Michel Counillon	50,000	€8.87	12/06/2029	2019
Arnaud Bosom	50,000	€8.87	12/06/2029	2019
François Pellissier	45,000	€8.87	12/06/2029	2019
Christine Bellin	45,000	€8.87	12/06/2029	2019
Maylis Çarçabal	40,000	€8.87	12/06/2029	2019
Xavier Gandon	35,000	€8.87	12/06/2029	2019
Fabrice Bailly	35,000	€8.87	12/06/2029	2019

STOCK OPTIONS EXERCISED BY THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) OF TF1 WHO EXERCISED THE MOST OPTIONS IN 2019

Employee	Total number of options exercised	Exercise price	Expiry date	Plan no.
Arnaud Bosom	30,000	€6.17	12/06/2019	13
Philippe Denery	20,000	€6.17	12/06/2019	13
Fabrice Bailly	16,000	€6.17	12/06/2019	13
Eric Jaouen	16,000	€6.17	12/06/2019	13
Tanguy Descamps	12,800	€6.17	12/06/2019	13
Damien O'Neill	12,800	€6.17	12/06/2019	13
Santiago Casariego	9,600	€6.17	12/06/2019	13
Thomas Crosson	9,600	€6.17	12/06/2019	13
Antoine Guélaud	9,600	€6.17	12/06/2019	13
Sylvie le Meignen	9,600	€6.17	12/06/2019	13

PAST PERFORMANCE SHARE AWARDS AND OTHER INFORMATION

TABLE 9 – PAST PERFORMANCE SHARE AWARDS

	2016 performance shares	2017 performance shares	2018 performance shares
Date of Shareholders' Meeting	14 April 2016	13 April 2017	19 April 2018
Date of Board Meeting	26 April 2016	27 April 2017	25 April 2018
Date of grant	8 June 2016	12 June 2017	8 June 2018
Type of shares	New shares to be issued	New shares to be issued	New shares to be issued
Maximum number of shares awarded subject to performance conditions	170,000	172,000	172,300
to corporate officers	*0*	*0*	*0*
to the 10 employees awarded the greatest number	*79,600*	*80,500*	*86,500*
Vesting period	8 June 2016 to 7 June 2019	12 June 2017 to 11 June 2020	8 June 2018 to 7 June 2021
Lock-up period	8 June 2019 to 7 June 2020	12 June 2020 to 11 June 2021	8 June 2021 to 7 June 2022
Date available for sale	From 8 June 2020	From 12 June 2021	From 8 June 2022
Continuing employment condition	Yes	Yes	Yes
Performance conditions	Yes	Yes	Yes
Number of shares vested as of 31 December 2019	160,100	-	-
Number of shares granted, cancelled or forfeited	-	16,500	18,500
Number of shares not yet vested	-	155,500	150,400

The value per performance share on the date of grant, calculated according to the Black-Scholes model, is €11.40 (2016 plan), €11.72 (2017 plan), and €9.38 (2018 plan).

PERFORMANCE SHARES AWARDED DURING THE YEAR BY TF1 (OR ANY COMPANY WITHIN THE SCOPE OF COMPANIES ENTITLED TO AWARD PERFORMANCE SHARES) TO THE TEN EMPLOYEES OF TF1 (OR OF ANY COMPANY WITHIN THAT SCOPE) AWARDED THE MOST PERFORMANCE SHARES

Name	Number of performance shares awarded in 2019	Vesting date
NONE	NONE	NONE

PERFORMANCE SHARES VESTED DURING 2019 IN THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) OF TF1 WITH THE HIGHEST NUMBER OF PERFORMANCE SHARES

Employee	Total number of performance shares vested	Vesting date	Plan no.
Ara Aprikian	10,000	07/06/2019	2016
Philippe Denery	8,500	07/06/2019	2016
Arnaud Bosom	7,500	07/06/2019	2016
Jean-Michel Counillon	7,500	07/06/2019	2016
Christine Bellin	6,500	07/06/2019	2016
Sylvia Tassan Toffola	6,100	07/06/2019	2016
François Pellissier	5,400	07/06/2019	2016
Fabrice Bailly	5,400	07/06/2019	2016
Sébastien Frapier	5,400	07/06/2019	2016
Maylis Çarçabal	4,400	07/06/2019	2016

3.4.3 OTHER DISCLOSURES ABOUT THE EXECUTIVE OFFICER'S REMUNERATION

TABLE 10 – MULTI-YEAR VARIABLE REMUNERATION OF THE EXECUTIVE OFFICER

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

TABLE 11 – OTHER DISCLOSURES ABOUT THE EXECUTIVE OFFICER'S REMUNERATION

	Employment contract		Supplementary pension scheme[(2)]		Compensation or benefits due or liable to become due on cessation or change of office[(3)]		Non-competition indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
Gilles Pélisson	X[(1)]		X[(3)]			X[(4)]		X

(1) Gilles Pélisson has an employment contract with Bouygues SA, and not with TF1 SA.

(2) See "Supplementary Pension" 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 (2019 value of the cap: €324,192). 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 subject to the approval procedure for related party agreements.

(3) See "Supplementary Pension" above. The Annual General Meeting of 13 April 2017 approved the supplementary pension awarded to Gilles Pélisson with 75% of the votes cast. Subject to certain conditions, Gilles Pélisson will be entitled to benefit from a supplementary pension scheme on his retirement. This supplementary pension scheme is subject to performance conditions. 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 objectives for average consolidated net profit relative to the annual budget:

- *for the 2019 financial year: based on the 2017, 2018 and 2019 annual budgets;*
- *for subsequent financial years, based on the annual budget for that financial year and the two immediately previous financial years.*

Depending on the level of attainment of the consolidated net profit objectives, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% of the reference salary.

(4) Severance benefits: Termination benefits may be paid for salaried positions held within the Group, excluding any period of activity as a corporate officer, in accordance with the French Labour Code and the national collective bargaining agreement applied by the company in question. 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.

3.5 PRINCIPLES FOR DETERMINING THE REMUNERATION OF CORPORATE OFFICERS IN RESPECT OF 2020

Report on remuneration in accordance with Article L. 225-37-2 of the French Commercial Code

3.5.1 COMPONENTS OF COMPENSATION TO BE AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF 2020

The Board of Directors closed off and approved this report at its meeting of 13 February 2020.

GENERAL PRINCIPLES

The Board of Directors has determined nine general principles on the basis of which the 2020 remuneration and benefits of the Chairman and Chief Executive Officer of TF1 will be determined.

1. Compliance with AFEP/MEDEF Code recommendations.
2. No severance benefit or non-competition indemnity on leaving office.
3. Level of remuneration that takes into account the existence of a capped supplementary pension and the fact that no severance benefit or non-competition indemnity has been granted.
4. Remuneration commensurate with the level and difficulty of the Executive Officer's responsibilities. Remuneration commensurate with the Executive Officer's experience in the position held and his length of service with the Group.
5. Remuneration that takes account of the practices applied in groups or enterprises carrying on comparable activities.
6. An incentivising remuneration structure comprising the following:
   - fixed remuneration,
   - annual variable remuneration,
   - remuneration for serving as a Director,
   - limited benefits in kind,
   - supplementary pension.
7. No deferred annual variable remuneration. No multi-year variable remuneration.
8. Discretion left to the Board of Directors to decide to pay exceptional remuneration, but reserved for truly exceptional circumstances.
9. No additional remuneration paid to the Executive Officer by any Group subsidiary apart from remuneration for serving as a Director.

CRITERIA USED IN 2020 BY THE BOARD OF DIRECTORS TO DETERMINE, ALLOCATE AND AWARD THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS OF THE EXECUTIVE OFFICER

FIXED REMUNERATION

€920,000.

ANNUAL VARIABLE REMUNERATION

A maximum of 150% of fixed remuneration, i.e. capped at €1,380,000.

The annual variable remuneration would be determined by applying five criteria (four of them referring to a three-year business plan), opening up the possibility of the Executive Officer receiving five variable components: P1, P2, P3, P4 and P5.

P1 Actual free cash flow(1) of Bouygues for the financial year/Objective = Free cash flow per the 2020 plan

P2 Actual free cash flow(1) of the TF1 group for the financial year/Objective = Free cash flow per the 2020 plan

P3 Actual current operating margin of the TF1 group for the financial year/Objective = current operating margin per the 2020 plan

P4 Actual consolidated net profit (CNP)(2) of the TF1 group for the financial year/Objective = CNP per the 2020 plan, capped if 20% or more below CNP for the previous year (2019)

P5 Three non-financial criteria:

- Compliance (involvement in the development of compliance programmes and the implementation of the Sapin 2 law) with a weighting of 10%;
- Corporate social responsibility (improvement in the percentage of women on the Management Committee(3) and retention of TF1 in at least two non-financial rating indices) with a weighting of 10%;
- Managerial performance with a weighting of 20%.

The Selection and Remuneration Committee also intends to set a target for the reduction of CO_2 emissions starting in 2021; until then, efforts consist of specifying the methods for measuring such emissions for the TF1 group.

Method used to determine annual variable remuneration for 2020

The method for determining the annual variable remuneration of the Executive Officer would be as follows (FR = Fixed Remuneration):

(1) Free cash flow after changes in working capital relating to operating activities and to non-current assets used in operations. This indicator will be adjusted to eliminate exceptional items.
(2) This indicator will be adjusted to eliminate exceptional items.
(3) Committee of the key managers of TF1 group (approximately 150 employees).

P1, P2, P3 AND P4

The effective weight of each criterion used to determine each variable portion awarded (P1, P2, P3 and P4) reflects the actual performance achieved during the year.

Each variable portion (P) is calculated as follows:

1) For P1:
   - If actual P1 performance is more than 10% below the Objective => P1 = 0% of FR,
   - If actual P1 performance is between [Objective -10%] and the Objective => P1 = 10% to 25% of FR,
   - If actual P1 performance equals the Objective => P1 = 25% of FR,
   - If actual P1 performance is between the Objective and [Objective +10%] => P1 = 25% to 30% of FR.

   Between these limits the effective weight of each component is determined by linear interpolation;
2) For P2:
   - If actual P2 performance is more than 6.7% below the Objective => P2 = 0% of FR,
   - If actual P2 performance is between (Objective -6.7%) and the Objective => P2 = 10% to 15% of FR,
   - If actual P2 performance equals the Objective => P2 = 15% of FR,
   - If actual P2 performance is between the Objective and [Objective +13.3%] => P2 = 15% to 25% of FR.

   Between these limits the effective weight of each component is determined by linear interpolation;
3) For P3:
   - If actual P3 performance is more than 10% below the Objective => P3 = 0% of FR,
   - If actual P3 performance is between [Objective -10%] and the Objective P3 = 0% to 35% of FR,
   - If actual P3 performance equals the Objective => P3 = 35% of FR,
   - If actual P3 performance is between the Objective and [Objective +20%] => P3 = 35% to 45% of FR.

   Between these limits the effective weight of each component is determined by linear interpolation;
4) For P4:
   - If actual P4 performance is more than 10% below the Objective => P4 = 0% of FR;
   - If actual P4 performance is between [Objective – 10%] and the Objective => P4 = 0 to 35% of FR;
   - If actual P4 performance is at the Objective => P4 = 35% of FR;
   - If actual P4 performance is between Objective and [Objective +20%] => P4 = 35% to 60% of FR.

Between these limits the effective weight of P4 is determined by linear interpolation.

If TF1 group consolidated net profit as specified in the business plan is 20% or more below that of the previous year (2019), P4 is capped at 25%.

P5

The Board of Directors determines the effective weight of P5, subject to a cap of 40% of FR.

CAP

The sum of the five components P1, P2, P3, P4 and P5 calculated according to the above method may never exceed a cap of 150% of FR.

If none of the P2, P3 or P4 components is payable, the total amount of components P1 and P5 may not exceed a cap of 70% of the fixed remuneration.

OTHER REMUNERATION

Any other remuneration paid by a Group subsidiary would be retained by the Executive Officer.

SEVERANCE BENEFIT

Termination benefits may be paid for salaried positions held within the Group, excluding any period of activity as a corporate officer, in accordance with the French Labour Code and the national collective bargaining agreement applied by the company in question.

No non-competition benefits are paid to corporate officers at the end of their term of office.

BENEFITS IN KIND

The Executive Officer is allocated a company car.

STOCK OPTIONS AND PERFORMANCE SHARES

The Executive Officer (Gilles Pélisson) has a contract of employment with Bouygues SA. Consequently, the Bouygues Board of Directors may award him options giving entitlement to subscribe for new Bouygues shares[1].

(1) For details of how such options are awarded, refer to the Bouygues universal registration document.

SUPPLEMENTARY PENSION SCHEME

Contingent-rights collective pension scheme governed by Article L. 137-11 of the French Social Security Code (rights for periods of employment prior to 1 January 2020).

The Executive Officer (Gilles Pélisson), who joined the scheme before 4 July 2019, is eligible for the defined-benefit collective supplementary pension scheme governed by Article L. 137-11 of the French Social Security Code. That scheme has been brought into compliance with the requirements of law no. 2019-486 of 22 May 2019 (the "Pacte" law) and of Order no. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.
Provided that they end their career within the Bouygues group, executives who joined the scheme prior to 4 July 2019 retain their rights under that scheme, the terms of which are:

1. Conditions for joining the scheme and other eligibility conditions whereby the beneficiary must:
   - be a member of the Bouygues 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 professional career at a Group company (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).
2. Reference salary equal to the average gross salary for the three best calendar years received by the Executive Officer within the Bouygues group during his period of membership of the Bouygues Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC-ARRCO scheme on the date of cessation of office or of the termination of his contract of employment. The reference gross salary applied consists of the annual fixed and variable remuneration used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
3. Frequency of vesting of rights: annual.
4. Annual cap on vested pension rights = 0.92% of the reference salary.
5. Overall cap: 8x the annual upper limit for Social Security contributions (cap of €324,192 in 2019);
6. Funding is contracted out to an insurance company, to which an annual contribution is paid.
7. Performance conditions

The performance conditions for 2019 were:

2019 financial year: Objective = that the average of the TF1 group's consolidated net profit figures for the 2019 financial year and for the 2018 and 2017 financial years ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the plan for the 2019 financial year and in the plans for the 2018 and 2017 financial years.

Terms for determining the vesting of pension rights based on performance:

- if average CNP is equal to or greater than the Objective annual pension rights = 0.92% of reference salary;
- if average CNP is more than 10% below the Objective annual pension rights = 0.

Between those lower and upper limits, the pension rights awarded will vary on a straight-line basis between 0% and 0.92% of the reference salary.

Because the criteria were met for 2019, the rights awarded were 0.92% of the reference salary.

Due to the closure of the scheme and the freezing of scheme members' rights, no further rights can vest under this scheme on or after 1 January 2020. From that date onwards it is no longer necessary to set performance conditions for the scheme.

Vested-rights collective pension scheme governed by Article L. 137-11-2 of the French Social Security Code (rights for periods of employment subsequent to 1 January 2020).

The Board of Directors has decided to introduce a new pension scheme in compliance with currently applicable legal requirements. The new scheme will enable executive officers who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme, subject to fulfilment of the performance conditions described above. In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

The Executive Officer (Gilles Pélisson) is eligible for this new pension scheme.

3.5.2 COMPONENTS OF REMUNERATION TO BE AWARDED TO CORPORATE OFFICERS FOR 2020

The Annual General Meeting of 23 April 2003 set the total amount of remuneration of corporate officers for serving as Directors at €350,000 annually, leaving it to the Board of Directors to determine how this amount should be allocated.

The principles for allocating that amount are as follows:

- the theoretical annual fee for each Director is €18,500;
- Committee members:
  - Audit Committee: €3,000 per member per quarter,
  - Selection and Remuneration Committee: €1,350 per member per quarter,
  - Ethics, CSR and Patronage Committee: €1,350 per member per quarter.

Those amounts will be allocated 70% on the basis of attendance at Board and Committee meetings, and 30% on the basis of the Director's responsibilities.

4

NON-FINANCIAL PERFORMANCE STATEMENT AFR NFPS

FOREWORD

HOW TO READ TF1 GROUP'S NON-FINANCIAL PERFORMANCE STATEMENT

Under Article L. 225-102-1 of the decree transposing the European reporting directive of August 2018 into French law, the TF1 group, a subsidiary of the Bouygues group which consolidates its financial statements, is no longer obliged to publish a non-financial report, nor to have the content verified by an independent third party.

Nevertheless, the Group decided to publish its non-financial performance statement on a voluntary basis, together with a third-party audit (see the independent verifier's report in Section 4.4)

The specific disclosures required by the decree are presented in different parts of this document and are cross-referenced from this section onwards. Including:

- the business model, as well as the methods used to identify CSR issues and materiality mapping appear in the integrated report at the beginning of this document, the mapping is repeated in this section ;
- CSR issues which also present an element of risk appear in the Risk Factors Section ;
- this Non-Financial Performance Statement (DPEF) Section clearly describes, for each Social, Societal and Environmental aspect, the context in which the activity is performed, the main CSR issues and risks identified in the mapping, together with the policies, action plans and measures put in place to respond to such issues and risks, as well as the other, less material issues covered.
  - Corruption and Tax Evasion are also cross-referenced in the document (see Section 4.2.6).
  - Concerning Human Rights-related issues, the promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization (ILO), TF1, which is a French company and whose workforce is mainly French, applies French, European and international law. Child or forced labour is strictly prohibited.
  - The fight against food insecurity and animal welfare are not significant issues for TF1 and therefore are not covered by the Statement of Extra-financial Performance.
  - The TF1 group has not, in the last five years, made an arrangement to artificially reduce its income tax burden or to transfer its taxable earnings to low-tax countries.

CSR ORGANISATION

All sectors of the company work together on TF1 group's Corporate Social Responsibility policy, coordinated by the CSR Division (one full-time person), which is also responsible for non-financial reporting.

Since 2016, the CSR Division, created in 2005, has reported to Arnaud Bosom, the Executive Committee member who also heads the Human Resources Division.

In 2014, the Board of Directors decided to set up an Ethics and CSR Committee (see Section 3.2.2).

An update on CSR activities is presented at each Meeting of the Board of Directors by the Chairman of the Board, Gilles Pélisson.

MANAGEMENT COMMITMENT, MEMBERSHIP OF THE GLOBAL COMPACT

Since 1st of January 2014, as proposed by the Compensation Committee, the Executive Director's variable compensation has included a criterion relating to CSR performance: TF1's listing in at least four non-financial rating indices.

Since 2017, the variable compensation of each Executive Committee member has also included a CSR criterion, weighted at 5%. The actual criterion varies between each Executive Committee member, depending on their managerial responsibilities and the associated CSR issues.

The Bouygues Management Institute regularly organises seminars on managerial responsibility and sustainable development, which are attended by senior executives of TF1. The aim is to encourage managers to reflect on their role, responsibilities and the application of ethical principles in their day-to-day actions, and to unite Group senior management around common values.

In 2019, the Bouygues group, on behalf of all the businesses that it represents, including TF1, renewed its commitment alongside other French and international companies to respect and promote the ten principles of the Global Compact on human rights, labour, the environment, and anti-corruption.

In 2019, TF1 group published a report on SDGs (Sustainable Development Goals) in accordance with Global Compact recommendations, see: https://www.rse-odd.groupe-tf1.fr/

RECOGNITION OF TF1 GROUP'S PERFORMANCE ON SUSTAINABLE DEVELOPMENT INDICES

TF1 continued to feature in all of the following indices in 2019:

Ratings agencies	Index/rating
RobecoSam	■ DJSI World and DJSI Europe Index
Ethifinance	■ GAÏA Index
ISS ESG	■ Prime status
MSCI	■ AA rating

In 2019, for the second year running, TF1 group was listed in the top 100 companies in the world for gender equality, as compiled by EQUILEAP, and this year was ranked in 24th place. The Group was ranked as the top media group, the 3rd highest company in France and the 24th internationally, obtaining a score of 64%, up on 2018.

See our press release from 2 October 2019 : https://www.groupe-tf1.fr/en

SCOPE AND GENERAL PRINCIPLE OF COMPANY CONSOLIDATION

TF1 group generates revenues mainly in France and in Europe. In 2019, the breakdown was as follows: 91.9% (94.2% in 2018) in France, 5.2% (4.2% in 2018) in Europe excluding France, and 2.9% (1.6% in 2018) for other countries.

The workforce is distributed as follows among the different organisational structures: 65% at TF1 and TMC, 22% a Unify and 13% at Newen.

Fully and partially consolidated companies are included in reporting except where TF1 group does not operate the entity (*i.e.* does not have management responsibility for it). A company has management responsibility for an entity when it has the power to make decisions on the operational procedures of that entity.

CHANGES OVER THE PERIOD

- Acquisition of De Mensen (Belgium) by Newen.
- Disposal of Téléshopping, Top Shopping and Ouest Info.

MATERIALITY STUDY

METHODOLOGY

The materiality study regarding the TF1 group was performed in 2014, through interviews conducted with representatives of each category of external stakeholders, focus groups with in-house managers and a survey of the general public on a platform managed by the marketing department. Dialogues were held based on a list of 17 issues to do with:

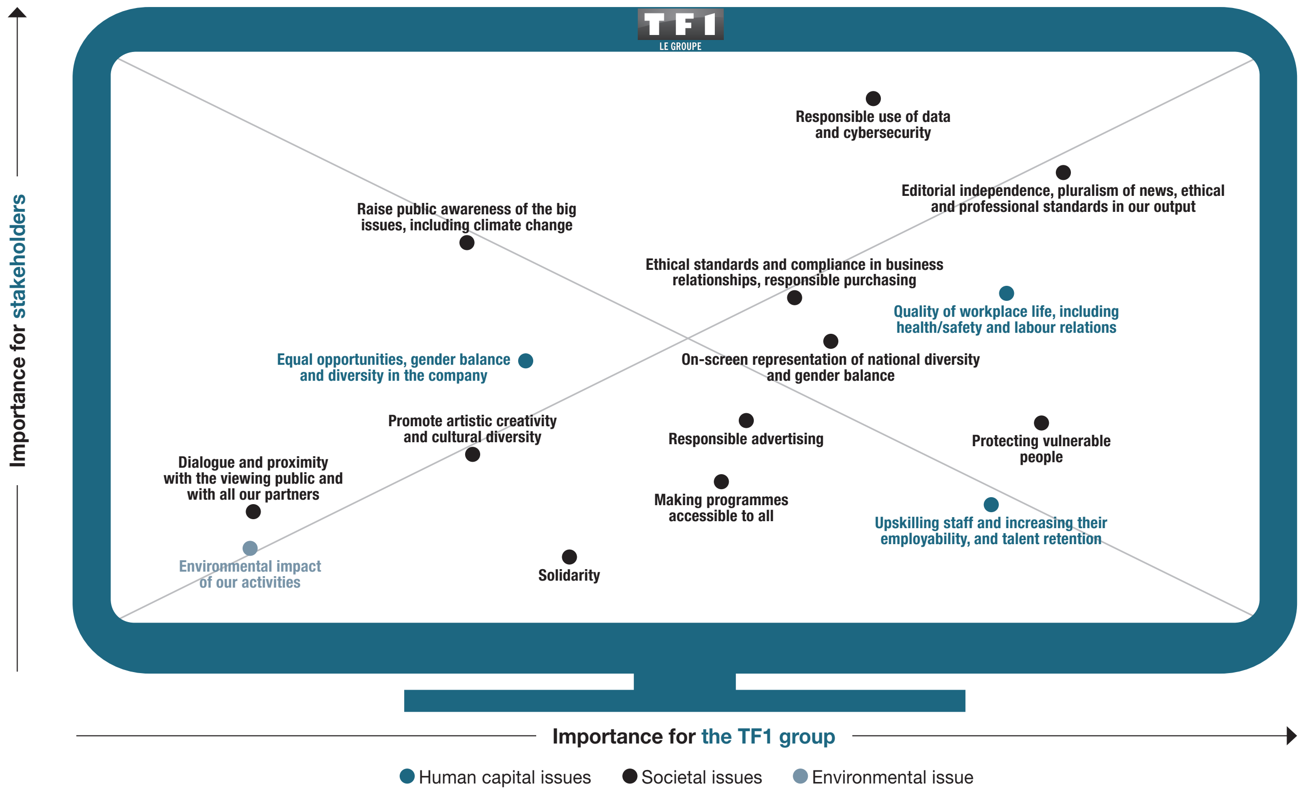
- topics already treated in TF1's CSR policy ;
- requests from extra-financial rating agencies (including DJSI, OEKOM, VIGEO) ;
- broadcasting regulations (agreement signed with CSA) ;
- the CSR reporting benchmark and the materiality mapping of other French and English media ;
- occurrences by keyword in the press (4 national dailies) of media-related issues during the past two years.

The members of the COMEX in charge of Strategy and CSR, along with the investor relations department and internal control then estimated the importance of those issues for TF1 in terms of their impact on conducting business.

In 2016 an additional poll was taken focusing on the Group's employees, without finding any major change.

In 2019 a further materiality study was carried out with Newen, a recent acquisition of the TF1 group. Given the resemblance of the businesses (TV and radio production), the study did not change the mapping.

These issues were also looked at in terms of the risks that some of them might pose, particularly regarding compliance and human resources. The review was carried out jointly with the Risk Department at Bouygues and the Internal Control and CSR departments at TF1.



SUMMARY TABLE OF ISSUES, STAKEHOLDERS AND ACTIONS

Name of issue	Internal actors	Stakeholders	Objectives	Dialogue method	Examples of actions and indicators
Social aspect					
Developing the skills and employability of employees, retaining talent (this issue is also an HR risk in terms of talent retention and can be found in the Risks Section)	■ HR/Talent Division	■ Employees	As a company: ■ Be able to count on the skill and commitment of our employees, as well as on the quality of our training courses; ■ Retain talent, particularly in corporate functions under stress ; ■ Introduce collaborative and flexible working methods ; For staff: ■ Acquire knowledge and expertise in line with the company's needs ; ■ Gain more autonomy in building a career.	■ Performance appraisals and career interviews ; ■ Themed breakfasts ; ■ Meetings with the Chairman & CEO ; ■ Strategy communicated via a monthly newsletter with human-interest stories about employees who have benefited from internal mobility ; ■ Partnership with ESSEC.	Annually: ■ Culture of learning, skills sharing and transfer (diverse learning formats, employees' involvement in designing training courses, recognition of in-house expertise etc.); ■ Proactive internal mobility policy; ■ Jobs and career management (GEPP) initiative; ■ Professional development workshops and "Live my life" work experience placements; ■ Provision of an internal careers advisor; **In 2019:** ■ Tailor-made Professional Development Programme (PEPS) introduced within TF1 group ; ■ A new career pathway for managers, Leadership Connect, which aims to develop managerial attitudes that support change ; ■ Stronger partnerships with ESSEC, Organisation of Talent Dating, etc; ■ 1st Bouygues group Mobility Forum. Indicators: ■ Number of employees benefiting from the PEPS programme: 360 ; ■ % of employees who had an annual performance appraisal. 85.8% ; ■ Internal mobility as a percentage of total recruitment 33% ; ■ Number and% of employees receiving training: 1,849 and 59.63% ; ■ Total training hours, all programmes: 38,525 hours; ■ Average training hours for all types of employment contract: 18.67 hours.
Quality of life at work, including health and safety and social relations	■ HR/Social Affairs Division ; ■ Health, Safety and Working Conditions Committee (CSSCT); ■ Occupational Health Department; ■ Managers.	■ Employees and staff; ■ Representative bodies.	■ Reduce occupational hazards ; ■ Develop social dialogue ; ■ Maintain the health and safety of staff and quality of workplace life.	■ Negotiation of agreements with staff representative bodies; ■ internal publications.	Annually: ■ Numerous agreements signed with staff representative bodies (diversity, disability, incentive schemes, working hours, etc.). **In 2019:** ■ Quality of Life at Work Agreement signed on 7th of June ; ■ Absenteeism by reason (open-ended employment contracts) ; ■ Sickness: 24,211.5 days ; ■ Work-related accidents: 620 days ; ■ Commuting accidents: 382 ; ■ Occupational illnesses: 0 ; ■ Work-related accidents: 19.

Name of issue	Internal actors	Stakeholders	Objectives	Dialogue method	Examples of actions and indicators
Workplace equal opportunity, gender equality and diversity HR Division/Operational	■ HR teams and Social Affairs ; ■ Managers	■ Employees and staff ; ■ Representative bodies	■ Guarantee equality of opportunity, in particular providing work for disabled workers ; ■ Promote diversity in the company ; ■ Ensure there is gender balance in terms of seniority and pay.	■ Negotiation of agreements with trade unions ; ■ Internal publications; ■ Mission Actions Handicap and Fifty fifty network events and publications.	Since 2007: ■ Gender equality agreement ; ■ Disability agreement, disability awareness-raising initiatives for HR teams and teams that include disabled workers ; ■ Fifty-fifty network ; ■ Internal and external mentoring programme ; ■ Women in leadership training to promote professional development for women within the company. Indicators: ■ Number of employees having received training on diversity issues: 94 ■ Number of disabled employees: 90; ■ Number of disabled employees hired over the reference period: 8 ; ■ % of female managers: 55.6% ; ■ % of female managers: 47.7% (worldwide) ; ■ % of female Deputy Directors and Directors on the Management Committee: 40.1% ; ■ Promotion rate of women 8.5% and men 6.7% ; ■ Gender equality index for 2019 for TF1 SA: 85 (for other Group subsidiaries, see https://www.groupe-tf1.fr/en/csr-commitments/our-actions)
Societal aspect					
Editorial independence and news media pluralism, ethics and professional integrity Ethics and professional integrity in programmes (this issue is also a compliance risk and can be found in the Risks Section and under Internal Control)	■ News Division ; ■ Society of Journalists ; ■ Legal Affairs Department ■ General Counsel's Department ; ■ Programme units ; ■ Compliance Department ;	■ French broadcasting regulatory authority (CSA) ; ■ Public ; ■ Independence and Pluralism Committee ; ■ Producers.	■ Gain the trust of the general public by providing independent, high-quality news ; ■ Unite viewers with programmes designed for all, whilst strictly respecting the ethical and professional commitments made to the general public.	■ Participation in CSA working parties ; ■ Production of reports, proposals ■ Meetings between journalists and members of the Honesty, Independence and Pluralism Committee in March 2019.	Annually: ■ Dialogue with producers ; ■ Ongoing monitoring and viewing of programmes by the Broadcasting Division and Programme Compliance Division*. **In 2019:** ■ Code of Conduct specific to the Group's journalists signed on 28th of January ; ■ Meeting of TF1 group's Honesty, Independence and Pluralism Committee in February 2019. ■ Referral procedures brought to the attention of employees and third parties in summer 2019. Indicators: ■ Comments (warning/caution) from the CSA for the last year reviewed (2018): 0. See the Action plan in the Risks Section: 2.1.2.3 Respect for rules on ethics and professional integrity in content

Name of issue	Internal actors	Stakeholders	Objectives	Dialogue method	Examples of actions and indicators
Responsible use of data and cybersecurity (this issue is also an operational and legal risk and can be found in the Risks Section)	■ Legal Affairs Department ; ■ TF1 Digital ; ■ TF1 Pub ; ■ Internal Resources Division ; ■ HR Division.	■ Employees ; ■ Internet users ; ■ Service providers.	■ Protect the personal data of our customers, consumers and staff, and guarantee that those data are handled and used responsibly. TF1 group has made tackling piracy a priority, cracking down on the illegal recording of Group content and pursuing an active content protection policy.	■ Privacy policy available online on all MYTF1 media ; ■ Intranet articles.	Since 2007: ■ Policy for the processing and security of personal data collected, strengthening internal encryption techniques, signing of a confidentiality agreement for employees with access to personal data ; ■ Signing of the IAB Europe European Charter by TF1 Publicité ; ■ Appointment of a Data Protection Officer (DPO) ; ■ Development of GDPR policy, comprising internal rules and factsheets for business lines, training, improved technical systems, user information. **In 2019:** ■ Cross-disciplinary community set up by the DPO (54 Data correspondents, operational and legal), training, preparation of standard contracts, etc. See Action plan in the Risks Section 2.1.2.4. Breaches of ethics or compliance.
On-screen representation of national diversity and gender equality	■ Programme units ; ■ News Division ; ■ Human Resources Division/Training.	■ Producers ; ■ French broadcasting regulatory ; authority (CSA) ■ Public.	■ Reflect the diversity of French society in the content of our programmes fairly and without stereotyping. This work is conducted by TF1 and Broadcasting, together with all the players involved in these issues, without any element of competition.	■ Reminder of the agreement signed with the CSA in contracts ; ■ Organisation of Conferences.	Annually: ■ Quantitative commitments towards the CSA ; ■ Letter to producers of non-scripted broadcasts reminding them to focus on diversity during castings. **In 2019:** ■ 3rd edition of the "Femmes dans l'info" (Women in the news) study ; ■ Broadcasting of the 2nd edition of the short programme, "C'est Quoi Cette Question", on anti-discrimination issues. <u>Indicator:</u> ■ Women as a percentage of all TV news programmes: 41% (up 2% on the previous year) including 34% of all "Experts" (up 5%) ; ■ 3rd edition of the TF1 internal study.
Ethics and compliance in business relations, responsible purchasing	Legal Affairs Division; General Counsel's Department ; ■ Central Purchasing Division ; ■ TF1 Entreprises ; ■ Rights Purchasing EIG.	■ Suppliers ; ■ Public authorities ; ■ Internet users ; ■ Content-sharing platforms.	■ Apply the TF1 group's social responsibility principles to the supply chain ; ■ Promote equal distribution of the value created between various Group ecosystem players.	■ Dialogue with suppliers ; ■ Contractual clauses ; ■ Responsible Purchasing Charter.	Annually since 2015: ■ Ethics and CSR Committee ; ■ Code of Ethics and Compliance Programmes ; ■ Charter of Institutional Relations ; ■ Ethics and Compliance risk mapping ; ■ Guide to day-to-day ethical practices ; ■ Responsible purchasing initiative comprising supplier assessment via Ecovadis, an "Ethics and Diversity" clause in contracts, and revenues realised with companies employing disabled workers ; ■ In 2018, the Responsible Supplier Relations Label was regained. <u>Indicators:</u> ■ Revenue with the sheltered/adapted sector *i.e;* firms that only or predominantly employ people with disabilities. In 2019: €285.8 thousand ; ■ Percentage of purchases made on the basis of CSR criteria: 100% ; ■ Number of suppliers assessed by the EcoVadis platform: 147.

Name of issue	Internal actors	Stakeholders	Objectives	Dialogue method	Examples of actions and indicators
Protection of vulnerable individuals	■ Channel and Broadcasting Division	■ Public ; ■ French broadcasting regulatory authority (CSA)	■ Provide trigger warnings and protect vulnerable viewers such as children and teenagers from inappropriate content and addiction.	■ Commitment to the CSA ; ■ Annual review	Annually: ■ No programmes that are prohibited for children under 18, content rating if not suitable for all audiences; ■ Child psychologist who views all youth series purchased by TF1. Indicators: ■ Comments (warning/caution) from the CSA: 0 for the 2018 period.
Raising public awareness of major issues, including climate change	■ Programme units ; ■ News Division ; ■ Social media	■ Producers ; ■ External Communication ; ■ Public ; ■ Journalists on the Editorial Staff	■ Use programmes to raise public awareness of the main environmental and social challenges.	■ Dialogue with producers ; ■ Audience relations	Annually: ■ Stories advocating solutions, regularly covered by news programmes ; ■ Messages in weather forecasts ; ■ Editorial line entirely dedicated to sustainability on Ushuaïa TV ; ■ *Impact Positif* podcast created by LCI journalist, Sylvia Amicone. **In 2019:** ■ Development of digital content: MyLittleParis GreenLetter, information on seasonal products with Marmiton, development of Juste Mieux (Vertical Station), string of tutorials on changing consumption habits, etc.
Responsible advertising	■ TF1 Pub ; ■ Sales Department ; ■ TF1 Pub Development Department	■ ARPP ; ■ Public ; ■ Advertisers ; ■ Media agencies ; ■ French Competition Authority	■ Respect our commitment to provide wholesome true and honest advertising ; ■ Within our ecosystem, promote consumption habits that are more mindful of natural resources.	■ Publication of general terms and conditions of sale; website www.tf1pub.fr ■ References magazine ; ■ Events, Campus, etc.	Annually: ■ Advertising regulations and compliance rules applied to all advertising messages, whatever the medium and broadcasting format, including on-demand audiovisual media services. **In 2019:** ■ TF1 Publicité “Campus” event dedicated to responsible consumption ; ■ Launch of an offer for labelled products in the 2020 terms of sale.
Making programmes accessible to all	■ Channel and Broadcasting Division	■ Public ; ■ Non-profit organisations	■ Media accessibility aims to make programmes intelligible by all members of the public, particularly those with impaired sight or hearing or those with mental health issues ; ■ Programme accessibility is a legal obligation for all TV channels.	■ Dialogue with organisations representing people affected by sensory disabilities ; ■ Emails from viewers	Annually: ■ Subtitling and audio description of programmes on all Group channels consistently exceed legal requirements ; ■ Development of dialogue and feedback with user associations ; ■ Facil’ITI solution to improve accessibility for several different types of disability went live on the mytf1.fr, LCI.fr websites. **In 2019:** ■ Functions were added to the TF1&Vous website and the Facil’ITI start-up was incubated by Station F in the 3rd season of TF1 Medialab.

Name of issue	Internal actors	Stakeholders	Objectives	Dialogue method	Examples of actions and indicators
Dialogue and proximity with the viewing public and all our partners	■ External Communication Division ; ■ News Ombudsman	■ Public	■ As the leading generalist media outlet, always listen to society in order to respond better to its needs ; ■ Make ourselves available to anyone who wants to contact the Group ; ■ Combat online violence.	■ Personal replies to emails, phone calls and letters	Annually: ■ Coordination of social media by Community Managers ; ■ Response from the News Ombudsman ; ■ Through the Foundation, organising meetings with sixth form students, work experience for secondary school pupils, and visits to TF1 studios ; ■ Respect Charter at all Group sites and on social media (partnership with Respect Zone).
Promoting artistic creativity and cultural diversity	■ Programme units ; ■ News Division ; ■ Innovation and Digital	■ Producers ; ■ Public	■ Enhance cultural offerings, favour the emergence of new talents, and encourage diversity of styles and modes of expression	■ Frequent meetings with producers, schools of creative workshops ; ■ Encouragement for more diverse casting	Annually: ■ Integration of cultural diversity in the Rights Purchasing approach ; ■ Creative development for the Seine Musicale music venue, TF1 Musique, TF1 Film Productions ; ■ FEMIS sponsored to create television series pilots ; ■ Renewed support for La Chance pour la diversité dans les médias (which funds places at journalism school for young people), the partnership with FEMIS (training for screenwriters), new partnership with the non-profit organisation, Moteur! ; ■ Increase in Newen acquisitions, with a wide variety of product types and formats.
Engagement with society	■ Broadcasting ; ■ TF1 Pub ; ■ TF1 Initiatives Committee ; ■ Corporate Foundation ; ■ HR/Corporate Communication Division	■ Associations ; ■ NGOs	■ Support non-profit organisations involved in important issues, particularly in relation to social inclusion	■ Responses to requests ; ■ Multi-year contracts and partnerships	Annually: ■ Various types of aids implemented by the channels and TF1 Pub: production of commercials, free advertising, donation of game show winnings, special campaigns (Sidaction, Pièces Jaunes, Enfoirés, etc.) ; ■ Numerous "TFI Initiatives" events organised, partnerships renewed with Sport Dans la Ville and Respect Zone ; ■ Employee commitment programme, particularly the "commitment week" in April. Indicators: ■ Value of the Group's donations in 2019: €46.7 million (€38.4 million in 2018) ; ■ Number of charities receiving cash donations : over 150.
Environmental aspect					
Environmental impact of the company	■ Corporate Services Division	■ Employees ; ■ Suppliers	■ Reduce our direct environmental footprint ; ■ Encourage the cinema and audiovisual sectors generally to incorporate environmental protection in their practices	■ Clauses in specifications ; ■ Intranet articles	Since 2009 ■ Membership of the Ecoprod collective ; ■ Travel plan ; ■ Numerous measures to reduce energy use in buildings management and technical processes ; ■ ISO 50001 certification obtained in 2018 **In 2019:** ■ Renewable energy contract signed for the ATRIUM building ; ■ Installation of 4 beehives at TF1 Head Office, creation of 3 raised vegetable beds, etc. Indicators: ■ Change in electricity consumption in 2019/2018: -5% (-3.3% between 2018 and 2017) ; ■ GHG emissions, scope 1+2: 1,606 tons ; ■ Carbon intensity in tonnes of scope 1+2 CO_2 equivalent by employee: 0.7 ; ■ Carbon intensity in kilograms of scope 1+2 CO_2 equivalent per m^2: 30 ; ■ Carbon intensity in tonnes of scope 1+2 CO_2 equivalent per million euro of revenue: 0.8.

4.1 SOCIAL INFORMATION

4.1.1 SOCIAL REPORTING PARAMETERS

Scope: all employees having an employment contract with TF1 group including the most recent subsidiaries (Play Two, Newen and Unify).

The workforce percentages mentioned throughout this section are based on the 2019 data scope. The indicators in this section cover two different scopes, expressed as a percentage of the workforce:

- 100%: World;
- 91%: France;

Period: 1st of January 2019 to 31st of December 2019.

The information published below are for the TF1 SA scope and the Group's historical subsidiaries. Information about the most recent subsidiaries (Play Two, Newen and Unify) are explicitly intentioned where applicable.

4.1.2 SOCIAL CLIMATE AND MAJOR CHALLENGES

In 2019, the TF1 group continued to restructure numerous divisions and business units. The changes were designed to support new forms of collaboration and the increasing digitisation of the Group's activities. With this in mind, developing the skills and employability of the Group's workforce is one of its main challenges, added to which there is the issue of retaining talent in hard-to-fill positions.

Action plans involve the entire HR process value chain and, in particular, recruitment, internal mobility, wage and employee savings policies, target setting and assessment, and the training and development of talented individuals.

Continuing its commitment to the wellbeing of all its employees, TF1 group consolidated its psychosocial risk prevention policy by signing the Quality of Life at Work Agreement on 7th of June 2019.

To support employees in developing their skills, TF1 group launched its tailor-made Professional Development Programme (PEPS) initiative with the trade unions, via modules already offered to TF1 group employees and promoted via the intranet. At the same time, talks are under way with the aim of signing a Jobs and career management (GEPP) agreement.

As a mark of its commitment to equal opportunities and anti-discrimination, TF1 group was the first media organisation to receive the Diversity Label in December 2010 (regained in July 2017) and to sign the Autre Cercle LGBT Anti-discrimination Charter in 2015. TF1 is particularly proactive when it comes to the employment of disabled workers with its Mission Actions Handicap initiative, and promotes diversity and gender equality

4.1.2.1 WORKFORCE

OPEN-ENDED (OE) AND FIXED-TERM (FT) CONTRACTS

INDICATOR: GROUP OE AND FT WORKFORCE

At 31/12 *(Scope: World, open-ended and fixed-term employment contracts)*	% workforce	2019	2018	2017
Clerical, administration, technical and supervisory staff	100	944	955	646
Managerial	100	2,173	2,076	1,858
Journalists	100	569	560	553
TOTAL	**100**	**3,686**	**3,591**	**3,057**

INDICATOR: GROUP OE AND FT WORKFORCE BY GEOGRAPHIC REGION

At 31/12 *(Scope: World, open-ended and fixed-term employment contracts)*	% workforce	2019	2018	2017
France	**91**	**3,301**	**3,232**	**2,936**
International	**9**	**385**	**359**	**121**
Europe (excluding France)	8	317	283	118
Africa and Middle East	<1	13	17	1
North America	<1	40	42	2
Central and South America	<1	3	4	-
Asia-Pacific	<1	12	13	-
TOTAL	**100**	**3,686**	**3,591**	**3,057**

INDICATOR: AGE PYRAMID AND AVERAGE LENGTH OF SERVICE

At 31/12 *(Scope: World, open-ended and fixed-term employment contracts)*	% workforce	2019	2018	2017
< 25 years old	100	341	285	199
25-34 years old	100	1,118	1,086	760
35-44 years old	100	966	970	898
45-54 years old	100	901	923	886
55 and over	100	360	327	314
Average age	100	39	40	40
Average length of service at TF1 group	100	10	12	12

INDICATOR: TYPE OF EMPLOYMENT CONTRACT

At 31/12 *(Scope: World, open-ended and fixed-term employment contracts)*	% workforce	2019	2018	2017
Number of employees on OE contracts	100	3,207	3,135	2,706
Number of employees on FT contract (including apprenticeship, work-study, professional development contract, etc.)	100	479	456	351
o/w number of employees with a professional development contract	*100*	*189*	*163*	*133*
o/w number of employees with an apprenticeship contract	*100*	*79*	*67*	*48*

* *Disposal of Téléshopping and Top Shopping as of 1st of April 2019 and Ouest Info, 1 March 2019 and creation of Unify group in February 2019.*

TEMPORARY EMPLOYMENT

TF1 group policy on the use of temporary employment

The use of temporary employment is inherent to the production business, particularly TF1 Production (percentage of temporary employment: 62%) or Play Two (temporary employment: 52%) and in the recently consolidated Newen group (temporary employment: 69%) which explains the increase in full-time equivalents (FTE) of temporary staff since 2016. The use of temporary employment is standard industry practice in this sector, where activity is inherently unpredictable.

Status of temporary staff in TF1 group

In order to provide temporary staff with high-quality social security cover, the STP (a private television union) signed the National Inter-Sector Collective Agreement establishing collective cover for death and disability insurance, which TF1 group has applied since 2008.

TF1 group (not including Play Two and Newen) also gives eligible temporary staff the opportunity to benefit from the social and cultural activities offered by TF1 group Works Councils and they are also eligible for the Group's incentive and profit-sharing schemes which draw on the Bouygues group's leveraged employee savings schemes.

INDICATOR: PERCENTAGE OF FTE WORKERS OVER 12 MONTHS REPRESENTED BY NON-PERMANENT EMPLOYEES (EXCLUDING FREELANCERS)

Jan.-Dec. *(Scope: temporary staff end of month)/(∑ temporary staff end of month + Workforce on OE contracts at end of year N)*	% workforce	2019	2018	2017
Percentage of FTE workers	100	26%	23%	25%

EMPLOYEES FROM OUTSIDE TF1

INDICATOR: FTE OF TEMPORARY WORKERS OVER 12 MONTHS

Jan.-Dec. *(Scope: France (temporary workers)* *(∑ days temporary work x 7h/1,607h)*	**% workforce**	**2019**	**2018**	**2017**
	91%	4.87	3.99	0.34

The inclusion of New and Unify since 2018 resulted in an increase for this indicator.

In its service contracts, TF1 group includes clauses on the promotion and respect of the fundamental ILO conventions, notably on the prohibition of forced labour.

HIRING AND DEPARTURES

INDICATORS: HIRES

Jan.-Dec. *(OE and FT)*	**% workforce**	**2019**	**2018**	**2017**
Number of hires on open-ended, fixed-term, apprenticeship contracts, etc.	100	961	673	661
o/w open-ended recruitment, France	*91*	*355*	*241*	*252*

This calculation includes fixed-term contracts converted into open-ended contracts. For Bouygues reporting, the calculation excludes fixed-term contracts converted into open-ended contracts, which gives a figure of 295 in France for open-ended contracts in 2019.

DEPARTURES BY REASON

Jan.-Dec. *(Scope: France, OE)*	**% workforce**	**2019**	**2018**	**2017**
Number of resignations	91	136	104	119
Number of compulsory retirements	91	0	1	0
Number of retirements	91	6	4	2
Number of redundancies	91	69	117	132
Number of mutually agreed terminations of contract	91	84	65	81

FT DEPARTURES

Jan.-Dec. *(Scope: France FT)*	**% workforce**	**2019**	**2018**	**2017**
Number of FT departures	91	382	310	394

The rise in recruitment in 2019 was due to the inclusion of Unify data in the indicator (30% of recruitment volume in 2019).

INDICATOR: INSTABILITY RATE

Jan.-Dec. *(Scope: France OE) (∑ OE resignations + ∑ OE redundancies + ∑ mutually agreed termination of contract)/(average OE workforce)*	**% workforce**	**2019**	**2018**	**2017**
Instability rate	91	10.0%	10.9%	12.2%

4.1.3 ISSUE "DEVELOPING THE SKILLS AND EMPLOYABILITY OF EMPLOYEES, RETAINING TALENT"

4.1.3.1 RECRUITMENT AND TALENT RETENTION

AGILE RECRUITMENT DEPARTMENT

The Central Recruitment Department created for TF1 group in January 2016, responds effectively to the needs of the business by identifying, attracting and integrating talent. New sourcing practices have also been introduced, including the use of social media and headhunting. The Department works closely with HR, operational teams and the employer brand on this strategic process.

For Newen

In terms of recruitment, the focus is on young talent and, in particular, the capacity to incorporate new producers from different backgrounds so as to broaden the Group's artistic horizons.

For Unify

Since Unify group was created, senior executives have identified the need to create a special central recruitment unit. This unit is in the process of being set up to make recruitment more professional by using tools and processes such as LinkedIn, Welcome to the jungle, jobteaser, etc. to source the best talent and to develop the employer brand. The new unit will also introduce internal "recruitment" training courses to tackle assessment techniques and raise managers' awareness of our commitment to anti-discrimination.

For Play Two

Recruitment via apprenticeship is preferred, to train young managers who then join the company on open-ended employment contracts.

RELATIONS WITH SCHOOLS, INTERNS AND STUDENTS ON WORK-STUDY PROGRAMMES

For TF1

In line with TF1 group's desire to support young people through the transfer of know-how and experience, work-study placements and internships play an important part in the organisation, since they are the employee's first contact with TF1 prior to recruitment.

Interns and work-study students enjoy a generous compensation policy together with a wide range of job opportunities, attracting young talent from different educational backgrounds and reflecting the diversity of the Group's employment opportunities. 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.

TF1 group is rolling out an ambitious ambassador programme to introduce the employer brand in target schools for all job sectors. The "TF1 Campus" label was introduced to communicate with students on TF1 group's behalf, to present the diverse nature of jobs within the Group and the many issues that it faces in different market segments.

Interns and students on work-study programmes are closely monitored by their tutor and HR during and at the end of their work placement with the Group. Students identified as particularly competent and who match the values and needs of the business receive special attention via the "Talent Factory". The company stays in touch with them after they leave (through their manager, DDT, LinkedIn, etc.), sending them news and regularly inviting them to TF1 events.

TF1 group has built strong partnerships with ESSEC by sponsoring the Media & Digital Chair and with EDHEC through the Explora programme.

Every year, TF1 group organises a Talent Dating event which enables students on work-study programmes and interns to find out about what is on offer and to meet their future tutors during a big recruitment day. In 2019, TF1 group once again obtained the Top Employer and Happy Trainees label.

To reach out to student audiences, TF1 group offered a #MonStageChezTF1 for year 10 pupils to find out about Group jobs and activities during an immersion week.

For Newen

Links with schools are via presentations, acting as panel members and holding Masterclasses, etc.

Partnerships are built with audiovisual industry training schools, including in relation to regional daytime series, to develop future sound, lighting, post-production and administration skills.

Please note that at Blue Spirit there is a very high take-up rate after apprenticeships and end-of-year or end-of-study internships, making jobs more sustainable.

The Group launched the Newen Foundation in September 2019, with the aim of supporting future talent in the audiovisual industry in all its diversity. At its first Board Meeting, the Foundation resolved to support the *Conservatoire européen d'écriture audiovisuelle* (CEEA) by giving a grant to two screenwriting students.

INDICATOR: NUMBER OF INTERNS UNDER AGREEMENTS WITH SCHOOLS

(Scope: interns in France)	% workforce	2019	2018	2017
Interns under agreements with schools	91	425	358	206

4.1.3.2 INTERNAL MOBILITY

Given the nature of its business and its job profiles, TF1 is a highly diversified group with more than 250 different careers.

TF1 also has to adapt to fierce competition, particularly within the digital field. Within this transformation process, mobility is a source of added value both for the Group and its employees. It allows the company to be responsive, adapt its organisation and embrace future skills and emerging new business opportunities. For employees, mobility is a source of personal and professional development, enabling them to expand their horizons and enhance their skills in diverse career paths.

The Group supports the career progression of its employees by empowering them through professional development workshops (how to write a CV, prepare for an interview, measure the impact of their image or make effective use of professional networks such as LinkedIn). Since 2018, TF1 has offered “Live my life” work experience placements which consists of allowing employees to move to a department of their choice for three days so that they can familiarise themselves with the working environment envisaged. In 2019, 11 “Live my life” work experience placements took place.

To raise awareness of the jobs available within TF1 group, 170 job descriptions can be consulted on the TF1 University portal and are key to the Group’s Jobs and career management (GEPP) policy.

Internal mobility is the preferred option when it comes to recruitment drives and is governed by the Mobility Charter which has been modernised. The charter can be accessed online on the Group’s Intranet with the aim of disseminating a clear set of rules, thus ensuring equal opportunities HR managers are responsible for upholding these rules.

In 2019, 167 TF1 intra-group transfers took place, eight of which were initiated by Bouygues group. (129 TF1 intra-group transfers, five of which with Bouygues group in 2018). These transfers accounted for 33% of our OE recruitment for the year.

For Newen and Unify

The approach and tools used by TF1 group are in the process of being shared. Workshops have already been held with Newen and will be held in 2020 with Unify.

INDICATOR: INTERNAL MOBILITY 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	2019	2018	2017
Internal mobility as a proportion of total recruitment *(%)*	91	33.0%	37.9%	41.6%

In 2019, internal mobility as a percentage of recruitment was calculated for all recruitment, whilst in 2017 and 2018, it did not include fixed-term contract conversions, professional development contracts and other contracts converted into open-ended contracts. This amendment resulted in a drop in the percentage of internal mobility despite an increase in the number of transfers in absolute terms.

4.1.3.3 COMPENSATION AND EMPLOYEE SAVINGS

COMPENSATION & BENEFITS FUNCTION

In 2016, TF1 group (not including Newen and Unify) set up a Compensation & Benefits function, to support the Human Relations Division, for all individual and collective pay-related issues.

Changes to the TF1 group scope ("acquisitions/equity investments in France and internationally"), its operating segments and jobs, regularly provide food for thought in terms of compensation, incentive schemes, retaining talent and building loyalty.

Every year, TF1 group consults wage studies to ensure that its compensation systems remain competitive.

TF1 uses the "General Industry", "Media" or "Executive" surveys conducted by the international specialist, Willis Towers Watson (WTW).

These benchmarks enable TF1 group to compare its wage policy with best market practice and to respond to the challenges of attracting and retaining employees in a highly competitive environment and a dynamic labour market.

This also enabled TF1 group to benchmark the pay of each of its employees and introduce payroll management tools (salary bands, hiring matrices, diversity targeting, etc.).

TF1 group also ensures that it communicates and promotes aspects of its overall compensation policy, in particular by providing its employees with a personal assessment (*Bilan Social Individuel* - eBSI) which gives an exhaustive rundown of the different components of their compensation, their employee savings and the employment benefits that they receive every year.

MANDATORY ANNUAL PAY NEGOTIATIONS (NAO)

The 2019 Mandatory Annual Pay Negotiations (NAO) resulted in a 2% wage rise, broken down as follows: 1.9% as an individual wage increase and 0.1% to harmonise pay between men and women.

Equality, particularly in terms of pay, is a key TF1 group HR policy.

The last internal study, based on the method of linking pay surveys conducted by the international specialist, Willis Towers Watson (WTW), thereby enabling comparisons to be made by grade and job sector, showed a pay gap between men and women of 1.2% across the entire TF1 group.

VARIABLE COMPENSATION

The compensation paid to TF1 group's key managers - from the Head of Department (C5) upwards - includes a variable component linked to collective Group objectives and individual quantitative and qualitative objectives, the achievement of which is assessed during the annual performance appraisal.

INCENTIVE, PROFIT-SHARING AND EMPLOYEE SAVINGS SCHEMES

TF1 group's employee savings scheme (PEG) was created on 15 December 1992. It was designed to receive voluntary contributions from employees of corporate members of the scheme which are then topped up by the company, as well as sums arising from statutory employee profit-sharing. This is for HRIS France and TMC Monaco and does not concern Newen, Unify & Play Two.

In addition, and to help employees prepare to fund their retirement, TF1 group employees of corporate members of the scheme also have access to a retirement savings plan (PERCO) set up by the Bouygues group. This is the case for TF1 France (not including the Foundation) and does not concern Newen, Unify, Play Two and TMC Monaco.

TF1 group employees (excluding Newen, Unify and Play Two) are also associated with Group results and value creation through profit-sharing and incentive schemes. The sound financial results achieved by TF1 group made it possible to release 2018 incentive and profit-share bonuses, paid in April 2019, for companies falling within the scope of TF1 group profit-sharing and incentive schemes.

LONG-TERM INCENTIVE SCHEMES

On 14th of February 2019, the TF1 Board of Directors authorised the introduction of a TF1 stock option plan, intended for key members of TF1 group managerial bodies (COMEX, CODG, COMGT), on the recommendations of the TF1 Compensation Committee Meeting of 14th of February 2019.

This system meets dual objectives - attraction and loyalty building on the one hand and incentivisation in terms of economic and stock market performance on the other.

The volume of stock options envisaged stood at 1,810,500 shares, or 0.86% of share capital.

Options were awarded "on a provisional basis" on 12th of June 2019, at the exercise price of €8.87 each (no discount having been given).

Vesting and exercise of said options are subject to service and performance conditions set by the Board of Directors and applicable to all beneficiaries.

In 2019, a performance share plan was authorised for both Newen and Unify,

- in recognition of the specific nature of their competitive environment and field of business (digital and production);
- to respond to the major challenges of retaining sought-after candidates and those that are particularly hard to find;
- to encourage beneficiaries to create value in an unlisted environment;
- to develop a sense of belonging in each of the newly created units, whilst maintaining a strong entrepreneurial spirit.

Play 2 was not included in this scheme in 2019.

For Newen

An annual wage review is carried out to ensure that salaries are in line with industry pay scales, respond to changes in the workforce and can be adjusted if necessary. Great importance is attached to one-off, end-of-year bonuses recognising exceptional performance or a higher contextual workload.

For Unify

An annual review is conducted for all wages to guarantee that pay is fair and reflects individual performance.

Variable wage components are in place within Aufeminin, to recognise individual and collective performance.

For Play Two

Wage policy is driven by employee commitment, accountability and individual performance.

GROSS COMPENSATION

INDICATOR: AVERAGE GROSS ANNUAL COMPENSATION BY PROFESSIONAL CATEGORY WITHIN THE GROUP

Scoe: France OE not including suspended contracts (€)	% workforce	2019	2018	2017
Supervisory staff	91	39,294	40,844	39,610
Managerial	91	67,354	71,665	69,934
Journalists	91	73,856	74,490	73,611
All categories	91	64,463	67,434	65,795

In 2019, Unify was included in the scope of consolidation.

INDICATOR: RATES OF MEMBERSHIP OF THE GROUP EMPLOYEE SAVINGS SCHEME (PEG) AND RETIREMENT SAVINGS PLAN (PERCO)

(Scope: OE, FT)	% workforce	2019	2018	2017
Rates of membership of the Group Employee Savings Scheme (PEG) *(%) (World)*	100	74.3%	77.2%	74.5%
Rates of membership of Retirement Savings Plan (PERCO) *(%) (France)*	91	19.4%	18.8%	17.1%

INDICATOR: AVERAGE GROSS AMOUNT PAID PER EMPLOYEE (PROFIT-SHARING AND INCENTIVE SCHEMES)

Year of payment (Scope: France all contracts)	% workforce	2019	2018	2017
Average gross amount paid per employee under profit-sharing scheme *(€)*	91	1,256	986	1,083
Average gross amount paid per employee under the incentive scheme *(€)*	91	2,457	2,238	0

Group employees own 7.8% of TF1's share capital (7.2% in 2018) through the TF1 Actions group investment fund.

4.1.3.4 ASSESSMENT PROCESS AND SETTING OBJECTIVES

For TF1

PERFORMANCE REVIEW

An effective development tool, the performance appraisal allows employees to be actively involved in the evaluation process and to set targets jointly with their manager to compile an skills development action plan, if necessary. Employees are assessed against the eight core strategic competencies that underpin the Group's transformational approach, in addition to competencies directly related to their job.

For the 2018/2019 round of appraisals, 85.8% (89.8% in 2017/2018) of employees had an annual performance review.

INDICATORS: PERCENTAGE OF EMPLOYEES HAVING AN ANNUAL INTERVIEW

(Scope: France OE)	% workforce	2019	2018	2017
% of employees having an annual interview	91	85.8%*	89.8%	90.8%

**This figure is for TF1 group, including Newen and Unify, in France.*

CAREER INTERVIEW

In addition to the performance review, all employees have a career interview every two years. This consists of a discussion between the employee and manager about the employee's personal development plan and his or her medium-term career goals.

Employees can voice their preferences in terms of the tools they want to access to develop their competencies (e.g. training, skills assessment, participation in working groups, and attendance at conferences) and the support they expect from their manager or from experts.

The career interview is also an opportunity for employees to request more personal involvement by taking on an "extra role" such as a tutor or mentor.

For Newen

Annual performance appraisals are widespread across the Group in order to identify needs and demands in terms of change. Professional development interviews have also been introduced during which employees can find out about training courses.

For Unify

Annual appraisals and professional development interviews are expected to be made standard from January 2020.

4.1.3.5 STRATEGIC WORKFORCE PLANNING (SWP)

For TF1

An ambitious, tailor-made career management programme known as PEPS has been introduced within TF1 group, which offers employees two access routes:

- the first route, open to all employees, is via the intranet, and makes it possible for employees to manage their own career path using three headings: My potential, My plan and My action plan which then take employees to various individual or collective modules ;
- the second route, the "Tailor-made PEPS", aims to support business lines to define the skills that they will need in the future, to support teams to transform their roles and to compile related training plans.

These two approaches enable employees to play an active role in managing their careers by various means: coaching, collective workshops, mixed classroom-based and e-learning training courses. To provide employees with guidance and support them with their plans, they are given the option of meeting a dedicated PEPS careers coach.

In 2019, as many as 360 TF1 group employees benefited from the PEPS scheme (individual or collective formats).

For Play Two

Individual annual appraisals have been set up to better support employees in their careers.

4.1.3.6 ONGOING TRAINING AND TALENT DEVELOPMENT

For TF1

The TF1 university offers training in line with its transformation targets and its commitments and obligations.

In 2019, the TF1 University highlighted the roll out of resources aimed at disseminating a culture of learning, skill sharing and transfer, right across the Group, by offering professional development aligned with the Group's strategic challenges, with the following guidelines:

Adapting and developing job skills, particularly digital skills

Together with managers and employees, the university has built tailor-made programmes and formats to adapt job skills to new situations: tools, work processes, regulations, etc.

2019 largescale projects involved Broadcasting teams, with the introduction of the "Traffic Channel" and News with continued deployment of PNS3 (technical news production system) In addition, the skills development offering involved digital culture via themed training pathways for some jobs and, more generally speaking, via the provision of an e-learning platform, the Digital Academy, open to all employees, or via "season 2" of the Careers Connect programme for new employees.

Improving managerial skills and developing collaborative work

After two years of the Careers Connect programme which aimed to put all employees in a position to act as agents of change by enabling them to have more control over the ecosystem, to understand the challenges faced and contribute to TF1 group's transformation plan, 2019 saw the roll out of:

- new career path for managers, Leadership Connect, aiming to develop managerial attitudes that support change ;
- workshops on collaborative methods or collective intelligence for use by managers in supporting their teams, led by internal facilitators trained in these methods ;
- training modules on collaborative tools for use by teams.

Anticipating job trends and helping to make Group employees more employable in preparation for the future

A training budget can support jobs that are undergoing transformation, as part of the new workforce planning (SWP) or PEPS schemes. Within this same context, various schemes are used to enhance employees' career development: skills appraisals - professional development advice – career and mobility workshops led by HR.

Respecting our HR and societal commitments and fulfilling our legal obligations through training

- as regards health-related topics, action plans aiming to prevent psychosocial risks, including by offering employees open enrolment on the "stress and positivity self-coaching" workshop and by developing a specific programme for managers to prevent psychosocial risks, were continued ;

- in terms of diversity, the University continued to offer training on the basis of gender equality, via the "Women in leadership" training course with, in addition, a specific module for technical teams. It also offered training to raise awareness of the Group's disability inclusion programme ;
- in the legal field: a specific training pathway was rolled out for all 60 GEPP officers, seminars on business ethics were offered to members of Management Committees and delegation of authority training was delivered to all relevant employees.

For Newen

Training was offered either in response to incoming requests, or by encouraging employees to follow courses at their managers' request.

For Unify

Training courses were tailored to job profiles and market trends, in conjunction with annual appraisals.

For Play Two

Participation in seminars specific to the issues faced by our operating segment was prioritised, to train employees for job transformation. Training courses that improve employees' technical skills are encouraged.

INDICATORS: CONTINUING EDUCATION

(Scope: France OE, FT)	% workforce		2019	2018	2017
Number of employees receiving training	91%	Number	1,849	1,796	1,266
% of employees receiving training		%	59.6%	72.7%	54.3
% of payroll spent on training	91%	%	NA	NA	3.3
Total training hours, all training systems		Number	*38,525	60,374	49,283
of which number of internal training hours		*Number*	*4,794*	*7,852*	*1,580*
Average training hours per OE, FT			18.7	23.2	21.1

* *The drop in the number of training hours followed the completion of the Connect programme in late 2018, which was for all employees.*

INDICATOR: TRAINING OF NON-PERMANENT STAFF

(Scope: France excluding Doctissimo, Aufeminin, Gamned!, contract workers)	2019	2018	2017
Non-permanent employees who received training	48	76	61

4.1.4 ISSUE "QUALITY OF LIFE AT WORK INCLUDING HEALTH/SAFETY AND SOCIAL RELATIONS"

4.1.4.1 PROFESSIONAL RELATIONSHIPS AND REPORT ON COLLECTIVE AGREEMENTS

OVERVIEW OF PROFESSIONAL RELATIONSHIPS WITHIN THE TF1 GROUP

For TF1 group, not including Newen and Unify

All Group companies have staff representative bodies. TF1 group has signed numerous agreements with trade unions on union methods, quality of life at work and equal opportunities for men and women, remote working, the incentive scheme, and those relating to the introduction of new staff representative bodies: agreement on the operation of the Social Economic Committee (CSE), agreement on electronic voting, pre-election memoranda of understanding etc.

In 2019, five collective agreements were signed with union organisations within TF1 group, including: the agreement on quality of life at work and equal opportunities in the workplace, including the prevention of psychosocial risks and the policy of providing family support for employees who are parents or carers, as well as the remote working agreement. At the end of the year, two major negotiations were under way, including talks on jobs and career management and policy with regard to the recruitment and retention of disabled workers.

In accordance with the Macron law, Economic and Social Committee elections, held by the required deadlines, enabled all TF1 group companies to have a committee in place by 31st of December 2019.

For Newen

Social dialogue took place via TELFRANCE Employee delegates, the unified workforce delegation (DUP) of 17 JUIN and CAPA Economic and Social Committees. TELFRANCE group subsidiaries' Economic and Social Committees are being set up in Sète and Marseilles and a Blue Spirit ESC is being formed in Angoulême. They will further expand social dialogue and strengthen Group dynamics and the communication of strategy.

For Unify

With the creation of Unify group, management held ongoing discussions with elected representatives of the various bodies, leading to the approval of all the projects under consultation. The end of 2019 was marked by the introduction of ESCs in all necessary structures. Unify management recognised the elected representatives' desire to create an Economic and Social Unit (UES) for certain activities where this made sense. In fact, being grouped together in an Economic and Social Unit will make it easier to harmonise collective Articles of Association for environments that work together and will encourage discussion, mobility and the preservation of a positive social climate.

For Play Two

The first election of Employee delegates was set for late 2019 and will strengthen future social dialogue within the organisation.

4.1.4.2 WORKING CONDITIONS, ORGANISATION OF WORKING HOURS

AGREEMENTS ON THE REORGANISATION AND REDUCTION OF WORKING HOURS

Agreements on adjusting and reducing working hours (Time Off In Lieu - TOIL agreements) have been reached in all Group companies since 2000 (changeover to 35 hours). 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 staff to work on the basis of fewer annual hours than the statutory amount (1,607 hours and 218 days).

Working hours are monitored through a precise count of periods worked and not worked. This is sent each month to the employees concerned, who inform their Human Relations Division of any anomalies.

The workload is monitored at least once a year, usually during the annual performance review between the manager and employee. On the basis of this interview, line managers propose, where required, an action plan aimed at rectifying any imbalance. Employees can also request the intervention of a Human Relations manager in the event of any conflicting workload appraisals or when corrective measures seem inappropriate. By the end of the last performance reviews, 26 reviews and actions plans had been conducted.

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.

An improved reconciliation between work and family life is sought, whilst maintaining social ties with the company. Nearly 40% of the workforce meeting the collective agreement's eligibility requirements (open-ended contract, 6 months of service, contractual working hours greater than or equal to 90%, excluding senior executives) made at least one teleworking request in 2018. 80% of these requests were approved. In 2019, the replacement of desktop computers with laptops for new divisions switching to "Flex Office" mode is likely to result in a higher number of requests.

A new Quality of Life at Work Agreement (QVT) was signed for TF1 group (not including Unify and Newen) in June 2019, the main commitments of which include living together in harmony, support for parenthood, the right to disconnect and the prevention of psychosocial risks.

A number of commitments were made to support parenthood, including: the reservation of 20 cot places in the BABILOU nursery network, occasional and emergency care for all children under three years of age, access to the YOOPIES AT WORK platform with the Colas group and even the creation of six weeks paid leave to prepare the home for the arrival of an adopted child.

For family carers, new leave is to be specifically granted to support a parent or spouse who has been admitted to hospital as well as the introduction of the services of a personal counsellor to support family carers to set up personal care services or even to find an elderly persons' care home (EHPAD) for their close relatives. Leave donation was brought within the scope of the agreement and the company will top up any leave donated by 25%.

This agreement also confirmed existing commitments: full or part-time remote working for mothers-to-be from the 4th month of pregnancy, financial support for the care of children under three years of age, 4-weeks breast feeding leave and days off for sick children.

With regard to the prevention of psychosocial risks, a telephone counselling service was set up in October 2019 and local managers have all been trained in the identification and prevention of such risks.

The entry into force of this agreement, on 1st of July 2019, was accompanied by a brochure which was handed out to all employees by their managers.

Several weeks later, on 1 August, a new, more flexible, remote working system came into force on a one-day-a-week basis in order to retain strong social ties, apart from under extraordinary circumstances (bad weather, public transport strikes, high levels of pollution affecting traffic etc.).

Unify and Newen are looking into adopting some of the measures proposed by this agreement.

4.1.4.3 EMPLOYEE HEALTH AND SAFETY

For TF1, not including Unify and Newen

Every year, TF1 group, via its occupational risk assessment form (DUERP), lists all the risks to which its employees are exposed and implements action plans to limit their frequency and, hence, their severity. This work is carried out with internally trained unit managers. In addition, inspections are carried out prior to the opening of any site and prevention plans are compiled where necessary. Management ensures that everyone is aware of risk prevention and trains personnel where appropriate. Implementation of the action plan helps to tackle absenteeism.

INDICATOR: ABSENTEEISM

Jan.-Dec. *(Scope: France OE)*	% workforce	2019	2018	2017
Absenteeism rate	91%	2.40%	2.54%	3.12%
Total days' absence	91%	25,214	24,106	26,316
Days absent for sickness	91%	24,212	23,467	24,784
Days absent for occupational accidents	91%	620	447	1,281
Number of days of absence for travel-related accidents	91%	382	192	251
Number of days of absence for occupational illness	91%	0	0	0

INDICATORS: WORK-RELATED-ACCIDENTS

(Scope: World, all contracts apart from temporary contracts)	% workforce	2019	2018	2017
Number of work-related accidents with time off	100%	19	14	20
Number of fatal work-related accidents (work-related/commuting)	100%	0	0	0
Employees trained in health and safety	100%	840	441	131
Frequency rate of work-related accidents*	100%	3	3	4
Severity rate of work-related accidents*	100%	0.1	0.1	0.3
Number of occupational illnesses	100%	5	0	0

**Thecalculation method changed in 2018 to exclude temporary workers as not all data on the number of work-related accidents and resulting number of days off work are known.*

The social climate in France in 2019 (*gilets jaunes*) had an impact on the increase in the number of days off work following a work-related accident.

There were ten known work-related accidents suffered by temporary workers in 2019.

CONTRIBUTORS TO THE HEALTH AND SAFETY APPROACH

The Medical Department is responsible for the day-to-day medical care of employees and for the prevention of occupational hazards. The occupational health physician, assisted by three nurses, designs and implements collective and individual measures. Occupational health physicians raise awareness of lifestyle issues among the workforce and alert HR if and when they identify psychosocial risks.

In 2019, a call for tender led to the replacement of the historical inter-company health service. From 1 January 2020, TF1 group, including Newen and Unify as subsidiaries located in Paris and its inner suburbs, will be served by the Centre Médical de la Publicité et des Communications (CMPC). In addition to having a very good understanding of the media industry, the CMPC is confident that it will be able to:

- support the Group to reform mandatory health services;
- roll out a multidisciplinary team (ergonomist, occupational psychologist, addiction specialist, etc.) that can be mobilised rapidly;
- support the Group to introduce an occupational risk prevention programmes.

Two occupational health physicians will be exclusively assigned to the Group.

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.

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 trade unions on employee health and safety, and through the Health, Safety and Working Conditions Committee (CSSCT).

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.

PREVENTION OF PSYCHOSOCIAL RISKS

In terms of psychosocial risks, the following measures were introduced when the Quality of Life at Work agreement was signed:

- training open to all employees to help them improve their management of stress and their emotions (self-coaching) ;
- training for managers in the prevention of psychosocial risks ;
- a 24/7 telephone counselling service with access to a psychologist for employees who may be experiencing professional or personal difficulties or addiction problems ;
- a new set of specifications for the "Quality of Life at Work Observatory" tool, which measures the efficacy of the quality of life at work measures introduced in order to identify areas for improvement and assess psychosocial risks. The observatory tool will be rolled out with these new conditions from 2020, then every two years ;

- Continuation of the telephone consultation service which has been in operation for two years now.

In addition, a procedure for dealing with cases of harassment or violence was reviewed and incorporated into the Rules of Procedure in late 2018. Training on this issue was held in 2019 for Human Resources managerial staff and for 250 local managers.

Lastly, a committee was set up, with the help of the HR Division, Mission Handicap and the occupational health physician, to monitor time off work and to collaborate on research into all possible measures to encourage employees to stay in, or return to, work.

At Newen:

In 2019, members of the HR Division were trained in harassment prevention and the Allodiscrim counselling service was opened up to all Newen group permanent, or temporary, employees. The Allodiscrim service focuses on potential discrimination but harassment is both a psychosocial risk and a factor and marker of discrimination.

Employees are provided with baskets of fruit and hot drinks, free of charge.

At Unify

Some measures have already been taken in terms of psychosocial risks: internal investigation and introduction of the Allodiscrim counselling service. A psychosocial risk prevention plan is in the process of being prepared.

HEALTH AND SAFETY RISK PREVENTION

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.

Employees regularly attend medical check-ups arranged by TF1's Medical Department.

A telephone counselling service was set up, free of charge, in 2018. Accessible 24/7, it means that a professional can be consulted if a GP is not available.

The Group's management, the Health, Safety and Working Conditions Committee and the occupational health team regularly issued recommendations on driving while on professional assignment, the use of AVIWEST transmission equipment or the security protocols to follow when reporting from high-risk areas. All these players work together to ensure that regular training is provided in life saving and first aid. All work-related accidents are analysed by the Health, Safety and Working Conditions Committee and corrective measures are implemented where necessary.

Lastly, to prevent absenteeism and musculoskeletal disorders, on-site osteopath appointments are offered twice a week to all employees covered by the private health insurance scheme.

The DAGS has also beefed up site security procedures in view of the continuing threats in France, particularly towards the media. The tightened 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.

At Newen

At 17 JUIN, Telfrance, Newen distribution and Newen, employees are offered two health services

1. Médecin Direct, a remote medical consultation service, accessible 24/7, online or via an application, free of charge. The service offers three channels of communication: video, written message, or telephone. MédecinDirect fits in perfectly with the existing healthcare arrangements and complements community-based medicine.
2. Deuxiemeavis.fr, a medical assessment service that gives patients suffering from serious, rare or disabling illnesses to obtain a second medical opinion within seven days. On the basis of a medical questionnaire and medical examinations transmitted online, expert doctors give a personalised opinion to help patients make more informed decisions.

For Unify

The main associated risks have been in the process of being identified since the Group was created.

The Unify group HR Department is mindful of legal changes and amends contracts with its healthcare partners as new employee needs are identified: demand for wider coverage for alternative treatments, free care for spouses.

A consultation is under way on the harmonisation of all contracts across the Group's various entities.

Health and safety-related training

Regular health and safety training is organised to keep employees' skills current and to inform them of regulatory changes.

Particular attention has been paid to health training, in particular, "self-coaching" workshops with My Osteopratic training courses, designed and facilitated by an osteopath, tailored to the work situations encountered by our employees (reporting staff, make-up artists etc.).

Safety training is offered to employees where appropriate: local security staff, workplace first-aiders, electrical accreditation, driver safety, etc. Safety-awareness training was held for all employees covering the Football World Cup on the ground in Russia. "Urban area awareness and crowd control" training modules have been tailor-made for reporting staff.

Training is also delivered to employees who are obliged to travel and work in "risky" countries and warning apps are installed on their smartphones so that they can report serious events occurring on the ground. In addition, a memo was prepared to remind employees using their vehicles for work (journalists in particular) of the precautionary measures to be taken and of strict compliance with the highway code.

4.1.4.4 MEASURING EMPLOYEE COMMITMENT

A TF1 group survey measuring employee satisfaction and commitment is conducted, on average, every 18 months to gauge group feeling. In the 2018 version of the survey, 46% of employees expressed views on the 10 key issues covered by the questionnaire. With an average of 66% positive responses to the questionnaire as a whole, employees confirmed their largely positive opinion of the TF1 group and the corporate climate. General results show that in an uncertain and highly competitive climate, the Group is changing and its strategy is becoming increasingly transparent. Employees' support these strategic movements and display a high level of pride, motivation and commitment. In this changing environment, questions cover the Group's future, support for older members of staff and the operation, organisation and decision-making of Group entities.

INDICATOR: PERCENTAGE OF EMPLOYEES WHO TOOK PART IN THE SURVEY

(Scope: France, OE)	% workforce	2019	2018	2017
% of employees responding to the survey	-	No survey	46%	No survey
Satisfaction rate	91%	-	66%	-

4.1.4.5 OTHER MEASURES PUT IN PLACE TO IMPROVE QUALITY OF LIFE

The TF1 group endeavours to support its employees' work/life balance. The Employee Relations Department coordinates services to support the personal and family-related concerns of its employees.

Housing Assistance

TF1 group makes financial contributions to the social housing agency Action Logement, which has been the umbrella organisation for the sector since 1st of January 2017. Under this system, eligible TF1 group employees can benefit from various types of support: housing loans, *Loca-Pass*, *MobiliPass*, *Pass-Assistance*, home improvement loans, the *Mobili-Jeune* scheme or advice for a housing project.

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.

Healthcare Expenses

The manager of the healthcare insurance scheme sends a representative to the company each week to advise employees on procedures in connection with medical issues or to help them obtain a reimbursement under their supplementary health insurance schemes.

In 2018, a platform was set up to assist employees in the areas of family support (parenthood, family solidarity, separation, loss of a close family member, etc.), employment and retirement (jobs searches, careers, transition to retirement, etc.), health and social care (health cover, access to care, disability, loss of independence, etc.); budgeting (budget management, housing, transport, administration, etc.). The platform provides information, counselling, advice and guidance on all social issues.

Help for Carers

The is an information service providing help for carers with elderly dependants, particularly in terms of offering support for elderly persons entering care homes. With a simple telephone call, a dedicated Counsellor can offer support throughout the discussion phase, can help with form filling, and provide information and advice.

Counsellors can offer guidance in working out the elderly person's needs with regard to services, infrastructures and medical care. This study guides the choice of retirement establishment.

Other services:

Lots of other services were introduced by TF1 group to make employees' lives easier and to ensure their well-being at work:

- *crèche* facilities via a partnership with Babilou (20 places reserved) and occasional and emergency childcare for all children under three ;
- on-site access to an osteopath, optician, social worker, healthcare coordinator, conciergerie and hairdresser on a permanent basis ;
- automatic ticket dispenser for metro tickets, stamps, Navigo Pass top-up ;
- bicycles or electric vehicles ;
- car-sharing platform ;
- sports hall and sports association.

4.1.5 ISSUE “WORKPLACE EQUAL OPPORTUNITIES, GENDER EQUALITY AND DIVERSITY”

4.1.5.1 GROUP COMMITMENT, DIVERSITY TRAINING

In 2010, TF1 was the first media group to obtain the Diversity Label and the label was regained in 2017.

All target populations (managers, employees involved in programme-making, viewer services staff and HR), have received training in issues relating to diversity and preventing discrimination. Some training course titles: Diversity, a social dialogue issue; Managing diversity, a performance issue; Diversity in newscasts and magazine programmes; Women in leadership; Diversity and disability: awareness, integration and day-to-day actions;

Since 2014, the TF1 group has had an external and anonymous counselling service, “Allodiscrim”. It aims to inform and advise employees on the steps to take should they feel that they are experiencing discrimination or being unfairly treated within the company

INDICATOR: NUMBER OF EMPLOYEES HAVING RECEIVED TRAINING ON DIVERSITY AT WORK

(Scope: France OE)	% workforce	2019	2018	2017
Number of employees having received training on diversity at work	100	94	33	124
Including programme contributors	*100*	*n/s*	*0*	*90*
Cumulative total since 2010		2,258	2,164	2,131
Including programme contributors	*100*	*n/s*	*740*	*740*

4.1.5.2 GENDER EQUALITY IN THE WORKPLACE

For TF1 (not including Unify and Newen)

TF1 group pursues an active policy promoting diversity and gender equality, particularly in the areas of recruitment, career development, pay and promotion.

For the second year running, TF1 group was listed in the top 100 companies in the world for gender equality in 2019, and this year was ranked in 24th place (source Equileap1). The Group was ranked as the top media group, with the 3rd highest score in France and the 24th internationally, obtaining a score of 64%, up on 2018.

Gender equality, which is now considered to be a real performance factor, is a core value that is championed by TF1 group when it comes to recruitment and career development. By implementing practical measures, TF1 group is positioning itself as a real agent of change when it comes to the key issue of gender equality in the workplace:

- the percentage of women on the Management Committee (150 top Group managers) has risen from 30% to 40% in 4 years;
- the gender equality network, Fifty Fifty, which to date has 200 members, over 20% of whom are men, conducts awareness-raising and educational initiatives and encourages discussions on the subject of gender equality;
- 60 employees have taken the "Women in Leadership" course since 2012 and three cross-mentoring schemes have been set up to support women’s career development; more than 115 female employees have accessed mentoring services in three years;
- TF1 group signed the Parenthood Charter on 4th of April 2016 and concrete measures have been put in place to encourage a work/life balance.

Two Executive Committee members’ compensation is pegged to gender equality targets: 5% of the variable component of their pay is indexed to diversity criteria (male/female split and percentage of women promoted to top management roles, recruitment of women and percentage of women on the Management Committee).

This approach is in line with the targets set for 2020 by the Bouygues gender equality plan of 50% women, and 44% in key roles. These targets were already practically reached by TF1 in 2019 with 56.1% (50.9% in 2018) female employees Group-wide and 49.2% (42.5% in 2018) in key roles.

For Newen

At Telfrance: 60% of management posts were filled by women, at pay levels that were roughly the same as for men.

For Unify

Gender equality is practised at all hierarchical levels, 66% of Management Committee members are women. The introduction of a recruitment unit will also ensure that we meet our equal opportunities commitments when recruiting and will help to maintain a gender balance.

Particular attention was also paid to supporting and neutralising the effects of maternity leave so as to maintain equal opportunities.

For Play Two

With a 50/50 ratio of male to female permanent employees, special care was taken to maintain the gender balance in smaller teams.

INDICATOR: BREAKDOWN OF THE WORKFORCE BY GENDER

At 31/12 *(Scope: World, OE and FT)*	**% workforce**	**2019**	**2018**	**2017**
Women	100	56.1%	55.7%	52.2%
Men	100	43.9%	44.3%	47.8%

INDICATOR: PROPORTION OF WOMEN STAFF BY STATUS

At 31/12 *(Scope: World, OE, FT)*	**% workforce**	**2019**	**2018**	**2017**
% of women, clerical, administrative, technical and supervisory staff	100	63%	65%	58%
% of women, managers	100	56%	55%	53%
% of women, journalists	100	47%	44%	43%
% women, total	100	56%	56%	52%

INDICATOR: PROPORTION OF WOMEN STAFF BY HIERARCHICAL LEVEL

At 31/12 *(Scope: France, OE, FT)*	**% workforce**	**2019**	**2018**	**2017**
% of women in senior management as a whole (Deputy heads of department, C5 and higher)	100	47.7%*	43.6%*	40.9%
% of women in top management (Management Committee level)	91	40.1%	36.0%	35.3%

* *Scope: World.*

4.1.5.3 DISABLED EMPLOYEES

For TF1 (not including Newen and Unify)

For over ten years now, TF1 group has had a voluntary policy of employing disabled workers, including by taking the following measures:

- recruitment, by setting up sourcing contacts with specific recruitment firms and taking part in the B. Yourself work-study forum with Bouygues group;
- keeping disabled people in work by adapting jobs and providing equipment, by improving access to premises and by training HR in keeping disabled employees in the workforce;
- raising awareness and improving communications to encourage employees and managers to change their views on disability, particularly by training newly-elected employee representatives and by organising fun, educational workshops for employees to raise awareness of disability;
- outsourcing to the sheltered/adapted sector and use of specialist business services (specialist sheltered employment or adapted undertakings) and training buyers.

A fourth three-year agreement (for 2017-2020) on hiring people with disabilities and keeping them in employment was signed on 18th of January 2017 by all the trade unions and approved by DIRECCTE on 24th of July 2017. This agreement includes a plan to hire 20 people with disabilities on open-ended or fixed-term contracts, as well as recruiting 12 interns over three years. It also continues the policy of granting the parents of disabled children additional leave, which can be taken as half-days.

During the "European Disability Employment Week", TF1 group takes action in the form of various measures: broadcasting interviews with disabled employees, managers and the HR Division, as well as an exhibition on DYS-type disorders, a meeting with visually impaired physiotherapist masseurs and an awareness-raising afternoon specifically designed for employees' children.

In 2019, TF1 group conducted a survey of all its employees on its disability policy to provide data for talks on a fifth disability agreement commencing in the last quarter of the year.

On 13th of November 2019, the Chairman and Chief Executive of TF1, Gilles Pélisson, signed the Charter on the inclusion of people with disabilities proposed by the State Secretariat for Disabled Persons.

For Newen

The Group implemented awareness-raising initiatives, particularly in relation to studio sets, to raise the issue of disability with all employees, including temporary staff. This approach enabled temporary staff to be recognised as having disabled status.

For Unify

All jobs are deemed to be open to disabled people, without differentiation during the recruitment process.

INDICATOR: NUMBER OF DISABLED WORKERS EMPLOYED BY THE COMPANY

Scope: France	% workforce	2019	2018	2017
Number of disabled employees at 31/12 (all types of contracts)	91	90	81	78
Disabled employees hired during the year (fixed-term or open-ended contracts)	91	8	9	12

4.2 SOCIETAL INFORMATION

4.2.1 SOCIETAL REPORTING PARAMETERS

Scope:

Whole Group (not including Unify, Newen) because of the recent purchase of these subsidiaries and their structure consolidating a large number of companies.

Period:

Societal reporting covered the period from 01/01/2019 to 31/12/2019, apart from factors relating to compliance with the agreement signed with the CSA which related to year N-1, and key responsible purchasing figures recorded over the period from 1 October 2018 to 30 September 2019.

4.2.2 SOCIAL CLIMATE AND MAJOR CHALLENGES

As a broadcaster, 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, 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 societal commitment. The TF1 Corporate Foundation, focused on the professional integration of young people from disadvantaged neighbourhoods, is a key player in the Group's diversity approach. To give greater consistency and visibility to this societal commitment, involving Broadcasting, the company and the Corporate Foundation, Gilles Pélisson decided to create an umbrella organisation and asingle brand (TF1 initiatives) encompassing actions in three key areas: solidarity, diversity and the sustainable society. TF1 initiatives gave rise to over 100 initiatives that were shared both in-house and externally in 2019.

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 group has its own Code of Ethics, as well as compliance programmes and training plans. The Central Purchasing Division introduced a "Responsible Purchasing" approach when it was first established in 2008 and, in 2018, renewed its Responsible Supplier Relations label.

TF1 group encourages respectful and constructive dialogue with all its stakeholders. The development of a close relationship with the public, giving all individuals the opportunity to dialogue with the Group, is a key element of its communications.

4.2.3 ISSUE "THE GROUP'S EDITORIAL INDEPENDENCE AND NEWS MEDIA AND PROGRAMMING PLURALISM, ETHICS AND PROFESSIONAL INTEGRITY"

The principal risk in our relations with society, regarding in-house and external news broadcasting, programme purchasing and advertising, is that we will fail to deliver on our public commitments to uphold ethical and professional standards in the content we produce and broadcast (independence of information, protection of vulnerable viewing public, respect for privacy, presumption of innocence, etc.). TF1's status as France's most watched channel means it has to set a particularly high standard. This issue also represents a risk in that the licence-to-operate might be withdrawn if the regulator were to rule that serious breaches had occurred. Compliance is subject to rigorous controls:

- by the General Counsel or the News or Broadcasting Divisions, not just with regard to compliance with the commitments given by the channel (terms and conditions and agreements signed with the CSA, Journalists' Code of Conduct, etc.), but also, on programme standards and the protection of younger viewers ;
- by setting up an Honesty, Independence and Pluralism of Information Committee (in accordance with the law of 14th of November 2016);
- by ensuring advance viewing of certain programmes (by a psychologist for children and an *ad hoc* committee), and ensuring that accurate rating information is provided for programmes;
- by submitting advertising media, whenever necessary, for prior approval by the ARPP and CSA (advertising);
- by introducing controls on the channel's websites and community spaces (moderation system, safe surfing).

See Section: 2.1.2.3 Respect for rules on ethics and professional integrity in content.

4.2.4 ISSUE "RESPONSIBLE DATA USE AND CYBERSECURITY"

In view of the transformation of its activities, particularly the move to digital with the Unify unit, compliance with legal requirements on data confidentiality and protection of customer data have become major issues, with potentially negative legal, financial or reputational consequences in the event of data breaches.

TF1 group took a series of measures to prepare for, and support, the introduction of the GDPR on 25th of May 2018:

- appointment of a Data Protection Officer (DPO), heading up a cross-disciplinary community of Data correspondents throughout the Group;
- preparation of "GDPR" General Policy and procedures on the management of individual rights and personal data breaches, as well as a set of diverse frameworks, with documentation available to employees;
- training for operational and legal staff on security measures;
- preparation of standard contracts;

see Section: 2.1.2.4. Breaches of ethics or compliance.

4.2.5 ISSUE "ON-SCREEN REPRESENTATION OF NATIONAL DIVERSITY AND GENDER EQUALITY"

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.

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.

After an initial study in 2016 on the representation of women in TF1 TV news, a multi-year action plan was implemented with the News Division. It includes training for contributors to news programmes, a partnership with the Vox Femina association and the "Femmes en vue" competition to facilitate greater access to news programmes for female experts, with TF1 group offering winners a one-day media training course, as well as events specifically designed for female experts.

The 2019 study included the new magazine programme, 20h Le Mag, which follows the news, and was conducted over 11 weeks rather than 10, as in previous versions of the study. This 2019 study showed that there had been some progress up to 41%, meaning that the representation of women in general was up 2% on 2018; 34%, with the percentage of female experts up by 5%.

INDICATOR: PROPORTION OF WOMEN ON-SCREEN

	2019 study	2018 study	2016 study
Percentage of female participants in TF1 newscasts	41%	39%	34%
Percentage of female expert participants	34%	29%	24%

The "French drama" unit designs quality programmes with a view to shifting viewers' outlook towards a greater acceptance of difference (examples: Le Premier oublié, which deals with Alzheimer's or Les Bracelets Rouges which talks about childhood cancer.)

TF1 and LCI chose to get involved with the DUODAY, the national awareness day launched by the State Secretariat for disabled persons. Having committed to promoting diversity with TF1 Initiatives, the TF1 and LCI channels decided to get involved with this operation by offering disabled people the chance to co-present three flagship shows, alongside their usual presenters.

In summer 2019, to challenge received ideas and change perceptions, TF1 launched the 2nd season of the short programme, *C'est quoi cette question?* which gives a voice to those who too often fall victim to prejudice as a result of their difference.

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 supporting non-profit partners.

4.2.6 ISSUE "ETHICS AND COMPLIANCE IN BUSINESS RELATIONS, RESPONSIBLE PURCHASING"

TYPES OF PURCHASES

Rights purchasing, which accounted for €761 million over the period, or 55% of the Group's total purchases (47% in 2018), was via the Purchasing EIG. Since the main risk for this type of purchase is compliance risk (failure to comply with the agreement signed with the CSA, for example, on quotas of French speaking programmes or on the aspects of ethical or professional integrity set out in section 2.1.2.3, it is monitored by Broadcasting, the Legal Affairs Department and Internal Audit.

The Central (Ex-rights) Purchasing Division is largely responsible for implementing the Responsible Purchasing approach, which is described below. It accounts for €330.4 million, or 24% of total purchases (20% in 2018).

The remaining expenditure is made up of TF1 Games merchandise or purchases made directly by entities not covered by the Central Purchasing Division.

THE RESPONSIBLE PURCHASING APPROACH OF THE CENTRAL (EX-RIGHTS) PURCHASING DIVISION

To implement TF1's CSR approach at the Group's service providers and suppliers, in 2008 TF1 initiated a Responsible Purchasing approach excluding the purchasing of rights.

TF1 group is a signatory of the Responsible Supplier Relations Charter. This consists of ten commitments aimed at building balanced and sustainable relationships between the major companies that are signatories of the charter and their suppliers. By signing this charter, TF1 is demonstrating its desire to apply the best practices described and to establish a climate of mutual trust with its suppliers.

The Responsible Supplier and Responsible Purchasing Label, which aims to distinguish organisations that have proven to have sustainable and balanced relationships with their suppliers, awarded to TF1 for the first time in 2014, was awarded to the Group again on 28th of March 2018 by Afnor Certification and the Label Awards Committee (the label is awarded for a three-year period, subject to successfully passing two reviews). This label recognises the continuous improvement initiative to which TF1 and the Purchasing Division have been committed for a long time now. All buyers from the Division are required to implement these commitments.

MAIN INITIATIVES

Through its Responsible Purchasing policy, the TF1 Purchasing Division adopts a multi-pronged approach in accordance with Bouygues group's CSR approach. 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 training for its buyers.

With a view to perpetuating balanced and sustainable relationships, implementing this commitment and guaranteeing the independence of its suppliers, Arnaud Bosom, Executive Vice President, Human Relations and CSR, was appointed as an internal mediator in November 2017. The mediator's role is to seek to settle, out of court, any potential disputes that may be referred to it, as part of a pro-active understanding of the supplier's situation and in the mutual interest of stakeholders. The mediator can be contacted direct at: mediateur@tf1.fr

A map of the rudimentary risks, focusing on critical issues for the 57 families of the ex-rights purchasing nomenclature, was introduced in 2015 in accordance with ISO 26000 and 31000. The potential risks (environment, employment law, health and safety) were summarised and a list drawn up of the measures in place. These were accompanied by an action plan. Together these formed the comprehensive "parent company vigilance" action plan launched by Bouygues in 2017.

PROMOTING BALANCED AND SUSTAINABLE RELATIONS

The commitment of 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, TF1 group has had a balanced contractual framework compliant with the legislation. In early 2015 it amended its General Terms and Conditions of Purchase.

By 2021, TF1 is committed to halving the percentage of invoices paid late by redoubling the efforts of its Executive Committee to implement related action plans such as, for example, simplifying the order process.

A Purchase to Pay Process Manager was appointed in 2018. In 2019, training sessions were held to support operational staff placing purchase orders in order to make the order process smoother (200 people). A communication plan was followed in order to mobilise all contributors and raise their awareness of the impacts of shortcomings, such as the creation of late orders, on the process.

TF1 launched an anonymous survey of 746 suppliers (25% response rate) to measure their satisfaction with the general quality of the relationship and to identify the main areas for improvement.

SUPPLIER ASSESSMENT WITH ECOVADIS AND CSR QUESTIONNAIRE

Since 2008, one aspect of the Responsible Purchasing approach has been based on the CSR assessments of ex-rights suppliers. These assessments, carried out by EcoVadis, are focused on four components: the environment, social aspects, business ethics and Purchasing Policy. The assessments are used to prepare a report which provides a score for each component, an overall rating, the strengths, weaknesses and opportunities of the company assessed, a benchmark and 360-degree information.

Companies were assessed on two particular occasions:

- in the event of calls for tender or renegotiations of contracts worth over €500K, to include the results of the EcoVadis assessment in the final decision ;

- on the basis of a file prepared using the purchasing risks mapping, cross referenced with the file of suppliers whose revenue from TF1 is in excess of €70K.

By the end of September 2019, 147 suppliers had been subject to an EcoVadis assessment over the previous three years.

Out of all the companies assessed, 24% employ between 100 and 999 people; 12% employ between 26 and 99 people, 9% less than 25 people and 54% more than 1,000 people.

The average score for the panel of suppliers contacted and assessed was 48.2/100 (the average for EcoVadis is 42/100). Fully 81% of these suppliers had their registered office in France. TF1 group itself scored 70.

Analysis of these conclusions further contributes to the successful management of supplier relations and is used to put in place an action plan with service providers identified as being at risk (based on the overall rating or one of the EcoVadis scores).

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

To date, 80% of buyers in the Purchasing Division (excluding rights) have been trained in responsible purchasing and CSR since 2015.

Moreover, 15% of the collective variable compensation of the Purchasing Director and buyers from the TF1 group Purchasing Division, depends on their responsible purchasing actions: inclusion of CSR criteria in purchasing decisions monitoring of the management plan, promotion of the use of the sheltered sector, deployment of CSR assessments (EcoVadis or CSR questionnaire).

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.

INCLUSION OF CSR CRITERIA AND CLAUSES IN TENDERS

An "ethics and compliance" clause referencing the Group's 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 TF1 group.

RESPONSIBLE ACTIONS OUTSIDE THE CENTRAL PURCHASING DIVISION

ACQUIRED RIGHTS

Ethical issues surrounding rights acquisition (including potential corruption among rights-holders and broadcasters) are rare, because rights are granted by means of calls for tender which follow a strict procedure (publication of tender specifications, submission of secure bids, opening of bids in the presence of a commission, etc.).

TF1 is careful to include compliance clauses in its bids, a policy which is usually reflected in – or inspired by – rights acquisition agreements.

Regarding TF1's internal process, the bid prices are set by an Executive Management Select Committee, or for major rights (such as the FIFA or Rugby World Cup) by an *ad hoc* committee set up by the Board of Directors. The Legal Affairs Department is routinely involved in the preparation of bids.

TF1 GAMES

TF1 Games and Dujardin publish and sell children's games, which are sold to distributors in France and via distributor partners in Europe (or even worldwide, for some of the products). There are two types of purchases:

- imports of finished products purchased from European or global suppliers ;
- in-house development.

In the latter case, the TF1 Games team develops an idea or acquires a concept from an external author, drafts the specifications, and outsources production to a supplier under the supervision of a TF1 Games production manager. TF1 Games works with ten regular suppliers, including four in China, which mainly manufacture games that contain electronics. Card games are generally manufactured in Europe. Purchases in Asia (China) represent 82% of the purchasing total.

The specifications require a high level of product safety, with zero tolerance for non-compliance. Compliance tests are carried out in Hong Kong by the French laboratory INTERTEK acting on behalf of TF1.

The purchasing terms and conditions include the contractual "Ethics and compliance" clause in line with TF1 group's Responsible Purchasing Charter. Staff from the TF1 Games Purchasing team travel to China to visit the headquarters of suppliers each year, with a factory tour every other year.

SUMMARY OF ACTIONS FOR DEPARTMENTS INVOLVED IN THE PROCESS

	Central Purchasing Division	Rights Purchasing Division	TF1 Games
Publication of the Responsible Purchasing approach	Yes	-	-
Buyer training on responsible purchasing	Yes	Yes	-
CSR criteria included in tenders	Yes	Yes	-
EcoVadis assessment	Yes	No	No
CSR questionnaire sent out during tenders	Yes	No	No
Integration in the CSR risk map	Yes	Yes	Yes

INDICATOR: RESPONSIBLE PURCHASING

	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
Total business scope *(€m)*	1,376.7	1,353.7	1,247.4
Expenses addressed by CSR criteria[(1)] *(€m)*	1,376.7	1, 353.7	1,247.4
Share of expenses addressed *(in%)*	100%	100%	100%[(2)]
Number of suppliers assessed by EcoVadis or in the process of assessment	147	183	174
Revenue covered by an EcoVadis assessment or in the process of assessment *(€m)*	125	91	98[(3)]
Revenue with the sheltered/adapted sector *(€K)*	286	261	418
% of Central (Ex-rights) Purchasing Division buyers trained in responsible purchasing	80%[(4)]	80%[(4)]	100%

(1) Expenditure covered by a responsible purchasing approach or purchasing procedures integrating CSR criteria (e.g. contracts incorporating a CSR/SD clause).
(2) Following the campaign in 2015 to include the CSR/Diversity clause in contracts, 100% of contracts now contain these clauses. Only non-contract purchases (an estimated 5% of purchase values) are not routinely addressed.
(3) Reintegration of advertising airtime purchases. Inclusion of interco supplier CA Bouygues Énergies Services, C2S, OUEST INFO.
(4) 1 buyer arriving in the Central (Ex-rights) Purchasing Division in late 2017 had not yet been trained by the end of 2019.

4.2.7 ISSUE "PROTECTION OF VULNERABLE INDIVIDUALS"

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, which rules on the rating information to be put in place, brings together the heads of broadcasting, programming, programme compliance, acquisitions and youth programming.

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.

4.2.8 ISSUE "RAISING PUBLIC AWARENESS OF MAJOR ISSUES, INCLUDING CLIMATE CHANGE"

The environmental impact of a media group is essentially indirect: it manifests itself through its ability to raise public awareness of this issue. The Group's channels and websites raise the environmental awareness of viewers and web users year-round in several areas, including weather forecasts, TV news stories, the Ushuaïa TV thematic channel, and campaigns on environmental information for children etc.

The "Ushuaïa Nature" programme, first broadcast on TF1, then on Ushuaïa TV, celebrated its thirtieth anniversary in 2017.

Since 2018, the Group's online podcast, ImpactPositif, produced by LCI journalist, Sylvia Amicone, has given actors a platform to speak about social and ecological transition.

In 2019, the digital subsidiaries, including Aufeminin (My Little Paris), Marmiton and Vertical Station developed content on urban ecology, local food movements and tutorials on changing behaviours.

4.2.9 OTHER ISSUES

4.2.9.1 ISSUE "RESPONSIBLE ADVERTISING"

For several years now, TF1 Pub has wanted to bring together advertisers committed to responsible consumption, through events and publications. In 2019, TF1 Pub dedicated a Campus event, open to the entire profession, to this subject, prior to including an innovative offer in its 2020 terms of sale. This offer is reserved for advertising airtime for products with a responsible consumption label, including those referenced by the ADEME website. Value will be added to the advertising spot by giving it a specific branding.

The fight against food insecurity, respect for animal welfare, food that is responsible, sustainable and affordable (law on sustainable food of 30 October 2018) are just some of the factors taken into consideration by the French advertising regulatory body (the *Autorité de Régulation Professionnelle de la Publicité*) which views all advertising spots and whose advice is systematically followed by TF1.

4.2.9.2 ISSUE "MAKING PROGRAMMES ACCESSIBLE TO ALL"

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 12 December 2011, TF1 signed the CSA's Charter on Subtitling Quality.

The Group's theme channels go beyond their subtitling obligations.

AUDIO DESCRIPTION

To serve the 1.7 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.

4.2.9.3 ISSUE "DIALOGUE AND PROXIMITY WITH THE VIEWING PUBLIC AND ALL OUR PARTNERS"

PLAYERS AND ACTION PLANS

Audience Relations Department (ARD)

The Audience Relations Department (ARD) was set up to implement a broad range of initiatives to develop an ongoing relationship with the public, to educate them about the channel, and to share its values with audiences and critics. As a result of the communication tools put in place, such as TF1&Vous, which can be accessed from mytf1.fr, and TF1's extensive presence on social networks, the viewing public can interact, at any given time, with programmes and presenters.

The rollout of the audience dialogue system is a key feature of TF1's approach which involves forging closer ties with viewers. TF1's goal is to be an accessible media entity fostering interactive contacts with its audiences and bringing diversified programmes to its viewers.

Media education: 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://www.lci.fr/la-mediatrice-vous-repond/

She explains how newscasts are put together and what the rules are. She can also reply to certain individual queries. She advises the Editorial team when many people express similar reactions on a given issue.

Media education: TF1 AND LCI editorial teams open their doors

During the 31rst Press and Media in Schools Week, TF1 and LCI editorial teams, together with the TF1 Foundation, welcomed fifty or so secondary school pupils from a number of regions for a special day, in partnership with the French Liaison Centre for Education, Media and Information (CLEMI). Throughout the day, pupils were given full access to all aspects of news production and workshops where they could find out about multi-faceted journalism-related jobs and techniques through discussions with professionals from the Group's editorial teams.

Tackling cyberbullying: partnership between TF1 and Respect Zone

Like all TF1 group websites and accounts, the News Ombudsman's website now contains a link to the Code of Conduct of Respect Zone, a non-profit organisation which the Group now partners. The aim of Respect Zone is to promote respect online, using the Code of Conduct to encourage not only respect, but the moderation of digital space and content.

4.2.9.4 ISSUE "PROMOTING ARTISTIC CREATIVITY AND CULTURAL DIVERSITY"

The cultural diversity of content is an essential component of the "Rights Purchasing" approach adopted for programmes broadcast by TF1 channels.

The recent acquisition of Newen with multiple production formats (news magazines, dramas, cartoons etc.) and its expansion on the international stage, is also helping to broaden the range of content on offer. The Newen Foundation was set up in 2019 and will support training for screenwriters.

Different Group subsidiaries create content (La Seine Musicale, TF1 Musique, TF1 Films Production) as well as the Unify unit, which focuses on digital creation.

TF1 also contributes to the diversity of content via sponsorship, supporting FEMIS to create pilots for television series as well as offering a training programme for screenwriters, *La Chance pour la Diversité dans les Médias* that helps young scholarship students enrol in journalism schools and the *Moteur!* association, which enables young people to express themselves through short videos.

4.2.9.5 ISSUE "ENGAGEMENT WITH SOCIETY"

SPONSORSHIP

All of the Group's societal commitments implemented from late 2017 under the umbrella of TF1 Initiatives have been reorganised into three pillars (philanthropy, diversity and sustainable society) to promote social harmony in France. These are overseen by the CSR Director, who coordinates several working groups, including the "TF1 Initiatives Committee" which holds quarterly meetings for all contributors and employees involved in the initiative.

Non-profit organisations are key partners of TF1's societal commitment. The sponsorship initiatives that involve them are implemented by Broadcasting, TF1 Pub, the company and the Corporate Foundation.

TF1 Pub and the TF1 channel provide direct assistance to non-profit organisations and help them raise their profile through special prime time operations, commercial production and free broadcasting, or donations of game show prizes. Air time is offered to a varied range of organisations and causes. However, the Group is particularly keen to support non-profit organisations that help those in need throughout the country, as well as medical research charities supporting sick people and their families. *Les Pièces Jaunes*, *Les Restos du Cœur*, *Sidaction*, ELA (the fight against leukodystrophy) have become very important recurring operations.

The company has set aside a TF1 Initiatives budget for sponsorship activities. This enables donations to be made to partner non-profit organisations that promote diversity and living together better, including "*La Chance pour la Diversité dans les Médias*" that helps young scholarship students enrol in journalism schools, "*Sport Dans la Ville*", which aims to involve young people in sport, "*Le Projet Moteur!*", which gives young people a voice by enabling them to make short videos or "Respect Zone", which promotes respect in social network communications and whose logo and Code of Conduct now appear on TF1 websites.

One of the working groups consists of employees in charge of free advertising space at TF1 Pub, broadcasting operations and social media, acting as a "one-stop shop" to respond fairly to non-profits that want to advertise on TF1.

INDICATOR: NUMBER OF ORGANISATIONS CONCERNED, NATURE AND AMOUNT OF DONATIONS

	2019	2018	2017
Number of organisations having received donations	152	137	125
Cash donations to organisations *(€K)*	3,459	2,669	2,468
Donations in kind *(value in €K)*(1)	42,371	34,845	34,794
Sponsorship administrative costs and contributions to Foundations *(€K)*	918	950	1,464
TOTAL VALUE OF INITIATIVES *(€K)*	**46,748**(2)	**38,465**	**38,727**

(1) Free advertising, production of commercials, direct donations, donation of game show winnings.
(2) The substantial increase in the total amount of donations relates to the recognition, as of this year, of airtime donations offered by Broadcasting on TNT channels, as well as on TF1 (€5.7 million) which had not previously been recognised, as well as the increase in donations of advertising airtime on TF1 and TNT channels (an additional €1.2 million).

CORPORATE FOUNDATION INITIATIVES

Focusing on diversity and professional integration, every year the TF1 Corporate Foundation organises a campaign to recruit young people aged between 18 and 30 from deprived areas. Candidates are selected by a panel of professionals. They are offered a two-year work/study placement with TF1 group, supervised by a tutor and a mentor who will help them establish a network, instruct them on corporate principles and provide them with training recognised in the professional environment. The scheme covers more than 25 professions in the fields of journalism and audiovisual production, as well as the company's service businesses. For the 12th intake in September 2019, 8 candidates were selected.

Over the years, the Foundation has seen a real diversity in the candidates applying to TF1. It also gives those with no formal qualifications the chance to regain confidence and return to the job market.

The TF1 Corporate Foundation was instrumental in creating "Tous en stage", a network of more than 80 companies, local authorities, non-profit organisations and government agencies whose aim is to arrange collaborative temporary work placements for secondary school pupils from areas designated by local authorities as high-priority and extra high-priority in educational terms. The scheme is run in partnership with the French Ministry of Education and enables year 10 pupils from underprivileged neighbourhoods to learn about different careers.

Each year, the TF1 Corporate Foundation organises events with sixth-form pupils to make them aware of the jobs on offer at TF1 and provides them with support through innovative learning activities.

4.3 ENVIRONMENTAL INFORMATION

4.3.1 ENVIRONMENTAL REPORTING PARAMETERS

Period: from 01/10/2018 to 30/09/2019

Scope:

- companies housed in the "Tour" and "Atrium" headquarters buildings in Boulogne-Billancourt, accounting for 64% of the Group's employees and 82% of Group revenue at 30 September 2019;
- the subsidiary, TMC, in Monaco, introduced an environmental policy from late 2018.

Other Group activities, including digital subsidiaries such as UNIFY, and Newen group production companies, are in shared office space, occupying a small surface area, for which there is currently no reporting data nor the means to take significantly influence the indicators. Discussions are under way regarding the impact of these subsidiaries in terms of GHG emissions but, to date, they have not been included in the scope because of the recent purchase of these subsidiaries which themselves consolidate a large number of companies on several sites.

How the indicators are read

The measures and objectives set apply within the framework defined above and according to the following procedures:

- water and steam consumption measures are based on meter readings;
- electricity 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, food waste, wet packaging waste, glass, used oil, batteries and accumulators, printing consumables and electronic waste are weighed by the contractor (TRIO via the contract with Bouygues Énergies et Services) to which the Group has entrusted waste management and monitoring services. A waste registry is updated on a regular basis and waste monitoring forms are issued in accordance with current regulations. Invoicing is done by weight ;
- refrigerant fluids are measured on the basis of statements from air-conditioning maintenance service providers ;
- fuel oil consumption for electric 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 by company cars and outside broadcast unit vehicles is based on the statements provided by the petrol company Total and related to professional card use for fill-ups.

4.3.2 ENVIRONMENTAL BACKGROUND

TF1's activity is subject to very limited environmental risks associated with climate change, including in the event of a sharp rise in energy prices or tax on carbon emissions. Only TF1's head office located on the banks of the Seine has required the implementation of a flood prevention plan. The nature of the Group's activities at head offices also does not generate risks related to biodiversity or the quality of water and soil.

According to the study carried out by the Ecoprod collective in 2011, the direct environmental footprint of media activity is equivalent to that of the services sector in terms of greenhouse gas emissions. The media sector uses transport, purchases electronic equipment and consumes 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 eco-friendly audiovisual production practices, and to the management of its internal processes.

The Group deploys proactive measures across all its buildings and in all areas over which it has control, applying action plans and continuous improvement initiatives in connection with the consumption of energy, raw materials (paper) and the management of waste, consistently above and beyond legal requirements. Collective catering, an environmental challenge but also an issue on which employees need to be educated, is the subject of an action plan led in close collaboration with the catering provider. These expectations, which are incorporated into Facility Management service specifications, were not reduced when general services were outsourced in June 2017.

Increasingly, energy consumption and waste management are factored in at an early stage of any project involving the technical solutions used by the Outside Broadcast Department and departments managing fixed equipment.

In 2018, the Group undertook new commitments to reduce its energy consumption, obtaining ISO 50001 certification. This certification was renewed in June 2019. A Coordination Committee was set up to carry out the mandatory monitoring required by the certification.

OTHER MEASURES IMPLEMENTED

In addition to its legal obligations, TF1 checks air quality (dust content, hygrometry) and water quality (coffee machines, water fountains) five or six times a year. TF1 has Socotec inspect all its equipment (and air-cooling towers in particular).

TF1, and now its service provider, Bouygues Énergies et Services, works on environmental issues with certified providers (ISO 9001 and/or 14001 for waste management, electrical equipment maintenance and furniture purchasing, etc.). In addition, within the context of setting up its Facility Management service, Bouygues Énergies & Services renegotiated all service contracts, placing a higher value during calls for tender on its providers' individual CSR policies.

4.3.3 ECOLOGICAL FOOTPRINT OF PRODUCTIONS

The audiovisual sector emits roughly one million tonnes of CO_2 equivalent per year into the atmosphere, around a quarter of which is directly linked to shoots, according to a study of key figures in the industry carried out in France in 2011. To reduce this footprint, TF1 launched the Ecoprod initiative in 2009 with the ADEME (French agency for the environment and energy management, AUDIENS), the *Commission du Film d'Île-de-France*, the *Centre national du cinéma et de l'image animée*, *Pôle Médias du Grand Paris* and *France Télévisions*.

The Ecoprod collective has created a resource centre which can be consulted at **www.ecoprod.com.** The resources are provided free of charge to industry 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 (Carbon'Clap), a guide on eco-friendly production and first-hand testimonials useful to producers and other professionals in the industry. TF1's contribution amounts to €5,000 per annum.

TelFrance, a Newen group subsidiary, used the Ecoprod approach on the daily soap opera, Plus Belle La Vie, which is shot and post-produced in Marseilles.

4.3.4 CONSEQUENCES OF THE BUSINESS ACTIVITY AND THE USE OF GOODS AND SERVICES ON CLIMATE CHANGE

GHG emission assessments were updated within the scope of the "Tour + Atrium" building, with the help of a service provider and Version 8.2 of the Bilan Carbone® carbon audit method. All methodologies and source data were updated which is why there are major differences compared with the previous assessment.

The calculation concentrates on scopes 1 (direct emission), 2 (indirect emissions associated with energy consumption) and 3A (indirect emissions other than energy consumption and use of products), *i.e.* non-3B (use of products).

Scope 3B, which corresponds to watching programmes on the Group's channels, is potentially the largest source of emissions, but it is not considered measurable. Collecting these data would require accounting for the electrical consumption of all of the television sets, computers, tablets and mobile phones in France, prorated for the TF1 content that is watched on them. In addition, TF1 group has limited means of collecting the data on this consumption.

Of all the sources studies, the most significant item in terms of GHG emissions was purchased products (scope 3A), approximately 70% of which are purchases of programmes broadcast on the Group's channels. The significant increase in GHG on purchased products (+270% or +245% on the overall result) was due to changes in ADEME methodology consisting of assessing, for the first time, monetary ratio emission factors using 36 new factors, rather than the two that were used previously, as well as also updating the total amount and by type of purchase. The next items are travel (business and commuting) and electricity consumption.

INDICATOR: GREENHOUSE GAS EMISSIONS

Bilan Carbone® emissions by source *(in equivalent tons of CO_2 V.8.2 of the Bilan Carbone®)*	**From 01/10/2018 to 30/09/2019**	**From 01/10/2017 to 30/09/2018**	**From 01/10/2016 to 30/09/2017**
Scope 1: Direct emissions from fixed sources (generator fuel oil)	26	37	60
Scope 1: Direct emissions from mobile fuel combustion sources (reporting and company vehicles)	403	604	607
Scope 1: Direct fugitive emissions (refrigerant gases)	88	248(1)	487
Scope 2: Indirect electricity consumption-related emissions	753	1,216	1,258
Scope 2: Indirect steam consumption-related emissions	336	373	368
Scope 3: Emissions relating to energy consumption not covered by direct or indirect energy emissions	586	486	504
Scope 3: Products purchased	307,032	83,216	83,283
Scope 3: Fixed assets	-	-(1)	748
Scope 3: Waste generated	230(2)	85	84
Scope 3: Business travel (excluding reporting and company vehicles)	3,687	3,316	3,764
Scope 3: Employee travel	1,247	1,329	1,329
TOTAL (EXCL. PRODUCT USE)	**314,388**	**90,909**	**92,492**

(1) The outsourcing of all Facility Management services since 2018 also includes the discounting of IT equipment purchases at the service provider's. Until 2017, these purchases constituted the "fixed asset" source of TF1's carbon emissions which no longer exists.

(2) The quantity of waste generated was down 24% but emissions were up 170% due to a change of emissions factors in this version of the Bilan Carbone assessment.

Emissions by scope of the Greenhouse Gas (GHG) Protocol *(in tons CO_2 equivalent)*	Uncertainty	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
Scope 1	5%	517	889	1,154
Scope 2	7%	1,089	1,589	1,626
Ratio in tons of scope 1+2 CO_2 by employee		*0.7*	*1.0*	*0.9*
Ratio in tons of scope 1+2 CO_2 per million euro of revenue		*0.8*	*1.3*	*1.3*
Ratio in tons of scope 1+2 CO_2 per square metre		*30*	*39*	*44*
Scope 3A (excl. product use)	61%	312,782	88,432	89,712
TOTAL SCOPES 1, 2, 3 A (EXCLUDING PRODUCT USE)	**61%**	**314,388**	**90,909**	**92,492**

These figures were consolidated with those of the Bouygues group, as part of the Group's carbon accounting.

MEASURES TO REDUCE GHG EMISSIONS

- Plan to cut electricity consumption by a target of 25 to 30% by 2025 compared with 2011 (ISO 50001 approach) ;
- Employee travel (Corporate Travel Plan since 2010, teleworking agreement in 2018) ;
- Corporate fleet: emissions limit of 160g/km of CO_2 set for petrol models and 150g/km of CO_2 for diesel models. Approach to promote the use of hybrid models (10% of the fleet ;
- Incentive to use public transport via 80% reimbursement of public transport passes ;
- Introduction of an electric car and bike sharing service for employees' professional travel, replacing the use of taxis ;
- Parking places provided for employees' electric vehicles.

4.3.5 CONSUMPTION OF RESOURCES AND CIRCULAR ECONOMY

4.3.5.1 CONSUMPTION OF ELECTRICITY AND FUEL OIL

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.). Electricity is also used to light and power office workstations.

The drop in consumption has been ongoing since 2010 (5% less in 2019 than in 2018) and is the result of improved facilities management through the technical building management tool, greater efficiency in the air-conditioning system and switching off air handling units in studios when not in use.

New targets for a 25 to 30% reduction by 2025 compared with the reference year, 2011, were set as part of ISO 50001 certification.

INDICATOR: ELECTRICITY CONSUMPTION (IN MEGAWATT HOURS)

Site	% revenues	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
TF1 – TOUR/ATRIUM	**82%**	**19,075**	**20,098**	**20,796**
TMC (MONACO)	**8%**	**1,003**	**1,043**	**-**

FUEL OIL

Fuel oil is used in the electric generator 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. Ups and downs from one year to another are due to maintenance work carried out on high-voltage stations (particularly in 2017), and risk simulation exercises carried out to assess the continuity of key processes (e.g. simulation of broadcasting a newscast during a power cut).

Fuel for vehicles used to film reports for TF1 and LCI (motorbikes, cars, mobile video trucks) was Premier and Excellium diesel and Super unleaded 98 or 95.

INDICATOR: FUEL OIL CONSUMPTION (IN LITERS)

	% revenues	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
GENERATOR FUEL OIL TF1 TOUR/ATRIUM	82%	9,667	13,674	22,001
FUEL ALL VEHICLES (OUTSIDE BROADCASTING UNITS – COMPANY CARS)	82%	195,874	214,775	204,641

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY

The committee set up to coordinate ISO 50001 certification monitors action plans implemented both in managing buildings with service providers, and in manufacturing processes (studios, broadcasting, outside broadcasting). These action plans include operations to raise employee awareness.

USE OF RENEWABLE ENERGIES

In 2018, for implementation in 2019, TF1 signed a consultancy contract with EDF which includes a renewable energy option committing EDF to produce one KWh of renewable energy for every Kwh consumed. The contract signed with EDF covers 95.5% of consumption related to the two TF1 headquarters buildings in Boulogne-Billancourt, “Tour” and “Atrium”.

TF1 also signed a contract with the energy supplier, Enercoop, which only supplies renewable electricity, to power the South Wing building and car parks (4.5% of overall consumption) of the headquarters.

4.3.5.2 WATER CONSUMPTION

INDICATOR: WATER CONSUMPTION (IN CUBIC METERS)

Site	% revenues	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
TF1 – TOUR/ATRIUM	82%	38,991	48,561	48,228

Water is primarily used in the air conditioning circuit, the washrooms and kitchens. Spraying the air-cooling towers accounts for 40% of the total water consumption of the “Tour” building, the drop in consumption being due to better management of these towers.

4.3.5.3 RAW MATERIALS CONSUMPTION

The drop in paper consumption continued in 2019. The new redevelopment of Nextdoor into flexible office space currently being rolled out in TF1 buildings involves a sharp reduction in paper consumption with storage down to one unit per person and the removal of personal printers.

INDICATOR: PAPER CONSUMPTION (IN TONNES)

Site	% revenues	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
TF1 – TOUR/ATRIUM	82%	27	30	34

4.3.5.4 MEASURES TO SUPPORT SUSTAINABLE FOOD AND PREVENT FOOD WASTE

In catering, TF1 and Bouygues Énergies et Services, also requests service providers, through a contractual guarantee, to favour local sourcing, organic produce and seasonal vegetables. Since 2018, one entirely organic meal has been offered in both company restaurants on a daily basis.

Dishes are weighed by the catering provider (SODEXO) in accordance with its contract and second helpings of bread have to be paid for, thereby naturally reducing food waste. Recycling bins were set up for unused condiment sachets at dish return stations. Every year there is a specific day on which the issue of food waste is brought to the attention of consumers.

4.3.5.5 CIRCULAR ECONOMY

WASTE PREVENTION, RECYCLING, RECOVERY AND DISPOSAL

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).

INDICATOR: QUANTITY OF COLLECTED WASTE (IN TONNES)

	% revenues	From 01/10/2018 to 30/09/2019	From 01/10/2017 to 30/09/2018	From 01/10/2016 to 30/09/2017
TOTAL WASTE	82%	627	830	796
Total waste recycled	82%	365 (58%)	467 (56%)	458 (58%)

4.3.5.6 PREVENTING AND REMEDYING EMISSIONS

TF1 head office operations do not result in effluents being released into the water or soil.

In the specifications written for maintenance contractors, the Group requires certification that a policy aiming to reduce the use of products that are harmful for the environment has been observed.

Our maintenance partner, ONET, 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.

NOISE AND ODOUR POLLUTION

Suppliers (of cooling systems, air-cooling towers, air handling facilities and electrical generator units) are assessed on the performance of their products in terms of noise pollution. An acoustics specialist is occasionally called in to verify the quality of these products. To measure the potential noise pollution for employees, the Group also calls on the services of a firm specialising in acoustics when doing work on its premises. The results are presented to the Health, Safety and Working Conditions Committee (CSSCT),

During the 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.

EFFECT OF RADIOWAVES ON HEALTH

Regarding the broadcasting aerials located on the roof of the main TF1 building in Boulogne-Billancourt, measurements of exposure to electromagnetic waves taken when the equipment was installed in 2007 and communicated to the Health & Safety Committees, showed that authorised levels in the accessible area around the aerials were not being 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 for the reception and broadcasting equipment installed in Satellite News Gathering (SNG) vehicles are updated on a regular basis.

Mobile aerials (broadcasting vehicles, air-transportable aerials) were also assessed by the approved laboratory, 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 compliant. 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 in news coverage logistics units and provided to the News Coverage Department.

The Medical Department is highly vigilant and examines every radiowave-emitting system that is put into service.

TF1 checks parcels and envelopes received using an X-ray machine. Pursuant to regulations, this equipment is authorised 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.

4.4 INDEPENDENT VERIFIER'S 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 31/12/2019

To the Board of Directors,

As requested and in our quality as an independent verifier, as a member of the network of one of the Statutory Auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31/12/2019 (hereafter referred to as the "Statement"), that the entity chose to establish and presented in the management report pursuant to the provisions of the Article L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code (*Code de Commerce*).

RESPONSIBILITY OF THE ENTITY

As part of this voluntary approach, it is the responsibility of the Board of Directors to establish the Statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and available on request at the entity's headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with legal and regulatory requirements, ethical standards and professional standards.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work, to express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code ;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

Nonetheless, it is not our role to give an opinion on the compliance with other applicable legal and regulatory provisions, particularly regarding the duty of vigilance plan, the fight against corruption and tax evasion, and compliance of products and services with applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below has been carried out by applying the provisions of Articles A. 225 1 et seq. of the French Commercial Code, the professional standards of the National Company of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) as well as the international ISAE standard 3000[(1)]:

- we took note of the activity of all entities included in the consolidated scope and of the statement of the main risks ;
- we assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Statement covers each category of information provided in III of Article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion ;
- we verified that the Statement presents the information provided in II of Article L. 225-105 when relevant regarding the main risks and covers, if necessary, an explanation justifying the absence of information required by the 2nd paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all entities included in the consolidated scope, including if relevant and proportionate, the risks generated through its business relationships, products or services, policies, actions and results, including key performance indicators related the main risks;
- we consulted documentary sources and conducted interviews to:
  - assess the process of selecting and validating the main risks as well as the consistency of results, including key performance indicators identified regarding the main risks and the policies presented, and
  - support qualitative information (action and results) that we considered the most important presented in Annex 1. Our work on this information was performed at the consolidated level of the entity ;

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- we verified that the Statement covers the consolidated scope, *i.e.* all the entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement ;
- we took notice of the existence of internal control and risk management procedures put in place by the entity and assessed the collection process put in place by the entity for the completeness and fairness of the Information ;
- for key performance indicators and other quantitative results that we considered as most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions,
  - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities: Newen group and activities located in TF1 headquarters, which cover 77% of the consolidated headcount of the entity ;
- We assessed the overall consistency of the Statement with our knowledge of all entities included in the consolidated scope.

We consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

MEANS AND RESOURCES

Our verification work mobilized the skills of five people and took place between October 2019 and February 2020 on a total duration of intervention of about five weeks.

We conducted seven interviews with the persons responsible for the preparation of the Statement including in particular the Human Resources, General Secretariat and Corporate Social Responsibility Departments.

CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us not to believe that the consolidated non-financial Statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

COMMENTS

Without qualifying our conclusion above and in compliance with the provisions of Article A. 225-3 of the French Commercial Code (*Code de Commerce*), we draw your attention to the following points:

- The Studios and Entertainment and Digital activities, accounting for 35% of the headcount, are not covered by the policies associated with the main non-financial risks and are not yet subjected to reporting on societal and environmental issues.

Paris-La Défense, February, 4th 2020

French original signed by:

Independent Verifier
EY & Associés

Partner	Partner, sustainable development
Jean-François Bélorgey	Eric Mugnier

APPENDIX 1: THE MOST IMPORTANT INFORMATION

Social Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Total workforce open-ended and fixed-term contracts Percentage of women managers Frequency rate of work-related accidents (excluding contract workers) Severity rate of work-relatedl accidents (excluding contract workers) Fatal accidents Percentage of internal mobility on total recruitments Training (total volume of training hours, number of employees trained, average number of hours of training per employee)	The promotion of diversity and equal opportunity The quality of life at work and new forms of work organization, including the new quality of life at work agreement The results of the internal mobility policy, in particular the workshops and the "Live my life" process
Societal Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Number of CSA interventions Number of Meetings of the Independence and Pluralism Committee Percentage of women in TV news of all participants speaking Percentage of expert women in TV news of all participants speaking	The compliance of information programs with the ethics and professional integrity commitments taken with the CSA The editorial independence, in particular the functioning of the Independence and Pluralism Committee
Environmental Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Bilan Carbone emissions (GHG emissions)	The actions implemented to reduce GHG emissions

5

2019 ACTIVITY AND RESULTS AFR

5.1 SIGNIFICANT EVENTS

JANUARY

The TF1 group is ranked 20th in the Ethics and Boards 2018 "Women on Boards" awards out of the companies in the SBF 120.

FEBRUARY

The TF1 group announces the creation of Unify, its new Digital Division, which brings together the following digital activities: Aufeminin, Marmiton, MyLittleParis, Doctissimo, Neweb, Gamned!, Studio71, Vertical Station and TF1 Digital Factory.

Unify is currently present in three businesses: Publishers, Brand Solutions & Services, and Social e-commerce.

MARCH

Newen takes a majority 60% stake in De Mensen, one of Belgium's leading producers of audiovisual content.

TF1 and Netflix announce an agreement around the event series *Le Bazar de la Charité*. This first major partnership between Netflix and a French broadcaster, which was initiated by TF1 Studio (who are distributing the series on behalf of Quad Télévision), will give Netflix exclusive worldwide SVOD rights for four years.

APRIL

The TF1 group announces that it will carry exclusive coverage of the entire 2019 Rugby World Cup, hosted by Japan from 20 September to 2 November.

The TF1 group announces that its has completed the sale of the operational side of its Téléshopping business.

MAY

François Pellissier becomes Managing Director of TF1 Publicité and Sport at the TF1 group and joins the Executive Committee.

JUNE

TF1 and IP Belgium announce that they have signed an agreement on the marketing of TF1 channel advertising space in Belgium.

AUGUST

Following the favourable opinion from the CSA (the French audiovisual regulator) on 17 July 2019 and the authorisation issued on 12 August 2019 by the French Competition Authority, the TF1, M6 and France Télévisions groups announce that the Salto joint venture will be able to commence operations. With Salto, the France Télévisions, M6 and TF1 groups will pool their resources in an ambitious local response to evolving audience expectations, while further strengthening their active participation in the French and European creative industries.

OCTOBER

For the second consecutive year, the TF1 group is recognised as one of the best companies worldwide for gender equality.

Newen finalises the acquisition of Reel One, a leading player in the production and licensing of drama for the North American and global markets, which generates 90% of its revenue outside of Canada.

The TF1 and Canal+ groups acquire the rights to the forthcoming UEFA Women's Euro 2021 football tournament. TF1 group channels will carry exclusive free-to-air coverage of the 14 highest profile fixtures.

Newen announces the signature of a strategic deal with Anton, a European company that finances, co-produces and distributes film and TV content.

NOVEMBER

The TF1 and M6 groups announce the acquisition of the broadcasting rights to the UEFA Euro 2020 football championship, to be held between 12 June and 15 July 2020. The two groups will split between them exclusive free-to-air coverage of the 23 highest profile fixtures.

The TF1 group acquires from beIN Sports broadcasting rights to matches in the European Men's and Women's Handball Championships in the period from 2020 to 2024 (3 men's tournaments and 3 women's tournaments).

The TF1 group acquires rights to the three Champions League finals to be held in 2022, 2023 and 2024.

5.2 ACTIVITY AND RESULTS

The results below are presented using the segmental reporting structure as presented in Note 4 "Operating segments" to the consolidated financial statements, and in accordance with IFRS 16 (applicable from 1 January 2019).

5.2.1 TF1 GROUP

These key figures are extracted from TF1 group consolidated financial data.

CONSOLIDATED FIGURES

(€ million)	2019	2018
Revenue	**2,337.3**	**2,288.3**
Group advertising revenue	*1,658.1*	*1,662.2*
Revenue from other activities	*679.2*	*626.1*
Current operating profit/(loss)	**255.1**	**198.8**
Operating profit/(loss)	**255.1**	**176.8**
Net profit/(loss) from continuing operations	**154.8**	**127.4**
Operating cash flow after cost of net debt, income from net surplus cash, interest expenses on lease obligations and income tax paid	416.6	360.4
Basic earnings per share from continuing operations *(€)*	0.74	0.61
Diluted earnings per share from continuing operations *(€)*	0.74	0.61
Shareholders' equity attributable to the Group	1,562.4	1,574.6
Net debt of continuing operations[(1)]	(126.3)	(27.5)

Consolidated revenue of the TF1 group for 2019 reached €2,337.3 million, a rise of €49.0 million[(2)]. Advertising revenue was €1,658.1 million, down slightly year-on-year (-0.2%), reflecting:

- lower advertising revenue in Broadcasting, with the effect of a tough comparative for the TF1 core channel partly offset by growth in advertising revenue for the DTT channels[(3)] and MYTF1;
- revenue growth for the digital segment (Unify), helped by its being consolidated over the full year for the first time in 2019.

ANALYSIS OF COST OF PROGRAMMES

(€ million)	2019	2018
Total cost of programmes	**(985.5)**	**(1,014.2)**
TV dramas/TV movies/Series/Theatre	(331.8)	(348.2)
Entertainment	(271.4)	(238.5)
Movies	(148.3)	(159.0)
News (including LCI)	(134.7)	(136.7)
Sport	(87.4)	(118.9)
Kids	(11.8)	(13.0)

(1) Before taking into account lease obligations (IFRS 16).
(2) Includes €53.3 million for the effects of changes in structure (newly-consolidated acquisitions, net of the deconsolidation of Téléshopping).
(3) TMC, TFX, TF1 Séries Films and LCI.

COST OF PROGRAMMES – ANALYSIS BY INCOME STATEMENT LINE ITEM

(€ million)	2019	2018
Purchases consumed and changes in inventory	(831.6)	(831.2)
Staff costs	(77.6)	(79.8)
External expenses	(4.1)	(13.8)
Depreciation, amortisation, impairment and provisions, net	(70.8)	(91.4)
Other IFRS income statement line items	(1.4)	2.0
Amount recognised in current operating profit	**(985.5)**	**(1,014.2)**

The cost of programmes on the Group’s five free-to-air channels was €985.5 million, in line with our guidance. The year-on-year savings of €28.8 million were mainly due to the screening in 2018 of the Men’s Football World Cup. The fourth quarter of 2019 saw increased strategic investment in programming, to attract large audiences and maintain a high share among targets.

OTHER EXPENSES AND DEPRECIATION, AMORTISATION AND PROVISIONS

Other expenses and depreciation, amortisation and provisions increased by €21.5 million year-on-year in 2019, mainly due to the consolidation of the Aufeminin group from May 2018 and to further acquisitions made in 2019 in the Digital (Unify) and Production businesses.

CURRENT OPERATING PROFIT

The Group posted current operating profit of €255.1 million, up €56.3 million. Current operating margin increased sharply over the period to 10.9%, 2.2 points higher year-on-year, confirming that the Group has met its target of double-digit current operating margin in 2019.

OPERATING PROFIT

Group operating profit for 2019 was €225.1 million. Bear in mind that 2018 operating profit included €22.0 million of non-current expenses relating to the amortisation of audiovisual rights remeasured in connection with the Newen Studios acquisition.

NET PROFIT

Net profit attributable to the Group for 2019 was €154.8 million, up €27.4 million year-on-year.

FINANCIAL POSITION

Shareholders’ equity attributable to the Group was €1,562.4 million at 31 December 2019 out of a balance sheet total of €3,344.1 million.

Excluding lease obligations (IFRS 16), the Group had net debt of €126.3 million at 31 December 2019 (net debt of €225.8 million including lease obligations), versus net debt of €27.5 million at 31 December 2018 (net debt of €130.9 million including lease obligations). The year-on-year increase is attributable mainly to the acquisitions of De Mensen and Reel One during 2019.

As of 31 December 2019, TF1 had confirmed bilateral bank credit facilities of €1,040 million, including €170 million for Newen Studios.

Those facilities were backed up by a cash pooling agreement with the Bouygues Group.

As of 31 December 2019, drawdowns under those facilities amounted to €124 million, all of which related to Newen Studios.

SHAREHOLDER RETURNS

To reward shareholders for the capital they have invested, the Board of Directors will ask the Annual General Meeting of 17 April 2020 to approve the payment of a dividend of €0.50 per share, 25% more than for 2018, representing 68% of net profit.

The ex-date will be 4 May, the date of record will be 5 May, and the payment date will be 6 May 2020.

INCOME STATEMENT CONTRIBUTIONS – CONTINUING OPERATIONS

(€m)	Q1 2019	Q1 2018	Q2 2019	Q2 2018	Q3 2019	Q3 2018	Q4 2019	Q4 2018	FY 2019	FY 2018	Chg. €m	Chg. %
Consolidated revenue	**553.7**	**499.3**	**591.5**	**584.3**	**469.4**	**492.0**	**722.7**	**712.7**	**2,337.3**	**2,288.3**	**49.0**	**2.1%**
Broadcasting	**419.7**	**402.3**	**471.1**	**466.7**	**354.8**	**363.4**	**528.6**	**531.3**	**1,774.2**	**1,763.7**	**10.5**	**0.6%**
TV advertising on free-to-air channels	*375.7*	*366.3*	*415.7*	*425.6*	*303.4*	*321.3*	*472.6*	*475.0*	*1,567.4*	*1,588.2*	*(20.8)*	*-1.3%*
Studios and Entertainment	**93.5**	**97.0**	**75.3**	**88.8**	**76.5**	**96.0**	**144.7**	**126.8**	**390.0**	**408.6**	**(18.6)**	**-4.6%**
Digital (Unify)	**40.5**	**-**	**45.1**	**28.8**	**38.1**	**32.6**	**49.4**	**54.6**	**173.1**	**116.0**	**57.1**	**49.2%**
CURRENT OPERATING PROFIT/(LOSS)	**62.9**	**39.0**	**100.1**	**63.0**	**21.4**	**24.6**	**70.7**	**72.2**	**255.1**	**198.8**	**56.3**	**28.3%**
Broadcasting	**49.9**	**26.7**	**92.6**	**53.2**	**14.1**	**14.4**	**28.9**	**56.7**	**185.5**	**151.0**	**34.5**	**22.8%**
Studios and Entertainment	**13.1**	**12.3**	**4.2**	**7.1**	**7.7**	**7.9**	**32.9**	**8.2**	**57.9**	**35.5**	**22.4**	**63.1%**
Digital (Unify)	**(0.1)**	**-**	**3.3**	**2.7**	**(0.4)**	**2.3**	**8.9**	**7.3**	**11.7**	**12.3**	**(0.6)**	**-4.9%**
Cost of programmes	**(222.1)**	**(230.0)**	**(224.1)**	**(269.2)**	**(213.5)**	**(226.6)**	**(325.8)**	**(288.3)**	**(985.5)**	**(1,014.2)**	**28.8**	**-2.8%**

BROADCASTING

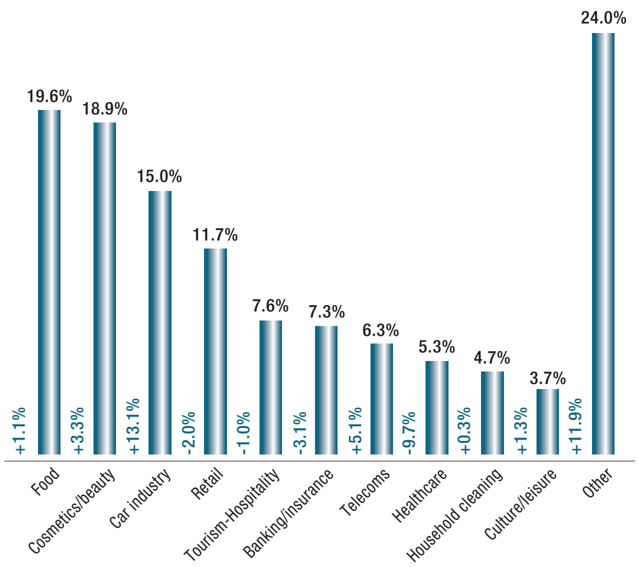
REVENUE

Broadcasting segment revenue reached €1,774.2 million, up €10.5 million (+0.6%).

- Advertising revenue for the Broadcasting segment for 2019 was €1,567.4 million (-1.3%). In 2018, revenue was boosted by the successful coverage of the Men's Football World Cup. In the fourth quarter of 2019, the climate of social unrest in France adversely affected demand from advertisers, leading to a decrease in advertising revenue for the TF1 core channel. Revenue from the DTT channels (TMC, TFX, TF1 Séries Films and LCI) continued to grow, in line with the increase in audiences and ad spot prices. Advertising revenue at MYTF1 also increased, with an acceleration following the makeover in June 2019. This good performance is linked to growth in the number of video views (+24% year-on-year), combined with a rise in CPM (cost per thousand impressions) thanks to more efficient exploitation of the data obtained from the 27 million registered users.
- Revenue from other Broadcasting segment activities advanced by €31.3 million year-on-year. This increase reflected the full-year revenue contribution from the agreements signed with telecoms operators and Canal+, and the resale to Canal+ of broadcasting rights for the Women's Football World Cup in the second quarter.

Gross revenue for the TF1 group's free-to-air channels for 2019 was 3.6% higher than in 2018.

Trends in gross advertising spend (excluding sponsorship) by sector for 2019 are shown in the chart below.



Kantar Média, 2019 vs. 2018.

Current operating profit

Broadcasting segment current operating profit reached €185.5 million, a substantial year-on-year rise of €34.5 million, generating current operating margin of 10.5% (+1.9 points year-on-year). The margin rate has doubled since 2016, reflecting the transformation of our Broadcasting activities to a more sustainable model.

Free-to-air channels – market review[1]

Average daily TV viewing time over 2019 as a whole among individuals aged 4+ remained high at 3 hours 30 minutes, down 6 minutes year-on-year for live viewing alone. Time-shift viewing (catch-up and recording) increased year-on-year, by two minutes. For the target audience of "women aged under 50 purchasing decision makers" (W<50PDM), average daily viewing time was 3 hours 8 minutes, down 14 minutes year-on-year, mainly on live viewing.

These figures do not include "portable" consumption (live or catch-up viewing on other devices such as computers, tablets and smartphones), or outside the home on any device. Médiamétrie estimates "portable" consumption at 10 minutes. Over the next two years, Médiamétrie will be gradually upgrading its audience metrics to capture portable and outside-the-home consumption.

Free-to-air channels – audience ratings[2]

In a highly competitive market, the TF1 group is reaping the benefits of its multi-channel strategy and editorial transformation.

Despite tough comparatives due to the screening of the Men's Football World Cup in the previous year, the Group remained the market leader in both key targets:

- 29.4% audience share among 25-49 year-olds (+0.1 of a point versus 2018);
- 32.6% audience share among W<50PDM (unchanged from 2018).

These performances demonstrate the Group's ability to transform itself to meet changing expectations among the viewing public.

TF1

The TF1 core channel confirmed its unrivalled pulling power across all genres and all audience segments (19.5% share of individuals aged 4+; 22% share of W<50PDM).

TF1 programmes occupied all of the year's Top 100 among W<50PDM, 98 of the Top 100 among 25-49 year-olds, and 84 of the Top 100 among individuals aged 4+.

TF1 distinguished itself during 2019, as risk-taking programming delivered results:

- **Sport:** Unquestionably one of the highlights of 2019, the Women's Football World Cup was one of the TF1 gambles that paid off. The tournament captured the biggest audience of the year as 10.7 million tuned in to watch the France/USA match. More generally, TF1's 2019 Top 100 performance validated its sports rights acquisition strategy, with high rankings also for matches featuring France's men's football team and the Rugby World Cup.
- **French drama:** The genre is proving ever more popular with French viewers, attracting 56 of the Top 100 audiences. With 46 of the 56 best audience ratings for French drama, TF1 delivered a powerful, diversified, ambitious and bold offer of event TV drama in prime-time. The genre was especially appealing to younger and female audiences, with up to 8.5 million viewers for *Le Bazar de la charité* (36% share of W<50PDM, 38% of 15-24 year-olds), up to 7.4 million for *Balthazar* (31% share of W<50PDM), and up to 6.6 million for *Les Bracelets rouges* (35% share of W<50PDM, 49% of 15-24 year-olds). 2019 was also a record year for the daily access prime time soap *Demain nous appartient*, which pulled in 3.8 million viewers.
- **Foreign series:** Two new series for 2019, *Manifest* (up to 6.8 million viewers) and *SWAT* (up to 5.9 million), had the best audiences for US series, followed by *Good Doctor* (5.4 million), *L'arme fatale* (5.1 million) and newcomer *New Amsterdam* (5 million). The genre is particularly attractive to women, achieving 60 of the Top 100 among W<50PDM, especially *Grey's Anatomy.*
- **News:** The channel's news coverage remains unassailable, with up to 7.6 million viewers for the evening news bulletin and up to 6.3 million for the lunchtime bulletin. News magazine programmes also performed well, with up to 5.7 million viewers for *20H Le Mag*, up to 4.8 million for *Grands Reportages* and 4.6 million for *Sept à Huit.*
- **Entertainment:** 2019 saw a makeover for entertainment schedules, while flagship programmes continued to deliver: *Les Enfoirés* achieved the year's highest light entertainment audience of 9.4 million. *Mask Singer* (up to 7.3 million viewers, shares of 42% among W<50PDM and 57% among 4-14 year-olds) joined the big hitters *The Voice* (6.1 million) and *Koh Lanta* (6.5 million). Other stand-out performers were *Miss France* (6.9 million viewers) and *C Canteloup* (6.4 million). At lunchtime, *Les 12 coups de midi* had a record year with a 36% audience share among individuals aged 4+.
- **Movies:** Among the best movie audiences were those for films co-produced by TF1: *Bienvenue chez les Chtis* (6.7 million viewers), *Raide Dingue* (6.6 million) and *Intouchables* (6.5 million).

DTT channels

The TF1 group's DTT arm – TMC, TFX, TF1 Séries Films and LCI – increased its market leadership during 2019 with a combined audience share of 10.6% among W<50PDM (+0.5 of a point year-on-year) and 9.6% amongst 25-49 year-olds (+0.4 of a point year-on-year).

(1) Médiamétrie – Médiamat.
(2) Médiamétrie.

TMC

TMC retained its spot as France's most-watched DTT channel with a record 4.4% audience share among W<50PDM, 25-49 year-olds and ABC1s. This performance reflects:

- enhanced sports programming: biggest audience of the year on any French DTT channel for the France-Bolivia football friendly (3 million viewers), and good ratings for matches in the Women's Football World Cup (up to 1.9 million) and the Rugby World Cup (1.8 million);
- further successes for *Quotidien* (all-time high for the show with up to 2 million viewers) and *Burger Quiz* (up to 1.5 million);
- another strong showing in movies, with *Qu'est-ce qu'on a fait au bon Dieu?* attracting the best movie audience on any French DTT channel (2.9 million viewers).

TFX

The channel retained its position as France's no. 3 channel among the target W<50PDM audience (3.3% share) and also among young viewers aged 15-24 (3.7% share), thanks to:

- Movies like *Assassin's Creed* and *Jurassic Park III* (1.1 million viewers);
- The prime time factual show *Appels d'urgence*, which was in the Top 10 DTT ratings with up to 1 million viewers;
- Access prime time reality shows with strong appeal for 15-24 year-olds: 11% share of this target audience for *La Villa des cœurs brisés* and 12% for *La Bataille des couples.*

TF1 Séries Films

The channel reached an all-time high audience share among women viewers (2.6% of W<50PDM) and among 25-49 year-olds (2.1%). The channel's biggest audience was 1 million, for the movie *L'Arme fatale III* (*Lethal Weapon III*). Flagship French series first shown on TF1 were among the best performers, for example *Section de Recherches* (800,000 viewers).

LCI

LCI was France's fastest-growing news channel, posting an all-time high 1% audience share among individuals aged 4+, confirming its status as the no. 2 news channel for the general public, and now for ABC1s too.

For its high-profile evening political debate specials, LCI was France's most-watched news channel: the best rating was the Prime Minister's live debate *Edouard Philippe face aux Français* (849,000 viewers). It was a record year also for *La Matinale* (up to 132,000 viewers, 4.1% audience share) and *24h Pujadas* (up to 326,000 viewers, +0.3 of a point audience share year-on-year).

TF1 Publicité (third-party airtime sales)

Revenue from third-party airtime sales (for radio stations, non-Group TV channels, etc.) was up slightly year-on-year, especially in radio.

TF1 Films Production(1)

In 2019, cinema footfall rose by 6.0% to 213 million box office entries, the second highest level since 1966 (234 million) after 2011 (217 million).

French films attracted 75 million box office entries (-5.7%), a market share of 35.0% (versus 39.3% in 2018). The only French film in the top 5 was *Qu'est-ce qu'on a encore fait au bon Dieu?*, produced by TF1 Films Production, with 6.7 million box office entries. The top 5 French films attracted a combined total of 15.5 million box-office entries.

In 2019, only one French film pulled in more than three million cinema-goers (versus four films in 2018), while 16 French films attracted more than a million (versus 11 in 2018).

Two films co-produced by TF1 Films Production went on general release in the fourth quarter of 2019:

- *Hors Normes* on 12 October (2.1 million box office entries);
- *Rendez-vous chez les Malawas* on 25 December (492,000 box office entries).

Over 2019 as whole, 8 films co-produced by TF1 Films Production went on general release, generating a total of 12.3 million box office entries (two of which, *Qu'est-ce qu'on a encore fait au bon Dieu?* and *Hors Normes* topped the one-million mark). This compares with 2018 when 13 films went on general release, generating a total of 25.4 million box office entries and including 5 that topped the one-million mark.

The revenue contribution from TF1 Films Production for 2019 was down year-on-year, but its contribution at operating profit level increased sharply.

TF1 Production

In 2019 TF1 Production produced around 500 hours of programmes, compared with nearly 460 hours in 2018. The increase was due mainly to true life stories (delivery of season 2 of *Les Plus Belles Vacances* with 40 episodes, compared with just 10 in season 1), magazines (especially the launch of the *Docs du week-end* documentary strand), and the expansion of the live concert recording business (including artists such as Gims, M, Bigflo et Oli, and Soprano).

TF1 Production's contribution to Group revenue fell year-on-year (2018 was a bumper year for sport with 2018 World Cup matches and spin-off magazine programmes, the European Handball Championship and the return of Formula 1 to TF1). However, its contribution to Group operating profit increased.

e-TF1

TF1 is pursuing its digital strategy, working closely with the Group's TV channels. The MYTF1 platform had a makeover to adapt to changes in user behaviour, delivering a more targeted and personalised user experience.

MYTF1 had its best year yet with 1.8 billion video views, up 24% year-on-year, buoyed by successes like *Petits Plats en équilibre* and *Les 12 coups de midi*. MYTF1 had 8 of the 10 biggest catch-up audiences including *Manifest* (1.5 million viewers), *Le Bazar de la Charité* (1.4 million) and *Koh Lanta* (1.1 million).

Both revenue and operating profit rose year-on-year at e-TF1.

(1) Source: CBO Box Office.

Theme channels (TV Breizh, Ushuaïa TV and Histoire TV)

French Pay-TV channels as a whole attracted an audience share of 10.3% among individuals aged 4+ in 2019, up slightly year-on-year[(1)].

All three of the Group's theme channels grew their audiences in 2019.

The TF1 group's theme channels slightly increased both their revenue and operating profit year-on-year.

STUDIOS AND ENTERTAINMENT

STUDIOS

Newen Studios

Newen's international expansion continued in 2019 with the acquisition of De Mensen in Belgium and Reel One in Canada.

As well as successful programmes including *Demain Nous Appartient, Candice Renoir*, and *Ça ne sortira pas d'ici*, 2019 saw a diversification of Newen's client base, in particular by providing internet platforms with well-received original content like *Osmosis*, *Undercover* and *Ares*.

The Newen group posted a year-on-year increase in both revenue and operating profit.

TF1 Studio

A total of 11 films went on general release in 2019 (versus 10 in 2018), generating a combined 4 million box office entries (versus 3.1 million in 2018).

Physical video sales, international sales and VoD were all down on the previous year.

As a result, revenue decreased year-on-year.

However, efforts made to limit losses - especially on physical video sales - helped the contribution at operating level to improve year-on-year.

ENTERTAINMENT

TF1 Entertainment

TF1 Entertainment had a good year in 2019, with growth in both revenue and operating profit. The main factors were:

- Play Two: good performance by live shows thanks to concert tours by Gims and Aya Nakamura;
- La Seine Musicale: strong ticket sales for shows like *War Horse*, *Mamma Mia*, *Les Victoires de la Musique* and *Swan Lake*;
- Games/Dujardin: record year for sales in France, driven by the success of the *Burger Quiz* game and *Escape Game*, and the launch of the *Limite/Limite* range.

DIGITAL (UNIFY)

The year was largely devoted to building the foundations for Unify to grow in the year ahead, including internal reorganisation and additions to the management teams.

Key features of 2019 included:

- Unify Advertising was set up as a one-stop ad sales agency providing access to all Unify brands and services;
- the Marmiton brand received a makeover, rewarded by increased traffic (21.4 million monthly unique visitors) and revenue, taking it into the Top 15 of France's most powerful digital brands;
- Gamned! recorded year-on-year growth, driven by international expansion;
- two strong new e-commerce brands - Gambettes Box and Beautiful Box - boosted subscription box sales, alongside the existing My Little Box;
- advertising revenue at Aufeminin held steady year-on-year.

Overall, revenue at Unify was higher than in 2018, mainly due to this segment being consolidated over 12 months in 2019 as opposed to 8 months in 2018. Operating profit was lower, as the reorganisation of the business dented profits.

5.2.2 OUTLOOK

Our 2019 full-year results confirm our capacity to improve our profitability in line with our target.

The TF1 group has sustainable growth momentum, and opportunities – in content, tech and data – to position itself as a major player in the video market. We are announcing the following guidance:

In 2020:

- double-digit current operating margin maintained;
- cost of programmes at €985 million;

In 2021:

- revenue of at least €250 million from the Unify digital division;
- EBITDA margin of at least 15% from the Unify digital division;
- improvement in the TF1 group's return on capital employed[(2)] relative to the 2018 level (8.8%).

(1) *Médiamétrie – Médiamat.*

(2) *ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including non-controlling interests + net debt at period-end.*

5.2.3 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To date, the TF1 group has felt no significant effect from COVID-19. It is too soon to measure what effects it may have. But the Group is closely monitoring the course of the epidemic and its impact on its advertising customers. At this point, the Group is maintaining its guidance for 2020: double-digit current operating margin, and a cost of programmes of €985 million.

5.2.4 ROLE OF TF1 IN DEALINGS WITH ITS SUBSIDIARIES AND PARENT COMPANY

The TF1 group consists of around 150 directly or indirectly owned operating subsidiaries (see the organisation chart provided in section 1.2 of this universal registration document), mostly 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 harmonising procedures.

It also provides corporate support functions to its subsidiaries in fields such as management, human resources, advisory services and finance. Those services are invoiced by TF1 to the subsidiaries concerned.

For information about services provided by Bouygues to TF1, refer to the disclosures about related-party agreements in section 8.2 of this universal registration document, and to the Statutory Auditors' report on such related-party agreements in section 3.3 of this universal registration document.

From a financial point of view, TF1 ensures that its subsidiaries are adequately capitalised. The TF1 Treasury Department manages and consolidates the treasury and financing needs of all entities controlled by the Group, and supervises those needs for other Group entities.

5.2.5 THE TF1 PARENT COMPANY (TF1 SA)

RESULTS OF TF1 SA

In 2019, TF1 SA generated revenue of €1,171.0 million (-2.3% versus 2018), of which €1,117.0 million came from advertising revenue (-3.4% versus 2018). Operating profit for the year was €49.3 million, a decrease of €11.7 million relative to 2018. TF1 SA posted net financial expenses of €16.6 million (versus net financial income of €26.0 million in 2018). Net profit for the year was €18.3 million (versus €91.7 million in 2018).

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 €313,482 in 2019. The income tax incurred on those expenses was €107,932. Those expenses will be submitted to the Annual General Meeting for approval, in accordance with Article 223 *quater* of the French General Tax Code.

APPROPRIATION AND DISTRIBUTION OF TF1 SA PROFITS

In the resolutions submitted for your approval we are asking you to approve the parent company financial statements and the consolidated financial statements for the year ended 31 December 2019 and, having noted the existence of distributable profits of €569,313,205.99 (comprising net profit for the year of €18,290,035.72 and retained earnings of €551,023,170.27), to decide to appropriate and distribute that sum as follows, as proposed by the Board of Directors:

- distribution of a cash dividend of €105,121,037.00 (representing a dividend of €0.50 per €0.20 par value share);
- appropriation of the balance of €464,192,168.99 to retained earnings.

The ex-date of the dividend on the Euronext Paris market will be 4 May 2020. The date of record (i.e. the day at the end of which the post-settlement positions entitled to the dividend are determined) will be 5 May 2020. The payment date of the dividend will be 6 May 2020.

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 paid per share
31/12/2016	€0.28
31/12/2017	€0.35
31/12/2018	€0.40

5

FIVE-YEAR FINANCIAL SUMMARY

(IN EUROS)

Indicator	2015	2016	2017	2018	2019
I – Financial position at end of period					
a) Share capital	42,104,313	41,883,508	41,973,148	41,985,788	42,048,415
b) Number of shares in issue	210,521,567	209,417,542	209,865,742	209,928,940	210,242,074
c) Number of bonds convertible into shares					
II – Income statement data					
a) Sales excluding VAT	1,230,237,072	1,200,853,185	1,168,507,814	1,198,717,225	1,170,945,915
b) Profit before tax, employee profit-sharing,					
depreciation, amortisation and provisions	450,042,223	35,520,973	145,811,250	145,001,875	127,846,591
c) Income tax expense/(gain)	31,059,106	-22,779,807	-1,905,992	8,373,401	13,324,906
d) Employee profit-sharing	5,614,408	0	0	0	0
e) Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	402,220,763	131,489,002	131,630,700	91,702,495	18,290,036
f) Dividend payout	168,417,254	58,636,912	73,453,010	83,971,576	105,121,037[1]
III - Per share data					
a) Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	1.96	0.28	0.70	0.65	0.54
b) Profit after tax, depreciation, amortisation and provisions	1.91	0.63	0.63	0.44	0.09
c) Dividend per share	0.80	0.28	0.35	0.40	0.50[1]
IV - Employee data					
a) Number of employees[2]	1,614	1,682	1,589	1,608	1,465
b) Total payroll[3]	127,610,849	146,120,423	143,979,806	129,363,942	121,424,785
c) Employee benefits paid[3]	56,793,756	61,238,030	62,439,755	53,469,546	54,387,824

(1) Dividend subject to approval at the AGM.
(2) Average for the year (excluding interns).
(3) Including accrued expenses.

DISCLOSURES ABOUT CUSTOMER AND SUPPLIER PAYMENT TERMS AS SPECIFIED IN ARTICLE D. 441-4 OF THE FRENCH COMMERCIAL CODE

CUSTOMER PAYMENT TERMS

	Article D. 441-4.I.2 of the French Commercial Code: Invoices issued and due for payment that remain unpaid at the end of the reporting period					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Ageing profile of payment arrears						
Number of invoices	963					59
Total amount of invoices *(€ ex VAT)*	186,727,596.72	495,165.34	306,090.30	68,132.30	603,890.59	1,473,278.53
Total revenue for the year *(€ ex VAT)*	1,170,945,915.39					
Percentage of revenue for the year *(ex VAT)*	15.95%	0.04%	0.03%	0.01%	0.05%	0.13%
(B) Invoices excluded from (A) because they are disputed or not recognised in the accounts						
Number of invoices excluded	0					
Total amount of invoices excluded *(€ ex VAT)*	0					
(C) Benchmark payment terms used (contractual or statutory – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to determine arrears	Contractual terms: 30 days from end of invoice month – 45 days from end of invoice month					

SUPPLIER PAYMENT TERMS

	Article D. 441-4.I.1 of the French Commercial Code: Invoices received and due for payment that remain unpaid at the end of the reporting period					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Ageing profile of payment arrears						
Number of invoices	1,475					36
Total amount of invoices *(€ ex VAT)*	134,437,168.01	179,688.56	48,510.75	43,794.10	780,931.96	1,052,925.37
Total purchases for the year *(€ ex VAT)*	984,937,158.40					
Percentage of total purchases for the year *(ex VAT)*	13.65%	0.02%	0.00%	0.00%	0.08%	0.11%
(B) Invoices excluded from (A) because they are disputed or not recognised in the accounts						
Number of invoices excluded	9					
Total amount of invoices excluded *(€ ex VAT)*	317,327.36					
(C) Benchmark payment terms used (contractual or statutory – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to determine arrears	Contractual terms (in most cases): 45 days from end of invoice month					

5.2.6 PRINCIPAL ACQUISITIONS AND DIVESTMENTS

The principal acquisitions and divestments of the period are described in Note 3 to the consolidated financial statements as presented in this universal registration document.

6

FINANCIAL STATEMENTS AFR

6.1 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the TF1 group for the year ended 31 December 2019 should be read in conjunction with the audited consolidated financial statements for the years ended 31 December 2018 and 31 December 2017, prepared in accordance with international financial reporting standards, as presented in the 2018 French-language *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on 7 March 2019 under reference number D.19-0121.

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

6.1.1 CONSOLIDATED INCOME STATEMENT

(€m)	*Note*	Full year 2019	Full year 2018[(1)]
Advertising revenue		1,658.1	1,662.2
Other revenue		679.2	626.1
Revenue	***5.1***	**2,337.3**	**2,288.3**
Other income from operations		40.1	44.7
Purchases consumed and changes in inventory	*5.2*	(953.6)	(957.7)
Staff costs	*5.3*	(484.8)	(470.7)
External expenses	*5.4*	(434.5)	(396.3)
Taxes other than income taxes	*5.5*	(126.1)	(132.7)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets		(243.2)	(213.0)
Net amortisation expense on right of use of leased assets		(19.1)	(17.1)
Provisions and impairment, net		(33.8)	(70.6)
Other current operating income	*5.6*	291.9	253.5
Other current operating expenses	*5.6*	(119.1)	(129.6)
Current operating profit/(loss)		**255.1**	**198.8**
Non-current operating income	*5.7*	-	-
Non-current operating expenses	*5.7*	-	(22.0)
Operating profit/(loss)		**255.1**	**176.8**
Income associated with net debt		0.7	0.2
Expenses associated with net debt		(2.3)	(2.2)
Cost of net debt	***5.8***	**(1.6)**	**(2.0)**
Interest expense on lease obligations		(3.7)	(4.0)
Other financial income	*5.9*	1.4	7.0
Other financial expenses	*5.9*	(7.9)	(2.2)
Income tax expense	*5.11*	(82.0)	(47.9)
Share of profits/(losses) of joint ventures and associates		(6.1)	0.2
Net profit/(loss) from continuing operations		**155.2**	**127.9**
Net profit/(loss) from discontinued or held-for-sale operations		**-**	**-**
NET PROFIT/(LOSS)		**155.2**	**127.9**
attributable to the Group:		154.8	127.4
Net profit/(loss) from continuing operations		*154.8*	*127.4*
Net profit/(loss) from discontinued or held-for-sale operations		-	-
attributable to non-controlling interests:		0.4	0.5
Net profit/(loss) from continuing operations		*0.4*	*0.5*
Net profit/(loss) from discontinued or held-for-sale operations		-	-
Weighted average number of shares outstanding *(in thousands)*		210,301	209,891
Basic earnings per share from continuing operations *(€)*	*7.4.2*	0.74	0.61
Diluted earnings per share from continuing operations *(€)*	*7.4.2*	0.74	0.61
Basic earnings per share from held-for-sale operations *(€)*		-	-
Diluted earnings per share from held-for-sale operations *(€)*		-	-

(1) Restated for first-time application of IFRS 16.

6.1.2 STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	Full year 2019	Full year 2018[1]
Consolidated net profit/(loss) for period	**155.2**	**127.9**
Items not reclassifiable to profit or loss		
Actuarial gains and losses on employee benefits[2]	(9.7)	(3.8)
Net change in fair value of equity instruments[3]	(26.5)	(7.4)
Net tax effect of equity items not reclassifiable to profit or loss	3.5	1.0
Share of non-reclassifiable income and expense of joint ventures and associates recognised in equity		
Items reclassifiable to profit or loss		
Remeasurement of hedging instruments[4]	(1.4)	6.6
Change in cumulative translation adjustment of controlled entities	0.8	0.6
Net tax effect of equity items reclassifiable to profit or loss	0.4	(2.3)
Share of reclassifiable income and expense of joint ventures and associates recognised in equity		
Income and expense recognised directly in equity	**(32.8)**	**(5.3)**
TOTAL RECOGNISED INCOME AND EXPENSE	**122.4**	**122.6**
attributable to the Group	*121.9*	*122.0*
attributable to non-controlling interests	*0.5*	*0.6*

(1) Restated for first-time application of IFRS 16.
(2) Reflects changes in actuarial assumptions, including a reduction in the discount rate from 2.10% as of 31 December 2018 to 0.92% as of 31 December 2019 (see Note 7.3.7.2).
(3) In 2019, negative net changes in the fair value of non-consolidated equity investments recognised in equity amounted to €26.5 million (see Note 7.3.6.2).
(4) Includes +€1.3 million relating to the reclassification of cash flow hedges to profit or loss during 2019, compared with -€7.8 million in 2018.

6.1.3 CONSOLIDATED CASH FLOW STATEMENT

(€m)	*Note*	Full year 2019	Full year 2018[(1)]
Net profit/(loss) from continuing operations (including non-controlling interests)		155.2	127.9
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions	*6.2.1*	283.0	279.5
Amortisation, impairment and other adjustments on right of use of leased assets		19.1	17.1
Net (gain)/loss on asset disposals		5.0	(1.3)
Share of (profits)/losses and dividends of joint ventures and associates		1.3	1.0
Other non-cash income and expenses	*6.2.2*	(43.7)	(44.4)
Income taxes paid		(85.3)	(67.3)
Income tax expense (including deferred taxes and liabilities on uncertain tax positions)		82.0	47.9
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		**416.6**	**360.4**
Cost of net debt/income from net surplus cash and interest expense on lease obligations		5.3	6.0
Change in operating working capital needs[(2)]	*6.2.3*	(32.3)	16.9
Net cash generated by/(used in) operating activities		**389.6**	**383.3**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(246.3)	(212.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		1.3	2.0
Cash outflows on acquisitions of financial assets		(0.7)	(2.4)
Cash inflows from disposals of financial assets		0.2	5.7
Effect of changes in scope of consolidation	*6.3.1*	(37.7)	(261.3)
Purchase price of investments in consolidated activities		*(51.3)*	*(326.4)*
Proceeds from disposals of consolidated activities		*0.5*	*1.5*
Net liabilities related to consolidated activities		*-*	*-*
Other cash effects of changes in scope of consolidation		*13.1*	*63.6*
Dividends received		0.1	0.1
Other cash flows from investing activities		(3.8)	(0.4)
Net cash generated by/(used in) investing activities		**(286.9)**	**(468.7)**
Cash received on exercise of stock options		3.5	0.4
Purchases and sales of treasury shares		(3.5)	-
Other transactions between shareholders		(19.8)	(182.0)
Dividends paid during the period	*7.4.4*	(84.0)	(73.5)
Cash inflows from new debt contracted		46.8	-
Repayments of borrowings		(31.1)	(22.0)
Repayments of lease obligations		(18.4)	(16.2)
Net interest paid		(4.9)	(6.0)
Net cash generated by/(used in) financing activities		**(111.4)**	**(299.3)**
Impact of exchange rate movements		**0.3**	**0.2**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**(8.4)**	**(384.5)**
Cash position at start of period		**111.0**	**495.5**
Change in cash position		(8.4)	(384.5)
Cash position at end of period		**102.6**	**111.0**

(1) Restated for first-time application of IFRS 16.
(2) Current assets minus current liabilities, excluding (i) taxes and (ii) current debt and financial instruments used to hedge debt, which are classified in financing activities.

6.1.4 CONSOLIDATED BALANCE SHEET

Assets *(€m)*	*Note*	At 31/12/2019	At 31/12/2018(1)
Goodwill	***7.3.1***	**845.2**	**817.1**
Intangible assets		**312.5**	**287.3**
Audiovisual rights	*7.1.1*	157.4	144.2
Other intangible assets	*7.3.2*	155.1	143.1
Property, plant and equipment	***7.3.3***	**206.2**	**191.5**
Right of use of leased assets	***7.3.4***	**93.8**	**98.2**
Investments in joint ventures and associates	***7.3.5***	**12.3**	**20.8**
Non-current financial assets	***7.3.6***	**37.3**	**40.5**
Non-current tax assets		**-**	**-**
Total non-current assets		**1,507.3**	**1,455.4**
Inventories		**521.4**	**520.9**
Programmes and broadcasting rights	*7.1.2*	508.2	505.8
Other inventories		13.2	15.1
Trade and other debtors	***7.2.1***	**1,205.0**	**1,141.9**
Current tax assets		**4.8**	**17.6**
Other current financial assets		**0.3**	**2.2**
Cash and cash equivalents	***7.5.1***	**105.3**	**117.3**
Total current assets		**1,836.8**	**1,799.9**
Assets of held-for-sale operations		**-**	**-**
TOTAL ASSETS		**3,344.1**	**3,255.3**
Net surplus cash/(net debt)		**(126.3)**	**(27.5)**

(1) Restated for first-time application of IFRS 16.

Shareholders' equity and liabilities *(€m)*	*Note*	At 31/12/2019	At 31/12/2018[(1)]
Share capital	*7.4.1*	42.0	42.0
Share premium and reserves		1,365.6	1,405.2
Net profit/(loss) for the period attributable to the Group		154.8	127.4
Shareholders' equity attributable to the Group		**1,562.4**	**1,574.6**
Non-controlling interests		1.7	0.6
Total shareholders' equity		**1,564.1**	**1,575.2**
Non-current debt	*7.5.1*	200.1	126.9
Non-current lease obligations	*7.5.3*	79.4	84.8
Non-current provisions	*7.3.7*	50.9	41.1
Non-current tax liabilities	*5.11*	47.1	43.7
Total non-current liabilities		**377.5**	**296.5**
Current debt	*7.5.1*	31.5	17.9
Current lease obligations	*7.5.3*	20.1	18.6
Trade and other creditors	*7.2.2*	1,335.9	1,326.9
Current provisions	*7.2.3*	14.8	20.2
Current tax liabilities		-	-
Other current financial liabilities		0.2	-
TOTAL CURRENT LIABILITIES		**1,402.5**	**1,383.6**
Liabilities of held-for-sale operations		-	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,344.1**	**3,255.3**

(1) Restated for first-time application of IFRS 16.

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

(€m)	Share capital	Share premium	Treasury shares	Reserves	Translation reserve	Income & expense recognised directly in equity	Shareholders’ equity attributable to the Group	Non-controlling interests	Consolidated shareholders’ equity
BALANCE AT 31/12/2017[1]	**42.0**	**16.4**	**-**	**1,545.5**	**-**	**(16.4)**	**1,587.5**	**(0.1)**	**1,587.4**
Impact of IFRS 16 on opening equity[2]		-	-	(0.8)	-	-	(0.8)	(1.9)	(2.7)
BALANCE AT 31/12/2017 – RESTATED	**42.0**	**16.4**	**-**	**1,544.7**	**-**	**(16.4)**	**1,586.7**	**(2.0)**	**1,584.7**
Capital increase (stock options exercised)		0.4	-	-	-	-	0.4	-	0.4
Share-based payment		-	-	4.3	-	-	4.3	-	4.3
Purchase of treasury shares		-	-	-	-	-	-	-	-
Cancellation of treasury shares		-	-	-	-	-	-	-	-
Dividends paid		-	-	(73.5)	-	-	(73.5)	-	(73.5)
Other transactions with shareholders		-	-	(67.9)	-	-	(67.9)	1.6	(66.3)
Total transactions with shareholders		**0.4**	**-**	**(137.1)**	**-**	**-**	**(136.7)**	**1.6**	**(135.1)**
Consolidated net profit/(loss) for period		**-**	**-**	**127.4**	**-**	**-**	**127.4**	**0.5**	**127.9**
Income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**(5.3)**	**(5.3)**		**(5.3)**
Other transactions (changes in scope of consolidation & other items)		-	-	2.5		-	2.5	0.5	3.0
BALANCE AT 31/12/2018 – RESTATED	**42.0**	**16.8**	**-**	**1,537.5**	**-**	**(21.7)**	**1,574.6**	**0.6**	**1,575.2**

(1) Restated for the impacts of IFRS 15 and IFRS 9, applied by the Group as of 1 January 2018.
(2) Impact of IFRS 16, applied by the Group as of 1 January 2019 with full retrospective effect (see Note 2.5.1).

(€m)	Share capital	Share premium	Treasury shares	Reserves	Translation reserve	Income & expense recognised directly in equity	Shareholders' equity attributable to the Group	Non-controlling interests	Consolidated shareholders' equity
BALANCE AT 31/12/2018 – RESTATED	**42.0**	**16.8**	**-**	**1,537.5**	**-**	**(21.7)**	**1,574.6**	**0.6**	**1,575.2**
Capital increase (stock options exercised)		3.4	-	-	-	-	3.5	-	3.5
Share-based payment		-	-	2.8	-	-	2.8	-	2.8
Purchase of treasury shares		-	-	-	-	-	-	-	-
Cancellation of treasury shares		-	-	(3.4)	-	-	(3.5)	-	(3.5)
Dividends paid		-	-	(84.0)	-	-	(84.0)	-	(84.0)
Other transactions with shareholders		-	-	(74.3)	-	-	(74.3)	0.7	(73.6)
Total transactions with shareholders		**3.4**	**-**	**(158.9)**	**-**	**-**	**(155.5)**	**0.7**	**(154.8)**
Consolidated net profit/(loss) for period		**-**	**-**	**154.8**	**-**	**-**	**154.8**	**0.4**	**155.2**
Income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**(32.8)**	**(32.8)**	**-**	**(32.8)**
Other transactions (changes in scope of consolidation & other items)		-	-	21.3		-	21.3		21.3
BALANCE AT 31/12/2019	**42.0**	**20.2**	**-**	**1,554.7**	**-**	**(54.5)**	**1,562.4**	**1.7**	**1,564.1**

Refer to Note 7-4, “Shareholders’ equity”, for an analysis of changes in shareholders’ equity.

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT EVENTS OF 2019

1.1 ACQUISITION OF THE DE MENSEN GROUP

On 28 February 2019, the Newen group finalised the acquisition of a 60% equity interest in the De Mensen group, a Belgian audiovisual producer, for €19.2 million. The De Mensen group is fully consolidated in the TF1 group consolidated financial statements with effect from 1 March 2019.

The vendors and the Newen group entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell, and the Newen group has an option to acquire, the residual 40% equity interest between 2022 and 2028.

As of the date control was obtained, the impact on net debt was €29 million, including the commitment to acquire the residual 40% equity interest and the net cash acquired.

Following the purchase price allocation, partial goodwill of €13.8 million was recognised.

See Note 3 ("Changes in scope of consolidation").

1.2 SALE OF TÉLESHOPPING'S DISTANCE SELLING BUSINESS AND STORES

On 11 April 2019, the TF1 group sold Téléshopping's distance selling business and stores to former Téléshopping CEO Jérôme Dillard, an independent entrepreneur and acknowledged specialist in telesales. The TF1 group committed to continue broadcasting teleshopping programmes on its channels for the next five years.

As a result of this transaction, the Téléshopping and Topshopping entities have been deconsolidated with effect from 1 April 2019.

1.3 ACQUISITION OF THE PREMIÈRE BOBINE (REEL ONE) GROUP

On 4 October 2019, Newen finalised the acquisition of a 51% equity interest in the Première Bobine (Reel One) group, a major Canadian distributor of drama operating in the North American and international markets, for €32.4 million. Reel One devises and markets programs for the biggest American and European channels, and for SVoD platforms.

The Première Bobine (Reel One) group is fully consolidated in the TF1 group consolidated financial statements with effect from 1 October 2019. Première Bobine Inc. owns a 25% equity interest in the production group Champlain, which is accounted for as an associate by the equity method in the TF1 group consolidated financial statements.

The vendors and the Newen group entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell, and the Newen group has an option to acquire, the residual 49% equity interest between 2022 and 2026.

As of the date control was obtained, the impact on net debt was €78.1 million, including the commitment to acquire the residual 49% equity interest and the net cash acquired.

Following the purchase price allocation, provisional partial goodwill of €14.3 million (CAD 21.8 million) was recognised.

See Note 3 ("Changes in scope of consolidation").

NOTE 2

ACCOUNTING PRINCIPLES AND POLICIES

Accounting policies

The financial statements have been prepared on a going concern basis.

Accounting policies are described in text boxes at the start of 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 31 December 2019 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 19 July 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 take account of recommendation no. 2016-01 on the presentation of financial statements, issued by the ANC (the French national accounting standard-setter) on 2 December 2016.

The consolidated financial statements are presented in millions of euros.

2.2 NEW AND AMENDED IFRS ACCOUNTING STANDARDS AND INTERPRETATIONS

In preparing its consolidated financial statements for the year ended 31 December 2019, 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 31 December 2018, plus the new standards applicable from 1 January 2019.

The principal new IFRS standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2019 are:

IFRS 16: Leases

On 13 January 2016, the IASB issued IFRS 16, "Leases", replacing IAS 17 and the associated IFRIC and SIC interpretations. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019. The TF1 group did not early adopt IFRS 16, and for first-time application elected the retrospective approach with presentation of a comparative period.

The impacts of applying IFRS 16 on the balance sheet as of 31 December 2017, the interim periods of 2018 and the year ended 31 December 2018 are presented in Note 2-6.

IFRIC 23: Uncertainty Over Income Tax Treatments

On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, clarifying the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. The Group did not elect early adoption of IFRIC 23, and reviewed the potential consequences of applying it. IFRIC 23 was endorsed by the European Union on 23 October 2018 and is applicable from 1 January 2019.

The impacts of applying IFRIC 23 on the consolidated financial statements for the year ended 31 December 2018 are not material.

2.3 CHANGES IN ACCOUNTING POLICY

The TF1 group did not make any changes in accounting policy in 2019 other than those described in Note 2-2 above.

2.4 EXERCISE OF JUDGEMENT 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 those 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 (see Note 7.3.1); audiovisual rights and broadcasting rights (see Note 7-1); revenue recognition (see Note 5-1); deferred taxes, especially where there is a history of tax losses over a number of years (see Note 5-11); provisions, including for litigation and claims (see Notes 7.2.3 and 7.3.7); leases (lease terms and incremental borrowing rates, see Note 7.5.3); and retirement benefit obligations (see Note 7.3.7).

2.5 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 16 ON THE OPENING BALANCE SHEET AND INCOME STATEMENT

This note presents the effects of the first-time application of IFRS 16 on the TF1 group's consolidated financial statements, and on key performance indicators for 2018.

IFRS 16 replaces IAS 17, along with the associated IFRIC and SIC interpretations, and for lessees ends the distinction previously made between operating leases and finance leases.

The TF1 group elected to apply the practical expedients permitted by IFRS 16 to exclude leases with a term of less than twelve months, and leases relating to assets with a value of less than €5,000. The Group also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

TF1 elected not to apply the option permitted by IFRS 16 of applying the standard to leases of intangible assets.

The impacts on the balance sheets as of 31 December 2017 (restated for IFRS 15 and IFRS 9) and 2018, and for the interim periods of 2018, are presented below; they relate mainly to the recognition of a right-of-use asset and a lease obligation in respect of property leases.

The lease term used is the non-cancellable period of the lease, plus any extension options that the Group is reasonably certain to exercise. In the case of property leases in France, the lease term is generally nine years.

IFRS 16 has the effect of reducing consolidated shareholders' equity as of 31 December 2017 by €2.7 million, net of deferred taxes.

2.5.1 Impacts on the income statement and balance sheet

Income statement *(€m)*	FY 2017	Q1 2018	H1 2018	9m 2018	FY 2018
External expenses (restatement of lease expense)		4.5	9.4	14.8	20.1
Net amortisation expense on right of use of leased assets		(3.8)	(7.9)	(12.5)	(17.1)
Current operating profit - impacts of IFRS 16	**-**	**0.7**	**1.5**	**2.3**	**3.0**
Interest expense on lease obligations		(1.0)	(2.0)	(3.0)	(4.0)
Cost of net debt - impacts of IFRS 16	**-**	**(1.0)**	**(2.0)**	**(3.0)**	**(4.0)**
Deferred taxes		0.1	0.2	0.2	0.3
Net profit - impacts of IFRS 16	**-**	**(0.2)**	**(0.3)**	**(0.5)**	**(0.7)**

Assets *(€m)*	31/12/2017	31/03/2018	30/06/2018	30/09/2018	31/12/2018
Right of use of leased assets (gross)	142.8	142.9	152.3	152.3	158.4
Right of use of leased assets (amortisation)	(39.9)	(43.7)	(51.0)	(55.4)	(60.2)
Non-current assets - impacts of IFRS 16	**102.9**	**99.2**	**101.3**	**96.9**	**98.2**
TOTAL ASSETS - IMPACTS OF IFRS 16	**102.9**	**99.2**	**101.3**	**96.9**	**98.2**

Liabilities and equity *(€m)*	31/12/2017	31/03/2018	30/06/2018	30/09/2018	31/12/2018
Consolidation reserves	(2.7)	(2.7)	(2.8)	(2.8)	(2.8)
Net profit for the period		(0.2)	(0.3)	(0.5)	(0.6)
Shareholders' equity - impacts of IFRS 16	**(2.7)**	**(2.9)**	**(3.1)**	**(3.3)**	**(3.4)**
Non-current lease obligations	92.6	88.9	88.9	84.7	84.8
Deferred tax liabilities	(1.4)	(1.5)	(1.7)	(1.7)	(1.7)
Non-current liabilities - impacts of IFRS 16	**91.2**	**87.4**	**87.2**	**83.0**	**83.1**
Current lease obligations	14.4	14.7	17.1	17.2	18.6
Current liabilities - impacts of IFRS 16	**14.4**	**14.7**	**17.1**	**17.2**	**18.6**
TOTAL LIABILITIES & EQUITY - IMPACTS OF IFRS 16	**102.9**	**99.2**	**101.2**	**96.9**	**98.2**

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.

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, subject to the exceptions specified in IFRS 3 (such as deferred taxes).

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. For each business combination, the Group can elect to account for non-controlling interests:

- **at fair value (full goodwill method); or**
- **at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets (partial goodwill method), with the difference treated as an adjustment to the goodwill arising on the acquisition.**

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 or in other comprehensive income. 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.

The method used to take account of IFRS 16 in impairment testing is an accepted transitional method, and may change in 2020 depending on market practice.

In the event of a partial sale of the component operations of a CGU, 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 13 hierarchy of valuation methods, see Note 7.3.6) 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 31 December 2019 include the financial statements of the companies listed in Note 9-5.

3.1 SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION IN 2019

Acquisition of control over the De Mensen group

On 28 February 2019, the Newen group finalised the acquisition of a 60% equity interest in the De Mensen group, a Belgian audiovisual producer. The De Mensen group is fully consolidated in the TF1 group consolidated financial statements with effect from 1 March 2019.

The newly-acquired companies are included in the Studios and Entertainment operating segment for financial reporting purposes.

The vendors and the Newen group entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell, and the Newen group has an option to acquire, the residual 40% equity interest between 2022 and 2028. The fair value of those commitments was determined on the basis of the company's acquisition business plan and recognised as a financial liability, with a corresponding amount deducted from shareholders' equity.

The acquisition generated partial goodwill measured at €13.8 million following a purchase price allocation conducted with assistance from an independent expert. The main assets remeasured in connection with the acquisition were order books (see Note 7-1-1), and the associated deferred taxes (see Note 5.11.2).

Sale of Téléshopping's distance selling business and stores

On 30 January 2019, the TF1 group announced that it had entered into exclusive negotiations to sell Téléshopping's distance selling business and stores to former Téléshopping CEO Jérôme Dillard, an independent entrepreneur and acknowledged specialist in telesales. The TF1 group committed to continue broadcasting teleshopping programmes on its channels for the next five years. The sale agreement was signed on 15 March 2019, and the sale was completed on 11 April 2019.

As a result, the Téléshopping and Topshopping entities have been deconsolidated with effect from 1 April 2019. The divested sub-group contributed revenue of €20.2 million and net profit of approximately €1 million to the TF1 group in the three months ended 31 March 2019. The impact of the divestment on the TF1 group financial statements is immaterial.

Acquisition of control over the Première Bobine (Reel One) group

On 4 October 2019, Newen finalised the acquisition of a 51% equity interest in the Première Bobine (Reel One) group, a major Canadian distributor of drama operating in the North American and international markets. Reel One devises and markets programs for the biggest American and European channels, and for SVoD platforms.

Première Bobine Inc. owns a 25% equity interest in the production group Champlain, which is accounted for as an associate by the equity method in the TF1 group consolidated financial statements.

The newly-acquired companies are included in the Studios and Entertainment operating segment for financial reporting purposes.

The vendors and the Newen group entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell, and the Newen group has an option to acquire, the residual 49% equity interest between 2022 and 2026. The fair value of those commitments was determined on the basis of the company's acquisition business plan and recognised as a financial liability, with a corresponding amount deducted from shareholders' equity.

The acquisition generated partial goodwill provisionally measured at €14.3 million (CAD 21.8 million) following a purchase price allocation conducted with assistance from an independent expert. The main assets remeasured in connection with the acquisition were order books and customer relationships (see Note 7.3.2), and the associated deferred taxes (see Note 5.11.2).

3.2 SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION IN 2018

Acquisition of control over the Aufeminin group

Having obtained the necessary clearances from the relevant authorities, the TF1 group obtained exclusive control over the Aufeminin group on 27 April 2018 by acquiring 78.07% of its capital and 77.94% of its voting rights. The Aufeminin group was fully consolidated in the TF1 group financial statements with effect from 30 April 2018 based on a 78.74% equity interest (including a commitment by the Group to buy out a further 0.67% interest).

The acquisition was made at a price of €39.47 per share, giving a total purchase consideration of €294.1 million.

The TF1 group then continued its policy of increasing its stake in the Aufeminin group, firstly through a public tender offer launched on 14 June 2018 and completed on 4 July 2018, and secondly through a squeeze-out procedure launched on 19 October 2018 and completed on 1 November 2018, giving TF1 a 100% interest as of that date.

With effect from 31 December 2018, the Aufeminin group is consolidated by TF1 on the basis of a 100% equity interest.

The acquisition generated partial goodwill measured at €204.9 million, following a purchase price allocation conducted with assistance from an independent expert. The main assets remeasured in connection with the acquisition were brands and customer relationships (see Note 7.3.2), and the associated deferred taxes (see Note 5.11.2).

The total amount of acquisition-related costs recognised for this transaction in 2017 and 2018 was approximately €5 million.

Following the acquisition of the Aufeminin group, the TF1 group changed its segmental reporting structure, and since 30 June 2018 has reported a new "Digital" operating segment (Unify); see Note 4, "Segment information".

Acquisition of control over the Gamned! group

On 9 November 2018, the TF1 group obtained control of the online advertising sales house Gamned! by acquiring 60% of its capital and voting rights.

The entities of the Gamned! group are fully consolidated with effect from 1 November 2018, within the Digital segment. The acquisition generated partial goodwill provisionally measured at €9.9 million, following a purchase price allocation conducted with assistance from an independent expert.

The acquisition was accompanied by the signature of a shareholder agreement giving the non-controlling shareholders an option to sell their 40% equity interest to TF1 in three stages between 2019 and 2022. The fair value of those commitments was determined on the basis of the company's acquisition business plan and recognised as a financial liability, with a corresponding amount deducted from shareholders' equity.

Acquisition of control over Doctissimo

On 10 October 2018, the TF1 group obtained control over Doctissimo, which operates and monetises a health and wellness site, by acquiring 100% of its capital and voting rights. Doctissimo is fully consolidated with effect from 1 October 2018, within the Digital segment.

This transaction generated partial goodwill provisionally measured at €9.1 million following a purchase price allocation conducted with assistance from an independent expert, plus the recognition of a non-depreciable brand and the associated deferred taxes.

Acquisition of control over the Pupkin group

On 10 July 2018, the Newen group obtained control of the Dutch group Pupkin (a drama producer) by acquiring 60% of its capital and voting rights.

The entities of the Pupkin group are fully consolidated with effect from 1 July 2018 within the Studios and Entertainment segment. The acquisition generated partial goodwill measured at €2.7 million, following a purchase price allocation conducted with assistance from an independent expert.

The acquisition was accompanied by the signature of a shareholder agreement giving the non-controlling shareholders an option to sell their 40% equity interest to Newen between 2021 and 2024. The fair value of those commitments was determined on the basis of the company's acquisition business plan and recognised as a financial liability, with a corresponding amount deducted from shareholders' equity.

Acquisition of control over Studio71 France

At the start of 2018, the TF1 group acquired exclusive control over Studio71 France, giving the Group a 51% equity interest. Studio71 France is therefore fully consolidated in the TF1 consolidated financial statements with effect from 1 January 2018, and has been reclassified to the new Digital segment.

This transaction generated goodwill definitively measured at €8.2 million.

NOTE 4

SEGMENT INFORMATION

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of (i) the products and services sold and (ii) the end customer. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operating decision-maker to monitor performance. The operating segments reported by the Group are those reviewed by the chief operating decision-maker.

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.

Following the acquisition of the Aufeminin group as part of the TF1 group's digital investment strategy, the TF1 group's operations are with effect from 1 April 2018 split into three operating segments:

Broadcasting

The Broadcasting segment includes all of the Group's TV channels and websites. Revenues from those activities are generated by selling advertising airtime and by fees collected from cable, satellite and ADSL operators.

This segment also includes activities that generate non-advertising revenue derived directly from programmes broadcast on the Group's platforms (such as interactivity between viewers and programmes), and subsidiaries involved in production and audiovisual rights acquisition on behalf of the Group's TV channels (in accordance with French broadcasting regulations) and websites.

Studios and Entertainment

This segment consists of two sub-segments:

- Content subsidiaries whose activities are primarily focused on producing, acquiring, developing and commercialising audiovisual or music rights, licences and brands for exploitation independently of the Group's broadcasting operations. Revenue is derived from fees for the sale of broadcasting rights and all other exploitation rights in France or internationally, including physical and online video sales.

  Although these activities (carried on by TF1 Studios, Newen Studios and TF1 Entertainment) are situated at different points along the value chain, they share the same business models and operate in markets that are ever more closely integrated.

  More specifically, TF1 Studios and Newen Studios exploit complementary types of audiovisual rights which both entities sell into the market of French and European TV and video rights distributors.

  Consequently, TF1 management considers it relevant to monitor their financial performance collectively.

- The Home Shopping business, including online and in-store sales, is also included in this segment given its relatively small contribution at TF1 group level. As mentioned in Note 1, "Significant events of 2019", the distance selling and stores businesses of the Téléshopping unit were divested in the second quarter of 2019.

Digital

The Digital segment comprises (i) content publishing and special-interest web communities; monetisation of the digital audiences generated; and physical goods and services aimed at those audiences such as gift boxes, magazines and live events, and (ii) digital agency and marketing activities.

Content creation also includes buying audiences via special-interest online content and brand development; developing and running special-interest online communities; and developing and showcasing talent via multi-channel networks (MCNs). Monetisation is achieved by selling digital advertising space through stand-alone space-buying contracts and programmatic marketing auctions, and by selling gift boxes, magazines and live events with sponsorship from advertisers.

In parallel, digital agency and marketing activities combine all services for digital advertisers including advertising agency services, audience development and targeting through e-commerce sites and social networks, and affiliation services.

The existing TF1 businesses reclassified to the Digital segment in the second quarter of 2018 were TF1 Digital Factory, Studio71 France and Vertical Station (formerly MinuteBuzz), previously part of the Broadcasting segment; and Neweb, previously part of the Studios and Entertainment segment. Goodwill allocated to those reclassified activities was reallocated to the Digital segment in the second quarter of 2018. The reallocated goodwill was determined on the basis of the relative value of each reclassified business or, for recent acquisitions, of the initial value of goodwill. The relative values used correspond to the recoverable amount.

Because the impact of those reclassifications on segmental data for the first quarter of 2018 is immaterial, the change in segmental reporting presentation for the entities concerned has been applied prospectively from 31 March 2018.

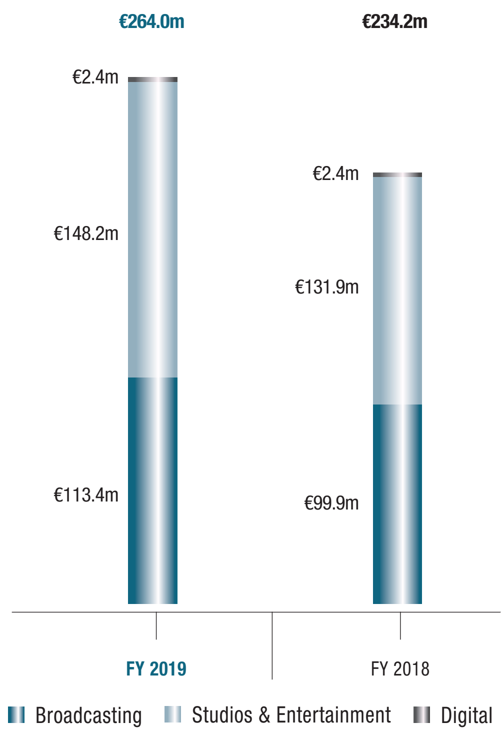
4.1 INFORMATION BY OPERATING SEGMENT

Segmental income statement *(€m)*	Broadcasting		Studios and Entertainment		Digital		Total TF1 group	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Segment revenue	1,806.4	1,789.6	398.4	424.2	174.2	116.1	2,379.0	2,329.9
Elimination of inter-segment transactions	(32.2)	(25.9)	(8.4)	(15.6)	(1.1)	(0.1)	(41.7)	(41.6)
GROUP REVENUE CONTRIBUTION	**1,774.2**	**1,763.7**	**390.0**	**408.6**	**173.1**	**116.0**	**2,337.3**	**2,288.3**
of which Advertising revenue	*1,567.4*	*1,588.2*	-	*2.4*	*90.6*	*71.6*	*1,658.0*	*1,662.2*
of which Other revenue	*206.8*	*175.5*	*390.0*	*406.2*	*82.5*	*44.4*	*679.3*	*626.1*
CURRENT OPERATING PROFIT/(LOSS)*	**185.5**	**151.0**	**57.9**	**35.5**	**11.7**	**12.3**	**255.1**	**198.8**
% operating margin on Group contribution	10.5%	8.6%	14.8%	8.7%	6.8%	10.6%	10.9%	8.7%
Share of profits/(losses) of joint ventures and associates	(0.3)	0.5	(0.1)	(0.1)	(5.7)	(0.2)	(6.1)	0.2
Net profit/(loss) from discontinued or held-for-sale operations	-	-	-	-	-	-	-	-
BALANCE SHEET ITEMS								
Segmental non-current assets	716.2	705.3	306.5	252.1	341.2	338.5	1,363.9	1,295.9
Segmental liabilities	55.0	51.2	7.9	8.9	2.8	1.2	65.7	61.3
Investments in joint ventures and associates	11.4	10.3	0.9	0.9	-	9.6	12.3	20.8
Capital expenditure	113.4	99.9	148.2	131.9	2.4	2.4	264.0	234.2

* *2018 current operating profit is restated for first-time application of IFRS 16.*

SEGMENTAL ASSETS AND LIABILITIES

CAPITAL EXPENDITURE

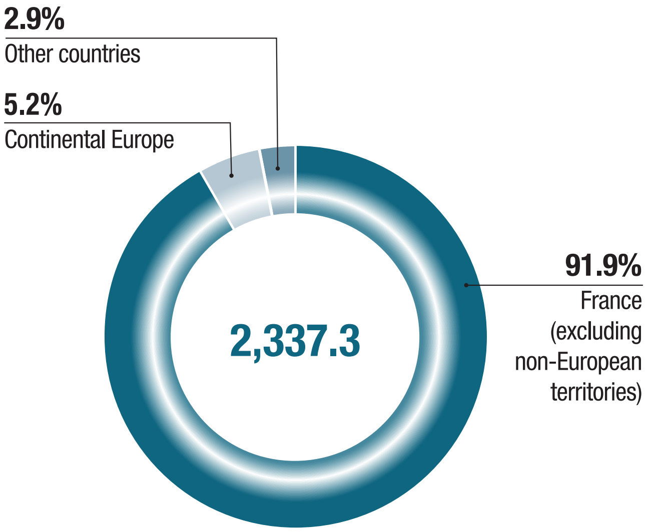


Segmental assets include audiovisual rights, other intangible assets, goodwill, and property, plant and equipment (excluding right of use of leased assets).

Segmental liabilities include current and non-current provisions.

4.2 INFORMATION BY GEOGRAPHICAL SEGMENT

Revenue is generated mainly in France (excluding non-European territories), as shown in the graphic below; there was no significant year-on-year change in the geographical split of sales.



	Revenue	
(€m)	**2019**	**2018**
France (excluding non-European territories)	2,147.4	2,156.1
Continental Europe	121.5	96.5
Other countries	68.4	35.7
TOTAL	**2,337.3**	**2,288.3**

France accounts for the vast majority of the Group's assets and capital expenditure; the amounts for other geographical segments are immaterial.

NOTE 5 NOTES TO THE INCOME STATEMENT

5.1 REVENUE

Accounting policy

TF1 recognises revenue either when the performance obligation is satisfied or when the customer obtains control over the good or service sold. Control is defined as the ability to direct the use of, and obtain substantially all of the remaining benefits from, an asset.

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

Broadcasting segment

- **Advertising revenue: Sales of advertising airtime are recognised on transmission of the related advertisement.**
  - **TF1 group channels: Advertising airtime sold by the Group's channels is measured either individually (spot by spot) or on a more aggregated basis according to campaign audience objectives (guaranteed GRP sales), applying the Group's general terms and conditions of sale and the specific terms applicable to each advertiser.**
    Where the Group uses third-party advertising sales houses to sell advertising airtime but retains control over that airtime (as is the case in Switzerland and Belgium), it regards itself as acting as principal; the amount recognised in consolidated revenue is the gross sales revenue before deducting commission charged by the third party.
  - **Third-party media: Where the TF1 group sells advertising airtime on media owned by third parties, it is acting as a commercial agent for that airtime, and therefore recognises only its commission as revenue.**
- **Other revenue:**
  - **Theme channel distribution revenue: 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.**
  - **Free-to-air channel distribution revenue: "TF1 Premium" (an offer which includes access to the signal for the TF1 group's free-to-air channels plus a range of add-on services and content such as enhanced catch-up, start-over and bonus channels) is sold and billed to TV and telecoms operators by the Group. The operators invoice fees to TF1 for transmission of the content and services. TF1 regards itself as acting as agent in the provision of this transmission service, and recognises the revenue net of transmission fees.**
  - **Other sources of revenue: These include interactivity revenue, which arises when viewers play or vote during shows broadcast on TF1 group channels. The revenue collected is recognised gross in real time as and when calls are received; commission charged by telecoms operators is recognised as an expense, on the basis that the Group retains control over the programming of its interactive slots.**

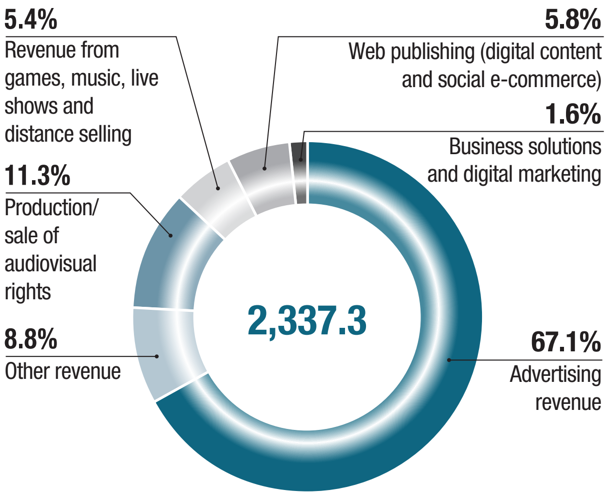
Studios and Entertainment segment

- **Production and sale of audiovisual rights: Sales of audiovisual rights (whether acquired or produced in-house) are recognised on the date when the rights are opened.**
  The TF1 group uses internet service providers (ISPs) to make its video on demand (VoD) services available. VoD revenue is recognised net of commission charged by ISPs, based on statements supplied by each ISP.
  Revenue from physical sales of DVDs is recognised when the end customer makes a purchase, at the price at which the product is sold to the retailer or distributor.
- **Distance selling, games, music and live shows: Revenue from sales of merchandise and products by the Group's publishing and distribution activities is recognised on the date of delivery to the customer and reported net of (i) provisions for expected goods returns and (ii) paybacks made under certain distribution contracts.**
  Other revenue also includes sales-based royalties invoiced under licence agreements.

Digital segment

- **Advertising revenue: Content on the segment's websites generates audiences, which are monetised with advertisers. Sales of advertising airtime are recognised when the relevant page and/or advertising banner has been viewed. Where the TF1 group uses a third-party advertising sales house or a third-party programmatic advertising auction platform and the third party deducts a commission before remitting the balance to the Group, the revenue is recognised net of the commission charged by the third party.**
- **Social e-commerce: The TF1 group has also developed physical offers targeted at web communities, such as gift boxes, magazines and events. Revenue on sales of those physical offers is recognised on the date of delivery to the customer.**
- **Agency and digital marketing revenue: Revenue from these activities is presented net of media buying and other costs incurred directly on behalf of the customer to whom the service is provided.**

An analysis of revenue is provided below:



(€m)	2019	2018	Chg *(€m)*	Chg *(%)*
Advertising revenue	1,567.4	1,588.2	(20.8)	-1%
Other revenue	206.8	175.5	31.3	18%
Broadcasting	**1,774.2**	**1,763.7**	**10.5**	**1%**
Production/sale of audiovisual rights	263.2	253.0	10.2	4%
Revenue from games, music, live shows and distance selling	126.8	155.6	(28.8)	-19%
Studios and Entertainment	**390.0**	**408.6**	**(18.6)**	**-5%**
Web publishing (digital content and social e-commerce)	135.8	96.4	39.4	41%
Business solutions and digital marketing	37.3	19.6	17.7	90%
Digital	**173.1**	**116.0**	**57.1**	**49%**
Total revenue	**2,337.3**	**2,288.3**	**49.0**	**2%**

The year-on-year movements for 2019 in Studios and Entertainment and Digital are mainly due to changes in the scope of consolidation during the year.

The order book for audiovisual production activities stood at €143.4 million as of 31 December 2019, compared with €55.7 million as of 31 December 2018.

5.2 PURCHASES CONSUMED AND CHANGES IN INVENTORY

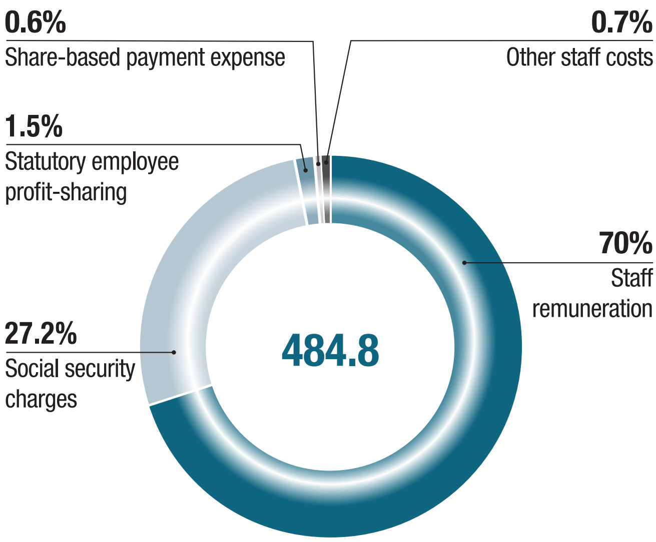
This item breaks down as follows:

(€m)	2019	2018
External production consumed*	(696.0)	(671.7)
Purchases of services	(194.5)	(203.5)
Purchases of goods	(31.3)	(39.6)
Other purchases	(31.8)	(42.9)
Purchases consumed and changes in inventory	**(953.6)**	**(957.7)**

* *"External production consumed" relates mainly to programmes acquired from third parties and broadcast by TF1, TMC, TFX and TF1 Séries Films, and by the theme channels TV Breizh, Histoire and Ushuaïa TV.*

5.3 STAFF COSTS

Staff costs break down as follows:



(€m)	2019	2018
Staff remuneration	(339.3)	(321.1)
Social security charges	(132.0)	(131.0)
Statutory employee profit-sharing	(7.4)	(11.6)
Share-based payment expense	(2.8)	(5.7)
Other staff costs	(3.3)	(1.3)
Staff costs	**(484.8)**	**(470.7)**

Defined-contribution pension plan expenses are included in "Social security charges", and totalled €25.2 million in 2019 (2018: €26 million).

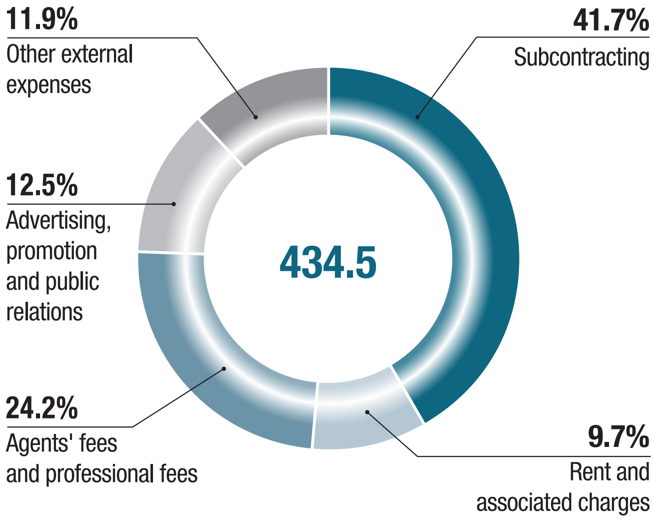
Expenses relating to retirement benefits under the collective agreements applicable to TF1 group companies are recognised as part of the net change in non-current provisions (see Note 7.3.7). Retirement benefits paid during the period are recorded in "Staff remuneration".

Expenses calculated in accordance with IFRS 2 in respect of stock option plans and performance share plans awarded by the parent company (TF1 SA) are classified as equity-settled share-based payment transactions (see Note 7.4.5).

Expenses calculated in accordance with IFRS 2 in respect of stock option plans and performance share plans awarded by other Group companies are classified as cash-settled share-based payment transactions, and recognised in "Staff remuneration".

5.4 EXTERNAL EXPENSES

External expenses break down as follows:

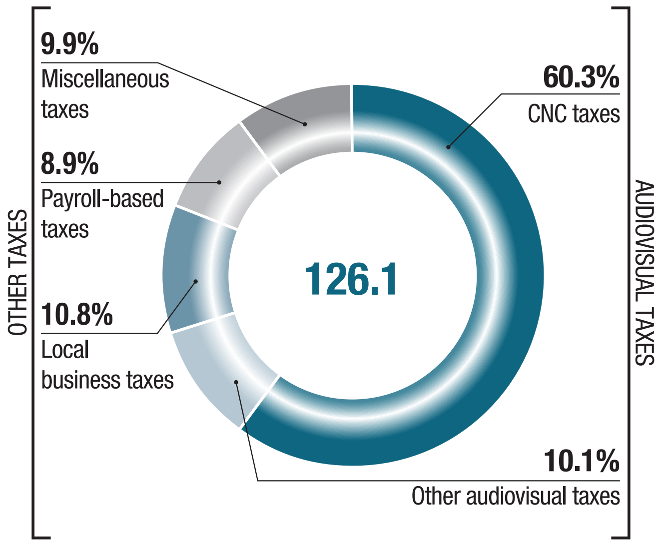


(€m)	2019	2018*
Subcontracting	(181.0)	(150.4)
Rent and associated charges	(42.0)	(41.6)
Agents' fees and professional fees	(105.2)	(108.6)
Advertising, promotion and public relations	(54.3)	(49.4)
Other external expenses	(52.0)	(46.3)
External expenses	**(434.5)**	**(396.3)**

* *Restated for IFRS 16.*

5.5 TAXES OTHER THAN INCOME TAXES

Taxes other than income taxes break down as follows:



(€m)	2019	2018
Audiovisual taxes	**(88.7)**	**(91.7)**
■ National Centre for Cinematography (CNC) taxes	(76.0)	(77.7)
■ Other audiovisual taxes	(12.7)	(14.0)
Other taxes	**(37.4)**	**(41.0)**
■ Local business taxes	(13.6)	(13.6)
■ Payroll-based taxes	(11.2)	(13.8)
■ Miscellaneous taxes	(12.6)	(13.6)
Taxes other than income taxes	**(126.1)**	**(132.7)**

5.6 OTHER CURRENT OPERATING INCOME AND EXPENSES

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

(€m)	2019	2018
In-house production capitalised, and cost transfers*	180.0	146.6
Reversals of unused provisions	14.2	8.9
Operating grants	13.2	9.7
Investment grants	24.1	27.6
Foreign exchange gains	9.5	5.8
Other income *(including proceeds from divestments of consolidated entities and audiovisual tax credit)*	50.9	54.9
Other current operating income	**291.9**	**253.5**
Royalties and paybacks to rights-holders	(96.8)	(101.3)
Bad debts written off	(1.5)	(1.8)
Foreign exchange losses	(5.3)	(10.4)
Other expenses *(including carrying amount of divested consolidated entities)*	(15.5)	(16.1)
Other current operating expenses	**(119.1)**	**(129.6)**

* *The movement in "In-house production capitalised, and cost transfers" is mainly due to increased activity levels following the acquisition of control over the De Mensen group.*

5.7 NON-CURRENT OPERATING INCOME AND EXPENSES

Accounting policy

These line items contain a limited number of income and expense items, which are unusual 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 operating performance.

The non-current operating expenses of €22.0 million reported in the 2018 income statement represent amortisation charged against rights remeasured at fair value as part of the Newen Studios purchase price allocation. As of 31 December 2018, those rights had been amortised in full.

5.8 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 currency hedges;**
- **expenses arising from the use of fair value accounting for financial assets and financial liabilities (such as changes in the fair value of the ineffective portion of currency derivatives, and in the fair value of cash equivalents and of 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 currency 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 the ineffective portion of currency derivatives, and in the fair value of cash equivalents and of 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)	2019	2018
Interest income	0.1	0.1
Income and revenues from financial assets	0.6	0.1
Income associated with net debt	**0.7**	**0.2**
Interest expense on debt	(2.5)	(2.2)
Change in fair value of interest rate derivatives	0.2	-
Expenses associated with net debt	**(2.3)**	**(2.2)**
Cost of net debt	**(1.6)**	**(2.0)**

5.9 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses break down as follows:

(€m)	2019	2018
Dividend income	0.1	0.1
Gains on financial assets[1]	0.3	5.8
Gains arising from changes in value of forward currency purchase/sale contracts	-	0.1
Gains arising from the effect of discounting assets and liabilities	-	-
Other income	1.0	1.0
Other financial income	**1.4**	**7.0**
Losses on financial assets	(0.2)	(0.2)
Losses arising from changes in value of forward currency purchase/sale contracts	(0.2)	(0.1)
Losses arising from the effect of discounting assets and liabilities	(5.2)	(1.8)
Miscellaneous expenses[2]	(2.3)	(0.1)
Other financial expenses	**(7.9)**	**(2.2)**

(1) The gains recognised in 2018 relate mainly to the divestment of the equity interest in Teads.
(2) "Miscellaneous expenses" primarily comprise foreign exchange losses on financial instruments.

5.10 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 – FY 2019	Financial – FY 2018	Operating – FY 2019	Operating – FY 2018
Net income/(expense) on loans and receivables at amortised cost	0.3	0.2	(6.8)	(11.2)
Net income/(expense) on financial assets at fair value through profit or loss	0.1	5.6	-	-
Net income/(expense) on financial liabilities at amortised cost	(8.6)	(4.0)	-	-
Net income/(expense) on derivatives	0.1	0.1	(0.5)	2.2
Other income/(expense), net	-	0.9	-	0.1
Net income and expense on financial assets and financial liabilities	**(8.1)**	**2.8**	**(7.3)**	**(8.9)**

5.11 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.

5.11.1 Current and deferred taxes

5.11.1.1 Income statement

(€m)	2019	2018*
Current taxes	(80.2)	(63.4)
Deferred taxes	(1.8)	15.5
Income tax expense	**(82.0)**	**(47.9)**

* *Restated for first-time application of IFRS 16.*

In line with the 2020 Finance Act as voted in by the French National Assembly in December 2019, temporary differences for the Group's French entities have been calculated using a gradually reducing tax rate.

The rates used range from 32.02% (for temporary differences reversing before 31 December 2020) to 25.83% (for temporary differences reversing after 31 December 2021).

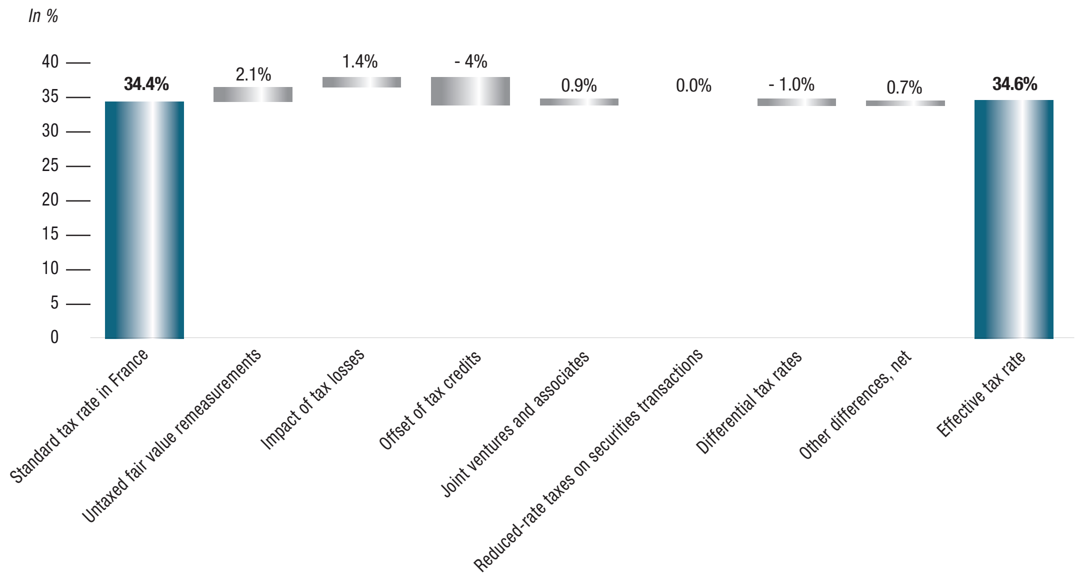
5.11.1.2 Tax proof

(€m)	2019	2018*
Net profit attributable to the Group	**154.8**	**127.9**
Income tax expense	82.0	47.9
Non-controlling interests	0.4	0.6
Net profit from continuing operations before tax and non-controlling interests	**237.2**	**176.4**

* *Restated for first-time application of IFRS 16.*

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

TAX PROOF: 2019



Tax proof 2018	**34.4%**	**1.6%**	**(1.1%)**	**(6.2%)**	**0.0%**	**(1.4%)**	**(1.0%)**	**0.8%**	**27.2%**

5.11.2 Deferred tax assets and liabilities

5.11.2.1 Change in net deferred tax position

(€m)	2019	2018[1]
Net deferred tax asset/(liability) at 1 January	**(43.7)**	**(38.1)**
Recognised in equity	3.9	(1.3)
Recognised in profit or loss	(1.8)	15.5
Changes in scope of consolidation and other items[2]	(5.5)	(19.8)
Net deferred tax asset/(liability) at 31 December	**(47.1)**	**(43.7)**

(1) Restated for first-time application of IFRS 16

(2) In 2019, the movement was mainly attributable to the fair value remeasurement of customer relationships and order books as part of the purchase price allocations conducted on the acquisitions of De Mensen, Première Bobine (Reel One) and Gamned!, and to the divestment of Téléshopping. In 2018, the movement was mainly attributable to the first-time consolidation of the Aufeminin group, and includes deferred taxes on the fair value remeasurement of brands and customer relationships as part of the purchase price allocation.

5.11.2.2 Principal sources of deferred taxation

The principal sources of deferred taxation are as follows:

(€m)	2019	2018*
Provisions		
Provisions for programmes	0.9	0.6
Provisions for retirement benefit obligations	12.2	10.1
Provisions for impairment of audiovisual rights		0.6
Provisions for trade debtors	0.6	0.5
Other provisions	4.5	6.8
Employee profit-sharing	2.3	2.2
Tax losses available for carry-forward	1.0	3.7
Other deferred tax assets	4.1	9.1
Offset of deferred tax assets and liabilities	(25.6)	(33.6)
Deferred tax assets	**-**	**-**
Accelerated tax depreciation	(27.9)	(32.1)
Depreciation of head office building	(6.0)	(6.5)
Remeasurement of assets	(36.7)	(34.3)
Other deferred tax liabilities	(2.1)	(4.4)
Offset of deferred tax assets and liabilities	25.6	33.6
Deferred tax liabilities	**(47.1)**	**(43.7)**
Net deferred tax asset/(liability) at 31 December	**(47.1)**	**(43.7)**

* *Restated for first-time application of IFRS 16.*

Unrecognised deferred tax assets totalled €12.6 million (versus €12.8 million as of 31 December 2018), and comprised tax losses the recovery of which is not sufficiently probable to justify recognition.

5.11.2.3 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	**13.4**	**-**	**12.2**	**(25.6)**	**-**

Deferred tax assets recoverable after more than five years relate to timing differences in the recording of provisions for retirement benefit obligations.

NOTE 6

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

6.1 DEFINITION OF CASH POSITION

The TF1 group's net cash position comprises:

- cash and cash equivalents, comprising cash in hand, instant access deposits, cash equivalents, overdrafts and short-term bank loans, and current account credit balances;
- debt, comprising non-current and current financial liabilities;
- financial assets contractually allocated to the repayment of debt.

Net surplus cash (or net debt) as reported by the TF1 group excludes non-current and current lease obligations,

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)	2019	2018
Cash and cash equivalents in the balance sheet	105.3	117.3
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	(0.2)
Bank overdrafts and short-term bank loans	(2.7)	(6.1)
Closing cash position per the cash flow statement	**102.6**	**111.0**

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)	2019	2018
Intangible assets*	265.2	263.1
Property, plant and equipment	17.7	16.2
Right of use	19.1	17.1
Financial assets	-	-
Non-current provisions	0.1	0.2
TOTAL DEPRECIATION, AMORTISATION, PROVISIONS & IMPAIRMENT, NET	**302.1**	**296.6**

* *Includes amortisation, provisions and impairment on audiovisual rights (Note 7.1.1) and intangible assets (Note 7.3.2).*

6.2.2 Other non-cash income and expenses

Other non-cash income and expenses comprise the following items:

(€m)	2019	2018
Effect of fair value remeasurement	6.9	0.7
Share-based payment	2.8	5.7
Dividend income from non-consolidated entities	(0.1)	(0.1)
Grants released to profit or loss	(53.3)	(50.7)
TOTAL OTHER NON-CASH INCOME AND EXPENSES	**(43.7)**	**(44.4)**

6.2.3 Change in operating working capital needs

The change in operating working capital needs breaks down as follows:

(€m)	2019	2018
Increase/(decrease) in net inventories	3.6	(98.9)
Increase/(decrease) in trade and other debtors	20.4	(69.9)
Decrease/(increase) in trade and other creditors	49.4	159.4
Decrease/(increase) in other liabilities	(41.1)	(7.5)
Increase/(decrease) in operating working capital needs before taxes	**32.3**	**(16.9)**

6.3 NET CASH GENERATED BY/USED IN INVESTING ACTIVITIES

6.3.1 Cash effect of changes in scope of consolidation

This item breaks down as follows:

(€m)	2019	2018
Net cash outflows on acquisitions	(39.4)	(262.8)
Net cash inflows from disposals	1.7	1.5
Effect of changes in scope of consolidation	**(37.7)**	**(261.3)**

"Net cash outflows on acquisitions" consists of the following items:

(€m)	2019	2018
Cash and cash equivalents acquired	13.0	63.7
Financial assets acquired	17.7	0.9
Other assets acquired	85.8	157.0
Non-controlling interests acquired	-	0.1
Other liabilities acquired	(71.7)	(116.6)
Net assets acquired	44.8	105.2
Share of net assets acquired (A)	24.4	89.8
Goodwill (B)	28.0	236.7
Cash outflow (A) + (B)	**52.4**	**326.5**
Cash acquired	13.0	63.7
Cash of companies joining the consolidation during the period without acquisition	-	-
Net cash outflow	**39.4**	**262.8**

The movements in the items "Cash and cash equivalents acquired", "Other assets acquired" and "Other liabilities acquired" relate mainly to the acquisitions of De Mensen and Première Bobine (Reel One) during the year (see Note 1, "Significant events of 2019").

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

(€m)	2019	2018
Cash inflows	0.4	1.5
Cash divested	1.3	-
Subscriptions to capital increases carried out by subsidiaries	-	-
Net cash inflow	**1.7**	**1.5**

For 2019, cash inflows mainly relate to the divestment of Téléshopping.

For 2018, cash inflows mainly relate to the divestment of the 47.85% equity interest in Direct Optic.

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; audiovisual distribution and trading rights owned by TF1 Droits Audiovisuels and TF1 Entertainment; audiovisual rights produced by Newen Studios; and music rights owned by Une Musique.

Audiovisual rights are recognised as an asset in the balance sheet at historical cost under "Audiovisual rights".

Amortisation methods for the various categories of audiovisual rights are as follows:

- **producer shares in French drama acquired by broadcasters: amortised on a straight line basis over the projected period of rights exploitation, in line with the expected pattern of consumption of future economic benefits;**
- **producer shares in French drama produced by the TF1 group: amortised on a reducing balance basis, in line with the expected pattern of consumption of future economic benefits;**
- **shares in movie co-productions and audiovisual distribution rights: amortised on a reducing balance basis, in line with the expected pattern of consumption of future economic benefits;**
- **audiovisual trading rights: amortised on a straight-line basis over the contractual term or the projected period of rights exploitation;**
- **music rights: amortised over 2 years, 75% of gross value in the first year and the remaining 25% in the second year.**

Use of estimates and judgement:

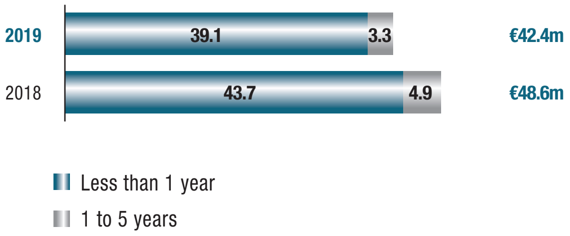
Impairment losses are recognised against audiovisual rights on a case by case basis, following an analysis of the expected future economic benefits relative to their carrying amount.

Movements during 2019 and 2018 were as follows:

(€m)	Gross value	Amortisation	Impairment	Total audiovisual rights
31 December 2017	**2,599.0**	**(2,261.8)**	**(166.4)**	**170.8**
Increases	207.4	(180.8)	(98.2)	(71.6)
Decreases	(38.3)	34.7	31.3	27.7
Changes in scope of consolidation and reclassifications	13.6	4.9	(1.2)	17.3
Translation adjustments				
31 December 2018	**2,781.7**	**(2,403.0)**	**(234.5)**	**144.2**
Increases	255.1	(211.2)	(93.9)	(50.0)
Decreases	(3.2)	0.6	57.2	54.6
Changes in scope of consolidation and reclassifications	60.6	(45.7)	(6.3)	8.6
Translation adjustments				
31 December 2019	**3,094.2**	**(2,659.3)**	**(277.5)**	**157.4**

For 2019, "Changes in scope of consolidation" includes the recognition of order books as a result of the purchase price allocation conducted on the acquisition of De Mensen (see Note 3-1, "Significant changes in scope of consolidation in 2019").

The chart below shows the maturities of capitalisable audiovisual rights acquisition contracts entered into by the Group to secure future programming schedules.



7.1.2 Programmes and broadcasting rights

Accounting policy

- **Initial recognition**

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.**

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), light entertainment, 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 judgement

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 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.

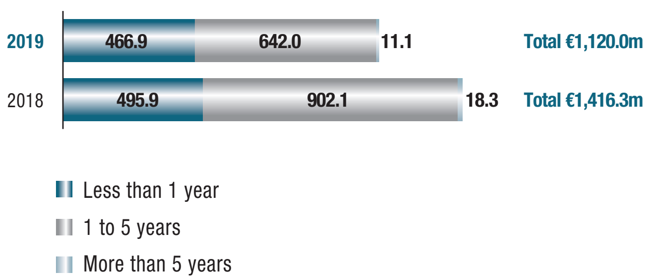
(€m)	Gross value	Impairment (net)	Inventories
1 January 2018	**747.5**	**(149.7)(1)**	**597.8**
Net movement	(81.2)	(11.0)	(92.2)
Translation adjustments			-
Changes in scope of consolidation and reclassifications	0.2	0.1	-
31 December 2018	**666.4**	**(160.6)(2)**	**505.8**
Net movement	(15.9)	18.4	2.5
Translation adjustments	-	-	-
Changes in scope of consolidation and reclassifications	-	-	-
31 December 2019	**650.5**	**(142.2)**	**508.3**

(1) Includes €57.7 million of impairment losses charged, €46.7 million of impairment losses reversed.
(2) Includes €49.3 million of impairment losses charged, €67.7 million of impairment losses reversed.

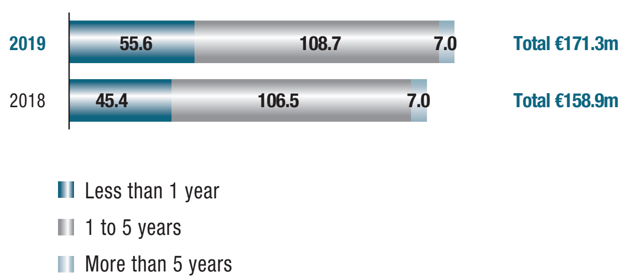
The programme and broadcasting rights inventory reported above is owned primarily by TF1 SA and the TF1 Acquisition de Droits economic interest grouping.

The charts below show the maturities of broadcasting and sports transmission rights acquisition contracts entered into by the Group to secure future programming schedules.

PROGRAMMES AND BROADCASTING RIGHTS (€m)



SPORTS TRANSMISSION RIGHTS (€m)



Some of those broadcasting and sports transmission rights contracts are expressed in US dollars; the amounts involved were the US dollar equivalent of €40.6 million in 2019 and €64.4 million in 2018.

In 2019, programmes and broadcasting rights related mainly to TF1 SA (€334.1 million, versus €547.9 million in 2018) and to the Acquisition de Droits economic interest grouping (€647.1 million, versus €727.5 million in 2018).

Sports transmission rights commitments related mainly to TF1 SA and TF1 DS (€171.1 million in 2019, €158.5 million in 2018).

7.2 CURRENT ASSETS AND LIABILITIES

7.2.1 Trade and other debtors

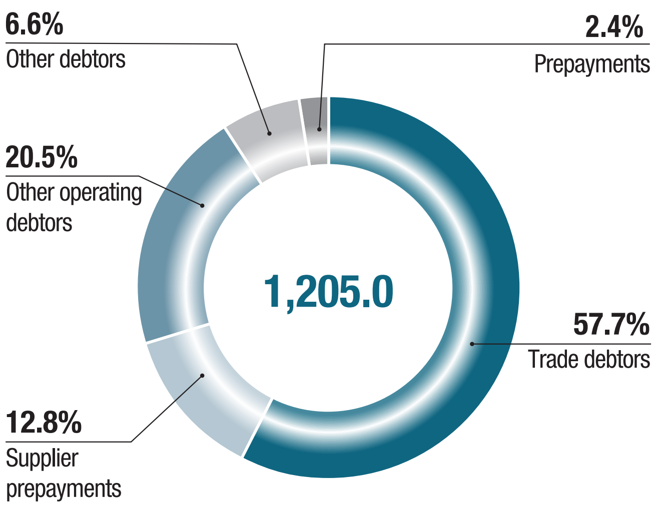
Accounting policy

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.

Impairment of trade debtors is measured using an expected loss model at the time of initial recognition. Because the Group's trade debtors do not have a material financing component, a standard simplified expected loss model is applied to all such debtors.



(€ million)	Gross value 2019	Impairment 2019	Carrying amount 2019	Carrying amount 2018
Trade debtors	710.3	(14.6)	695.7	674.2
Supplier prepayments[(1)]	155.2	(1.0)	154.2	185.0
Other operating debtors[(2)]	247.6	-	247.6	219.8
Other debtors	210.7	(131.1)	79.6	45.1
Prepayments	27.9	-	27.9	17.8
Trade and other debtors	**1,351.7**	**(146.7)**	**1,205.0**	**1,141.9**

(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.

Movements in provisions for impairment of trade and other debtors during the period are shown below:

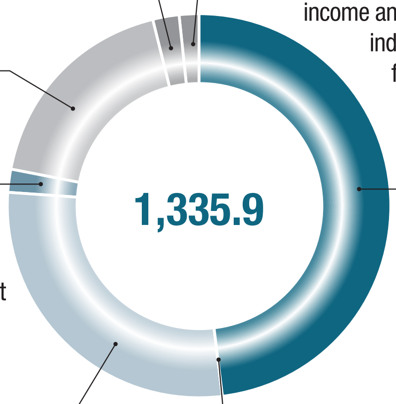
(€m)	2019	2018
Impairment as of 1 January	**(138.0)**	**(131.1)**
Additional provisions booked during the year	(11.2)	(6.1)
Reversals for debts written off during the year	2.3	3.2
Recovered during the year	0.5	3.3
Held-for-sale operations	-	-
Changes in scope of consolidation, translation adjustments and reclassifications	(0.3)	(7.3)
Impairment as of 31 December	**(146.7)**	**(138.0)**

7.2.2 Trade and other creditors

7.2.2.1 Breakdown of trade and other creditors

Accounting policy

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" on exploitation of the corresponding rights.



(€ million)	2019	2018
Trade creditors	642.8	630.2
Advance payments received	2.4	2.5
Tax and employee-related liabilities[(1)]	374.7	364.7
Creditors related to acquisitions of non-current assets	23.6	25.2
Other creditors	243.4	260.4
Customer contract liabilities	30.8	30.5
Deferred and prepaid income and audiovisual industry support fund grants[(2)(3)]	18.2	13.4
Trade and other creditors	**1,335.9**	**1,326.9**

(1) Mainly comprises VAT payable, and amounts owed to employees and social security bodies.
(2) Audiovisual industry support fund grants included in creditors mainly comprise grants awarded by the CNC.
(3) Mainly comprises prepaid income.

7.2.2.2 Movement in contract liabilities

	Upfront payments	Audience guarantees on advertising campaigns	Sales of rights not yet opened	Other	Total
2018	**13.2**	**3.9**	**9.5**	**3.9**	**30.5**
Increases	12.2	2.9	2.6	13.1	30.8
Revenue recognised during the period	(13.2)	(3.9)	(9.5)	(3.9)	(30.5)
2019	**12.2**	**2.9**	**2.6**	**13.1**	**30.8**

7.2.3 Current provisions

Accounting policy

Provisions are recorded when there is a legal or constructive obligation to a third party arising from a past event; the obligation will certainly or probably result in an outflow of resources with no corresponding inflow of resources; and the amount of the outflow 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

Provisions include those booked to cover litigation and claims of whatever kind, the amount of which is estimated based on assumptions regarding the most likely outcomes. In determining those assumptions, TF1 management may if necessary 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 2019:

(€m)	Litigation and claims: employees	Litigation and claims: commercial	Other contractual litigation, claims, and risks	Other	Total current provisions
1 January 2019	**3.1**	**4.1**	**2.9**	**10.1**	**20.2**
Charges	0.8	0.9	0.6	1.7	4.0
Reversals: used	(0.8)	(1.4)	-	(5.5)	(7.7)
Reversals: unused	(0.5)	-	-	(0.8)	(1.3)
Changes in scope of consolidation and reclassifications	-	(0.2)	-	(0.2)	(0.4)
31 December 2019	**2.6**	**3.4**	**3.5**	**5.3**	**14.8**

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.

Alleged restraint of trade

In 2014, the Canal+ group filed a complaint with the Competition Authority against TF1, M6 and France Télévisions relating to certain practices adopted in the buying of rights to original French movies known as “catalogue” movies; TF1 also appeared before the Competition Authority. TF1 received a notice of grievance in February 2018, and presented its counter-arguments on 26 April 2018. In a decision of 27 May 2019, the authority decided to reject the complaint, which it judged to be without foundation. The Canal+ group lodged an appeal against this decision, which is currently ongoing.

In July 2019, Molotov.tv filed a complaint against TF1 and M6 with the Competition Authority alleging abuse of dominant position and restraint of trade. The procedure is currently ongoing.

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 (after lease expenses) 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 recoverable amount of the CGU's assets is then compared with their carrying amount in the consolidated balance sheet (after including the right of use of leased assets, and deducting lease obligations).

Use of estimates and judgement

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

The table below shows movements in goodwill for the period, by segment:

(€m)	Broadcasting	Studios and Entertainment	Digital	Total
Goodwill at 1 January 2018	**409.3**	**171.1**	**-**	**580.4**
Acquisitions	8.3	4.3	224.1	236.7
Disposals	-	-	-	-
Translation adjustments				-
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 31 December 2018	**407.7**	**164.1**	**245.3**	**817.1**
Acquisitions	-	28.1	-	28.1
Disposals	-	-	-	-
Translation adjustments	-	0.7	-	0.7
Adjustment	-	(0.6)	(0.1)	(0.7)
Reclassifications				
Impairment				
Goodwill at 31 December 2019	**407.7**	**192.3**	**245.2**	**845.2**

Movements in goodwill for the Studios and Entertainment segment in 2019 relate to the acquisitions described in Note 1, "Significant events of 2019", primarily the acquisitions of De Mensen and Première Bobine (Reel One). Provisional (or final) goodwill on those acquisitions was determined as follows:

	De Mensen	Reel One
Purchase price	**19.2**	**32.4**
Net assets acquired excluding goodwill:		
Non-current assets	(9.7)	(20.1)
Current assets	(20.5)	(55)
Non-current liabilities	1.8	
Current liabilities	22.0	50.5
Purchase price allocation:		
Fair value remeasurement of intangible assets	(3.5)	(13.1)
Fair value remeasurement of property, plant and equipment	0	0
Fair value remeasurement of liabilities (deferred tax and other)	0.9	2.6
Unacquired portion	**3.6**	**17.4**
Provisional (or final) goodwill	**13.8**	**14.3**
Translation adjustments as of 31 December 2019		0.7
Goodwill as of 31 December 2019	**13.8**	**15.0**

In accordance with the revised IFRS 3 the TF1 group has for these acquisitions elected not to remeasure the non-controlling interests at fair value, as a result of which only the share of goodwill attributable to the Group is reported in the balance sheet.

In 2019, the movements in goodwill were generated by the acquisitions described in Note 1, "Significant events of 2019".

(€m)	Broadcasting segment		Studios and Entertainment segment		Digital segment		Total	
Year	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Number of CGUs	**1**	**1**	**3**	**3**	**1**	**-**	**5**	**4**
Broadcasting CGU	407.7	407.7				-	407.7	407.7
Newen/TF1 Studios CGU	-	-	-	-	-	-	192.3	164.1
TF1 Entertainment CGU	-	-	-	-	-	-	-	-
Téléshopping CGU	-	-	-	-	-	-	-	-
Digital CGU	-	-	-	-	245.2	245.3	245.2	245.3
TOTAL	**407.7**	**407.7**	**192.3**	**164.1**	**245.2**	**245.3**	**845.2**	**817.1**

Based on impairment tests conducted using the method described below, no impairment of goodwill was identified as of 31 December 2019.

Impairment testing of goodwill

The recoverable amount of each of the four CGUs (Broadcasting, Newen/TF1 Studios, TF1 Entertainment, Digital) was 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 on advertising spend of the economic situation and competitive environment, and of trends in how content is consumed;
- the acceleration of the transformation of the TF1 group, and the organic expansion of its activities;
- the ongoing implementation of a resolutely multi-channel, multi-media and multi-line strategy that allies mass audience power with targeting across all platforms, plus the expansion of production activities and the development of new monetisation techniques, which is reflected by:
  - securing core business TV content (including news) and advertising,

– leveraging a high-powered digital offer through the expansion of the Group's Digital Division,

– further build-up of Newen to reinforce the production side, in France and internationally,

– opening up new distribution channels (platformization, OTT) via the MYTF1 makeover, the TF1 group's involvement in the Salto project, and data mining.

The perpetual growth rate used for impairment testing as of 31 December 2019 was in a range from 1% to 2.5% depending on the nature of each CGU's operations, versus the 1.5%-2% range used in 2018. The after-tax discount rates used as of 31 December 2019 were:

- Broadcasting and Studios and Entertainment: 6.14% (versus 6.01% in 2018), reflecting a rise in risk premiums;
- Digital: 7.85%.

The discount rates were determined based on external data sources, using the method described above (data sources: market data from the firm Associés en Finances).

For the four CGUs, analyses were performed of the sensitivity of the calculations to key assumptions (discount rate, growth rate, normative cash flows), both individually and using combinations of discount rate and normative cash flow scenarios, including reasonably possible changes in those assumptions.

For confidentiality reasons, the results of those analyses are presented on an aggregated basis for the two CGUs in the Studios and Entertainment segment.

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

2019	Change in discount rate	Change in normative cash flows	Change in perpetual growth rate
Broadcasting CGU	693 bp	-66%	-878 bp
Studios and Entertainment CGUs (aggregated)	1,001 bp	-80%	-1,364 bp
Digital CGU	80 bp	-15%	-90 bp

2018	Change in discount rate	Change in normative cash flows
Broadcasting CGU	808 bp	-73%
Studios and Entertainment CGUs (aggregated)	899 bp	-77%

For the Broadcasting 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 €1,084 million (€1,485 million at end 2018).

For the aggregated Studios and Entertainment CGUs, 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 €584 million (€471 million at end 2018).

For the Digital 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 be €15 million lower than the carrying amount.

7.3.2 Intangible assets (other than audiovisual rights, see Note 7.1.1)

Accounting policy

Intangible assets (other than audiovisual rights) mainly comprise operating licences (other than broadcasting licences and audiovisual rights), brands and similar rights, and software. On the acquisition date, they are measured as follows:

- **at acquisition cost, net of accumulated amortisation and impairment losses; or**
- **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 using the straight-line method over their expected useful lives.

Intangible assets with indefinite useful lives, such as commercial brands owned by the Group, are not amortised. These brands are tested for impairment (see Note 7-3).

The figures shown below are net carrying amounts:

(€m)	Indefinite-lived brands(2)	Concessions, patents & similar rights	Other items(1)	Total
1 January 2018	**36.2**	**11.9**	**15.8**	**63.9**
Increases	-	0.2	6.4	6.6
Amortisation, impairment & provisions	-	(6.8)	(8.7)	(15.5)
Decreases	-	-	0.7	0.7
Changes in scope of consolidation and reclassifications	76.0	5.8	5.6	87.4
31 December 2018	**112.2**	**11.1**	**19.8**	**143.1**
Increases	-	0.9	13.9	14.8
Amortisation & impairment	-	(5.3)	(11.6)	(16.9)
Decreases	-	(0.1)	1.5	1.4
Changes in scope of consolidation and reclassifications	-	0.3	12.4	12.7
31 December 2019	**112.2**	**6.9**	**36.0**	**155.1**
gross value	*112.2*	*69.5*	*74.5*	*256.2*
amortisation and impairment	-	(68.1)	(33.0)	(101.1)

(1) For 2019, the movement for changes in scope of consolidation in the "Other" column mainly reflects the recognition of customer relationships and order books in the Première Bobine (Reel One) and Gamned! purchase price allocations (see Note 3-1, "Significant changes in scope of consolidation in 2019"). For 2018, it mainly reflects the recognition of customer relationships in the Aufeminin group purchase price allocation.

(2) For 2018, the movement for changes in scope of consolidation in the "Indefinite-lived brands" column mainly reflects the recognition in the Aufeminin group and Doctissimo purchase price allocations as of the date control was obtained.

Impairment tests conducted on other indefinite-lived brands using the method described in Note 7-3 identified no indication of impairment as of 31 December 2019.

7.3.3 Property, plant and equipment

Accounting policy

- **Property, plant and equipment owned outright**

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation is charged on a straight-line basis over the expected useful life of the asset, taking account of any residual value of the asset:

Buildings	25 to 50 years
Technical installations	3 to 7 years
Other property, plant and equipment	2 to 10 years
Land is not depreciated	

Where an asset is made up of components with different useful lives, those components are recognized and depreciated 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 31 December 2019 and 2018 (the figures shown are net carrying amounts):

(€m)	Land	Buildings	Technical facilities	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
1 January 2018	**61.9**	**73.8**	**15.3**	**24.8**	**1.4**	**177.2**
Increases	-	5.3	5.6	15.2	6.0	32.1
Depreciation & impairment	-	(3.2)	(6.4)	(7.5)	-	(17.1)
Decreases	-	0.1	(0.3)	(1.9)	-	(2.1)
Changes in scope of consolidation and reclassifications	-	0.2	1.3	2.6	(2.7)	1.4
31 December 2018	**61.9**	**76.2**	**15.5**	**33.2**	**4.7**	**191.5**
Increases	-	0.1	6.7	18.4	4.2	29.4
Depreciation & impairment	-	(3.3)	(6.1)	(8.7)	-	(18.1)
Decreases	-	0.1	-	(1.0)	-	(0.9)
Changes in scope of consolidation and reclassifications	2.9	0.8	0.4	3.8	(3.6)	4.3
31 December 2019	**64.8**	**73.9**	**16.5**	**45.7**	**5.3**	**206.2**
gross value	*64.8*	*113.0*	*167.1*	*151.0*	*5.3*	*511.2*
depreciation and impairment	-	(39.1)	(150.6)	(105.3)	-	(305.0)

7.3.4 Right of use of leased assets

Accounting policy

IFRS 16 defines the right of use under a lease as an asset that represents a lessee's right to use an underlying asset for the lease term.

This right of use is recognised by the TF1 group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- **the initial amount of the lease obligation;**
- **lease payments made in advance to the lessor, less any lease incentives received from the lessor;**
- **material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;**
- **an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.**

The right of use asset is amortised on a straight line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the TF1 group, rights of use relate mainly to property leases contracted within France, generally with a lease term of nine years.

The Group will monitor market practice on implementing the IFRIC agenda decision of 26 November 2019, and assess the impact on the lease terms applied under IFRS 16.

An analysis of the right of use of leased assets is presented below:

(€m)	Land and buildings	Technical facilities	Other property, plant and equipment	Total
GROSS VALUE				
1 January 2018	**142.8**	**-**	**-**	**142.8**
Translation adjustments	-	-	-	-
Changes in scope of consolidation	-	-	-	-
Lease modifications and other movements	12.4	-	-	12.4
31 December 2018	**155.2**	**-**	**-**	**155.2**
Translation adjustments	-	-	-	-
Changes in scope of consolidation	(2.1)	-	-	(2.1)
Lease modifications and other movements	11.7	-	-	11.7
31 December 2019	**164.8**	**-**	**-**	**164.8**
AMORTISATION				
1 January 2018	**(39.9)**	**-**	**-**	**(39.9)**
Translation adjustments	-	-	-	-
Changes in scope of consolidation	-	-	-	-
Net amortisation expense	(17.1)	-	-	(17.1)
Lease modifications and other movements	-	-	-	-
31 December 2018	**(57.0)**	**-**	**-**	**(57.0)**
Translation adjustments	-	-	-	-
Changes in scope of consolidation	2.7	-	-	2.7
Net amortisation expense	(19.1)	-	-	(19.1)
Lease modifications and other movements	2.4	-	-	2.4
31 December 2019	**(71.0)**	**-**	**-**	**(71.0)**
CARRYING AMOUNT				
31 December 2018	**98.2**	**-**	**-**	**98.2**
31 December 2019	**93.8**	**-**	**-**	**93.8**

7.3.5 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, it 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)	Vertical Station	Série Club	Other*	TOTAL
1 January 2018	**9.6**	**10.8**	**1.8**	**22.2**
Share of profit/(loss) for the period	(0.2)	0.5	(0.1)	0.2
Provision for impairment	-	-	-	-
Dividends paid	-	(1.3)	-	(1.3)
Changes in scope of consolidation and reclassifications	-	-	(0.3)	(0.3)
Provision for risks	-	-	-	-
31 December 2018	**9.4**	**10.0**	**1.4**	**20.8**
Share of profit/(loss) for the period	(0.5)	0.3	(0.9)	(1.1)
Provision for impairment	-	-	-	-
Dividends paid	-	(0.5)	-	(0.5)
Changes in scope of consolidation and reclassifications	(8.9)	-	2.0	(6.9)
Provision for risks	-	-	-	-
31 December 2019	**-**	**9.8**	**2.5**	**12.3**

* *Primarily Nimbus Film (Studios and Entertainment operating segment, €0.6 million); RAISE Media Investment (Broadcasting operating segment), €0.9 million; and Salto (Broadcasting operating segment), €0.4 million.*

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

7.3.6 Other non-current financial assets

Accounting policy

With effect from 1 January 2018, financial assets are classified in one of three categories (financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss) depending on the business model for managing the asset and the contractual cash flow characteristics of the asset, which for each of those categories respectively are:

- assets held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- assets held within a business model whose objective is to hold assets in order to collect contractual cash flows and cash flows from selling the asset;
- assets held within any other business model.

IFRS 9 also allows an elective treatment for equity instruments not held for trading, under which changes in fair value can be recognised through other comprehensive income (OCI); this treatment must be elected for each instrument individually, and is irrevocable.

Classification

The TF1 group holds financial assets in the following categories:

- financial assets at amortised cost: These are assets held within a business model whose objective is to hold assets in order to collect contractual cash flows ("basic loans"). The TF1 group classifies the following assets within this category: 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. Such assets are accounted for using the effective interest method, which means that on initial recognition they are measured at fair value (acquisition cost plus transaction costs). They are assessed individually for objective evidence of impairment;
- financial assets at fair value: The Group classifies the following financial assets in this category:
  - equity instruments owned by the Group: These are assets held within a business model whose objective is to hold assets in order to collect contractual cash flows and cash flows from selling the asset. TF1 classifies in this category equity interests in companies over which the Group exercises neither control nor significant influence. They are accounted for at fair value through profit or loss or through OCI, depending on the option elected by the Group. None of the Group's equity interests is held for trading,
  - derivative instruments (other than designated and effective hedging instruments): These are held-for-trading instruments (other business models).

Use of estimates and judgement

IFRS 13 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 in applying those principles 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 (revenue or EBITDA multiples) or the discounted cash flow method, which rely on observable (level II) or non-observable (level III) parameters.

Financial instruments whose fair value cannot be measured reliably are carried at cost.

The fair value of interest rate derivatives and currency 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).

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.

7.3.6.1 Financial assets by category

2019 *(€m)*	Financial assets at amortised cost	Financial assets at fair value		Level*	Total
		Fair value through profit or loss	Fair value through OCI		
Other non-current financial assets	26.1	2.1	9.1	III	37.3
Trade and other debtors	1,205.0				1,205.0
Other current financial assets					-
Currency derivatives			0.3	II	0.3
Interest rate derivatives					-
Financial assets used for treasury management purposes					-
Cash and cash equivalents	105.3				105.3

* *See "Use of estimates and judgement" section of Note 7.3.6.*

2018 *(€m)*	Financial assets at amortised cost	Financial assets at fair value		Level*	Total
		Fair value through profit or loss	Fair value through OCI		
Other non-current financial assets	3.9	1.5	35.1	III	40.5
Trade and other debtors	1,141.9				1,141.9
Other current financial assets					-
Currency derivatives			2.2	II	2.2
Interest rate derivatives					-
Financial assets used for treasury management purposes					-
Cash and cash equivalents	117.3				117.3

* *See "Use of estimates and judgement" section of Note 7.3.6.*

No transfers between levels in the fair value hierarchy were made in either 2019 or 2018.

7.3.6.2 Other non-current financial assets

Accounting policy

This category mainly comprises equity instruments at fair value through profit or loss or through OCI, depending on the option elected by the Group. TF1 classifies in this category equity interests in companies over which the Group exercises neither control nor significant influence.

Equity instruments are classified at fair value through profit or loss if the investee's business activities are aligned on the Group's core business.

Other non-current financial assets break down as follows:

(€m)	2019	2018
Equity investments in non-consolidated entities	11.2	36.6
Loans and advances to non-consolidated equity investees	-	-
Loans receivable*	22.8	0.5
Deposits and caution money	3.3	3.4
Other financial assets	**37.3**	**40.5**

* *"Loans receivable" mainly comprise production finance advanced by a subsidiary of Première Bobine Inc. to Canadian audiovisual production companies belonging to the Champlain group, which are accounted for as associates using the equity method in the TF1 group consolidated financial statements.*

Equity investments in non-consolidated entities

The main equity investments in non-consolidated entities as of 31 December 2019 break down as follows:

(€m)	% interest at year-end	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
Studio71	6%		9.1	9.1
Other		2.1	-	2.1
Equity investments in non-consolidated entities		**2.1**	**9.1**	**11.2**

In 2019, changes in the fair value of non-consolidated equity investments recognised in equity amounted to €26.5 million, of which €18.4 million related to Studio71.

The main equity investments in non-consolidated entities as of 31 December 2018 break down as follows:

(€m)	% interest at year-end	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
Studio71	6%		27.5	27.5
Other		1.5	7.6	9.1
Equity investments in non-consolidated entities		**1.5**	**35.1**	**36.6**

In 2018, negative net changes in the fair value of non-consolidated equity investments recognised in equity amounted to €7.4 million.

7.3.7 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.

Employees of the TF1 group's French 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 judgement

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.

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 1 January 2011, the TF1 group has recognised actuarial gains and losses directly in equity, in accordance with the revised IAS 19.

- Provisions for risks relating to commitments, litigation and claims

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 judgement

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.

7.3.7.1 Analysis of non-current provisions

The table below shows movements in non-current provisions during 2019 and 2018:

			Provisions for:	
(€m)	Retirement benefits	Risks relating to commitments, litigation and claims*	Other	TOTAL
31 December 2017	**36.9**	**1.9**	**-**	**38.8**
Charges	3.0	-	0.3	3.3
Reversals: used	(1.0)	(1.8)	-	(2.8)
Reversals: unused	(2.1)	-	-	(2.1)
Actuarial (gains)/losses	3.8	-	-	3.8
Changes in scope of consolidation and reclassifications	0.2	(0.1)	-	0.1
31 December 2018	**40.8**	**-**	**0.3**	**41.1**
Charges	3.7	-	-	3.7
Reversals: used	(1.6)	-	-	(1.6)
Reversals: unused	(1.9)	-	-	(1.9)
Actuarial (gains)/losses	9.7	-	-	9.7
Changes in scope of consolidation and reclassifications	(0.3)	-	0.2	(0.1)
31 December 2019	**50.4**	**-**	**0.5**	**50.9**

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

7.3.7.2 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

	2019	2018	2017	2016	2015
Discount rate (iBoxx A10)	0.9%	2.1%	1.5%	1.7%	2.1%
Expected rate of return on plan assets	2.5%	2.7%	1.5%	1.7%	2.1%
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 31 December 2019 was 2.6%, virtually unchanged from 2018 (2.5%). In accordance with recommendation 2013-02 issued by the CNCC (the French auditors' professional body), only voluntary departures may be used when calculating the staff turnover rate for this purpose. Consequently, staff turnover rates were revised in 2019, based on actual voluntary departures in previous years.

A reduction of 50 basis points in the discount rate applied would increase the obligation by €9.7 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)	2019	2018
Current service cost	(2.6)	(2.5)
Interest expense on the obligation	(1.0)	(0.6)
Expected return on plan assets	0.2	0.1
Past service cost	-	-
Expense recognised	**(3.4)**	**(3.0)**
amount recognised in "Staff costs"	*(3.4)*	*(3.0)*
Actual return on plan assets	**0.2**	**0.1**

CHANGES IN THE FAIR VALUE OF THE RETIREMENT BENEFIT OBLIGATION AND OF PLAN ASSETS

(€m)	Retirement benefit obligation 2019	Fair value of plan assets 2019	Carrying amount 2019	Carrying amount 2018
Start of period	**47.5**	**(6.7)**	**40.8**	**36.9**
Current service cost for the period	2.6	-	2.6	2.5
Interest cost (unwinding of discount)	1.0	-	1.0	0.6
Reversals of provisions	(3.5)	-	(3.5)	(3.1)
Actuarial (gains)/losses	9.7	-	9.7	3.8
Changes in scope of consolidation and reclassifications	-	-	-	0.2
Expected return on plan assets	-	(0.2)	(0.2)	(0.1)
Held-for-sale operations	-	-	-	-
End of period	**57.3**	**(6.9)**	**50.4**	**40.8**

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 2.5% in 2019. As of 31 December 2019, the fund had an estimated fair value of €6.9 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 31 December 2019, the share capital of TF1 SA consisted of 210,242,074 fully paid ordinary shares. Movements in share capital during 2019 were as follows:

Number of shares	Number of shares outstanding	Number of treasury shares	Total number of shares
1 January 2018	**209,865,742**	**-**	**209,417,542**
Capital increases	63,198		63,198
Purchases of treasury shares*		-	-
Share exchange transaction			-
Cancellation of treasury shares			-
31 December 2018	**209,928,940**	**-**	**209,480,740**
Capital increases	728,385		728,385
Purchases of treasury shares(1)	(415,251)	415,251	-
Share exchange transaction			-
Cancellation of treasury shares		(415,251)	(415,251)
31 December 2019	**210,242,074**	**-**	**210,242,074**
Par value	*€0.20*	*€0.20*	*€0.20*

* *Treasury shares: see Note 7.4.5.4 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 and excluding anti-dilutive instruments.

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 performance share 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.

	2019	2018
Net profit attributable to the Group *(€m)*	154.8	127.4
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**210,301,376**	**209,890,686**
Basic earnings per share *(€)*	0.74	0.61
AVERAGE NUMBER OF ORDINARY SHARES AFTER DILUTION	**210,607,276**	**210,999,171**
Diluted earnings per share *(€)*	0.74	0.61

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

(number of shares)	2019	2018
Weighted average number of ordinary shares for the period	210,301,376	209,890,686
Dilutive effect of stock subscription option plans	-	607,485
Dilutive effect of performance share plans	305,900	501,000
Average number of ordinary shares after dilution	**210,607,276**	**210,999,171**

In 2019, only share subscription option plan no. 13 (awarded 12 June 2012) had an adjusted exercise price lower than the average quoted market price of TF1 shares over the period. That plan had expired as of 31 December 2019.

7.4.3 Other transactions with shareholders

For 2019, "Other transactions with shareholders" mainly comprise commitments to buy out in full the shares held by the non-controlling shareholders of De Mensen and Première Bobine (Reel One) following the acquisition of control in February 2019 and October 2019, amounting to €10.2 million and €38.3 million respectively. This item also includes remeasurements of liabilities for commitments to buy out non-controlling shareholders, primarily Gamned! and Play 2.

For 2019, "Other transactions (changes in scope of consolidation & other items)" mainly comprises the remeasured share of the net assets of De Mensen and Première Bobine (Reel One) not acquired when TF1 obtained control.

For 2018, "Other transactions with shareholders" corresponds mainly to purchases of shares in the Aufeminin group via the public tender offer and squeeze-out procedure subsequent to TF1 obtaining control.

7.4.4 Changes in equity not affecting the income statement

Dividends

The proposed dividend in respect of the year ended 31 December 2019, to be paid in 2020, amounts to €105 million, or €0.50 per share.

The dividend paid in 2019 in respect of the year ended 31 December 2018 amounted to €84.0 million, or €0.40 per share.

The yield on TF1 shares for each of the last five financial years is presented in the universal registration document.

Because the dividend payable in 2020 is subject to approval by the shareholders, it was not recognised as a liability in the consolidated financial statements as at 31 December 2019.

7.4.5 Share-based payment and stock option plans

7.4.5.1 Stock option and performance share plan (PSP) awards

The table below shows the terms of stock options awarded in 2019. Details of the terms of plans awarded from 2015 to 2018 are provided in the notes to the financial statements of previous years.

	2019 plan
Date of Shareholders' Meeting	18/04/2019
Date of Board Meeting	14/02/2019
Date of grant	12/06/2019
Type of plan	Stock subscription options
Total number of options/shares awarded	1,741,000
■ *to corporate officers*	*13,000*
■ *to the 10 employees awarded the greatest number*	*460,000*
Total number of options/shares awarded subject to performance conditions	1,741,000
Start date of exercise/vesting period	12/06/2019
Date of expiration:	12/06/2029
Exercise price	€8.87
Terms of exercise	Options may be exercised and shares sold from 2nd anniversary of date of grant
Accounting method	Equity

No performance shares were awarded in 2019.

7.4.5.2 Movement in number of options and performance shares outstanding

	2019		2018	
	Number of options/performance shares	**Weighted average subscription/purchase price** *(€)*	**Number of options/performance shares**	**Weighted average subscription/purchase price** *(€)*
Options/shares outstanding at 1 January	**4,448,585**	**9.96**	**4,558,683**	**11.01**
Options/shares awarded	1,549,100	8.87	1,051,300	7.89
Options/shares cancelled, not vested, or forfeited	(246,300)	12.84	(55,800)	13.93
Options exercised/shares vested	(728,385)	7.32	(63,198)	6.17
Options/shares expired	(63,200)	6.17	(1,042,400)	12.47
Options/shares outstanding at 31 December	**4,959,800**	**9.92**	**4,448,585**	**9.96**
Options/shares exercisable at 31 December	*1,633,600*	*13.97*	*1,803,385*	*12.33*

A total of 728,385 options were exercised during 2019. The average residual life of options outstanding as of 31 December 2019 was 22 months (compared with 38 months as of 31 December 2018).

7.4.5.3 Share-based payment expense

Accounting policy

TF1 may award stock subscription option plans and performance share plans to its employees (see Note 7.4.5.1).

In accordance with IFRS 2, the cost of these equity-settled share-based payment plans is recognised as an expense in "Staff costs", with the opposite 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 on a straight-line basis over the vesting period.

The total expense relating to performance share 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 opposite entry for the movement in this reserve during the period is charged to "Staff costs" in the income statement (see Note 5-3).

Expense related to stock option plans and performance share plans awarded by the TF1 group

The expense related to stock option plans and performance share plans, as recognised in "Staff costs", breaks down as follows:

				Staff costs	
(€m)	Date of grant	Lock-up period	Residual fair value	2019	2018
Plan no. 14	12/06/2015	3 years	-	-	0.5
Plan no. 15	08/06/2016	3 years	-	0.2	0.5
2017 plan	12/06/2017	3 years	0.2	0.4	0.4
2018 plan	08/06/2018	3 years	0.3	0.2	0.1
2019 plan	12/06/2019	2 years	1.3	0.5	
TF1 2016 PSP	08/06/2016	3 years	-	0.3	0.6
TF1 2017 PSP	12/06/2017	3 years	0.3	0.7	0.7
TF1 2018 PSP	08/06/2018	3 years	0.8	0.5	0.3
TOTAL				**2.8**	**3.1**

Stock option plan expense was computed using the Black-Scholes model and the following assumptions:

	Exercise price	Expected volatility	Average maturity	Risk-free rate	Payout ratio	Liquidity discount	Fair value per option
Plan no. 14	€15.46	28%	5.18 years	0.41%	1.57%	-15%	€2.75
Plan no. 15	€10.99	34%	5.14 years	-0.18%	1.81%	-15%	€2.15
2017 plan	€11.45	30%	5.14 years	-0.24%	1.78%	-15%	€1.85
2018 plan	€9.83	26%	5.14 years	-0.01%	3.23%	-15%	€0.89
2019 plan	€8.87	31%	5.14 years	-0.47%	4.24%	-15%	€0.97

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.

For 2018, the expense relating to the TF1 performance share plan was determined on the basis of the reference quoted market price of TF1 shares at the date of grant, i.e. €9.38.

Expense related to employee benefit plans awarded by the Bouygues group

The expense related to plans awarded by the Bouygues group to TF1 group employees was not material for 2019.

7.4.5.4 Share buybacks

In 2019, TF1 repurchased 415,251 of its own shares during the first quarter for a total amount of €3.5 million.

7.4.5.5 Call options granted to non-controlling interests

The TF1 group had no commitments in place at 31 December 2019 that constituted a call option exercisable by non-controlling interests.

7.4.6 Cash flow hedge reserve

(€m)	2019	2018
Reserve as of 1 January	**2.0**	**(4.6)**
Cash flow hedges reclassified to profit or loss during the period*	(1.3)	7.8
Change in fair value of new cash flow hedges contracted during the period	(0.1)	(1.2)
Change in fair value of existing portfolio of cash flow hedges during the period	-	-
Reserve as of 31 December	**0.6**	**2.0**

* *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)	31/12/18	Translation adjustments	Changes in scope of consolidation(1)	Cash flows	Changes in fair value via equity or profit/loss	Other movements(2)	31/12/19
Cash and cash equivalents	117.3		11.7	(23.7)		-	105.3
Financial assets used for treasury management purposes	-		-	-		-	-
Overdrafts, short-term bank loans and current account credit balances	(6.3)		1.3	2.3		-	(2.8)
Available cash	**111.0**		**13.0**	**(21.5)**		**-**	**102.6**
Fair value of interest rate derivatives	-		-	-		-	-
Non-current borrowings	(126.9)		(2.0)	(11.1)	(3.7)	(56.4)	(200.1)
Current debt excluding overdrafts, short-term bank loans and current account credit balances	(11.6)		(19.7)	(4.6)	(1.5)	8.6	(28.8)
Total debt	**(138.5)**		**(21.7)**	**(15.7)**	**(5.2)**	**(47.8)**	**(228.9)**
Net surplus cash/(net debt)	**(27.5)**		**(8.7)**	**(37.2)**	**(5.2)**	**(47.8)**	**(126.3)**
Lease obligations	(103.4)		(0.5)	18.4		(14.0)	(99.5)
Net surplus cash (+)/Net debt (-) including lease obligations	**(130.9)**		**(9.2)**	**(18.8)**	**(5.2)**	**(61.8)**	**(225.8)**

(1) *Relates mainly to the acquisition of control over De Mensen and Première Bobine (Reel One), and the divestment of Téléshopping.*
(2) *Other movements in non-current borrowings include the recognition of the liabilities relating to the commitments to buy out the shares held by the non-controlling shareholders of De Mensen and Première Bobine (Reel One).*

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 consist of the following items:

(€m)	**2019**	**2018**
Cash	45.6	42.4
Money-market funds	3.0	0.3
Treasury current accounts*	56.7	74.6
Cash and cash equivalents of continuing operations	**105.3**	**117.3**

* *For 2019, "Treasury current accounts" include €54.0 million with Bouygues Relais, versus €73.0 million as of 31 December 2018.*

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.**
- **Non-derivative financial liabilities at amortised cost mainly 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, with the opposite entry recognised in equity. Apart from discounting effects (recognised in "Expenses associated with net debt"), the effects of subsequent changes in the liability are also recognised in equity.

Use of estimates and judgement

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:

2019 *(€m)*	Financial liabilities at fair value through profit or loss						
	Designated at fair value on initial recognition	**Held for trading**	**Level***	**Commitments to buy out non-controlling interests measured at fair value**	**Level***	**Financial liabilities at amortised cost**	**Total**
Non-current debt	-	-		94.1	III	106.0	200.1
Current debt	-	-		4.3	III	27.2	31.5
Trade and other creditors	-	-		-		1,335.9	1,335.9
Other current financial liabilities	-	-		-		-	-
Currency derivatives	-	-		-		-	-
Interest rate derivatives	-	-		-		-	-

* *See "Use of estimates and judgement" section of Note 7.3.6.*

2018 *(€m)*	Financial liabilities at fair value through profit or loss						
	Designated at fair value on initial recognition	**Held for trading**	**Level***	**Commitments to buy out non-controlling interests measured at fair value**	**Level***	**Financial liabilities at amortised cost**	**Total**
Non-current debt	-	-		34.2	III	92.7	126.9
Current debt	-	-		11.5	III	6.4	17.9
Trade and other creditors	-	-		-		1,326.9	1,326.9
Other current financial liabilities	-	-		-		-	-
Currency derivatives	-	-		-		-	-
Interest rate derivatives	-	-		-		-	-

* *See "Use of estimates and judgement" section of Note 7.3.6.*

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 by the Group as an approximation of their fair value.

The fair value of derivatives is estimated using valuations obtained from bank counterparties or from financial models generally used in the financial markets on the basis of market data at the end of the reporting period (level II method).

7.5.3 Lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognises a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- **fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);**
- **variable lease payments that depend on an index or a rate at the commencement date of the lease;**
- **payments due by the lessee under residual value guarantees;**
- **the exercise price of a purchase option, if that option is reasonably certain to be exercised;**
- **payments of penalties for terminating or not extending the lease.**

During the term of the lease, the carrying amount of the lease obligation is:

- **increased to reflect interest on the lease obligation, which is recognised as an expense in the income statement and calculated using the discount rate used on initial measurement; and**
- **reduced to reflect lease payments made.**

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than twelve months. Such leases are recognised in profit or loss as and when lease payments are made. The Group also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, the TF1 group elected not to apply the standard to leases of intangible assets.

The portion of long-term lease obligations due within less than one year is included in current liabilities.

(€m)	31/12/2018	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications and other lease movements	31/12/2019
Non-current lease obligations	84.8		0.9		(6.3)	79.4
Current lease obligations	18.6		(0.4)	(18.4)	20.4	20.1
TOTAL LEASE OBLIGATIONS	**103.4**		**0.5**	**(18.4)**	**14.0**	**99.5**

Maturity of lease obligations

The table below provides a schedule of undiscounted future repayments (principal and interest) of lease obligations, based on residual contractual maturities:

	Current lease obligations			Non-current lease obligations						
	1 to 3 months	4 to 12 months	Total due <1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years or more	Total due > 1 year
2019 lease obligations	4.6	15.5	20.1	17.5	16.5	15.8	15.2	12.9	1.5	79.4
2018 lease obligations restated	4.8	13.8	18.6	16.5	15.6	15.0	14.8	14.1	8.9	84.8

NOTE 8

RISK MANAGEMENT

8.1 CAPITAL MANAGEMENT POLICY

The TF1 group has a policy of maintaining a stable capital base, apart from any share buybacks (see the present Annual Financial Report and universal 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 31 December 2019, the Group had net debt of €126.3 million, giving a gearing ratio of 8.1%, compared with net debt of €27.5 million and gearing of 1.7% as of 31 December 2018.

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 Treasury unit within the Accounting, Tax, Treasury and Financing Department.

8.2.1 Liquidity risk

The Treasury unit is responsible for ensuring that the Group has access to adequate, sustainable and appropriate sources of financing. This involves:

- regular multi-currency pooling of surplus cash held by all entities controlled by TF1, to minimise the need for external funding;
- analysis and periodic updating of cash flow projections for all Group entities;
- negotiating credit facilities with phased maturities, and ensuring that such facilities are in place at all times.

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

Financing risk

The TF1 group's financing strategy is based on its ability to cope with market fluctuations and a deteriorating economy while retaining its financial autonomy vis-à-vis the financial and banking markets. The strategy is devised so as to retain the possibility of seizing opportunities for organic growth or acquisitions, while at the same time optimizing the cost of financing by actively managing and renewing the portfolio of credit facilities. The Group's credit facilities are spread among a significant number of French and international banks. They are bilateral facilities and not subject to covenants regarding financial ratios[(1)], and are backed up by a cash pooling agreement with the Bouygues Group.

2019 (€m)	Authorised facilities			Drawdowns			Available facilities
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total	
Confirmed bilateral facilities	305.0	735.9	1,040.9	94.0	(0.1)	93.9	947.0
Bouygues cash pooling agreement	-	-	-	30.0	-	30.0	(30.0)
TOTAL	**305.0**	**735.9**	**1,040.9**	**124.0**	**(0.1)**	**123.9**	**917.0**

2018 (€m)	Authorised facilities			Drawdowns			Available facilities
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total	
Confirmed bilateral facilities	130.0	909.9	1,039.9	92.0	(0.1)	91.9	948.0
Bouygues cash pooling agreement	-	-	-	-	-	-	-
TOTAL	**130.0**	**909.9**	**1,039.9**	**92.0**	**(0.1)**	**91.9**	**948.0**

(1) Except for a specific financing arrangement (€30.8 million, of which €20.4 million is drawn down) relating to the production activities of Première Bobine (Reel One), acquired in October 2019, which is subject to guarantee and repayment clauses that are currently being renegotiated.

Credit rating:

The TF1 group has a credit rating from Standard & Poor's, which currently stands at BBB+/stable/A-2 (July 2019).

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:

2019 *(€m)*	Carrying amount	Residual contractual amount		
		Less than 1 year	1 to 5 years	Total
Trade and other creditors	1,335.9	1,335.9	-	1,335.9
Other financial liabilities	231.6	31.5	200.1	231.6
TOTAL	**1,567.5**	**1,367.4**	**200.1**	**1,567.5**

2018 *(€m)*	Carrying amount	Residual contractual amount		
		Less than 1 year	1 to 5 years	Total
Trade and other creditors	1,326.1	1,326.1	-	1,326.1
Other financial liabilities	144.8	17.9	126.9	144.8
TOTAL	**1,470.9**	**1,344.0**	**126.9**	**1,470.9**

Investment of surplus cash

The Group exercises great care in choosing the vehicles in which it invests temporary or structural cash surpluses, which must 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 no possibility of a sub-zero rate;
- contracted with high-grade counterparties.

As of 31 December 2019, €54.0 million out of the Group's €105.3 million of cash and cash equivalents was invested with Bouygues Relais under the terms of the cash pooling arrangement between the two entities.

(€m)	2019	2018
Interest-bearing bank account	4.6	3.6
Bouygues Relais cash pooling agreement	54.0	73.0
Other treasury current accounts	46.7	40.7
TOTAL	**105.3**	**117.3**

8.2.2 Market risk

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

The Treasury unit monitors the financial markets on a regular basis, and periodically updates the positions to be hedged after netting similar types of exposures between Group entities. The unit submits hedging scenarios to the Accounting, Tax, Treasury and Financing Department 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 IFRS 13.

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 three 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;**
- **hedges of a net investment in a foreign operation.**

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;**
- **hedges of a net investment in a foreign operation: hedges of a net investment in a foreign operation are accounted for in the same way as cash flow hedges.**

- **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 objective of the Group's interest rate risk management strategy is to lock in a fixed rate, or to a guarantee a maximum rate, in order to minimise cost of net debt over the short and medium term.

Exposure and sensitivity to interest rate risk:

The schedules below analyse financial assets and financial liabilities, and the net exposure, by interest rate type and maturity.

2019 (€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	1.3	104.0	(31.5)		(30.2)	104.0	-	-	(30.2)	104.0
1 to 5 years			(200.1)		(200.1)	-	-	-	(200.1)	-
TOTAL	**1.3**	**104.0**	**(231.6)**	**-**	**(230.3)**	**104.0**	**-**	**-**	**(230.3)**	**104.0**

* *Includes commitments to buy out non-controlling interests.*

2018 (€m)	Financial assets Fixed rate	Financial assets Floating rate	Financial liabilities Fixed rate*	Financial liabilities Floating rate	Net pre-hedging exposure Fixed rate	Net pre-hedging exposure Floating rate	Hedging instruments Fixed rate	Hedging instruments Floating rate	Net post-hedging exposure Fixed rate	Net post-hedging exposure Floating rate
Less than 1 year	1.2	116.1	(17.9)	-	(16.7)	116.1	-	-	(16.7)	116.1
1 to 5 years	-	-	(126.9)	-	(126.9)	-	-	-	(126.9)	-
TOTAL	**1.2**	**116.1**	**(144.8)**	**-**	**(143.6)**	**116.1**	**-**	**-**	**(143.6)**	**116.1**

* *Includes commitments to buy out non-controlling interests.*

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 2019 and 2018.

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

(€m)	2019 Pre-tax impact on profit or loss	2019 Pre-tax impact on equity	2018 Pre-tax impact on profit or loss	2018 Pre-tax impact on equity
Impact of a movement of +1% in interest rates	1.0	-	1.2	-
Impact of a movement of -1% in interest rates	ns*	-	ns*	-

* *As of 31 December 2019 and 31 December 2018, the level of short-term interest rates is such that TF1 has no material exposure to a fall in interest rates.*

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

8.2.2.2 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.

Multi-currency foreign exchange risk and risk management
The Group's exposure to foreign exchange risk is mainly of an operating nature, and increased towards the end of 2019 due to the acquisition of Première Bobine (Reel One) in Canada. That acquisition also gave rise to a net investment risk as of 31 December 2019.

The Group's exposure to operating foreign exchange risk derives from recurring cash flows under contracts denominated in US dollars (multi-year broadcasting and sports transmission rights acquisition contracts, purchases of consumer goods and broadcasting rights sales); Canadian dollars (audiovisual content production); and Swiss francs (advertising airtime sales).

In overall terms, any significant appreciation in the exchange rate of the US dollar against the euro could have a negative effect on the results of the Broadcasting segment; and any significant appreciation in the exchange rate of the US dollar against the Canadian dollar could have a positive effect on the financial results of the Studios and Entertainment segment.

Over an 18-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 US dollar by increasing the extent to which it uses the euro as the currency of payment in programme acquisition contracts.

During 2019, approximately 99.4% of cash inflows were in euros, 0.4% in Swiss francs, and 0.2% in US dollars. As regards cash outflows, approximately 99% (including acquisitions of broadcasting rights) were in euros, and approximately 1% in US dollars.

The objective of the Group's foreign exchange risk management policy is to lock in a maximum exchange rate or guarantee a minimum 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.

Net investment foreign exchange risk
In 2019, Newen contracted a loan from the Bouygues group of CAD 44.2 million (€30 million) to finance its acquisition of Première Bobine (Reel One) in Canada, which constitutes a net investment hedging relationship.

Foreign exchange gains and losses arising from the translation of the loan and the net investment into euros were recognised directly in equity (immaterial impact as of 31 December 2019). No hedge ineffectiveness has been recognised.

Exposure and sensitivity to foreign exchange risk

The table below shows the Group's exposure to foreign exchange risk as of 31 December 2019:

Equivalent value in euros at 2019 closing exchange rates *(€m)*	USD[(1)]	CAD	CHF[(2)]	Other currencies	Total
Assets	21.4	40.3	4.6	1.2	67.5
Liabilities	(8.5)	(68.7)	(0.4)	(1.2)	(78.8)
Off balance sheet commitments	(38.7)	-	-	-	(38.7)
Pre-hedging position	**(25.8)**	**(28.4)**	**4.2**	**(0.1)**	**(50.1)**
Forwards and futures	2.2	-	-	-	2.2
Currency swaps	12.8	-	-	-	12.8
Net post-hedging position	**(10.8)**	**(28.4)**	**4.2**	**(0.1)**	**(35.1)**

(1) Net exposure in USD: some Group entities (GIE AD, TF1 Droits Audiovisuels) enter into multi-year 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 US dollars. TF1 SA hedges some US dollar overheads.

(2) Net exposure in Swiss francs (CHF): this mainly relates to the ordinary activities of TF1; forward contracts in CHF are contracted solely to hedge future cash flows.

The table below shows the Group's exposure to foreign exchange risk as of 31 December 2018:

Equivalent value in euros at 2018 closing exchange rates *(€m)*	USD	GBP	CHF	Other currencies	Total
Assets	(2.7)	(8.3)	9.1	2.1	0.2
Liabilities	(26.3)	(8.4)	4.3	1.8	(28.6)
Off balance sheet commitments	(42.3)	-	-	-	(42.3)
Pre-hedging position	**(71.3)**	**(16.7)**	**13.4**	**3.9**	**(70.7)**
Forwards and futures	38.4	-	(8.9)	-	29.5
Currency swaps	8.0	-	-	-	8.0
Net post-hedging position	**(24.9)**	**(16.7)**	**4.5**	**3.9**	**(33.1)**

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 that 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 IFRS 13.

	2019				2018			
	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	0.2	(0.1)	-	(0.2)	0.2	(0.3)	(0.3)	0.3
CAD	0.3	(0.3)	-	-	-	-	-	-
CHF	-	-	-	-	-	-	0.1	(0.1)
Other	-	-	-	-	0.2	(0.2)	-	-
TOTAL	**0.5**	**(0.4)**	**-**	**(0.2)**	**0.4**	**(0.5)**	**(0.2)**	**0.2**

As of 31 December 2019, the sensitivity of the TF1 group's equity (including net profit for the period) to changes in the net foreign-currency accounting position arising from a uniform unfavourable movement of 1% in the rate of the euro against all the currencies involved would be -€0.2 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 2018 was +€0.2 million.

Analysis of foreign exchange derivative instruments by currency

The tables below analyse foreign exchange hedging instruments by currency at the end of the reporting period:

31 December 2019 *(in millions)*	Currency	Nominal amount of hedges				Fair value *(€)*	
		Total foreign-currency amount	Amount *(€)* Total	Less than 1 year	1 to 5 years	Total amount	Of which designated as cash flow hedges
Currency swaps	USD	14.4	12.8	12.8	-	(0.2)	(0.2)
	CAD	-	-	-	-	-	-
	CHF	-	-	-	-	-	-
Forward purchases	USD	2.5	2.2	2.2	-	0.3	0.3
Forward sales	CHF				-		
TOTAL			**15.0**	**15.0**	**-**	**0.1**	**0.1**

31 December 2018 *(in millions)*	Currency	Nominal amount of hedges				Fair value *(€)*	
		Total foreign-currency amount	Amount *(€)* Total	Less than 1 year	1 to 5 years	Total amount	Of which designated as cash flow hedges
Currency swaps	USD	9.2	8.0	8.0	-	(0.1)	(0.1)
	CAD	-	-	-	-	-	-
	CHF	-	-	-	-	-	-
Forward purchases	USD	44.0	38.4	36.2	2.2	2.2	2.2
Forward sales	CHF	10.0	8.9	8.9	-	0.0	0.0
TOTAL			**37.5**	**35.3**	**2.2**	**2.1**	**2.1**

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 IFRS 13, 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 relevant 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
2019				
Foreign exchange instruments – assets	-	-	0.3	0.3
Foreign exchange instruments – liabilities	-	-	-	-
TOTAL	**-**	**-**	**0.3**	**0.3**
2018				
Foreign exchange instruments – assets	-	-	2.2	2.2
Foreign exchange instruments – liabilities	(0.1)	-	-	-
TOTAL	**(0.1)**	**-**	**2.2**	**2.2**

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.

CHANGE IN FAIR VALUE OF FOREIGN EXCHANGE INSTRUMENTS

(€m)	Ineligible for hedge accounting	Designated as fair value hedges	Designated as cash flow hedges	Total
2019	**0.2**	**-**	**1.6**	**1.8**
effective portion	-	-	1.7	
ineffective portion	0.2	-	(0.1)	
2018	**0.1**	**-**	**(11.3)**	**(11.1)**
effective portion	-	-	(10.1)	
ineffective portion	0.1	-	(1.2)	

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 2019, no single customer of the Group represented more than 2% of consolidated revenue.

The five largest customers represented no more than 7% of consolidated revenue.

The ten largest customers represented no more than 11% of consolidated revenue.

In 2019, no single supplier of the TF1 group represented more than 6% of consolidated revenue.

The five largest suppliers represented no more than 19% 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 production studios.

Risk of non-recovery of debtors

2019 *(€m)*	Carrying amount	Not past due	Past due			
			Total	< 6 months	6-12 months	> 12 months
Trade debtors	710.3	583.2	127.1	88.7	13.7	24.7
Provisions for impairment of trade debtors	(14.6)	(1.4)	(13.2)	(0.4)	(0.8)	(12.0)
TOTAL TRADE DEBTORS, NET	**695.7**	**581.8**	**113.9**	**88.3**	**12.9**	**12.7**

2018 *(€m)*	Carrying amount	Not past due	Past due			
			Total	< 6 months	6-12 months	> 12 months
Trade debtors	682.5	583.1	99.4	76.7	12.1	10.6
Provisions for impairment of trade debtors	(8.3)	(1.9)	(6.4)	(0.5)	(3.1)	(2.8)
TOTAL TRADE DEBTORS, NET - CONTINUING OPERATIONS	**674.2**	**581.2**	**93.0**	**76.2**	**9.0**	**7.8**

In 2016, the TF1 group introduced a trade debtor management software program with recovery, risk management and financial information modules.

This program has standardised reminder processes across the Group's vendors, and bolstered the resources dedicated to revenue collection.

This has helped keep the risk of non-payment by customers to less than 0.1% of total annual billings.

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 for managing 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.

Subscriptions to Pay-TV channels

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

Rights sales

Rights sales within France present little risk since the main customers are French broadcasters and ISP/video operators, who are relatively few in number and are high grade counterparties with no history of payment default.

Risks are also limited as regards rights sales outside France, because the media needed to exploit the audiovisual works are not supplied until after the majority of the contractual amounts due have been paid.

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.

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 2019	Total 2018
Guarantee commitments					
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements given	5.4	-	11.2	16.6	14.1
Guarantee commitments given	**5.4**	**-**	**11.2**	**16.6**	**14.1**
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements received	-	-	-	-	-
Guarantee commitments received	**-**	**-**	**-**	**-**	**-**
Guarantee commitments, net	**5.4**	**-**	**11.2**	**16.6**	**14.1**

9.1.2 Reciprocal contractual commitments

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2019	Total 2018
Miscellaneous contractual commitments					
Image transmission	22.1	21.5	0.1	43.7	67.3
Commitments relating to equity interests	-	-	-	-	-
Other	6.7	6.2	-	12.9	14.4
Miscellaneous contractual commitments given	**28.8**	**27.7**	**0.1**	**56.6**	**81.7**
Image transmission	22.1	21.5	0.1	43.7	67.3
Commitments relating to equity interests	-	-	-	-	-
Other	6.7	6.2	-	12.9	14.4
Miscellaneous contractual commitments received	**28.8**	**27.7**	**0.1**	**56.6**	**81.7**
MISCELLANEOUS CONTRACTUAL COMMITMENTS, NET	**-**	**-**	**-**	**-**	**-**

Note 9.1.2 to the 2018 consolidated financial statements included €55.7 million of other reciprocal contractual commitments representing the audiovisual production order book, which are now presented in Note 5-1 ("Revenue").

9.2 RELATED PARTY INFORMATION

9.2.1 Executive remuneration

Total remuneration paid during 2019 to key executives of the Group (i.e. the 10 members of the TF1 Management Committee mentioned in the universal registration document) was €7.9 million, comprising:

(€m)	2019	2018
Fixed remuneration	4.8	4.8
Variable remuneration and benefits in kind	3.1	3.1

Additional information:

- the portion of expenses relating to stock options and performance shares awarded to these key executives was €0.6 million for the year ended 31 December 2019;
- the portion of the total obligation in respect of retirement and other post-employment benefits relating to those key executives was €2.5 million.

The Bouygues group offers the members of its Executive Committee, who include Gilles Pélisson, a supplementary pension capped at 0.92% of the reference salary for each year's membership of the scheme, which represents a post-employment benefit. The expense (invoiced to TF1 by Bouygues) relating to the contribution paid in 2019 to the investment fund of the insurance company which manages the scheme was €0.6 million.

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

9.2.2 Transactions with other related parties

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

	Income		Expenses		Debtors		Creditors	
(€m)	2019	2018	2019	2018	2019	2018	2019	2018
Parties with an ownership interest	55.7	47.5	(29.5)	(29.8)	72.4*	89.5*	44.5	13.1
Joint ventures	-	-	0.6	-	0.2	2.6	0.1	-
Associates	-	-	-	-	0.6	0.4	-	-
Other related parties	-	-	-	-	-	-	-	-
TOTAL	**55.7**	**47.5**	**(28.9)**	**(29.8)**	**73.2**	**92.5**	**44.6**	**13.1**

* *Primarily the Bouygues Relais cash pooling agreement (see Note 8.2.1).*

In 2019, agreements entered into with joint ventures and associates related primarily to operating 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 (including in particular sales of advertising airtime to Bouygues Telecom and services purchased from Bouygues Énergies & Services), 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				EY				Other audit firms			
	Amount		%		Amount		%		Amount		%	
(€K)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Audit of consolidated and individual company financial statements	**(1,039)**	**(901)**	**97%**	**97%**	**(954)**	**(879)**	**96%**	**96%**	**(235)**	**(461)**	**98%**	**98%**
TF1 SA	*(245)*	*(236)*			*(230)*	*(247)*			-	-		
Subsidiaries	*(794)*	*(665)*			*(724)*	*(632)*			*(235)*	*(461)*		
Other procedures and services related directly to the audit engagement	**(33)**	**(29)**	**3%**	**3%**	**(42)**	**(37)**	**4%**	**4%**	**(4)**	**(9)**	**2%**	**2%**
TF1 SA	-	-			*(42)*	-			-			
Subsidiaries	*(33)*	*(29)*			-	*(37)*			*(4)*	*(9)*		
Audit-related fees	**(1,072)**	**(930)**	**100%**	**100%**	**(996)**	**(916)**	**100%**	**100%**	**(239)**	**(470)**	**100%**	**100%**
Other services provided by audit firms to fully consolidated subsidiaries												
Company law, tax and employment law	-	-	-	-	-	-	-	-	-	-	-	-
Other (if > 10% of audit-related fees)	-	-	-	-	-	-	-	-	-	-	-	0%
Other fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL AUDITORS' FEES	**(1,072)**	**(930)**	**100%**	**100%**	**(996)**	**(916)**	**100%**	**100%**	**(239)**	**(470)**	**100%**	**100%**

The amount of fees paid by the TF1 group to its auditors for the statutory audit of the consolidated and individual company financial statements for the year ended 31 December 2019 was €2.2 million.

The amount of fees paid by the Group in 2019 for services other than statutory audit (other procedures and services related directly to the audit engagement, and other services provided by the audit firms to fully consolidated companies) was €0.1 million (CSR report, assurance and advisory services on corporate actions during the year).

9.4 DEPENDENCE ON LICENCES

TF1 is an audiovisual communications service that requires a licence. Initially, TF1 was awarded a 10-year licence from 4 April 1987 (under the law of 30 September 1986); that licence expired in 1997.

The licence was renewed for a further five-year period (via decision no. 96–614 of 17 September 1996) from 16 April 1997, with no requirement to submit to a competitive tendering process.

In accordance with Articles 28-1, 82 and 99 of the law of 30 September 1986 as amended, TF1's broadcasting licence has been "automatically" renewed several times.

TF1 also has a supplementary licence to broadcast in high definition (HD), awarded by the CSA (the French broadcasting regulator) in decision No. 2016-818 of 19 October 2016, for a five-year period ending 5 May 2023.

9.5 DETAILED LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION

Consolidation methods

Subsidiaries

Subsidiaries are entities over which TF1 exercises control. TF1 controls an entity where it has (i) power over the entity, (ii) exposure, or rights, to variable returns from its involvement with the entity, and (iii) the ability to affect those returns. 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, 100% of 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 ventures

Joint ventures are equity investees over which TF1 contractually shares control with one or more other parties.

Joint ventures are accounted for by the equity method.

Associates

An associate is an entity over which TF1 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 effectively 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	31 December 2019		31 December 2018	
			% interest	method	% Interest	Method
Broadcasting						
TF1 SA	**France**	**Broadcasting**	**Parent company**	**-**	**Parent company**	**-**
E-TF1	France	Content/broadcasting: internet and TV services	100.00%	Full	100.00%	Full
EXTENSION TV	France	Theme channel	50.00%	Equity	50.00%	Equity
GIE ACHAT DROITS	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
GIE APHELIE	France	Real estate company	100.00%	Full	100.00%	Full
HISTOIRE	France	Theme channel	100.00%	Full	100.00%	Full
HOLDING NEWEN STUDIOS	France	Holding company	-	-	100.00%	Full
LA CHAÎNE INFO	France	Theme channel	100.00%	Full	100.00%	Full
MEDIA SQUARE	France	Advertising airtime sales	24.70%	Equity	24.70%	Equity
MONTE-CARLO PARTICIPATIONS	France	TMC holding company	100.00%	Full	100.00%	Full
OUEST INFO	France	TV news images agency	100.00%	Full	100.00%	Full
RAISE MEDIA INVESTMENT	France	Management of equity holdings	99.50%	Equity	99.50%	Equity
SALTO	France	Broadcasting of internet and TV services	33.33%	Equity	-	-
SALTO GESTION	France	Holding company	33.33%	Equity	-	-
TF1 DISTRIBUTION (formerly PRÉFAS 6)	France	Distribution of TV channels	100.00%	Full	100.00%	Full
TF1 DS	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
TF1 EXPANSION	France	Holding company	100.00%	Full	100.00%	Full
TF1 FILMS PRODUCTION	France	Movie co-production	100.00%	Full	100.00%	Full
TF1 ONE INNOVATION	France	Holding company	100.00%	Full	100.00%	Full
TF1 PRODUCTION (formerly GLEM)	France	Programme production	100.00%	Full	100.00%	Full
TF1 PUBLICITÉ	France	TF1 advertising airtime sales	100.00%	Full	100.00%	Full
TF1 SERIES FILMS	France	Theme channel	100.00%	Full	100.00%	Full
TF1 SPV SAS	France	Holding company	100.00%	Full	-	-
TFX	France	Theme channel	100.00%	Full	100.00%	Full
TMC	Monaco	Theme channel	100.00%	Full	100.00%	Full
TV BREIZH	France	Theme channel	100.00%	Full	100.00%	Full
USHUAÏA TV	France	Theme channel	100.00%	Full	100.00%	Full
Studios and Entertainment						
17 JUIN DÉVELOPPEMENT	France	Holding company	69.04%	Full	69.04%	Full
17 JUIN DÉVELOPPEMENT ET PARTICIPATIONS	France	Holding company	69.63%	Full	69.63%	Full
17 JUIN FICTION	France	Audiovisual production	69.04%	Full	69.04%	Full
17 JUIN MEDIA	France	Audiovisual production	69.04%	Full	69.04%	Full

Company	Country	Activity	31 December 2019 % interest	31 December 2019 method	31 December 2018 % Interest	31 December 2018 Method
17 JUIN PROD	France	Audiovisual production	-	-	69.04%	Full
ABRAFILMS	France	Audiovisual production	80.00%	Full	80.00%	Full
AND SO ON	France	Audiovisual production	100.00%	Full	100.00%	Full
BARJAC PRODUCTION	France	Audiovisual production	100.00%	Full	100.00%	Full
BIRBO	Denmark	Audiovisual production	33.33%	Equity	33.33%	Equity
BLUE JUNCTION CANADA INC	Canada	Holding company	100.00%	Full	-	-
BLUE SPIRIT HOLDING	France	Audiovisual production	100.00%	Full	100.00%	Full
BLUE SPIRIT LAB	France	Audiovisual production	100.00%	Full	100.00%	Full
BLUE SPIRIT PRODUCTION	France	Audiovisual production	100.00%	Full	100.00%	Full
BLUE SPIRIT STUDIO	France	Audiovisual production	100.00%	Full	100.00%	Full
BOXEUR 7	France	Audiovisual production	100.00%	Full	100.00%	Full
CANADA INC.	Canada	Holding company	100.00%	Full	-	-
CAPA DÉVELOPPEMENT	France	Holding company	88.09%	Full	88.09%	Full
CAPA DRAMA	France	Audiovisual production	88.09%	Full	88.09%	Full
CAPA ENTREPRISE	France	Audiovisual production	88.09%	Full	88.09%	Full
CAPA EVENTS	France	Audiovisual production	-	-	88.09%	Full
CAPA PICTURES	France	Audiovisual production	79.28%	Full	79.28%	Full
CAPA PRESSE	France	Audiovisual production	88.09%	Full	88.09%	Full
CAPA PROD	France	Audiovisual production	88.09%	Full	88.09%	Full
CAPA SERIES	France	Audiovisual production	88.09%	Full	88.09%	Full
CAPA VS3	France	Audiovisual production	88.09%	Full	100.00%	Full
CCCP TELEVISIE BV	Netherlands	Audiovisual production	51.00%	Full	51.00%	Full
CHAMPLAIN MEDIA INC.	Canada	Audiovisual production	25.00%	Equity	-	-
CIBY 2000	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
COLUMN FILM NEDERLAND BV	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
COLUMN PROJECTS	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
COSTUMES ET DECO	France	Audiovisual production	100.00%	Full	100.00%	Full

Company	Country	Activity	31 December 2019		31 December 2018	
			% interest	method	% Interest	Method
DE MENSEN	Belgium	Audiovisual production	100.00%	Full	-	-
DUJARDIN	France	Producer of board/card games	100.00%	Full	100.00%	Full
EXPLORER	France	Audiovisual production	88.09%	Full	88.09%	Full
GALLOP TAX SHELTER	Belgium	Holding company	100.00%	Full	-	-
GARDNER & DOMM	Belgium	Audiovisual production	100.00%	Full	-	-
HET LAASTE BEDRIJF	Belgium	Audiovisual production	100.00%	Full	-	-
MUZEEK ONE	France	Holding company	100.00%	Full	-	-
HUYSEGEMS	Belgium	Real estate company	100.00%	Full	-	-
JUST KIDS	France	Audiovisual production	-	-	100.00%	Full
LEONIS	France	Audiovisual production	100.00%	Full	100.00%	Full
LES FILMS A5	France	Audiovisual production	88.09%	Full	88.09%	Full
LES GENS	Belgium	Audiovisual production	100.00%	Full	-	-
LVPB	France	Audiovisual production	100.00%	Full	100.00%	Full
MDA CONSEIL	France	Management consultancy	100.00%	Full	100.00%	Full
NERIA PRESSE	France	Audiovisual production	-	-	100.00%	Full
NERIA PRODUCTIONS	France	Audiovisual production	-	-	100.00%	Full
NEWEN	France	Audiovisual production	100.00%	Full	100.00%	Full
NEWEN DISTRIBUTION	France	Audiovisual production	100.00%	Full	100.00%	Full
NEWEN DISTRIBUTION LTD	United Kingdom	Holding company	100.00%	Full	100.00%	Full
NEWEN IT ALL	France	Audiovisual production	-	-	100.00%	Full
NEWEN SERVICES	France	Holding company	-	-	100.00%	Full
NEWEN STUDIOS	France	Holding company	100.00%	Full	100.00%	Full
NIMBUS FILM	Denmark	Audiovisual production	33.08%	Equity	33.08%	Equity
NIMBUS FILM HOLDING	Denmark	Holding company	33.08%	Equity	33.08%	Equity
NIMBUS FILM SALES	Denmark	Audiovisual production	33.08%	Equity	33.08%	Equity
PLAY 2	France	Music production	100.00%	Full	25.00%	Full
PREMIÈRE BOBINE INC.	Canada	Holding company	100.00%	Full	-	-
PROD 2019 (formerly TOOCO)	France	Audiovisual production	-	-	66.00%	Full
PROD 360	France	Audiovisual production	-	-	100.00%	Full
PRODUCTION VALLEY	France	Audiovisual production	100.00%	Full	100.00%	Full

			31 December 2019		31 December 2018	
Company	Country	Activity	% interest	method	% Interest	Method
PULSATIONS	France	Audiovisual production	69.04%	Full	69.04%	Full
PULSATIONS MULTIMEDIA	France	Audiovisual production	69.04%	Full	69.04%	Full
PUPKIN FILM	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
PUPKIN FILM & TELEVISIE	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
PUPKIN FILM HOLDING	Netherlands	Holding company	100.00%	Full	100.00%	Full
REEL ONE ENTERTAINMENT, INC.	United States	Programme distribution	100.00%	Full	-	-
REEL ONE INTERNATIONAL LIMITED	United Kingdom	Programme distribution	100.00%	Full	-	-
RENDEZ VOUS PRODUCTION SERIES	France	Audiovisual production	100.00%	Full	100.00%	Full
ROYAL ME UP PRODUCTIONS	France	Audiovisual production	80.00%	Full	80.00%	Full
SKYLINE ENTERTAINMENT	Belgium	Audiovisual production	100.00%	Full	-	-
SNC ÉDITIONS MUSICALES BOXEUR DE LUNE	France	Audiovisual production	100.00%	Full	100.00%	Full
STS ÉVÉNEMENTS	France	Commercial operation of live show venues	55.00%	Full	55.00%	Full
STUDIO BLUE SPIRIT CANADA	Canada	Audiovisual production	100.00%	Full	100.00%	Full
STUDIOS DE MARSEILLE	France	Audiovisual production	100.00%	Full	100.00%	Full
STUDIOS DE SETE	France	Audiovisual production	100.00%	Full	100.00%	Full
STUDIOS POST & PROD	France	Audiovisual production	100.00%	Full	100.00%	Full
TEL SETE	France	Audiovisual production	100.00%	Full	100.00%	Full
TELECIP	France	Audiovisual production	100.00%	Full	100.00%	Full
TÉLÉSHOPPING	France	Home shopping	-	-	100.00%	Full
TELFRANCE	France	Audiovisual production	100.00%	Full	100.00%	Full
TELFRANCE & CIE	France	Holding company	100.00%	Full	100.00%	Full
TELFRANCE SERIE	France	Audiovisual production	100.00%	Full	100.00%	Full
TF1 DROITS AUDIOVISUELS	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
TF1 ENTERTAINMENT	France	Telematics, spin-off rights	100.00%	Full	100.00%	Full
TF1 EVENTS	France	Event management	100.00%	Full	100.00%	Full
TF1 VIDÉO	France	Exploitation of video rights	100.00%	Full	100.00%	Full
TOP SHOPPING	France	Retail distribution	-	-	100.00%	Full
TUVALU DIGITAL BV	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full

			31 December 2019		31 December 2018	
Company	Country	Activity	% interest	method	% Interest	Method
TUVALU MEDIA BV	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
TUVALU MEDIA GROUP BV	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
TUVALU MEDIA NETHERLANDS BV	Netherlands	Holding company	100.00%	Full	100.00%	Full
TUVALU MEDIA NETHERLANDS MANAGEMENT BV	Netherlands	Holding company	100.00%	Full	100.00%	Full
UNE MUSIQUE	France	Publisher of music & sound recordings	100.00%	Full	100.00%	Full
VF2 PRODUCTIONS, LLC	United States	Audiovisual production	100.00%	Full	-	-
VOCIFEROUS FILMS, LLC	United States	Audiovisual production	100.00%	Full	-	-
WATERLAND SERVICES BV	Netherlands	Audiovisual production	100.00%	Full	100.00%	Full
YELLOW THING	France	Audiovisual production	33.34%	Equity	33.34%	Equity
Digital						
ALFEMMINILE.COM	Italy	Digital content management	100.00%	Full	100.00%	Full
AUFEMININ	France	Digital content management	100.00%	Full	100.00%	Full
AUFEMININ.COM PRODUCTIONS	France	Digital content management	100.00%	Full	100.00%	Full
BEMFEMENINO	Brazil	Digital content management	100.00%	Full	100.00%	Full
BIGGIE HOLDING	France	Holding company	100.00%	Full	100.00%	Full
CUP INTERACTIVE SAS	France	Audiovisual production	85.64%	Full	85.64%	Full
DEVTRIBU	France	Audiovisual production	100.00%	Full	85.64%	Full
DOCTISSIMO	France	Digital content management	100.00%	Full	100.00%	Full
ENFEMENINO.COM	Spain	Digital content management	100.00%	Full	100.00%	Full
ETOILE CASTING SAS	France	Digital content management	100.00%	Full	100.00%	Full
FACTORY ELEVEN	France	Audiovisual production	85.64%	Full	85.64%	Full
GAMNED!	France	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! BENELUX	Belgium	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! DO BRAZIL	Brazil	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! GROUP NEW	France	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! MIDDLE EAST	United Arab Emirates	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! SEA	Malaysia	Advertising airtime sales	100.00%	Full	100.00%	Full
GAMNED! SUISSE	Switzerland	Advertising airtime sales	100.00%	Full	100.00%	Full

Company	Country	Activity	31 December 2019		31 December 2018	
			% interest	method	% Interest	Method
GBE & W	France	Digital content management	100.00%	Full	100.00%	Full
GOFEMININ.DE	Germany	Digital content management	100.00%	Full	100.00%	Full
JOYCE	France	Digital content management	100.00%	Full	100.00%	Full
LES PROS DE LA PETITE ENFANCE	France	Digital content management	-	-	42.82%	Equity
LIVINGLY MEDIA INC.	United Kingdom	Digital content management	100.00%	Full	100.00%	Full
MAGNETISM	France	Digital marketing consultancy	100.00%	Full	100.00%	Full
MARMITON	France	Digital content management	100.00%	Full	100.00%	Full
MAYANE COMMUNICATIONS	United Kingdom	Digital content management	100.00%	Full	85.64%	Full
MERCI ALFRED	France	Digital content management	100.00%	Full	100.00%	Full
MY LITTLE BOX KK	Japan	e-commerce	100.00%	Full	100.00%	Full
MY LITTLE CAMPUS	France	e-commerce	-	-	100.00%	Full
MY LITTLE PARIS	France	e-commerce	100.00%	Full	100.00%	Full
NETMUMS LTD	United Kingdom	Digital content management	100.00%	Full	100.00%	Full
NEWEB	France	Holding company	-	-	100.00%	Full
NEWEB DÉVELOPPEMENT	France	Audiovisual production	85.64%	Full	85.64%	Full
SOFEMININE.CO.UK	United Kingdom	Digital content management	100.00%	Full	100.00%	Full
STUDIO71 (formerly FINDER STUDIOS)	France	Digital content management	51.00%	Full	51.00%	Full
TF1 DIGITAL CONTENT	France	Holding company	100.00%	Full	100.00%	Full
TF1 DIGITAL FACTORY	France	Digital marketing consultancy	100.00%	Full	100.00%	Full
UNIFY	France	Holding company	100.00%	Full	100.00%	Full
UNIFY ADVERTISING	France	Audiovisual production	85.64%	Full	85.64%	Full
VERTICAL STATION	France	Digital content management	100.00%	Full	70.90%	Equity
WEWOMEN	United States	Digital content management	-	-	100.00%	Full
YKONE	France	Digital marketing consultancy	100.00%	Full	100.00%	Full
YKONE USA	United States	Digital marketing consultancy	100.00%	Full	100.00%	Full

9.6 EVENTS AFTER THE REPORTING PERIOD

No events after the reporting period have been identified.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2019

To the Annual General Meeting of TF1,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of TF1 for the year ended 31 December 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

EMPHASIS OF MATTER

We draw your attention to Note 2.2 to the consolidated financial statements entitled "New IFRS standards", which describes the application of standard IFRS 16 Leases and interpretation IFRIC 23 Uncertainty over Income Tax Treatments. Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

PROGRAMMES AND RIGHTS

RISK IDENTIFIED

Relevant note to the consolidated financial statements: 7.1. Audiovisual rights and broadcasting rights

The programmes, broadcasting rights and audiovisual rights, recognized in the balance sheet or presented as off-balance-sheet commitments, constitute the programmes and rights.

- The programmes and broadcasting rights correspond to firm contracts, sometimes multi-year contracts, for the acquisition of programmes and rights to broadcast sports events taken out by the Group in order to secure its programming for the coming years.

  As at 31 December 2019, these programmes and broadcasting rights are recognized in inventories for €508m when they are deemed "broadcastable", *i.e.*, when the following criteria are met:

  - technical acceptance has been obtained,
  - the date of the opening-up of the rights is reached.

  The value of the inventories is determined based on the production cost or the acquisition cost less consumptions for the year. When a programme has been purchased for two or more broadcasts, except in specific contractual cases, it is consumed according to the rules defined by the Group depending on the type of programme concerned;

- The audiovisual rights mainly correspond (i) to the shares in films and audiovisual programmes produced or co-produced by the Group and/or (ii) to the audiovisual rights distributed by the Group.

  As at 31 December 2019, these audiovisual rights are recognized, at their historical cost, in intangible assets related to audiovisual rights for a net value of €157m. The amortization of these fixed assets is determined, by category of audiovisual rights, according to the methods set out in Note 7.1.1 to the consolidated financial statements;

- Off-balance-sheet commitments, given by the Group in the amount of €1,334m as at 31 December 2019, concern the programmes and rights for which the Group considers that the criteria described hereabove have not been met. These commitments are valued for the contractual amounts or, in the case of output deals, for the estimated amount of future disbursements after deduction of advance payments made;

- The programmes and rights are depreciated when their recoverable amount is less than their net carrying amount. The recoverable amount of these programmes and rights is determined:

  - in the case of the programmes and broadcasting rights, on the basis of their broadcasting probability assessed based on forecast programme schedules validated by management,
  - in the case of the audiovisual rights, on the basis of the analysis of the future economic benefits defined by type of right.

We considered that the reality and the valuation of the programmes, broadcasting rights and audiovisual rights, as well as the completeness of the commitments made relating to these programmes and rights, constituted a key audit matter, given the significant share represented by these programmes and rights in the Group's accounts, and the high level of estimation and judgement used by management to assess the value of these programmes, broadcasting rights and audiovisual rights.

OUR RESPONSE

Our work mainly consisted of the following:

- familiarizing ourselves with the internal control procedures and the information systems set up contributing to the recognition of the programmes, broadcasting rights and audiovisual rights, as well as the corresponding expenses;
- as regards the programmes and broadcasting rights:
  - conducting IT general controls on the management software involved in the recognition of the programmes and rights used by the Group's most significant subsidiaries,
  - testing and ensuring the reliability of the transfers of data between the inventory management interfaces, as well the key reports obtained from these applications used for our audit,
  - testing the design and effectiveness of the Group's key controls on the processes for the recognition and estimation of the programmes and broadcasting rights;
- performing analytical procedures on the movements in the inventories of programmes and rights.

On the basis of a sample, we:

- assessed the value of the fixed assets in progress by consistency with the stage of completion of the productions in progress and the related expenses;
- tested the value of the audiovisual rights in the catalogue:
  - by assessing the analysis of the future economic benefits performed by the Group,
  - by examining whether the depreciation rates thus determined by type of broadcasting right were correctly applied;
- tested the correct recording in the balance sheet or in off-balance-sheet commitments by consistency with the technical acceptance and the date of the opening-up of the rights;

- tested the value of the programmes and the broadcasting rights held in inventory:
  - by reconciling the programmes present in inventory with the contracts signed,
  - by reconciling the programmes not depreciated with the programmes in the forecast schedule,
  - by performing a retrospective analysis on the unwinding of depreciation and scrapping for which no provision was recognized;
- examined the correct application of the rules on the consumption of inventories defined by the Group by reconciliation with the broadcasting findings;
- assessed the value of the off-balance-sheet commitments:
  - by assessing through discussion and/or reconciliation with legal documentation, the main assumptions used within the scope of the estimation of the broadcasting rights purchased to secure programming for future years,
  - by evaluating the main assumptions used within the scope of the valuation of the commitments given in respect of the rights purchase agreements;
- assessed the permanence of the methods used to calculate non-GAAP indicators such as the cost of the programmes.

ADVERTISING REVENUE LINKED TO THE COMMERCIALS BROADCAST

RISK IDENTIFIED

Relevant notes to the consolidated financial statements: 2 Accounting principles and policies, 5.1 Operating revenues, 7.2.1 Trade and other debtors, and 7.2.2 Trade and other creditors.

The advertising revenue linked to the commercials broadcast represents the major part of the Group's revenue (€1,567m as at 31 December 2019). The Group's trade debtors in terms of net value amount to €696m as at 31 December 2019. Other liabilities mainly include credit notes and discounts granted as well as deferred income.

Sales of advertising airtime are recognized when the corresponding commercials are broadcast. The advertising revenue linked to the commercials broadcast by the Group corresponds to the amount of sales of advertising airtime invoiced to the advertisers, and is made in strict compliance with French regulations (agreement signed with the CSA - *Conseil Supérieur de l'Audiovisuel*, the French broadcasting regulatory authority).

Sales of airtime are made according to the general terms and conditions of sale, and the terms specific to each advertiser and agency. There are two main types of sales:

- sales of airtime with an audience target (guaranteed GRP) based on the reconciliation of the broadcasting information on audience levels obtained by companies that are recognized specialists in the measurement of audiences and advertising volumes;
- sales of airtime on a "spot by spot" basis, which result from negotiation between the advertisers and the broadcasters.

The implementation of pricing is subject to an estimate which integrates performance criteria relating to the achievement of the targets defined for a campaign (achievement of the guaranteed GRP, etc.).

These estimates are reflected in the accounts by discounts in the form of credit notes or deferred income in respect of free commercials.

In view of the predominance, in the Group's revenue, of advertising revenue linked to the commercials broadcast, and as the advertising revenue is based on these various estimates, we considered its valuation to be a key audit matter.

OUR RESPONSE

Within the scope of our work:

- We familiarized ourselves with the procedures and information systems set up to monitor the recognition of the advertising revenue and its valuation.
- We tested the key controls, as well as the IT general controls and application controls for the main information systems, with regard to:
  - segregation of duties,
  - the entry of campaign contractual terms and prices into the system,
  - the amount of advertising revenue calculated by the system for each campaign, which we compared to the contractual commitments in terms of audience and price;
- We studied the correlation between the accounting entries justifying the revenue for the period and all the amounts collected, taking into account the variations in trade debtors, invoices to be drawn up, deferred income and VAT;
- We also performed the following procedures on a sample of contracts:
  - We analyzed the contractual clauses and reconciled the financial data with the accounting documents issued (invoices and/or credit notes),
  - We tested the compliance of the methods applied with the rules defined in the relevant notes to the consolidated financial statements,
  - We tested the level of the estimates established as at 31 December 2019 (invoices or credit notes to be issued) in view of the performances achieved by the portfolio of contracts and by testing the unwinding of the discounts provisioned from one period to the next.

SPECIFIC VERIFICATIONS

As required by French legal and regulatory texts, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of TF1 by your Annual General Meeting held on 15 May 2001 for MAZARS and on 14 April 2016 for ERNST & YOUNG Audit.

As at 31 December 2018, MAZARS was in its 19th year and ERNST & YOUNG Audit in its 4th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de Commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de Commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie et Paris-La Défense, 13 February 2020

The Statutory Auditors
French original signed by:

MAZARS	ERNST & YOUNG Audit
Gilles Rainaut	Laurent Vitse

6.4 PARENT COMPANY FINANCIAL STATEMENTS (FRENCH GAAP)

6.4.1 PARENT COMPANY INCOME STATEMENT (FRENCH GAAP)

(€m)	*Note*	2019	2018
Operating income		**1,330.3**	**1,342.9**
TF1 channel advertising revenue	*2.12 & 4.1*	1,117.0	1,156.3
Revenue from other services		42.3	29.4
Income from ancillary activities		11.7	13.0
Revenue		**1,171.0**	**1,198.7**
Inventorised production		0.3	(0.1)
Capitalised production		3.2	0.7
Operating grants		0.0	0.0
Reversals of depreciation, amortisation, provisions and impairment		63.4	44.6
Cost transfers	*4.2*	83.9	90.2
Other income		8.5	8.8
Operating expenses		**(1,281.0)**	**(1,281.9)**
Purchases of raw materials and other supplies	*4.3*	(579.1)	(522.3)
Change in inventory	*4.3*	1.0	(33.5)
Other purchases and external charges	*4.4*	(252.2)	(275.4)
Taxes other than income taxes	*4.5*	(81.1)	(89.1)
Wages and salaries	*4.6*	(121.4)	(129.4)
Social security charges	*4.6*	(54.4)	(53.5)
Depreciation, amortisation, provisions and impairment			
■ amortisation and depreciation of non-current assets		(62.3)	(50.1)
■ impairment of non-current and current assets		(77.8)	(68.4)
■ provisions for liabilities and charges		(6.6)	(9.6)
Other expenses	*4.7*	(47.1)	(50.6)
Operating profit		**49.3**	**61.0**
Share of profits/losses of joint operations		**0.0**	**0.0**
Financial income		107.9	151.1
Financial expenses		(124.5)	(125.1)
Net financial income/(expense)	***4.8***	**(16.6)**	**26.0**
Profit before tax and exceptional items		**32.7**	**87.0**
Exceptional income		**403.5**	**28.1**
Exceptional income from operating transactions		0.0	11.7
Exceptional income from capital transactions		391.4	5.6
Reversals of provisions and impairment		12.1	10.8
Exceptional expenses		**(404.6)**	**(15.0)**
Exceptional expenses on operating transactions		(4.4)	(0.0)
Exceptional expenses on capital transactions		(393.1)	(4.0)
Depreciation, amortisation, provisions and impairment		(7.1)	(11.0)
Exceptional items	***4.9***	**(1.1)**	**13.1**
Employee profit-sharing		0.0	0.0
Income taxes	*4.10 & 4.11*	(13.3)	(8.4)
NET PROFIT/(LOSS)		**18.3**	**91.7**

6.4.2 PARENT COMPANY BALANCE SHEET (FRENCH GAAP)

ASSETS *(€m)*	*Note*	31/12/2019 Net	31/12/2018 Net
Intangible assets	***2.2 & 3.1***	**42.2**	**36.8**
Audiovisual rights		34.5	29.9
Other intangible assets		7.7	6.9
Property, plant and equipment	***2.3 & 3.2***	**50.8**	**36.8**
Technical facilities		9.3	7.2
Other property, plant and equipment		36.3	25.0
Property, plant and equipment under construction		5.2	4.6
Non-current financial assets	***2.4 & 3.3***	**1,332.1**	**1,381.7**
Investments in subsidiaries and affiliates		1,195.7	1,381.5
Other long-term investment securities		0.0	0.0
Loans receivable		120.0	0.0
Other non-current financial assets		16.4	0.2
Non-current assets		**1,425.1**	**1,455.3**
Inventories and work in progress	*2.5 & 3.4*	97.6	92.0
Advance payments	*2.6 & 3.5.1*	102.9	139.7
Trade debtors	*2.7 & 3.5.2*	228.0	224.5
Other debtors	*3.5.3*	362.0	391.2
Short-term investments and cash	*2.8 & 3.6*	143.8	196.4
Prepayments	*3.7*	6.5	3.7
Current assets		**940.8**	**1,047.5**
Unrealised foreign exchange losses		0.0	0.0
TOTAL ASSETS		**2,365.9**	**2,502.8**

LIABILITIES AND SHAREHOLDERS' EQUITY *(€m)*	***Note***	**31/12/2019**	**31/12/2018**
Share capital		42.0	42.0
Share premium		20.2	16.8
Legal reserve		4.3	4.3
Other reserves		771.3	774.8
Retained earnings		551.0	543.0
Net profit/(loss) for the year		18.3	91.7
Restricted provisions	*2.10*	13.1	15.8
SHAREHOLDERS' EQUITY	***3.8***	**1,420.2**	**1,488.4**
Provisions for liabilities and charges	***2.11 & 3.9***	**61.5**	**90.4**
Bank borrowings(1)		0.0	0.0
Other borrowings(2)		376.5	419.8
Trade creditors		218.3	214.4
Tax and employee-related liabilities		123.0	123.0
Amounts payable in respect of non-current assets		7.6	8.5
Other liabilities		156.2	156.2
Deferred income		2.6	1.8
Liabilities	***3.10***	**884.2**	**923.7**
Unrealised foreign exchange gains		0.0	0.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,365.9**	**2,502.8**
(1) of which bank overdrafts and bank accounts in credit		*0.0*	*0.0*
(2) of which intra-group current accounts		*376.5*	*419.8*

6.4.3 PARENT COMPANY CASH FLOW STATEMENT (FRENCH GAAP)

CASH FLOW STATEMENT *(€m)*	2019	2018
1 – Operating activities		
■ Net profit for the year	18.3	91.7
■ Depreciation, amortisation, provisions and impairment[(1)(2)]	94.2	50.5
■ Investment grants released to the income statement	0.0	0.0
■ Net (gain)/loss on disposals of non-current assets	0.2	(3.3)
Operating cash flow before changes in working capital	**112.7**	**138.9**
■ Acquisitions of television programmes[(2)]	(4.2)	(4.0)
■ Amortisation and impairment of television programmes[(2)]	4.8	5.6
■ Inventories	(5.6)	31.6
■ Trade and other operating debtors	22.9	121.8
■ Trade and other operating creditors	4.4	(128.4)
■ Advance payments received from third parties, net	36.8	(21.8)
Change in operating working capital needs	**59.1**	**4.8**
Net cash generated by/(used in) operating activities	**171.8**	**143.7**
2 – Investing activities		
■ Acquisitions of property, plant & equipment and intangible assets[(1)(2)]	(104.6)	(89.4)
■ Disposals of property, plant & equipment and intangible assets[(1)(2)]	0.0	1.1
■ Acquisitions of investments in subsidiaries and affiliates and own shares	(268.6)	(548.4)
■ Disposals/reductions of investments in subsidiaries and affiliates	392.9	4.1
■ Impact of mergers	0.3	0.0
■ Net change in amounts payable in respect of non-current assets	(0.9)	3.5
■ Net change in other non-current financial assets	(120.0)	0.0
Net cash generated by/(used in) investing activities	**(100.8)**	**(629.1)**
3 – Financing activities		
■ Change in shareholders' equity	3.5	0.4
■ Net change in debt	(43.2)	133.6
■ Dividends paid	(83.8)	(73.5)
Net cash generated by/(used in) financing activities	**(123.5)**	**60.5**
TOTAL CHANGE IN CASH POSITION	**(52.6)**	**(424.9)**
Cash position at beginning of period	196.4	621.3
Change in cash position	(52.6)	(424.9)
Cash position at end of period	143.8	196.4

(1) Excludes television programmes recognised as non-current assets.

(2) Acquisitions, consumption, disposals and retirements of television programmes, which are accounted for as non-current assets in the parent company financial statements, are included in "Change in operating working capital needs" in this cash flow statement in order to provide a fair representation of cash flows comparable with that presented in the consolidated financial statements.

6.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements for the year ended 31 December 2019 have been prepared in accordance with legal and regulatory requirements as currently applicable in France.

NOTE 1 SIGNIFICANT EVENTS

SALE OF TELESHOPPING'S DISTANCE SELLING BUSINESS AND STORES

On 11 April 2019, TF1 SA sold Téléshopping's distance selling business and stores to former Téléshopping CEO Jérôme Dillard, an independent entrepreneur and acknowledged specialist in telesales. The TF1 group committed to continue broadcasting teleshopping programmes on its channels for the next five years.

TRANSFER OF EQUITY INTEREST IN AUFEMININ

On 24 June 2019, TF1 SA transferred its entire equity interest in Aufeminin to its subsidiary Unify, holding company of the Digital Division (intra-group transfer).

MERGER OF HOLDING NEWEN STUDIOS INTO TF1 SA

On 15 November 2019, Holding Newen Studios (owner of a 13.85% equity interest in Newen Studios) was merged into TF1 SA by absorption and transmission of its entire net assets. Following this transaction, TF1 SA has a 100% equity interest in Newen Studios.

NOTE 2 ACCOUNTING POLICIES

The accounting policies described below have been applied in compliance with the principles of prudence, lawfulness and fairness in order to represent faithfully the company's assets, liabilities and financial position and the results of its operations, in accordance with the following fundamental concepts:

- going concern;
- consistency of method from one period to the next;
- accrual basis of accounting;

and in accordance with the general rules applicable to the preparation and presentation of annual individual company financial statements in France.

The basic method used for measuring items recorded in the books of account is the historical cost method.

2.1 COMPARABILITY OF THE FINANCIAL STATEMENTS

There were no changes in accounting policy during the year ended 31 December 2019.

2.2 INTANGIBLE ASSETS

2.2.1 Audiovisual rights

Audiovisual rights comprise:

- drama co-production shares;
- television programmes intended for broadcast on the TF1 channel.

2.2.1.1 Drama co-production shares

This line item shows acquisitions of drama co-production shares made since the new regulations came into force in 2015, as an add-on to acquisitions of broadcasting rights for certain programmes. Such acquisitions enable TF1 SA to own certain tangible and intangible assets, in particular the exploitation rights for those programmes.

Payments for such co-production 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 co-production share. Payments made for co-production shares before those conditions are met are recognised in the balance sheet as intangible assets in progress. Intangible assets in progress also include advances paid for literary works ahead of co-production contracts.

Co-production shares are amortised over their expected useful lives. A provision for impairment is recognised if expected future revenues are lower than the net book value of the asset.

Tax depreciation is charged against co-production shares in accordance with the policies described in Note 2-10, "Restricted provisions".

2.2.1.2 Television programmes

This line item shows residual drama co-production shares that pre-date the new regulations, and production shares in other programmes. 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 for rights before those conditions are met are recognised in the balance sheet as intangible assets in progress with effect from the end of shooting.

The amortisation rules applied to capitalised programmes are the same as those for programme inventories (see Note 2-5, "Inventories").

A provision for impairment is recorded once it becomes probable that a programme including a production share will not be transmitted. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. Tax depreciation is charged against television programmes not yet transmitted 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 methods and periods 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, primarily derived from business plans, using the discounted cash flow (DCF) method. If the value in use of an investment falls significantly below acquisition cost other than on a temporary basis, a provision for impairment is recorded. If necessary, this provision may be supplemented by a provision for impairment of the current account with the investee 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

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.

A programme is recognised in inventory once technical acceptance and opening of rights have occurred. Programme inventory is measured at acquisition cost or total production cost (direct costs plus indirect costs attributable to the production, but excluding borrowing costs which are recognised as an expense).

Payments made before the conditions for recognition are met are recognised in the balance sheet under "Advance payments".

Programmes acquired for a single transmission are regarded as having been consumed in full on transmission.

Where programmes are acquired for two or more transmissions, consumption is calculated as follows:

- Programmes not individually valued in contracts:

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 contracts: consumption reflects the contractual unit price.

"Other programmes" in the table above refers to children's programmes (other than cartoons), light entertainment, 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);
- 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.

2.6 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 production shares in television programmes where shooting has not been completed at the end of the reporting period. A provision for impairment may be taken against advance payments where necessary.

Payments made to purchase sports transmission rights are recognised in "Advance payments" until the sporting event takes place. If the rights are resold, a provision is recorded once the sale is probable, to cover any excess of the amount of advance payments over the actual or estimated selling price.

2.7 TRADE DEBTORS

Trade debtors are recognised at face value.

Doubtful or disputed accounts are written down via an impairment provision that reflects the age of the debt and the situation of the debtor.

2.8 SHORT-TERM INVESTMENTS AND CASH

TF1 SA provides centralised treasury management for the Group. Treasury current account debit balances are classified as cash in order to achieve consistency with the classification of treasury current account credit balances included in "Other borrowings".

Short-term investments are measured at acquisition cost. A provision for impairment is recorded if the recoverable amount falls below acquisition cost.

2.9 FOREIGN-CURRENCY TRANSACTIONS AND UNREALISED FOREIGN EXCHANGE GAINS/LOSSES

Invoices received and issued in foreign currencies are translated into euros at the rate prevailing on the date of initial recognition, and foreign-currency payables/receivables at the end of the financial year are translated using the exchange rate prevailing as of 31 December. Unrealised foreign exchange losses and gains are recorded on the relevant lines on the assets and liabilities sides of the balance sheet.

The company also recognizes unrealised gains and losses arising on currency hedges associated with payables and receivables carried in its own balance sheet or in the balance sheets of subsidiaries to which it has provided guarantees (see Note 5.2.1).

Any unrealised foreign exchange losses arising as a result are covered by a provision included in "Provisions for liabilities and charges".

2.10 RESTRICTED PROVISIONS

This item comprises:

- tax depreciation on drama co-production shares and television programmes, calculated from the first day of the month following the end of shooting. This tax depreciation is reversed on the date when the asset is definitively recognised as an intangible asset (in the case of co-production shares), or when it is transmitted or written off as no longer transmittable (in the case of television programmes).

The tax depreciation described above is calculated in accordance with the rules defined by the French tax authorities on 3 July 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 acquired on or before 31 December 2016 or developed internally, in addition to the accounting depreciation recognised in the balance sheet;
- tax depreciation on transaction costs on acquisitions of equity interests, calculated over five years on a straight line basis.

2.11 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are recorded when there is a legal or constructive obligation to a third party arising from a past event; the obligation will certainly or probably result in an outflow of resources with no corresponding inflow of resources; and the amount of the outflow 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 Group's obligation is partially covered by an insurance contract. The provision for retirement benefits recognised in the balance sheet represents the total obligation less the value of this contract.

Actuarial gains and losses arise on defined-benefit post-employment benefit plans as a result of changes in the actuarial assumptions used to measure the obligation and plan assets from one period to the next, and of differences between actual market conditions and the expected market conditions used in the assumptions. These actuarial gains and losses are recognised in the income statement, as charges to or reversals of provisions for liabilities and charges.

2.11.2 Other provisions for liabilities and charges

These mainly comprise provisions for litigation and claims. The provision is measured as the probable outflow of resources resulting from ongoing litigation or claims arising from an event prior to the end of the reporting period. They include provisions for tax and social security disputes. The amount shown on reassessment notices issued by the authorities is provided for unless the company regards it as highly probable that it will successfully defend its position against the authorities. The undisputed portion of reassessment notices is recognised as a liability as soon as the amount is known.

2.12 ADVERTISING REVENUE

Sales of advertising airtime are recognised as revenue on transmission of the advertisement or commercial. The revenue recognised is the amount invoiced by advertising sales agencies (primarily TF1 Publicité) to the advertiser for the airtime, less the agency commission.

TF1 makes marginal use of barter transactions involving advertising with media other than television, such as radio or print media. Such transactions are reported on a non-netted basis in “Revenue” and in “External charges”.

2.13 OFF BALANCE SHEET COMMITMENTS:

Image transmission commitments represent fees payable to transmission service operators until the expiry date of their contracts.

Caution money and guarantees paid under commercial contracts are disclosed as off balance sheet commitments.

2.14 FINANCIAL INSTRUMENTS

TF1 uses financial instruments to hedge its exposure to fluctuations in interest rates and exchange rates. That exposure arises from transactions carried out by TF1 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 break down as follows:

Gross value *(€m)*	01/01/2019	Increases	Decreases	Transfers	31/12/2019
Drama co-production shares	187.0	65.2	(1.0)	14.0	265.2
Drama co-production shares in progress	16.1	14.5		(14.0)	16.6
Television programmes	5.5	5.9	(5.0)		6.4
TOTAL	**208.6**	**85.6**	**(6.0)**	**0.0**	**288.2**
Amortisation	**01/01/2019**	**Increases**	**Decreases**		**31/12/2019**
Drama co-production shares	53.4	47.9			101.3
Television programmes	0.0	4.3	(4.3)		0.0
TOTAL	**53.4**	**52.2**	**(4.3)**	**0.0**	**101.3**
Impairment	**01/01/2019**	**Increases**	**Decreases**		**31/12/2019**
Drama co-production shares	125.3	72.1	(45.0)		152.4
Television programmes	0.0				0.0
TOTAL	**125.3**	**72.1**	**(45.0)**	**0.0**	**152.4**
Net	**29.9**				**34.5**

Commitments relating to drama co-production shares and television programmes for future years break down as follows:

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2019	Total 2018
Drama co-production shares	38.1	14.1	0.0	52.2	72.9
Television programmes	0.6	0.4	0.1	1.1	2.3

As of 31 December 2019, the risk of non-transmission for programmes with a co-production component was €5.1 million, which was covered by previously-established restricted provisions using the policy described in Note 2-10.

3.1.2. Other intangible assets

Movements in other intangible assets are shown below:

Gross value *(€m)*	01/01/2019	Increases	Decreases	Transfers	31/12/2019
Software	25.7	0.3	(0.3)		25.7
Other intangible assets	1.6				1.6
Intangible assets in progress	1.0	3.2			4.2
TOTAL	**28.3**	**3.5**	**(0.3)**	**0.0**	**31.5**
Amortisation	**01/01/2019**	**Increases**	**Decreases**		**31/12/2019**
Software	19.8	2.7	(0.3)		22.2
Other intangible assets	1.6				1.6
TOTAL	**21.4**	**2.7**	**(0.3)**	**0.0**	**23.8**
Net	**6.9**				**7.7**

3.2 PROPERTY, PLANT AND EQUIPMENT

The table below shows movements in property, plant and equipment during the year, and the associated depreciation:

Gross value *(€m)*	01/01/2019	Increases	Decreases	Transfers	31/12/2019
Technical facilities	77.1	3.6	(3.9)	1.2	78.0
Other property, plant and equipment	97.7	15.1	(0.3)	0.9	113.4
Property, plant and equipment in progress	4.6	2.7		(2.1)	5.2
TOTAL	**179.4**	**21.4**	**(4.2)**	**0.0**	**196.6**
Depreciation	**01/01/2019**	**Increases**	**Decreases**		**31/12/2019**
Technical facilities	69.9	2.7	(3.9)		68.7
Other property, plant and equipment	72.7	4.7	(0.4)		77.0
TOTAL	**142.6**	**7.4**	**(4.3)**		**145.7**
Net	**36.8**				**50.8**

3.3 NON-CURRENT FINANCIAL ASSETS

This item breaks down as follows:

(€m)	Equity investments	Other non-current financial assets	Loans receivable	Other	Total
GROSS VALUE AT 1 JANUARY 2019	**1,416.7**	**0.0**	**0.0**	**0.2**	**1,416.9**
Increases					
■ Unify: capital increases	262.7		120.0		382.7
■ Aufeminin: buyout of performance shares	1.2				1.2
■ Newen Studios: absorption of Holding Newen Studios	28.1	16.2*			28.1
■ PRÉFAS 26-27-28-29: subscription to share capital	0.2				0.2
■ SPV: subscription to share capital	1.0				1.0
■ Treasury shares		3.5			3.5
Decreases					
■ Aufeminin: intra-group transfer	(388.0)				(388.0)
■ Holding Newen Studios	(44.6)				(28.4)
■ Muzeek One: intra-group transfer	(0.1)				(0.1)
■ Téléshopping: divestment	(5.1)				(5.1)
■ Capital reduction through cancellation of own shares		(3.5)			(3.5)
GROSS VALUE AT 31 DECEMBER 2019	**1,272.1**	**16.2**	**120.0**	**0.2**	**1,408.5**
Provisions for impairment					
1 January 2019	**35.2**	**0.0**	**0.0**	**0.0**	**35.2**
Charges	41.2				41.2
Reversals					0.0
31 December 2019	**76.4**	**0.0**	**0.0**	**0.0**	**76.4**
NET VALUE AT 31 DECEMBER 2019	**1,195.7**	**16.2**	**120.0**	**0.2**	**1,332.1**

* *Negative merger premium*

The €41.2 million of impairment losses recognised during the period relate to 100% owned subsidiaries (see Note 2-4).

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 2019	Total 2018
Inventory at 1 january	**108.6**	**2.2**	**110.8**	**144.4**
Purchases during the year	**579.1**	**149.1**	**728.2**	**707.9**
Consumption on transmission	(510.2)	(146.0)	(656.2)	(695.4)
Expired, retired and resold rights	(67.9)	(2.8)	(70.7)	(46.1)
Total consumption	**(578.1)**	**(148.8)**	**(726.9)**	**(741.5)**
Inventory at 31 december	**109.7**	**2.5**	**112.2**	**110.8**
Change in inventory	**1.1**	**0.3**	**1.4**	**(33.6)**
Provisions for impairment				
1 January	**18.8**	**0.0**	**18.8**	**20.8**
Charges	5.7		5.7	6.6
Reversals	(9.9)		(9.9)	(8.6)
31 December	**14.6**	**0.0**	**14.6**	**18.8**

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 2019	Total 2018
Programmes and broadcasting rights[(1)]	858.3	575.0	2.5	1,435.8	1,745.2
Sports transmission rights[(2)]	55.1	112.4		167.5	153.4
TOTAL	**913.4**	**687.4**	**2.5**	**1,603.3**	**1,898.6**

(1) Includes contracts entered into by GIE TF1 Acquisitions de droits on behalf of TF1 SA and shown in that entity's assets or off balance sheet commitments.
(2) Includes contracts entered into by TF1 DS (the company that acquires rights to sporting events broadcast on TF1), and shown in that entity's assets or off balance sheet commitments.

The portion of these contracts expressed in foreign currencies is €44.2 million (all in US dollars).

3.5 ADVANCE PAYMENTS AND DEBTORS

3.5.1 Advance payments

This mainly comprises advance payments for programme broadcasting rights and sports transmission rights, amounting to €100.5 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 €192.7 million as of 31 December 2019, compared with €181.4 million as of 31 December 2018.

3.5.3 Other debtors

This item mainly comprises taxes recoverable (VAT and income taxes), and balances on current accounts with subsidiaries.

3.5.4 Provisions for impairment of advance payments and debtors

(€m)	01/01/2019	Charges	Reversals	31/12/2019
Advance payments	0.0			0.0
Trade debtors	0.1			0.1
Other debtors	0.0			0.0
TOTAL	**0.1**	**0.0**	**0.0**	**0.1**

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	15.0	60.2	45.0	120.2
Current assets*	582.5	7.5		590.0
TOTAL	**597.5**	**67.7**	**45.0**	**710.2**

* *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)*	2019	2018
Short-term investments	**0.0**	**0.0**
Bank deposits (instant access)	9.6	6.0
Treasury current accounts with debit balances*	134.0	190.2
Advertising airtime sales	0.2	0.2
Cash	**143.8**	**196.4**
TOTAL	**143.8**	**196.4**
Provisions for impairment of current accounts and short-term investments		
1 January	**0.0**	**5.8**
Charges	0.0	0.0
Reversals	0.0	(5.8)
31 December	**0.0**	**0.0**
NET VALUE	**143.8**	**196.4**

* *As of 31 December 2019, €54.0 million was placed with Bouygues Relais (31 December 2018: €73.0 million), and intra-group current account balances amounted to €80.0 million (31 December 2018: €117.2 million).*

3.7 PREPAID EXPENSES

Prepaid expenses amounted to €6.5 million as of 31 December 2019, compared with €3.7 million as of 31 December 2018.

3.8 SHAREHOLDERS' EQUITY

The share capital is divided into 210,242,074 ordinary shares with a par value of €0.20, all fully paid.

(€m)	01/01/2019	Appropriation of profit (2019 AGM)[1]	Increases	Decreases[2]	31/12/2019
Share capital	42.0		0.1	(0.1)	42.0
Share premium	16.8		3.4		20.2
Legal reserve	4.3				4.3
Retained earnings	543.0	8.0			551.0
Other reserves	774.8			(3.5)	771.3
Profits pending appropriation	91.7	(91.7)			0.0
Net profit for the year	0.0	0.0	18.3		18.3
Sub-total	**1,472.6**	**(83.7)**	**21.8**	**(3.6)**	**1,407.1**
Restricted provisions	15.8		6.0	(8.7)	13.1
TOTAL	**1,488.4**	**(83.7)**	**27.8**	**(12.3)**	**1,420.2**
Number of shares	**209,928,940**		**728,385**	**(415,251)**	**210,242,074**

(1) Dividends paid from 2 May 2019
(2) Capital reduction through cancellation of own shares

Restricted provisions comprise the following items:

(€m)	01/01/2019	Charges	Reversals	31/12/2019
Audiovisual rights	10.0	5.1	(5.4)	9.7
Transaction costs on acquisitions of equity interests	1.6	0.9	(1.3)	1.2
Software and licences	4.2		(2.0)	2.2
TOTAL	**15.8**	**6.0**	**(8.7)**	**13.1**

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)	01/01/2019	Charges	Reversals (used)	Reversals (unused)	31/12/2019
Provisions for litigation and claims	9.4	1.0	(5.8)		4.6
Provisions for related entities	50.1	27.0	(50.1)		27.0
Provisions for retirement benefit obligations	25.9	6.5	(1.3)	(1.2)	29.9
Provisions for miscellaneous liabilities and charges	5.0		(5.0)		0.0
Provisions for unrealised foreign exchange losses	0.0				0.0
TOTAL	**90.4**	**34.5**	**(62.2)**	**(1.2)**	**61.5**

Provisions for litigation and claims cover risks relating to tax and legal exposures, and employment tribunal claims.

Provisions for related entities consist of TF1 SA's share of the losses of subsidiaries, including those established in the form of partnerships, plus provisions for risks relating to subsidiaries.

In 2018, the provision for miscellaneous liabilities and charges related to the risk of an unrealised loss on a purchase commitment.

The €29.9 million provision for retirement benefit obligations represents the present value of the obligation (€35.1 million) minus the fair value of plan assets (€5.2 million). The main assumptions used in calculating the present value of the obligations are:

- discount rate: 0.9221%;
- 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 CREDITORS

3.10.1 Bank borrowings

TF1 SA had confirmed credit facilities of €870 million with various banks as of 31 December 2019, none of which was drawn down at that date; of that amount, €305 million was due to expire within less than one year and €565 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 €376.5 million as of 31 December 2019 and €419.8 million as of 31 December 2018.

3.10.3 Other liabilities

This item mainly comprises credit notes and accrued discounts in favour of TF1 Publicité amounting to €129.1 million (€148.7 million as of 31 December 2018).

3.10.4 Liabilities by maturity

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total
Other borrowings	376.5			376.5
Trade creditors	218.3			218.3
Tax and employee-related liabilities	123.0			123.0
Amounts payable in respect of non-current assets	7.6			7.6
Other liabilities	155.7	0.5		156.2
TOTAL	**881.1**	**0.5**	**0.0**	**881.6**

3.10.5 Accrued income and expenses

(€m)			
Accrued income included in:		**Accrued expenses included in:**	
Trade debtors	3.5	Trade creditors	71.4
Other debtors	29.6	Tax and employee-related liabilities	56.9
		Amounts payable in respect of non-current assets	3.5
		Other liabilities	129.1

3.11 DEFERRED INCOME

Deferred income (€2.6 million) relates to the subsidiary TF1 Publicité, and represents commitments to provide advertising slots to customers free of charge. The corresponding amount as of 31 December 2018 was €1.8 million.

NOTE 4

NOTES TO THE INCOME STATEMENT

4.1 REVENUE

Advertising revenue of €1,117.0 million was recognised in 2019 (including €19.3 million with non-French customers), compared with €1,156.3 million in 2018 (including €17.6 million with non-French customers).

4.2 COST TRANSFERS

This item (€83.9 million in 2019, versus €90.2 million in 2018) 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 €578.1 million (2018: €555.8 million). See Note 3-4.

4.4 OTHER PURCHASES AND EXTERNAL CHARGES

This item includes costs of €59.1 million relating to sports transmission rights in 2019, compared with €95.7 million in 2018. The year-on-year decrease relates mainly to transmission rights for the Football World Cup in 2018.

It also includes transmission costs of €8.7 million (including occasional provision of circuits), of which €0.9 million were recharged to other entities within the TF1 group. The net amount was therefore €7.8 million in 2019, compared with €7.5 million in 2018.

4.5 TAXES OTHER THAN INCOME TAXES

The main item included on this line is the contribution to the French cinematographic industry support fund (€62 million in 2019, compared with €67.8 million in 2018). It also includes €4.3 million in respect of the tax on broadcast advertising for 2019 (versus €5.2 million in 2018).

4.6 WAGES, SALARIES AND SOCIAL SECURITY CHARGES

For 2019, this does not include any accrued expense for the voluntary profit-sharing scheme, compared with an amount of €6.8 million in 2018.

4.7 OTHER EXPENSES

This item includes payments to copyright-holders and holders of related rights, amounting to €46.7 million in 2019 (versus €50.2 million in 2018).

4.8 NET FINANCIAL INCOME/EXPENSE

The components of net financial income/expense are as follows:

(€m)	2019	2018
Dividends and transfers of profits/losses from partnerships	47.7	53.6
Net interest paid or received	1.9	1.5
Provision for impairment of equity investments*	(41.2)	16.9
Provisions for impairment of current accounts	0.0	5.8
Provisions for risks relating to shares of partnership losses	(26.9)	(50.1)
Foreign exchange losses and provisions for unrealised foreign exchange losses	1.9	(1.7)
NET	**(16.6)**	**26.0**

* *See Note 3.3*

Interest received from related companies in 2019 was €1.9 million, compared with €1.5 million in 2018.

4.9 EXCEPTIONAL ITEMS

Exceptional items break down as follows:

(€m)	2019	2018
Retirement/expiration of rights and gains/losses on disposals of intangible assets	(1.5)	(1.7)
Retirement and gains/losses on disposals of property, plant and equipment	0.0	(0.7)
Net change in provisions (including tax depreciation)	5.0	(0.3)
Gains/(losses) on disposals of non-current financial assets	(0.1)	4.1
Miscellaneous income/(expenses)	(4.5)	11.7
NET	**(1.1)**	**13.1**

The net change in provisions during 2019 comprises net reversals of provisions for claims and litigation of €2.3 million, and a net reversal of tax depreciation of €2.7 million. The net change in provisions during 2018 comprises a net charge to provisions for claims and litigation of €0.9 million, and a net reversal of tax depreciation of €0.6 million.

The net gain on disposals of non-current financial assets in 2019 (€0.1 million) arose from a sale of equity interests to a non-group company, and a loss on a transfer of equity interests to a group company. The net gain on disposals of non-current financial assets in 2018 (€4.1 million) arose from a sale of equity holdings to a non-group company.

Miscellaneous expenses for 2019 mainly comprise a tax reassessment of €3.3 million (cancelled out by a reversal of a provision of the same amount). In 2018, miscellaneous income mainly comprised tax reliefs.

4.10 INCOME TAXES

This item breaks down as follows:

(€m)	2019	2018
Income tax expense incurred by the tax group (net of tax credits)	(44.7)	(45.3)
Income tax credit/(expense) receivable from companies entitled to tax credits	31.2	37.6
Income tax credit/(expense) from prior periods	(1.2)	0.7
Net change in provision for income taxes	1.4	(1.4)
INCOME TAXES	**(13.3)**	**(8.4)**
Profit before tax and profit-sharing	31.6	100.1
Effective tax rate	42.09%	8.39%

Exceptional items generated a tax gain of €1.3 million.

TF1 made a group tax election on 1 January 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 58 companies as of 31 December 2019.

The tax group had no tax losses available for carry-forward as of 31 December 2019.

The difference between the standard French tax rate and the effective tax rate, in both 2019 and 2018, is due to deductions relating to income not taxed at the full rate (dividends, long-term capital gains) and adjustments related to the tax group (tax savings arising from the losses of tax group member companies, and eliminations/reinstatements of intra-group transactions).

The total amount of tax losses of subsidiaries that generated savings for the tax group in 2019 and may generate a tax liability in the future is €11.5 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 32.02%.

(€m)	Future increases in tax liability	Future reductions in tax liability
Restricted provisions outstanding (balance)	3.8	-
Provision for risks (balance)		0.7
Accrued employee profit-sharing, holiday pay entitlement and social solidarity contributions, unrealised foreign exchange gains and losses (for the period)	-	3.5

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 2019**	**Total 2018**
Operating leases	26.9	99.3	45.5	171.7	88.7
Image transmission contracts	4.9	2.3	0.0	7.2	12.5
Guarantees(1)	5.4		11.2	16.6	14.0
Commitments relating to equity interests(2)	0.0			0.0	2.8
Other commitments(3)	0.1			0.1	0.1
TOTAL	**37.3**	**101.6**	**56.7**	**195.6**	**118.1**

Commitments received *(€m)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total 2019**	**Total 2018**
Operating leases	26.9	99.3	45.5	171.7	88.7
Image transmission contracts	4.9	2.3	0.0	7.2	12.5
Commitments relating to equity interests(2)	0.0			0.0	2.8
Other commitments(3)	0.3			0.3	2.2
TOTAL	**32.1**	**101.6**	**45.5**	**179.2**	**106.2**

(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.
(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 31 December 2019.

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 31 December 2019, the equivalent value of such hedging instruments contracted with banks was €15 million:

- €2.2 million of forward purchases (all in US dollars, valued at the closing exchange rate);
- plus €12.8 million of currency swaps (all in US dollars, valued at the closing exchange rate).

5.3 EMPLOYEES

The average headcount of TF1 SA is as follows:

	2019	2018
Clerical and administrative	80	70
Supervisory	207	228
Managerial	854	883
Journalists	237	234
Interns	24	37
Intermittent employees	86	77
TOTAL	**1,489**	**1,529**

5.4 EXECUTIVE REMUNERATION

Total remuneration paid during 2019 to key executives of the TF1 group (i.e. the ten members of the TF1 Management Committee mentioned in the Annual Report) was €7.9 million.

The portion of the total obligation in respect of retirement and other post-employment benefits relating to those key executives was €2.5 million.

The Bouygues group offers the members of its Executive Committee, who include Gilles Pélisson, a supplementary pension capped at 0.92% of the reference salary for each year's membership of the scheme, which represents a post-employment benefit. The expense (invoiced to TF1 by Bouygues) relating to the contribution paid in 2019 to the investment fund of the insurance company which manages the scheme was €0.6 million.

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

5.5 STOCK OPTIONS AND PERFORMANCE SHARE PLANS

Disclosures about stock options and performance shares awarded to employees are provided in the "Report on stock options and performance shares" in the TF1 universal registration document.

5.6 REMUNERATION OF CORPORATE OFFICERS FOR SERVING AS DIRECTORS (FORMERLY DIRECTORS' FEES)

The amount of remuneration paid to corporate officers for serving as Directors in 2019 was €0.3 million.

5.7 AUDITORS' FEES

The amount of fees paid by TF1 SA to its auditors for the financial year was €0.5 million.

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	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
(€k or other currency as specified)										
I. Subsidiaries (at least 50% of the capital held by TF1 SA)										
■ TF1 Publicité	2,400	22,551	100.00%	3,038	3,038	30,671	-	1,643,936	14,241	
■ TF1 Films Production	2,550	30,315	100.00%	1,768	1,768	3,097	-	42,746	3,994	
■ TF1 Entertainment	3,000	2,809	100.00%	3,049	3,049	-	-	34,243	7,318	6,000
■ e-TF1	1,000	1,242	100.00%	1,000	1,000	-	-	126,950	30,388	34,000
■ TF1 Vidéo	3,000	(528)	100.00%	23,100	1,611	-	-	27,998	1,958	-
■ TF1 Expansion	269	188,871	100.00%	291,291	291,291	-	-	0	(6,640)	
■ TF1 Droits Audiovisuels	15,000	2,020	100.00%	138,431	101,033	-	-	48,503	4,123	1,290
■ La Chaîne Info	4,500	1,383	100.00%	2,059	59	13,695	-	28,054	(26,944)	-
■ Ouest Info	40	(970)	100.00%	2,617	17	1,258	-	255	(292)	-
■ TF1 Production	10,080	5,311	100.00%	39,052	39,052	-	-	87,100	4,644	5,000
■ TF1 Management	40	(14)	100.00%	80	80	-	-	0	(5)	-
■ PRÉFAS 20	40	(22)	100.00%	40	40	-	-	0	(4)	-
■ Unify	312,697	589	100.00%	312,697	312,697	-	-	1,571	(110,391)	-
■ PRÉFAS 25	40	(11)	100.00%	40	40	-	-	0	(4)	-
■ PRÉFAS 26	40	0	100.00%	40	40	-	-	0	(3)	-
■ PRÉFAS 27	40	0	100.00%	40	40	-	-	0	(3)	-
■ PRÉFAS 28	40	0	100.00%	40	40	-	-	0	(3)	-
■ PRÉFAS 29	40	0	100.00%	40	40	-	-	0	(3)	-
■ TF1 Distribution	40	80	100.00%	40	40	3,382	-	119,513	744	-
■ TF1 DS	100	0	100.00%	100	100	-	-	80,918	137	-
■ Newen Studios	27,822	(20,009)	100.00%	225,773	225,773	-	-	864	(403)	-
■ SPV	1,003	0	100.00%	1,003	1,003	1	-	0	(567)	-
■ Monte-Carlo Participation	33,700	112,727	100.00%	213,827	213,827	76,000	-	52	44,199	-
■ GIE TF1 Acquisition DE Droits	0	0	92.00%	0	0	192,618	-	323,077	14,305	-
II Affiliates (10% to 50% of the capital held by TF1 SA)										
■ Médiamétrie*	14,880	23,764	10.80%	44	44	-	-	92,713	2,626	100
■ A1 International	N/D**	N/D**	50.00%	12,809	N/D**	-	-	N/D**	N/D**	-
■ SMR6	75	14	20.00%	15	15	5	-	78	1	-
III Other equity investments (less than 10% of the capital held by TF1 SA)										
■ Médiamétrie Expansion*	843	(26)	2.42%	91	0	-	-	0	(422)	-
■ Série Club	50	1,251	0.004%	2	2	-	-	11,321	973	-
■ Aphelie	2	104,767	0.05%	0	0	-	-	18,988	15,067	-
TOTAL SUBSIDIARIES, AFFILIATES & EQUITY INVESTMENTS				**1,272,126**	**1,195,739**	**320,727**	**0**	**-**	**-**	**46,390**

(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", revenues, and profit/loss all relate to the 2018 financial year.*
*** N/D: not disclosed.*

NOTE 6 EVENTS AFTER THE REPORTING PERIOD

None.

6.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2019

To the Annual General Meeting of TF1,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of TF1 for the year ended 31 December 2019.

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 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, section 1, of Regulation (EU) No. 537/2014 or by the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF EQUITY INVESTMENTS

RISK IDENTIFIED

Relevant note to the financial statements: 2.4 – Non-current financial assets

As at 31 December 2019, the equity investments recorded in assets for the net carrying amount of €1,332.1m, represent 56% of the total balance sheet of TF1 SA They are recognized at the date of their entry at acquisition cost, corresponding to the cost of purchase plus any acquisition expenses, to which additional tax depreciation is applied over five years. These equity investments are depreciated when their value in use is significantly less than their net carrying amount.

As stated in Note 2.4 to the financial statements, the value in use of each equity investment is determined on the basis of the forecasts established by the company, according to the business outlook and profitability prospects measured notably on the basis of the business plans and the discounted cash flows method.

The determination of the value in use of each equity investment is based on the assumptions and estimates drawn up by management, notably the projected cash flows derived from the business plans, the growth rate used for these projected cash flows and the discount rate applied to them.

We considered the measurement of the equity investments to be a key audit matter, given the high degree of estimation and judgement used by management and the sensitivity of the values in use to changes in the projection assumptions.

OUR RESPONSE

In order to assess the estimate of the values in use of the equity investments, based on the information provided to us, our work consisted mainly of the following:

- familiarizing ourselves with the budgetary process and the key controls related to said process;
- obtaining the methods of calculation of the values in use and, in particular, the projected cash flows for the companies to which these equity investments relate, in order to:
  - evaluate their consistency with the medium-term business plans approved by management and presented to the Board of Directors of your company for approval,
  - examine the consistency of the assumptions used with the economic environment at closing date,
  - assess the assumptions used for the determination of the normative cash flow, beyond the medium-term business plan,
  - compare the forecasts used for prior periods as well as for the financial year ended 31 December 2019 with the corresponding actual figures in order to assess the achievement of past targets,
  - check the permanence of the methods used;
- assessing, with the support of our valuation specialists, the discount rates used for the calculation of the value in use;
- verifying the arithmetical accuracy of the calculations of the values in use used by your company;
- verifying the sensitivity analyses, in particular relating to the equity investments whose recoverable amounts are close to their carrying amounts.

PROGRAMMES AND RIGHTS

RISK IDENTIFIED

Relevant notes to the financial statements: 2.2.1 and 3.1.1. Audiovisual rights, 2.5. and 3.4. Inventories and work-in-progress, 2.6. Advance payments, and 3.5.1. Advance payments.

- The programmes, broadcasting rights and audiovisual rights, recognized in the balance sheet or presented as off-balance-sheet commitments, constitute the programmes and rights.

  The programmes and broadcasting rights correspond to firm contracts, sometimes multi-year contracts, for the acquisition of programmes and rights to broadcast sports events taken out by your company in order to secure its programming for the coming years.

  As at 31 December 2019, these programmes and broadcasting rights are recognized in inventories for €97.6m when they are deemed "broadcastable", *i.e.*, when the following criteria are met:

  - technical acceptance has been obtained,
  - the date of the opening-up of the rights is reached.

  The value of the inventories is determined based on the production cost or the acquisition cost less consumptions for the year. When a programme has been purchased for a single broadcast, it is 100% amortized upon its broadcast. When the purchase is for two or more broadcasts, except in specific contractual cases, the programme is consumed according to the rules defined by TF1 SA depending on the type of programme concerned;
- The audiovisual rights mainly correspond (i) to television programmes for broadcast and (ii) to the producers' shares invested by TF1 SA

  As at 31 December 2019, these audiovisual rights are recognized, at their contractual acquisition cost, in intangible assets related to audiovisual rights for a net value of €34.5m. The amortization of these fixed assets is determined, by category of audiovisual rights, according to the methods set out in Note 2.2.1 to the financial statements;
- Off-balance-sheet commitments, given directly or indirectly by TF1 SA, concern the programmes and rights for which the company considers that the criteria described hereabove have not been met. These commitments are valued for the contractual amounts or, in the case of output deals, for the estimated amount of future disbursements after deduction of advance payments made. Contracts for the acquisition of programmes and rights, in respect of securing the programming for the coming years, amount to €1,603m as at 31 December 2019;
- The programmes and rights are depreciated when their recoverable amount is less than their net carrying amount. The recoverable amount of these programmes and rights is determined:

– in the case of the programmes and broadcasting rights, when it is probable that a programme will not be broadcast based on its broadcasting probability assessed on the basis of forecast programme schedules validated by management,
– in the case of co-production shares in drama, based on expected forecast revenue.

We considered that the reality and the valuation of the programmes, broadcasting rights and audiovisual rights, as well as the completeness of the commitments made relating to these programmes and rights constituted a key audit matter, given the significant share represented by these programmes and rights in TF1 SA's accounts, and the high level of estimation and judgement used by management to assess the value of these programmes, broadcasting rights and audiovisual rights.

OUR RESPONSE

Our work mainly consisted of the following:

- familiarizing ourselves with the internal control procedures and the information systems set up contributing to the recognition of the programmes, broadcasting rights and audiovisual rights, as well as the corresponding expenses;
- on the programmes and the broadcasting rights:
  - conducting IT general controls on the management software involved in the recognition of the programmes and rights used by TF1 SA,
  - testing and ensuring the reliability of the transfers of data between the inventory management interfaces, as well the key reports obtained from these applications used for our audit,
  - testing the design and effectiveness of the key controls set up by TF1 SA on the processes for the recognition and estimation of the programmes and broadcasting rights;
- performing analytical procedures on the movements in the inventories of programmes and rights.

On the basis of a sample, we:

- assessed the value of the fixed assets in progress by consistency with the stage of completion of the productions in progress and the related expenses;
- tested the value of the audiovisual rights in the company's catalogue:
  - by assessing the analysis of the future economic benefits performed by TF1 SA,
  - by examining whether the inventory depreciation rates determined by type of broadcasting right were correctly applied;
- tested the correct recording in the balance sheet or in off-balance-sheet commitments by consistency with the technical acceptance and the date of the opening-up of the rights;
- tested the value of the programmes and the broadcasting rights held in inventory:
  - by reconciling the programmes present in inventory with the contracts signed,
  - by reconciling the programmes not depreciated with the programmes in the forecast schedule,
  - by performing a retrospective analysis on the unwinding of depreciation and scrapping for which no provision was recognized;
- examined the correct application of the rules on the consumption of inventories defined by the company by reconciliation with the broadcasting findings;
- assessed the value of the off-balance-sheet commitments and prepayments on trade orders:
  - by assessing through discussion and/or reconciliation with legal documentation, the main assumptions used within the scope of the estimation of the broadcasting rights purchased to secure programming for future years;
  - by evaluating the main assumptions used within the scope of the valuation of the commitments given in respect of the rights purchase agreements.

ADVERTISING REVENUE LINKED TO THE COMMERCIALS BROADCAST

RISK IDENTIFIED

Relevant notes to the financial statements: 2.7 Trade debtors, 2.12 Advertising, 3.5.2 Trade debtors, 3.10.3 Other liabilities, 3.11 Deferred income and 4.1 Revenue.

The advertising revenue linked to the commercials broadcast represents the major part of TF1 SA's revenue (€1,117m as at 31 December 2019). The company's trade debtors owed by TF1 Publicité in terms of net value amount to €193m as at 31 December 2019. Other liabilities mainly include credit notes and discounts granted as well as deferred income.

Sales of advertising airtime are recognized when the corresponding commercials are broadcast. The advertising revenue linked to the commercials broadcast recognized by the entity corresponds to the amount of sales of advertising airtime invoiced to the advertisers less the agency commission, and is made in strict compliance with French regulations (agreement signed with the CSA - *Conseil Supérieur de l'Audiovisuel*, the French broadcasting regulatory authority).

Sales of airtime are made according to the general terms and conditions of sale, and the terms specific to each advertiser and agency. There are two main types of sales:

- sales of airtime with an audience target (guaranteed GRP) based on the reconciliation of the broadcasting information on audience levels obtained by companies that are recognized specialists in the measurement of audiences and advertising volumes;
- sales of airtime on a "spot by spot" basis, which result from negotiation between the advertisers and the broadcasters.

The implementation of pricing is subject to an estimate which integrates performance criteria relating to the achievement of the targets defined for a campaign (achievement of the guaranteed GRP, etc.). These estimates are reflected in the accounts by discounts in the form of credit notes or deferred income in respect of free commercials.

In view of the predominance of advertising revenue in TF1 SA's revenue, and as this advertising revenue is based on various estimates, we considered its valuation to be a key audit matter.

OUR RESPONSE

Within the scope of our work:

- We familiarized ourselves with the procedures and information systems set up to monitor the recognition of the advertising revenue and its valuation;
- We tested the key controls, as well as the IT general controls and application controls for the main information systems, with regard to:
  - segregation of duties,
  - the entry of campaign contractual terms and prices into the system,
  - the amount of advertising revenue calculated by the system for each campaign, which we compared to the contractual commitments in terms of audience and price;
- We assessed the correlation between the accounting entries justifying the revenue for the period and all the amounts collected, taking into account the variations in trade debtors, invoices to be drawn up, deferred income and VAT;
- We also performed the following procedures on a sample of advertising airtime contracts:
  - We analyzed the contractual clauses and reconciled the financial data with the accounting documents issued (invoices and/or credit notes),
  - We tested the compliance of the methods applied with the rules defined in the relevant notes to the financial statements,
  - We tested the level of the estimates established as at 31 December 2019 (invoices or credit notes to be issued) in view of the performances achieved by the portfolio of contracts and by testing the unwinding of the discounts provisioned from one period to the next.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest that the information relating to payment times referred to in Article D. 441-4 of the French Commercial Code (*Code de Commerce*) is fair and consistent with the financial statements.

INFORMATION ON CORPORATE GOVERNANCE

We attest that the Corporate Governance section of the Board of Directors' management report sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de Commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de Commerce*) relating to remunerations and benefits received by or awarded to the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code (*Code de Commerce*) relating to the items considered by your company to be likely to have an impact in the event of a public tender or exchange offer, we have verified its consistency with the documents from which it was taken and which were provided to us. Based on this work, we have nothing to report on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of TF1 by your Annual General Meeting held on 15 May 2001 for MAZARS and on 14 April 2016 for ERNST & YOUNG Audit.

As at 31 December 2019, MAZARS was in its 19th year and ERNST & YOUNG Audit in its 4th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de Commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de Commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, 13 February 2020

The Statutory Auditors
French original signed by:

MAZARS	ERNST & YOUNG Audit
Gilles Rainaut	Laurent Vitse

7

SHARE OWNERSHIP AND STOCK MARKET INFORMATION AFR

7.1 SHARE OWNERSHIP

7.1.1 GENERAL INFORMATION

LEGAL ENVIRONMENT

Under the terms of Article 39 of law no. 86-1067 of 30 September 1986 as amended, no single natural or legal person 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 whose average annual audience (terrestrial, cable and satellite) exceeds 8% of the total television audience.

Under the terms of Article 40 of law no. 86-1067 of 30 September 1986 as amended, no natural or legal person 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 the capital of a company that holds a licence to operate a terrestrial television service.

Under the terms of Article 41 of the law of 30 September 1986 as amended by the law of 9 July 2004, no single natural or legal person may directly or indirectly hold more than seven individual licences to operate a national Digital Terrestrial Television service.

MANAGEMENT OF TF1 SHARES

As the issuing company, TF1 provides its own registrar and paying agent services.

SHAREHOLDER AGREEMENTS RELATING TO THE CAPITAL OF TF1

As far as the company is aware there are at present no shareholder agreements or concert parties relating to the capital of TF1, and no agreements that if implemented could result in a change of control of the company at a future date.

7.1.2 SHAREHOLDERS AND CHANGES IN OWNERSHIP STRUCTURE

NUMBER OF SHARES AND VOTING RIGHTS

Date	Number of shares comprising the share capital	Total number of voting rights	
		theoretical[(1)]	exercisable[(2)]
31 December 2019	210,242,074	210,242,074	210,242,074
31 December 2018	209,928,940	209,928,940	209,928,940
31 December 2017	209,865,742	209,865,742	209,865,742

(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) This number, provided for information purposes, excludes shares from which voting rights have been stripped.

There are no double voting rights.

As far as the company is aware, no TF1 shares have been pledged and TF1 has pledged none of its subsidiaries' shares.

The control structure of the company is described below. However, the company considers that there is no risk of abuse of control. The Board of Directors and Board committees include a significant proportion of independent Directors. In addition, TF1 applies the recommendations of the AFEP/MEDEF Corporate Governance Code, which are appended to the Board's Rules of Procedure.

As far the company is aware, there has been no material change in the ownership structure since 31 December 2019.

CHANGES IN OWNERSHIP STRUCTURE

As far as the Board of Directors is aware, changes in the company's share ownership structure over the past three years are as indicated below:

	31 December 2019			31 December 2018			31 December 2017		
	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%**	**43.7%**	**91,946,297**	**43.8%**	**43.8%**	**91,946,297**	**43.8%**	**43.8%**
Free float – foreign(1)	**62,019,036**	**29.5%**	**29.5%**	**63,826,445**	**30.4%**	**30.4%**	**69,575,270**	**33.2%**	**33.2%**
Free float – France(1)(2)	**39,711,812**	**18.9%**	**18.9%**	**38,843,310**	**18.5%**	**18.5%**	**34,060,137**	**16.2%**	**16.2%**
TF1 employees	**16,564,929**	**7.9%**	**7.9%**	**15,312,888**	**7.3%**	**7.3%**	**14,284,038**	**6.8%**	**6.8%**
via FCPE TF1 Actions(3)	*16,294,686*	*7.8%*	*7.9%*	*15,121,278*	*7.2%*	*7.2%*	*14,080,439*	*6.7%*	*6.7%*
as registered shareholders(4)	*270,243*	*0.1%*	*0.1%*	*191,610*	*0.1%*	*0.1%*	*203,599*	*0.1%*	*0.1%*
Treasury shares	-	-	-	-	-	-	-	-	-
TOTAL	**210,242,074**	**100%**	**100%**	**209,928,940**	**100%**	**100%**	**209,865,742**	**100%**	**100%**

(1) Estimates based on Euroclear statements.
(2) Including unidentified holders of bearer shares.
(3) Shares held by employees under the employee share ownership scheme. FCPE TF1 Actions, the fund associated with the scheme, receives voluntary contributions from employees and the top-up contribution paid by the company. It invests in TF1 shares by buying them directly on the market. The Supervisory Board of the FCPE TF1 Actions fund exercises the voting rights attached to the equity securities in its portfolio and decides whether to tender the securities into a public offer.
(4) Employees holding registered shares exercise their voting rights individually.

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 2019, in the form of (i) statutory declarations brought to the attention of the AMF and (ii) declarations required under the TF1 Articles of Association, were as follows:

Date of declaration	Date of transaction on the market	Registered intermediary or fund manager	Threshold	Direction of change	Number of shares	% of share capital	% of voting rights
21/01/2019	21/01/2019	Amundi Asset Management	1%	Up	2,578,578	1.23%	1.23%
21/01/2019	18/01/2019	Wellington Management	3%	Down	5,913,917	2.82%	2.82%
05/02/2019	04/02/2019	Wellington Management	2%	Down	4,114,800	1.96%	1.96%
14/06/2019	13/06/2019	Blackrock Investment Management UK	1%	Up	3,729,448	1.77%	1.77%
31/07/2019	30/07/2019	Blackrock Investment Management UK	1%	Down	2,039,000	0.97%	0.97%
31/07/2019	31/07/2019	Amundi Asset Management	2%	Up	4,318,902	2.05%	2.05%
06/08/2019	06/08/2019	Schroders plc	2%	Up	4,318,063	2.05%	2.05%
16/09/2019	16/09/2019	Amundi Asset Management	2%	Down	4,199,559	1.99%	1.99%
20/09/2019	20/09/2019	Amundi Asset Management	2%	Up	4,274,542	2.03%	2.03%
30/09/2019	30/09/2019	Amundi Asset Management	2%	Down	3,527,604	1.67%	1.67%
02/10/2019	01/10/2019	Blackrock Investment Management UK	1%	Up	2,171,753	1.03%	1.03%
11/10/2019	10/10/2019	Blackrock Investment Management UK	1%	Down	1,947,347	0.92%	0.92%
16/10/2019	15/10/2019	Blackrock Investment Management UK	1%	Up	2,148,564	1.02%	1.02%
17/10/2019	16/10/2019	Ruby Equity Investment SARL	1%	Up	2,220,000	1.05%	1.05%
21/10/2019	16/10/2019	DNCA	5%	Down	10,456,062	4.96%	4.96%
08/11/2019	07/11/2019	Blackrock Investment Management UK	1%	Down	1,953,002	0.93%	0.93%
14/11/2019	13/11/2019	Blackrock Investment Management UK	1%	Up	2,125,915	1.01%	1.01%
20/11/2019	20/11/2019	Amundi Asset Management	1%	Down	2,054,596	0.98%	0.98%
26/11/2019	25/11/2019	Blackrock Investment Management UK	1%	Down	2,034,693	0.97%	0.97%
27/11/2019	25/11/2019	Sycomore Asset Management	1%	Up	2,268,881	1.08%	1.08%
06/12/2019	06/12/2019	Amundi Asset Management	1%	Up	2,115,196	1.01%	1.01%
23/12/2019	20/12/2019	Blackrock Investment Management UK	1%	Up	2,203,787	1.05%	1.05%
24/12/2019	23/12/2019	Blackrock Investment Management UK	1%	Down	1,805,258	0.86%	0.86%
30/12/2019	27/12/2019	Blackrock Investment Management UK	1%	Up	2,499,551	1.19%	1.19%
31/12/2019	30/12/2019	Blackrock Investment Management UK	1%	Down	1,980,022	0.94%	0.94%

Declarations of the crossing of share ownership thresholds by registered intermediaries or fund managers brought to the attention of TF1 since 1 January 2020 are as follows:

Date of declaration	Date of transaction on the market	Registered intermediary or fund manager	Threshold	Direction of change	Number of shares	% of share capital	% of voting rights
03/01/2020	02/01/2020	Blackrock Investment Management UK	1%	Up	2,379,147	1.13%	1.13%
07/01/2020	06/01/2020	Blackrock Investment Management UK	1%	Down	1,771,490	0.84%	0.84%
10/01/2020	09/01/2020	Blackrock Investment Management UK	1%	Up	2,415,865	1.15%	1.15%
13/01/2020	10/01/2020	Blackrock Investment Management UK	1%	Down	2,009,333	0.96%	0.96%
27/01/2020	24/01/2020	Blackrock Investment Management UK	1%	Up	2,263,350	1.08%	1.08%
28/01/2020	27/01/2020	Blackrock Investment Management UK	1%	Down	1,877,342	0.89%	0.89%

As far as the company is aware, there are no shareholders other than Bouygues, FCPE TF1 Actions and Newton Investment Management holding more than 5% of the voting rights.

FCPE TF1 Actions, the vehicle for the TF1 group employee share ownership scheme, held 7.8% of the share capital as of 31 December 2019.

7.2 STOCK MARKET INFORMATION

7.2.1 DESCRIPTION OF TF1 SHARES

TF1 shares are quoted on Euronext Paris, compartment A.

ISIN code: FR0000054900; CFI: ESVUFN, ICB: 5553 – Broadcasting and Entertainment.

Ticker: TFI.

As of 31 December 2019, TF1 shares were listed in various stock market indices including SBF 120, CAC Mid 60, CAC Mid & Small, Next 150 and Euro Stoxx® Total Market Media.

There is currently no request pending for admission to another stock exchange.

7.2.2 SHARE PRICE AND VOLUMES

On 31 December 2019, TF1 shares closed at a price of €7.40; this represents a rise of 4.5% over 2019 as a whole, compared with rises of 26.4% for the CAC 40 index and 25.2% for the SBF 120.

During 2019, the average share price was €8.24 and the average daily trading volume of TF1 shares was 401,628, 63% more than in 2018. The highest volume of shares traded in a single day was 1,993,383, on 30 October 2019.

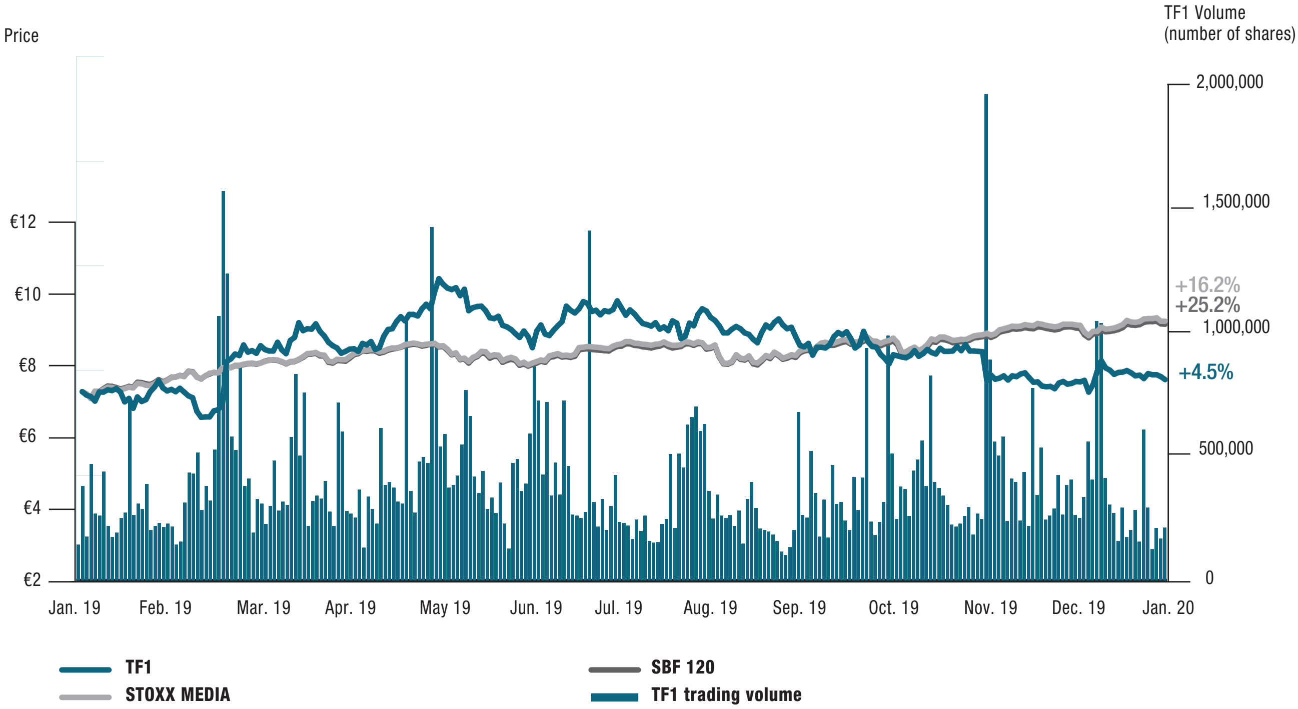
The market capitalisation of the TF1 group as of 31 December 2019 was €1,556 million. The P/E (price/earnings) ratio as of 31 December 2019 (based on net profit attributable to the Group) was 10x compared with 12x as of 31 December 2018.

The table below shows trends in share prices and trading volumes in TF1 shares during 2019:

2019	High[(1)] *(€)*	Low[(1)] *(€)*	Closing *(€)*	Average number of shares traded[(2)]	Market capitalisation[(3)] (€m)
January	7.37	6.64	7.08	295,778	1,486
February	8.32	6.40	8.30	541,826	1,742
March	8.91	8.10	8.21	415,931	1,724
April	9.74	8.15	9.74	448,474	2,046
May	10.08	8.52	8.54	452,884	1,796
June	9.47	8.25	9.26	483,759	1,951
July	9.49	8.49	9.05	361,785	1,906
August	9.01	8.27	8.27	253,251	1,742
September	8.68	7.82	8.06	379,930	1,698
October	8.33	7.38	7.52	448,397	1,581
November	7.58	7.16	7.34	388,740	1,543
December	7.91	7.07	7.40	369,043	1,556
Full year	10.08	6.40	7.40	401,628	1,556

Euronext.

(1) Highs and lows represent the highest and lowest values recorded at close of trading on any day.
(2) The volume of shares traded refers to average daily trading volumes on Euronext.
(3) Calculation based on the monthly closing price multiplied by the number of shares reported at the end of the month.



7.2.3 DIVIDENDS AND YIELD

No interim dividends were paid out of 2019 profits.

Dividends are remitted to shareholders from their date of payment, either by TF1 for pure 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 31 December	Dividend paid for the year *(net, in €)*	Payment date	Quoted market price *(€)* at close of trading			Yield based on closing price
				High	Low	Closing	
2017	209,865,742	0.35	3 May 2018	13.43	9.35	12.29	3.0%
2018	209,928,940	0.40	2 May 2019	12.75	6.61	7.08	5.6%
2019	210,242,074	0.50*	6 May 2020	10.08	6.40	7.40	6.8%

* *Subject to approval by the Annual General Meeting of 17 April 2020.*

7.3 RELATIONS WITH THE FINANCIAL COMMUNITY

7.3.1 OVERVIEW OF THE YEAR

Financial communication at the TF1 group is based on a clear principle: providing the market with fair, accurate and precise information, as described in section 2.3.2.3 ("Control process for published accounting and financial information").

Our Investor Relations team is in close ongoing dialogue with the financial community, from analysts to actual or potential institutional and individual investors.

Around a dozen analysts regularly follow the TF1 group.

We meet our investors in various ways: roadshows, general and industry-specific conferences, face-to-face meetings and telephone calls. Most investor events are held in Paris, or in other important European financial markets such as London, Frankfurt, Milan, Madrid and Zurich. In 2019, our Investor Relations team – usually accompanied by our CEO and/or CFO – attended more than thirty events, each of which included a number of meetings with investors.

Because CSR is a core concern for the TF1 group, our CSR team has for several years operated its own communications policy, built on three pillars: solidarity, diversity, and sustainability. Our Investor Relations team, supported by our Head of CSR, is a regular participant at investor events devoted to CSR issues.

In 2019, the TF1 group distinguished itself at the annual *Grands Prix de la Transparence* awards, taking the Grand Prix CAC MID 60 prize for the fifth time[(1)]. This was a just reward for the ongoing efforts of our people, and for our commitment to providing all our stakeholders with high-quality, reliable and transparent information. Transparency is key to building long-term trust in our company on the part of all our stakeholders, from shareholders and financial analysts to our employees and the general public.

7.3.2 DOCUMENTS AVAILABLE TO THE PUBLIC

Every quarter we prepare a presentation of our financial results, which the public can access on our corporate website (www.groupe-tf1.fr/en) via the "Investors" page (click on "Results and Publications" > "History of results").

Documents about our relations with individual shareholders are accessible on our corporate website (www.groupe-tf1.fr/en): go to the "Investors" page and click on "Shareholders". This section includes documentation on holding pure registered shares, ways of holding shares, our ownership structure, and dividends.

Corporate documents such as our Memorandum & Articles of Association, the Rules of Procedure of the Board of Directors, and documents and information made available to shareholders ahead of our Annual General Meeting on 17 April 2020, may be consulted:

- at our registered office (1 quai du Point du Jour, 92656 Boulogne Billancourt, France), in line with the applicable laws and regulations (tel: +33 (0)1 41 41 40 75);
- online, on our corporate website (www.groupe-tf1.fr/en): go to the "Investors" page and click on "Governance" (for corporate documents) or on "Shareholders" > "General Meeting" for the AGM.

The TF1 group's universal registration documents (previously known as registration documents), which include the Annual Financial Report, and our half-yearly and quarterly financial reports, can be viewed online at our corporate website (www.groupe-tf1.fr/en): go to the "Investors" page and click on "Regulated Information". Our financial press releases are also available in the "Press" section.

All of the regulated financial information issued by TF1 pursuant to Articles 221-1 *et seq.* of the General Regulation of the AMF (the French financial markets authority) is available at www.groupe-tf1.fr/en: go to the "Investors" page and click on "Regulated Information".

Anyone wishing to obtain further information may (without obligation) request documents from:

- TF1 Investor Relations Department at 1, quai du Point du Jour, 92656 Boulogne-Billancourt Cedex, France (tel: +33 (0)1 41 41 49 36; e-mail comfi@tf1.fr);
- TF1 Legal Affairs Department at 1, quai du Point du Jour, 92656 Boulogne-Billancourt Cedex, France (tel: +33 (0)1 41 41 40 75).

We also offer our shareholders a registered share service, giving them direct access free of charge to their securities account for shares held as pure registered shares.

Shareholders who sign up to this service enjoy the following benefits:

- they can consult their account in real time;
- they can access their personal information and documents in just a few clicks.

Access is via the website: https://serviceactionnaires.tf1.fr/.

Holding shares in registered form guarantees that you are regularly sent information about the company, and are automatically invited to Shareholders' General Meetings.

Shareholders wishing to convert their shares to registered shares are advised to send a request to that effect to their financial intermediary.

Registered Share Service: Gaëlle Pinçon – Marie-Caroline Thabuy

- tel: +33 (0)1 44 20 10 61/11 07
- *Numéro Vert* (toll-free via fixed line, in France only): 0 805 120 007
- E-mail: relationsactionnaires@tf1.fr or servicetitres.actionnaires@bouygues.com

(1) *The awards are presented annually to French companies in recognition of the quality and accessibility of their regulated information across all categories of user.*

7.4 AUTHORISATIONS AND CORPORATE ACTIONS

7.4.1 AMOUNT OF SHARE CAPITAL AND CATEGORY OF SHARES

Share capital as of 31 December 2018	**€41,985,788, divided into 209,928,940 shares with a par value of €0.20.**
Number of voting rights as of 31 December 2018	209,928,940*
New shares issued from 1 January to 31 December 2019	728,385 new shares were issued as a result of the exercise of stock options and the vesting of performance shares.
Cancellation of own shares	The company cancelled 415,251 of its own shares on 29 October 2019.
Share capital as of 31 December 2019	**€42,048,414.80, divided into 210,242,074 shares with a par value of €0.20.**
Number of voting rights as of 31 December 2019	210,242,074*

* *Includes shares from which voting rights have been stripped, in compliance with the calculation methods specified in Article 223-11 of the AMF General Regulation.*

There are no founders' shares, profit certificates, convertible or exchangeable bonds, voting right 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 30 September 1986 as amended. Shareholders are bound to comply with the specific requirements relating to ownership or acquisition of the company's shares as contained in the Articles of Association and in laws and regulations.

To ascertain the profile of its share owners, TF1 periodically reviews its registered and bearer shareholder base, as identified through Euroclear.

7.4.2 SHARE BUYBACKS

The table below, prepared in accordance with Article L. 225-211 of the French Commercial Code, summarises transactions carried out under share buyback authorisations in 2019.

TRANSACTIONS IN ITS OWN SHARES BY TF1 DURING 2019

Number of own shares held by the company as of 31 December 2018	**-**
Number of shares bought during 2019 (at an average price of €8.498)	415,251
Number of shares cancelled during 2019	415,251
Number of shares sold during 2019	-
Number of own shares held by the company as of 31 December 2019	-
Value (at purchase price) of own shares held by the company as of 31 December 2019	-
Analysis of transactions by purpose	
Cancellation of own shares	
Number of shares cancelled during 2019	415,251
nominal value:	€83,050
percentage of share capital	0.2%
Reallocated to other purposes	-
Number of own shares held by the company as of 31 December 2019 outside the liquidity contract	-
Liquidity contract	-

The authorisation to buy back the company's own shares granted by the Annual General Meeting of 18 April 2019 expires on 18 October 2020. Accordingly, a proposal will be submitted to the next Annual General Meeting on 17 April 2020 to renew that authorisation on the basis described below.

7.4.3 DESCRIPTION OF THE NEW SHARE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING ON 17 APRIL 2020

Pursuant to Articles 241-2 and 241-3 of the AMF General Regulation, the company hereby provides a description of the share buyback programme that will be submitted for approval by the Annual General Meeting on 17 April 2020. That programme will replace the programme authorised by the Annual General Meeting of 18 April 2019.

NUMBER OF OWN SHARES AND PERCENTAGE OF SHARE CAPITAL HELD BY TF1 – OPEN POSITIONS IN DERIVATIVES

As of 31 December 2019, the company did not own any of its own shares. It had no open position in derivatives.

OBJECTIVES OF THE BUYBACK PROGRAMME

The Board of Directors is requesting from the Annual General Meeting of 17 April 2020 authority to buy back the company's own shares, up to a maximum of 10% of the share capital.

That authorisation would cover various objectives, including those mentioned in Article 5 of Regulation 596/2014/EU on market abuse and Article L. 225-209 of the French Commercial Code, or a market practice recognised by the AMF.

Those objectives are:

- reducing the share capital by cancelling shares on the conditions stipulated by law, subject to authorisation from an Extraordinary General Meeting;
- allotting or transferring shares to employees or corporate officers of the company or of related companies, particularly in connection with profit-sharing or stock option plans, or via company or Group savings schemes, or through the allotment of shares;
- holding shares and as the case may be using them subsequently as a means of payment or exchange in the event of an acquisition, merger, demerger or transfer of assets, in accordance with applicable regulations;
- promoting market liquidity and the regularity of listings of the company's equity securities, and avoiding any pricing discrepancies not justified by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF;
- fulfilling obligations attached to debt securities, in particular securities giving entitlement to the allotment of shares in the company via redemption, conversion, exchange, or in any other way;
- implementing any market practice accepted by the AMF and more generally, conducting any transaction that complies with applicable regulations.

OBJECTIVES OF THE NEW BUYBACK PROGRAMME

Subject to approval by the Annual General Meeting of the resolution relating to share buybacks, the Board of Directors' Meeting of 13 February 2020 decided to set the objectives of the new buyback programme as follows:

- reducing the share capital by cancelling shares on the conditions stipulated by law, subject to authorisation from an Extraordinary General Meeting;
- allotting or transferring shares to employees or corporate officers of the company or of related companies, particularly in connection with profit-sharing or stock option plans, or via company or Group savings schemes, or through the allotment of shares.

The Board of Directors reserves the right to extend the programme to other objectives included among those submitted to the Annual General Meeting of 17 April 2020 for approval. In that eventuality, the company would inform the market via a press release.

MAXIMUM PERCENTAGE OF SHARE CAPITAL – MAXIMUM NUMBER AND CHARACTERISTICS OF THE SHARES THAT THE COMPANY IS PROPOSING TO ACQUIRE – MAXIMUM PURCHASE PRICE

The programme allows the company to buy back its own shares at a price of up to €20 per share, subject to adjustments relating to corporate actions.

The Board of Directors has set the maximum amount of funds allocated to the buyback programme at €300 million, equivalent to a maximum of 15,000,000 shares based on the price of €20 per share submitted to the Annual General Meeting for approval.

As required by law, the total number of shares held at any given date may not exceed 10% of the share capital at that same date.

The shares acquired may be reallocated or transferred subject to the conditions set by the AMF, and in particular those contained in AMF Position-Recommendation DOC-2017–04, "Guidance on trading by listed issuers in their own securities and stabilisation measures".

Repurchased shares retained by TF1 are stripped of voting rights and are not entitled to payments of dividend.

Shares may be acquired, sold, transferred or exchanged by any means subject to AMF rules, on 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 or public exchange offer for the company's shares. The portion of the programme that may be carried out through block trades is not restricted, and may extend to the entire programme.

DURATION OF THE BUYBACK PROGRAMME

Eighteen months starting from the Annual General Meeting of 17 April 2020.

7.4.4 TRADING IN TF1 SHARES DURING 2019 BY DIRECTORS AND KEY EXECUTIVES OR BY PERSONS REFERRED TO IN ARTICLE L. 621-18-2 OF THE FRENCH 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 2019 by Directors and key executives or persons of equivalent status.

Person involved	Office held	Transaction	Nature of transaction	Number of transactions	Number of shares	Gross amount before taxes and fees
Philippe Denery	Executive Vice President, Finance and Procurement	In a personal capacity	Exercise of options	1	20,000	€123,400
			Disposal	1	20,000	€203,300

7.4.5 FINANCIAL AUTHORISATIONS

FINANCIAL AUTHORISATIONS IN EFFECT AS OF THE DATE OF THE ANNUAL GENERAL MEETING OF 17 APRIL 2020

The following table summarises financial authorisations granted by the General Meeting to the Board of Directors and still in effect, and the use made of such authorisations in 2019.

The only authorisations used during 2019 were those to (i) trade in the company's own shares, (ii) reduce the share capital, and (iii) grant stock options to employees.

Authorisation	Maximum nominal amount of capital increase	Maximum nominal amount of debt securities	Validity of autho-risation	Time remaining[(1)]	Annual General Meeting	Reso-lution no.	Use made of authorisation during the year
Share buybacks and capital reductions							
Purchase by the company of its own shares	10% of share capital		18 months	6 months	18/04/2019	14	415,251 own shares purchased
Reduction of share capital by cancellation of shares	10% of share capital per 24-month period		18 months	6 months	18/04/2019	15	415,251 repurchased shares cancelled
Issuance of securities							
Capital increases with PR[(2)]	€8.4m	€900m	26 months	14 months	18/04/2019	16	Authorisation not used
Capital increases by incorporation of share premium, reserves or profits	€400m		26 months	14 months	18/04/2019	17	Authorisation not used
Capital increases without PR[(2)] by public offering	€4.2m	€900m	26 months	14 months	18/04/2019	18	Authorisation not used
Capital increases without PR[(2)] by private placement	10% of share capital per 12-month period €4.2m	€900m	26 months	14 months	18/04/2019	19	Authorisation not used
Setting of issue price without PR[(2)], of equity or other securities	10% of share capital		26 months	14 months	18/04/2019	20	Authorisation not used
Increase in number of securities to be issued in the event of a capital increase with or without PR[(2)]	15% of the initial issue		26 months	14 months	18/04/2019	21	Authorisation not used
Capital increase to remunerate in-kind contributions of shares or securities giving access to the capital of another company	10% of share capital	€900m	26 months	14 months	18/04/2019	22	Authorisation not used
Capital increase without PR[(2)] to remunerate securities tendered as part of a public exchange offer	€4.2m	€900m	26 months	14 months	18/04/2019	23	Authorisation not used
Issues reserved for employees and corporate officers							
Grants of options to subscribe for and/or purchase shares	3% of share capital		38 months	26 months	18/04/2019	26	1,810,500 options to subscribe for shares (0.86% of the share capital)[(3)]
Awards of performance shares (existing or new)	3% of share capital		38 months	26 months	18/04/2019	27	Authorisation not used
Capital increase reserved for employees and/or corporate officers participating in a company savings scheme (PEE)	2% of share capital		26 months	14 months	18/04/2019	25	Authorisation not used

(1) Starting from the vote at the Annual General Meeting of 17 April 2020.
(2) PR: pre-emptive rights.
(3) Awarded subject to performance conditions. Common limit. No award was made to the Chairman & Chief Executive Officer.

€m: millions of euros.

FINANCIAL AUTHORISATIONS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING OF 17 APRIL 2020

The financial authorisations granted by the Annual General Meeting of 18 April 2019 will expire in 2021, except for the authorisations relating to share buybacks and capital reductions by cancellation of shares (resolutions 14 and 15) which will expire on 18 October 2020.

The table below sets out the financial authorisations that shareholders will be asked to grant to the Board of Directors at the Annual General Meeting of 17 April 2020.

These new delegations are in the same vein as similar ones authorised at previous Annual General Meetings and are consistent with usual practice and recommendations concerning the amount, ceiling and duration (18 months).

The company will not be permitted to buy back its own shares during the period of a public tender offer or public exchange 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 retains ample room for manoeuvre.

For information, the resolutions relating to share buybacks and capital reductions were adopted by the Annual General Meeting of 18 April 2019 by an average vote of 99.8%.

Authorisation increases	Maximum nominal amount of capital	Maximum nominal amount of debt securities	Validity of authorisation	Time remaining*	Annual General Meeting	Resolution no.
Share buybacks and capital reduction						
Purchase by the company of its own shares	10% of share capital		18 months	18 months	17/04/2020	13
Capital reduction through cancellation of shares	10% of share capital per 24-month period		18 months	18 months	17/04/2020	14

* *Starting from the vote at the Annual General Meeting of 17 April 2020.*

7.4.6 POTENTIAL SHARE CAPITAL

As of 31 December 2019, no stock subscription option had an exercise price lower than the market price at 31 December 2019 (the last quoted price in the financial year) of €7.40.

Information about options outstanding is provided in Note 7.5.2 to the consolidated financial statements, in section 6 of this universal registration document.

7.4.7 CHANGES IN SHARE CAPITAL DURING THE LAST FIVE YEARS

CHANGES IN SHARE CAPITAL TO 31 DECEMBER 2019

Date	Corporate action	Number of shares	Increase/(decrease) in share capital *(€)*		Total share capital after change *(€)*	Total number of shares
			Nominal value	Share premium/ incorporation of reserves		
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
	Exercise of stock options in plan no. 11 at €5.98	20,000	4,000	115,600	42,104,313	210,521,567
29/10/2015 to 31/12/2015	Exercise of stock options in plan no. 11 at €5.98	131,176	26,235	758,197	42,130,547	210,652,743
01/01/2016 to 26/10/2016	Exercise of stock options in plan no. 13 at €6.17	150,317	30,063	897,392	42,160,612	210,803,060
27/10/2016	Cancellation of own shares	(1,420,718)	(284,144)	12,814,113	41,876,468	209,382,342
27/10/2016 to 31/12/2016	Exercise of stock options in plan no. 13 at €6.17	35,200	7,040	210,144	41,883,508	209,417,542
	Exercise of stock options in the 2011 plan at €12.47	30,000	6,000	368,100	41,889,508	209,447,542
01/01/2017 to 31/12/2017	Exercise of stock options in the 2012 plan (no. 13) at €6.17	418,200	83,640	2,496,654	41,973,148	209,865,742
01/01/2018 to 31/12/2018	Exercise of stock options in plan no. 13 at €6.17	63,198	12,640	377,292	41,985,788	209,928,940
07/06/2019	Vesting of performance shares	160,100	32,020	32,020	42,017,808	210,089,040
01/01/2019 to 12/06/2019	Exercise of stock options in plan no. 13 at €6.17	568,285	113,657	3,392,661	42,131,465	210,657,325
29/10/2019	Cancellation of own shares	(415,251)	(83,050)	3,445,855	42,048,414	210,242,074

7.5 OTHER INFORMATION

7.5.1 GENERAL INFORMATION

Company name: TÉLÉVISION FRANÇAISE 1 – TF1

Registered office: 1, quai du Point du Jour, 92100 Boulogne-Billancourt, France.

Telephone: +33 (0)1 41 41 12 34

Registration number: 326 300 159 RCS Nanterre

APE code (principal business): 6020A - General interest broadcaster

LEI CODE: 969500WQFC6OAQYG7E65

Legal form: French-law *société anonyme* (public limited company) with a Board of Directors

Date of incorporation: 17 September 1982

Date of expiration: 31 January 2082

Financial year: 1 January to 31 December

7.5.2 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.

7.5.3 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 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.

Those earnings shall be distributed between all shareholders in proportion to the number of shares they own.

7.5.4 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.

7.5.5 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 are stripped of voting rights. Article 8 of the Articles of Association refers to Article 40 of law no. 86-1067 of 30 September 1986, as amended, which stipulates a mechanism for capping voting rights. For a description of that mechanism refer to section 1.6.

7.5.6 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.

7.5.7 SHAREHOLDER AGREEMENTS ENTERED INTO BY TF1

TF1 has entered into a number of shareholder agreements, the most significant of which is detailed below:

PROSIEBEN SHAREHOLDER AGREEMENT

TF1, Mediaset, and the other shareholders of ProsiebenSat.1 Digital Content LP have entered into a shareholder agreement relating to the equity stakes (6% in the case of TF1) taken by them in the capital of ProsiebenSat.1 Digital Content LP, a company governed by English law that operates Studio71, the no. 3 MCN (Multi Channel Network) worldwide. The principal terms of the agreement are as follows:

- TF1 has the right to designate one member of the Board of Directors of ProsiebenSat.1 Digital Content LP;
- TF1 has an option to buy the shares held by ProsiebenSat.1 Digital Content LP (49%) in the joint subsidiary Studio71 in France in the event that the right to force a sale of TF1's shares in ProsiebenSat.1 Digital Content LP is exercised.

ProsiebenSat.1 Digital Content LP will develop the activities of Studio71 through subsidiaries in France (with TF1) and in Italy and Spain (with Mediaset).

7.5.8 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 1.6. Specifically, Article 42-3 of the French Audiovisual Communication Act of 30 September 1986 as amended 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, including changes in the share ownership structure.

Pursuant to Article L. 225-37-5 of the French Commercial Code, the factors liable to have an impact in the event of a public tender or exchange offer for the company's shares are as follows:

- **capital structure**: the information about the capital structure and ownership of voting rights of TF1 is provided in section 7.1.2. The principal shareholders of TF1 are Bouygues, and TF1 group employees (via the "TF1 Actions" employee share ownership fund). Their votes could have an impact in the event of a public offer for TF1 shares;
- **restrictions on the exercise of voting rights under the Articles of Association**: under Article 7 of the Articles of Association (summarised in sections 7.5.6), voting rights are stripped from shareholders who fail to declare that they have crossed a threshold of 1%, 2%, 3% or 4% of the company's share capital or voting rights. Those restrictions could have an impact in the event of a public offer for TF1 shares;
- **restrictions on share transfers under the Articles of Association and contractual clauses notified to the company pursuant to Article L. 233-11 of the French Commercial Code**: not applicable;
- **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**: this information is provided in section 7.1.2;
- **list of holders of securities conferring special control rights, and description of those 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 "TF1 Actions" fund held 7.8% of the voting rights as of 31 December 2019;
- **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 between three and eighteen members subject to the dispensations stipulated by law. Pursuant to Article 66 of Law no. 86-1067 of 30 September 1986, at least one-sixth of the Board of Directors consists of employee representatives, one seat

being reserved for engineers, managers and those in a similar category. The term of office of Directors other than employee representatives is three years. The term of office of employee representative Directors expires at the end of a two-year period starting from 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. Legal persons serving as Directors are required to appoint a standing representative on the conditions stipulated by law. Refer also to the information provided in the Chairman's report, in section 3.1.1 of this universal registration document;

- **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 7.4.5. In particular:
  - the authorisation to buy back the company's own shares (up to a limit of 10% of the share capital as of the day the authorisation is used), granted by the 14th resolution of the Annual General Meeting of 18 April 2019, prohibits any order being placed during the period of a public offer for the company's shares; the Annual General Meeting scheduled for 17 April 2020 will be asked to replace that authorisation with a new authorisation with the same purpose, up to a limit of 10% of the share capital as of the day the authorisation is used (13th resolution),
  - as regards issuance of debt securities by public offering or private placement, it is appropriate that the Board of Directors should be able to act in the corporate interest by using the delegations of powers or authorisations granted by the Annual General Meeting of 18 April 2019 (16th, 18th, 19th and 21rst resolutions), even during the period of a public offer,
  - there is no current or pending resolution whereby the General Meeting of shareholders would delegate powers to the Board of Directors to issue share warrants during the period of a public offer for the company's shares;
- **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, "Legal Environment". Specifically, Article 42-3 of the French Audiovisual Communication Act of 30 September 1986 as amended states that TF1's licence to operate a national terrestrial television service may be withdrawn by the CSA without notice in the event of a substantive change in the data on the basis of which the licence was issued, including 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.

7.5.9 AGREEMENTS ENTERED INTO BY CORPORATE OFFICERS OR SHAREHOLDERS WITH SUBSIDIARIES OR SUB-SUBSIDIARIES OF TF1

Pursuant to Article L. 225-37-4 of the French Commercial Code, any agreements entered into directly or via an intermediary between (i) the Chief Executive Officer, a Director, or a shareholder holding more than 10% of the voting rights of TF1 SA and (ii) any other company of which TF1 directly or indirectly owns more than half of the share capital, must be disclosed in the report on Corporate Governance unless such agreements relate to ordinary transactions contracted on an arm's length basis.

TF1 is not aware of the existence of any such agreements.

7.5.10 ARTICLES OF ASSOCIATION

The TF1 Articles of Association can be consulted at the company's registered office, and are also available on the corporate website at:

https://www.groupe-tf1.fr/en/investissors/governance.

7.6 STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL

This is a free translation into English of a report issued in French 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.

General Meeting of shareholders of 17 April 2020

13th resolution

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code (*Code de Commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

Your Board of Directors proposes that it be authorized, for a period of eighteen months as from the date of this Shareholders' Meeting, to proceed with the cancellation of shares the Company was authorised to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months in compliance with the Article mentioned above.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Paris-La Défense, 13 February 2020

The Statutory Auditors
French original signed by:

MAZARS	ERNST & YOUNG Audit
Gilles Rainaut	Laurent Vitse

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GENERAL MEETING

8.1 AGENDA

ORDINARY BUSINESS

1. Approval of the individual financial statements and transactions for the 2019 financial year.
2. Approval of the consolidated financial statements and transactions for the 2019 financial year.
3. Approval of the related-party agreements stipulated in Article L. 225-38 of the French Commercial Code.
4. Appropriation of profits for the 2019 financial year and setting the amount of the dividend.
5. Approval of the components of remuneration and benefits paid in 2019 or granted for the 2019 financial year to Gilles Pélisson as Chairman and Chief Executive Officer.
6. Approval of the report on remuneration paidin 2019 pursuant to Article L. 225-100 II of the French Commercial Code.
7. Approval of the remuneration policy applicable to Gilles Pélisson, Chairman and Chief Executive Officer.
8. Approval of the remuneration policy for Directors.
9. Ratification of the cooptation as Director of the company SCDM.
10. Reappointment of Catherine Dussart as Director for a three-year term.
11. Reappointment of Olivier Bouygues as Director for a three-year term.
12. Determination of elections of employee representative Directors, for two years.
13. Authorisation given to the Board of Directors to transact in the company's shares for an 18-month period, subject to a maximum of 10% of the share capital.

EXTRAORDINARY BUSINESS

14. Authorisation given to the Board of Directors to reduce the share capital by cancelling treasury shares for an 18-month period.
15. Amendment to Article 4 of the Articles of Association for the purpose of allowing the Board of Directors to move the registered office anywhere in France.
16. Amendment to Article 7 of the Articles of Association for the purpose of removing the provisions regarding the identification of the owners of bearer shares.
17. Amendment to Article 7 of the Articles of Association for the purpose of modelling the crossing of statutory thresholds on that of legal thresholds.
18. Amendment to Article 10 of the Articles of Association for the purpose of complying with the new legal provisions applicable in terms of appointing a Director representing employee shareholders.
19. Amendment to Article 13 of the Articles of Association for the purpose of allowing the Board of Directors to make certain decisions upon written consultation with the Directors.
20. Amendment to Article 13 of the Articles of Association for the purpose of delegating the power to the Board of Directors to make the required changes to the Articles of Association in compliance with regulations.
21. Amendment to Article 14 of the Articles of Association for the purpose of defining the role of the Board of Directors in connection with the social and environmental concerns of the Company's activity.
22. Amendment to Article 17 of the Articles of Association for the purpose of removing the repealed provisions concerning certain regulated agreements and removing Article 17.
23. Harmonisation of the Articles of Association relating to the remuneration of Directors – consequential amendment to Article 15.
24. Authorisation to carry out formalities.

8.2 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS

GENERAL MEETING – ORDINARY BUSINESS

RESOLUTIONS 1 AND 2 – APPROVAL OF THE 2019 FINANCIAL STATEMENTS

SUBJECT AND PURPOSE

In the **first** and **second resolutions** submitted to you for approval, we propose that you approve the individual and consolidated financial statements for 2019.

The activities of TF1 and its Group during the year just ended, their position and the results from activities are included in Sections 1 and 5 of the universal registration document. Individual financial statements and consolidated financial statements are inserted in Section 6 of the universal registration document. Your Statutory Auditors will present their reports on the 2019 financial statements. These reports are inserted in Section 6 of the universal registration document. All of these documents are also available on the Group's website.

RESOLUTION 3 – APPROVAL OF RELATED-PARTY TRANSACTIONS

SUBJECT AND PURPOSE

The purpose of the **third resolution** is to approve the related-party agreements outlined in the Statutory Auditors' special report, as approved by the Board of Directors, and concluded between TF1 and its Senior Executive or one of its Directors, or between TF1 and another company with which it has senior executives or Directors in common, or between TF1 and a shareholder owning more than 10% of the share capital.

This approval fits within the framework of the special procedure for related-party agreements, the purpose of which is to prevent any conflicts of interest.

This procedure stipulates the prior authorisation of the Board of Directors, excluding the interested parties from deliberations and voting, for each agreement, which is then the subject of a Statutory Auditors' special report, before being submitted for approval by the Shareholders' Meeting.

The Board ensures the management of related-party agreements. It shall justify its authorisation decision by deciding whether it is in the interest of TF1, its Group and the shareholders, its purpose, the identity of the interested person and their relationship with TF1 and the financial terms.

Your Board of Directors is compliant with Law No. 2019-486 of 22 May 2019, the Action Plan for Business Growth and Transformation, known as PACTE and Order No. 2019-1235 of 27 November 2019 aimed at fostering the shareholders' long-term commitment. It has updated the Internal Charter of the TF1 group, with regard both to the evaluation of current agreements concluded under normal conditions and to the publication of related-party agreements on the Group's website.

The Internal Charter details the guiding principles for qualifying agreements and the description of the procedure used to regularly evaluate whether current agreements concluded under normal conditions do in fact meet those conditions.

In their special report in Section 3.3 of the universal registration document, your Statutory Auditors present a detailed list of these related-party agreements, their financial terms and the amounts invoiced in 2019. The related-party agreements referred to in the special report which have already been approved by the General Meeting are not re-submitted for approval. Moreover, agreements relating to routine transactions carried out under conventional terms and conditions and agreements between TF1 and its wholly-owned subsidiaries are not submitted for authorisation.

After reading this report and the Statutory Auditors' special report, we invite you to approve, as in previous years, the following agreements, qualified as related-party agreements by your Board of Directors, between TF1 and Bouygues, during the 2019 financial year.

Pursuant to the law, the interested persons shall not take part in the vote on this resolution.

Corporate Services Agreement with Bouygues

Interest

This agreement, a common feature of corporate groups, allows TF1 to benefit from expert services and coordination services which Bouygues makes available to the different companies within its Group, in different areas such as management, human resources, finance, communications, sustainable development, patronage, new technologies, insurance, legal counsel, innovation consulting and others.

Each year, TF1 approves into this agreement to access these expert services.

Authorisation and financial conditions

In its Meeting on 11 December 2019, the TF1 Board of Directors authorised the renewal of this agreement, for one year beginning on 1 January 2020.

This agreement is based on rules of allocation and invoicing of the shared service costs, including specific services invoiced to TF1 under normal business terms (market price), and payment of residual shared costs reinvoiced to TF1, according to allocation keys, limited to a percentage of TF1's revenue. Invoicing of the shared costs is subject to a 10% margin for high-added-value services and 5% for low-added-value services.

In 2019, Bouygues invoiced TF1 a total of €3.5 million, equivalent to 0.15% of the TF1 group's total revenue (compared with €3.4 million in 2018, or 0.15% of consolidated revenue).

Topic

Expertise

Bouygues provides TF1 with services and expertise in various areas such as finance, legal advice, human resources, insurance, sustainable development, philanthropy, innovation consulting, new technologies and so forth.

Depending on its needs and in accordance with the agreement authorised annually by the Board of Directors, TF1 makes use of these services by requesting them from the experts at any time throughout the year as questions, issues or discussions arise.

Facilitation of the corporate functions

Besides advice and assistance, services include coordination of 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.

Examples of these types of services in 2019 included:

- Human Relations & CSR: Bouygues SA provides the HR & CSR Departments of the TF1 group with its services and expertise in the following areas: HR development and training, legal affairs, compensation policy and employee benefits, HRIS and CSR. In this context, Bouygues SA leads many expert committees ("Mobility", "Training", "Employee Data", "HRIS", "Compensation & Benefits", "Employee Relations", "Academic Relations", "Diversity/CSR" and other committees), for the purposes of coordinating HR initiatives, ensuring legal and regulatory monitoring and sharing expertise and best practice in all of these areas. These committees meet several times per year. In 2019, several TF1 group senior executives received training in Bouygues group techniques and values at the Bouygues Management Institute (IMB). In 2019, a seminar on ethics, focusing on corruption and collusion, was held for members of the TF1 group's General Management Committee (CODG). Each year, the Legal Affairs Departmentof Bouygues holds a training session as part of the "legal affairs refresher course" for TF1's HR Directors and Managers. HR executives also receive coaching during the "Vaugouard" HR induction seminars. Bouygues SA also endeavours to integrate new hires by means of the "Bouygues Group Welcome Days". Lastly, all Bouygues group businesses met on 27 and 28 March 2019 for its first "Opportunity" forum held to promote internal mobility – 1,200 of Bouygues group's employees attended this event;
- Internal control: the TF1 group receives support from Bouygues concerning internal control and risk management tools and methodologies.

  During 2019, the Risk Managers of the Bouygues group's various businesses met several times to work on the internal control tool that was implemented at TF1 in 2019 and the upgrades to the version that will be installed in 2020 before the internal control campaign.

  Meetings were organised and led by Bouygues so that representatives of the businesses could:

  – share knowledge of external benchmarks in relation to internal control and risk mapping to assess Group methods and compare these with other companies' practices,

  – share information on regulatory changes, particularly in relation to the French law on the duty of diligence and the Sapin II Act.

  In 2019, the subsidiary conducted "fraud" and "risk-mapping" training for all of Bouygues group's businesses;
- CSR (Corporate Social Responsibility): the TF1 group's CSR coordinator and other staff in charge of CSR initiatives in their divisions rely on the momentum generated by the Bouygues group's division in charge of sustainable development;
- The Technology Division at TF1 group benefits from numerous synergies with the corresponding divisions of other Bouygues group subsidiaries, thanks to "coordination across functions" provided by Bouygues SA. Such functional leadership takes the following form:

  – a Strategy Committee that is dedicated to sharing feedback on the methods and technology adopted in the various entities,

  – a Group IT Security Committee which brings together the cybersecurity teams of each entity so that best practice can be shared, information exchanged in real time (particularly in the event of a viral attack) and mutual solutions selected and implemented (for example in the field of Data Loss Prevention in 2019),

  – a Purchasing working group, which steers negotiations of Group contracts with the major global technology suppliers,

  – a Career Committee, which periodically examines mobility opportunities among entities in the Group of IT experts,

  – a community of employees who, under the "Bytech" brand, ensures the function's external visibility for the purposes of attracting and recruiting people with backgrounds in IT and digital technology.

Lastly, in 2019, the Bouygues group, as a major shareholder, regularly offered its support, both formally and/or informally, with operational issues, particularly in the areas of legal and finance. For example, meetings on upcoming changes in accounting standards and their impacts.

Parties concerned

- Martin Bouygues, Olivier Bouygues, Olivier Roussat (Directors), Philippe Marien (Permanent representative of Bouygues, Director);
- Bouygues is a shareholder.

For the use of aircraft held by AirBy

Interest

This agreement offers TF1 the use of aircraft operated by AirBy, a company owned indirectly by Bouygues and SCDM and operator of a Global 6000, or, an equivalent aircraft.

Authorisation and financial conditions

In its Meeting on 11 December 2019, the Board of Directors of TF1 approved the agreement entitling TF1 to use the Global 6000 leased or owned by the Bouygues group and operated by AirBy, with the airplane and all related services included in the cost, for a period of one year from 1 January 2020.

Use of a Global 6000 aircraft 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 2019. TF1 has not used this facility since 2009.

Parties concerned

- Martin Bouygues, Olivier Bouygues and Olivier Roussat (Directors), Philippe Marien (Permanent Representative of Bouygues, Director);
- Bouygues is a partner.

RESOLUTION 4 – APPROPRIATION OF PROFITS FOR THE 2019 FINANCIAL YEAR AND SETTING OF THE DIVIDEND (€0.50 PER SHARE)

SUBJECT AND PURPOSE

In the **fourth resolution**, we invite you, having recorded a distributable profit of €569,313,205.99, in view of the net profit for the financial year of €18,290,035.72 and the retained earnings of €551,023,170.27, to approve the following appropriation and distribution:

- distribution in cash of a dividend of €105,121,037.00 (i.e. a dividend of €0.50 per share with a par value of €0.20);
- appropriation of the balance in retained earnings of €464,192,168.99.

The ex-dividend date on the Euronext Paris market will be 4 May 2020. The dividend will be payable in cash on 6 May 2020 to shareholders of record at the close of business on 5 May 2020.

With this option, the entire dividend is eligible for the 40% rebate mentioned in Section 3–2, 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 dividends distributed in respect of the three previous financial years was as follows:

	2016	2017	2018
Number of shares	209,417,542	209,865,742	209,928,940
Unit dividend	€0.28	€0.35	€0.40
Total dividend(1)(2)	€58,636,911.76	€73,453,009.70	€83,971,576.00

(1) Dividends actually paid, with deduction where applicable, for shares held by TF1 not entitled to distribution.
(2) Dividends eligible for the 40% tax rebate mentioned in Section 3-2, Article 158 of the French General Tax Code (optionally from 2017).

RESOLUTIONS 5 AND 6 – APPROVAL OF 2019 COMPENSATION OF CORPORATE OFFICERS (“SAY ON PAY EX-POST”)

SUBJECT AND PURPOSE

The 2019 universal registration document features, under heading 3.4, the required information on compensation paid or granted to corporate officers (Chairman and Chief Executive Officer and Directors) for the 2019 financial year.

In the **fifth resolution**, we invite you to approve the fixed, variable and exceptional components of the total compensation and benefits in kind paid or granted for the year ended 31 December 2019 to Gilles Pélisson as Chairman and Chief Executive Officer.

In the **sixth resolution**, we invite you to approve all of the information on 2019 compensation.

RESOLUTIONS 7 AND 8 – APPROVAL OF THE COMPENSATION POLICY FOR CORPORATE OFFICERS ("SAY ON PAY EX ANTE")

SUBJECT AND PURPOSE

The compensation of corporate officers is rightly the focus of growing attention from shareholders and investors and recent regulations have increased the requirements for transparency over such compensation as well as the powers of the General Meeting.

The principles for compensating corporate officers detailed in section 3.5 and the draft resolutions that we invite you to approve have factored in these changes.

In the **seventh resolution**, you are asked to approve the compensation policy, the principles and criteria for determining, distributing and granting the fixed, variable, and exceptional components of the total compensation and the benefits in kind attributable to Gilles Pélisson in relation to his term of office as Chairman and Chief Executive Officer.

In the **eighth resolution**, you are asked for the first time to approve the compensation policy for Directors. This policy has been passed by the Board of Directors, based on proposals from the Selection and Remuneration Committee. It contributes to the Company's sustainability and fits into its business strategy.

RESOLUTIONS 9 TO 12 – TERMS OF OFFICE OF DIRECTORS

SUBJECT AND PURPOSE

At its Meeting of 13 February 2020, the Board of Directors reviewed the terms of office of Directors that were expiring at the next General Meeting, taking into account its composition, organisation and functioning with regard to the rules of governance set forth in the Articles of Association, the Internal Procedures and the recommendations of the AMF, the High Committee for Corporate Governance, the AFEP/MEDEF Corporate Governance Code and market practices, as well as the expertise of current Directors, their availability and their involvement and the need to maintain the same level of independent Directors and women.

The Board of Directors paid particular attention to the Directors' experience and knowledge of the Group's businesses required for their effective participation in the work of the Board and its four Committees.

Overall, the Board of Directors has sought to maintain a balanced membership that can address the challenges facing the Group.

The Board of Directors first obtained the opinion of the Selection and Compensation Committee, which reviewed the offices held with regard to the independence criteria defined by the AFEP/MEDEF Code.

Director CVs are presented in section 3.1.3.

Ratify the co-opting of a new Director

Martin Bouygues informed the Company of his desire to resign from the Board of Directors effective at the end of the Board of Directors meeting of 13 February 2020. The Board of Directors appointed SCDM, represented by Martin Bouygues, as Director for the remaining term of office, i.e. until the end of the General Meeting called to approve the financial statements for financial year 2020, to be held in 2021. As at 31 December 2019, SCDM – a société par actions simplifiée (simplified joint stock company), registered in the Paris Trade and Companies Register under number 330 139 239, having its registered office at 32, avenue Hoche in Paris (75008) - controlled by Martin Bouygues and Olivier Bouygues, holds 21.2% of share capital and 29.2% of voting rights of Bouygues SA. The appointments of Directors made by the Board of Directors are subject to ratification.

In the **nineth resolution**, it is requested that you ratify his co-opting.

Reappoint two Directors for three years

In the **tenth** and **eleventh resolutions** we submit for your approval the reappointment of Catherine Dussart and Olivier Bouygues as Directors, given that their current terms of office will expire at the end of the General Meeting to be held on 17 April 2020 to approve the 2019 financial statements.

The Board of Directors, in line with the recommendations of the Selection and Remuneration Committee, believes that these two Directors have been assiduous in their work on the Board and its Committees, with respect to Catherine Dussart, that their contribution has been highly valued and that their knowledge of the media, the audiovisual landscape and international industry brings insights to the Board.

The Selection Committee has concluded that Catherine Dussart would still have no business relationship with the TF1 group and that she would continue in her capacity as an independent Director with regard to all the criteria defined by the AFEP/MEDEF Code.

If their reappointment is approved, four out of nine Directors would be independent and four out of nine would be female, the same as at present (the two employee representative Directors are excluded from this calculation).

The Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, is asking the shareholders to approve the reappointment of these Directors for a further three-year term of office expiring at the end of the General Meeting held in 2023 to approve the 2022 financial statements.

Catherine Dussart, an independent Director since April 2013, Chairwoman of the Ethics, CSR and Patronage Committee and member of the Selection and Remuneration Committee, is highly professional and very attached to ethical, societal and humanist values. She shares with the Board her skills and knowledge in France and internationally, in the field of cinema and production as well as media and the audiovisual environment in France (tenth resolution). In 2019, her attendance rate at Board and Committee Meetings was 100%.

Olivier Bouygues, a Director since April 2005, has been Deputy Chief Executive Officer of Bouygues SA since August 2002. He shares with the Board his skills and knowledge, in France and internationally, in the telecom and media fields, the world of industry and sustainable development. He also has a solid grounding in media and the audiovisual environment in France and internationally (eleventh resolution). In 2019, his attendance rate at Board Meetings was 63%.

Election of employee representative Directors

We hereby remind you that, since the privatisation of TF1, there have been two Directors representing employees on the Board of Directors. Pursuant to the laws and regulations, they are elected to two-year terms by the employees of TF1 SA. One is elected by an electoral college of managerial staff and journalists, the other by an electoral college of clerical, technical and supervisory staff.

All employees with a contract of employment of at least three months at the date of the election are eligible to vote. All employees with a contract of employment of at least two years at the date of the election are eligible to stand.

The terms of office of Fanny Chabirand and Sophie Leveaux-Talamoni will expire in 2020, upon announcement of the results of the votes of the electoral colleges held to appoint employee representative Directors. Such appointment normally takes place two weeks before the General Meeting. The first round of elections will be held on 19 March 2020.

At the General Meeting of 17 April 2020, the Chairman will inform you of the names of the employee representative Directors elected by the electoral colleges and in the twelfth resolution, you shall take note of their election and appointment, for two years, as employee representative Directors.

The composition of the Board of Directors on the Company's website (www.groupe-tf1.fr/en, Home > Investors > Governance > Board of Directors) shall be updated with the names and curricula vitae of the Directors elected at the outcome of the elections.

Composition of the Board of Directors after the General Meeting

Subject to approval by the Annual General Meeting of the ninth to twelfth resolutions, the composition of the Board of Directors after the Annual General Meeting will be as follows:

- four independent Directors: Marie Allavena, Laurence Danon Arnaud, Pascaline de Dreuzy and Catherine Dussart;
- two employee representative Directors: Fanny Chabirand and Sophie Leveaux-Talamoni, subject to the results of the elections of employee representative Directors on 19 March 2020;
- one Executive Director: Gilles Pélisson;
- four Directors representing the controlling shareholder: Olivier Bouygues, Olivier Roussat, Bouygues and SCDM.

Among its Directors not representing the staff, the Board of Directors of TF1 has four independent Directors, a proportion of 44%, and also four women, a proportion of 44% (Directors elected by employees are not counted in determining percentages).

The average age is 60 years.

The composition of the Board of Directors is updated regularly on the Company's website (www.groupe-tf1.fr/en, Investors > Governance > Board of Directors).

RESOLUTION 13 – PURCHASE OF TREASURY SHARES

SUBJECT AND PURPOSE

In the **thirteenth resolution**, which is submitted for your approval, we invite you to renew the authorisation given each year to the Company to purchase treasury shares under a buyback programme.

The aims of the buyback programme are to:

- reduce the share capital by cancelling 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, in particular as part of profit-sharing schemes, stock option schemes, corporate or group savings plans or through the allotment of free shares;
- retain shares and, where appropriate, use them subsequently as payment or exchange for acquisitions, mergers, demergers or transfers of assets, in compliance with regulatory requirements;
- promote market liquidity and regularity in the Company's equity securities listings and avoid price variances not justified by market trends, by making use of a liquidity agreement to be managed by an investment service provider acting in compliance with AMF-approved market practice;
- fulfil obligations related to debt securities, in particular securities giving entitlement to Company shares through redemption, conversion or exchange, or in any other manner;
- implement any market practice accepted by the AMF and generally carry out any other transaction in compliance with prevailing regulations.

At its Meeting on 13 February 2020, your Board of Directors decided to restrict the objectives of the buyback programme to the first two points above. It reserves the right to extend the programme to other objectives. In such circumstances, the Company would inform the market.

In 2019, TF1 acquired 415,251 shares in TF1, for cancellation purposes. On 29 October, the Board of Directors decided to cancel all of the 415,251 treasury shares.

At 31 December 2019, the Company did not own any treasury shares.

Ceiling for the authorisation

The authorisation will be granted within the following limits:

- maximum percentage of the share capital authorised for repurchase: 10% of capital;
- maximum price per share: €20;
- maximum overall amount: €300 million;
- duration: 18 months.

These transactions may be carried out at any time, except during a public offer for the Company's shares.

Treasury shares have no voting rights and dividends accruing to them are carried forward as retained earnings.

GENERAL MEETING – EXTRAORDINARY BUSINESS

RESOLUTION 14 – OPTION TO REDUCE SHARE CAPITAL BY CANCELLING SHARES

SUBJECT AND PURPOSE

We invite you to delegate, for a period of 18 months, all powers to the Board of Directors, for the purpose of cancelling all or part of the Company shares acquired as part of the share purchase programmes authorised by the General Meeting.

The purpose of the **fourteenth resolution** is to authorise the Board of Directors, if it deems appropriate, to reduce the share 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 share purchase programmes authorised by the General Meeting. This authorisation would be given for a period of 18 months. It would replace that given previously by the General Meeting of 18 April 2019.

This new delegation is in the same vein as similar ones authorised at previous Annual General Meetings and remain consistent with usual practices and recommendations concerning the amount, ceiling and duration (18 months).

The Company will not be permitted to purchase its own shares during the period of a public tender offer or public exchange offer. In addition, share purchases may be carried out through the use of derivatives. The Board of Directors has taken 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 retains ample room for *manoeuvre*.

Cancelling repurchased shares makes it possible to offset the dilutive impact on shareholders arising from the creation of new shares following, for example, the exercise of stock options.

As a reminder, the resolution was adopted at the Combined General Meeting of Shareholders of 18 April 2019 by a rate of 99.9%.

RESOLUTIONS 15-17 AND 19-22 – AMENDMENTS TO THE ARTICLES OF ASSOCIATION

SUBJECT AND PURPOSE

We invite you to amend certain provisions of your Company's Articles of Association in order to clarify certain points or reflect certain legal or regulatory changes.

These amendments concern the following points.

In the **fifteenth resolution**, which is submitted for your approval, we invite you to authorise the Board of Directors to move the registered office anywhere in France.

The Board of Directors is now authorised to vote to transfer the registered office anywhere in France, provided this decision is ratified by the following Ordinary General Meeting (Article L. 225-36 of the French Commercial Code). We invite you to update Article 4 of the Articles of Association on this point.

In the **sixteenth resolution**, which is submitted for your approval, we invite you to delete the provisions concerning the identification of the holders of bearer shares.

We invite you to delete paragraph 8.b of the Articles of Association which describes in detail the procedure for identifying shareholders. In fact, the system for identifying owners of bearer shares was reformed by the PACTE Law of 22 May 2019. From now on, without any need to specify it in the Articles of Association, TF1 or its authorised agent is entitled to request, at any time and for a fee, either from the central depositary that keeps the account issuing its securities or directly from one or more intermediaries, the information on the owners of its shares and securities conferring (immediately or eventually) the right to vote at its Shareholders' Meetings.

In the **seventeenth resolution**, which is submitted for your approval, we ask that you supplement the current Article 8.c of the Articles of Association (renumbered 8.b) regarding the shares and voting rights factored into the calculation of the crossing of statutory thresholds.

The aim is to replicate, for the calculation of crossing statutory thresholds, the equivalent basis for shares and voting rights as set forth in Article L. 233-9, I of the French Commercial Code. The method for calculating statutory thresholds will thus be modelled on that of the legal thresholds.

Henceforth, for the calculation of the statutory thresholds, the shares equivalent to owned shares and the voting rights attached thereto shall be clearly included, namely:

- the shares or voting rights owned by other persons on behalf of the person concerned;
- the shares or voting rights owned by the companies that this person controls;
- the shares or voting rights owned by a third party with whom that person is acting in concert.

In the **nineteenth resolution** submitted for your approval, we ask that you allow the Board of Directors to make decisions through written consultation with the Chairman.

In principle, the Board of Directors makes its decisions in meetings, in the presence of the Directors attending the Meeting, via telecommunications if applicable.

Since the Soilihi Law 2019-744 of 19 July 2019, the Articles of Association may authorise the Board to make certain decisions through written consultation with the Directors.

With this in mind, we invite you to amend Article 14 of the Articles of Association in order to authorise the Board to make the following decisions, through written consultation with the Chairman:

- interim appointment of Board members in the event of a vacancy;
- authorisation of guarantee commitments given by the Company;
- amendment to the Articles of Association to bring them into compliance with laws and regulations, upon delegation of the General Meeting;
- convening of the General Meeting;
- transfer of the registered office within the same department.

Written consultation with the Directors may be conducted via electronic messaging.

In the **twentieth resolution**, we ask that you allow the Board of Directors to amend the Articles of Association so that they comply with legal and regulatory provisions. Amendments made will be subject to ratification by the next General Meeting.

In the **twenty-first resolution** submitted for your approval, we ask that you request the Board of Directors to take into account social and environmental considerations.

According to the PACTE Law of 22 May 2019, the Board of Directors determines the guidelines of the Company's activity and enforces them, "in accordance with the Company interest, taking the social and environmental considerations of its activity into account". We invite you to complete Article 14 of the Articles of Association to bring it into compliance with this draft.

In the **twenty-second resolution** that is submitted for your approval, it is requested that you delete the article on regulated agreements, and the laws will henceforth be the only point of reference in that matter.

RESOLUTION 18 – PROVISIONS APPLICABLE TO THE APPOINTMENT OF ONE DIRECTOR TO REPRESENT EMPLOYEE SHAREHOLDERS

SUBJECT AND PURPOSE

In the **eighteenth resolution**, which is submitted for your approval, we ask you to proceed with the amendment of Article 10 of the Articles of Association required for the admission to the Board of Directors of one Director representing employee shareholders, with the aim of complying with the new laws applicable to the appointment of Directors representing employee shareholders.

The PACTE Law of 22 May 2019 eliminated the exemption applicable to TF1, which was under no obligation until the law was published to arrange for employee shareholder representatives to be elected to the Board pursuant to Article L. 225-23 of the French Commercial Code.

The Director representing employee shareholders shall take office in two phases, at two Annual General Meetings.

Pursuant to Article 186 II of the PACTE Law, the Board of Directors shall present, at the General Meeting of 17 April 2020, the amendment to the Articles of Association of the Company required for the election of Directors representing employee shareholders. This election shall take place at the General Meeting of 2021.

The Director representing employee shareholders will be one of the members representing employee shareholders sitting on the Supervisory Board of the Company collective investment fund (FCPE), created in the context of the employee savings scheme of the TF1 group and invested primarily in TF1 shares. The Supervisory Board of the FCPE TF1 ACTIONS shall previously have been required to elect the candidate, by simple majority.

This candidate shall be appointed by the shareholders in a General Meeting. The term of office of the employee representative Director shall be three years, as will those of the non-employee representative Directors. The duties of the employee representative Director shall automatically terminate ahead of schedule if the employment contract is terminated (subject to cases of intra-group transfer) or if the TF1 group exits the company which employs that Director.

This employee representative Director shall exercise his or her role under the same conditions as for the non-employee representative Directors. He or she shall have the same powers and duties.

TF1 does not fall within the scope of Article L. 225-27-1 of the French Commercial Code, which sets forth a statutory requirement for employee representation on the Board of Directors of French public limited companies above a certain size.

RESOLUTION 23 – HARMONISATION OF THE ARTICLES OF ASSOCIATION RELATING TO THE COMPENSATION OF DIRECTORS

SUBJECT AND PURPOSE

In the **twenty-third resolution**, which is submitted for your approval, we ask you to harmonise the Articles of Association with the new name for the compensation of Directors and to amend Article 15, as the PACTE Law has replaced the term "Directors' fees" with "Directors' compensation".

RESOLUTION 24 – AUTHORISATIONS FOR FORMALITIES

SUBJECT AND PURPOSE

In the **twenty-fourth resolution** submitted for your approval, you are invited to authorise the completion of all legal or administrative formalities and all filing and publishing requirements contained in current legislation.

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.

8.3 DRAFT RESOLUTIONS

ORDINARY BUSINESS

FIRST RESOLUTION

(APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE 2019 FINANCIAL YEAR)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, having acknowledged the individual financial statements for the 2019 financial year, in addition to the management report from the Board of Directors and the Statutory Auditors' report on the individual financial statements, approves the individual financial statements for the 2019 financial year as presented, as well as the transactions reflected in those financial statements and summarised in those reports.

SECOND RESOLUTION

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE 2019 FINANCIAL YEAR)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, having acknowledged the consolidated financial statements for the 2019 financial year, in addition to the Board of Directors' report on Group operations contained in the management report pursuant to Article L. 233-26 of the French Commercial Code, and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the 2019 financial year as presented, as well as the transactions reflected in those financial statements and summarised in those reports.

THIRD RESOLUTION

(APPROVAL OF THE RELATED-PARTY AGREEMENTS STIPULATED IN ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE)

The General Meeting, ruling under the quorum and majority rules required for Ordinary General Meetings, in accordance with Article L. 225-40 of the French Commercial Code, having acknowledged the Statutory Auditors' special report, approves the related-party agreements described in this report and not yet approved by the General Meeting.

FOURTH RESOLUTION

(APPROPRIATION OF PROFITS FOR THE 2019 FINANCIAL YEAR AND SETTING THE AMOUNT OF THE DIVIDEND)

The General Meeting, ruling under the quorum and majority rules required for Ordinary General Meetings, noting the distributable profit for the financial year of €569,313,205.99 and net profit of €18,290,035.72, and the retained earnings of €551,023,170.27, approves the following appropriation and distribution proposed by the Board of Directors:

- distribution in cash of a dividend of €105,121,037.00 (*i.e.* a dividend of €0.50 per share with a par value of €0.20);
- appropriation of the balance in retained earnings €464,192,168.99.

The ex-dividend date on the Euronext Paris market will be 4 May 2020. The dividend will be payable in cash on 6 May 2020 to shareholders of record at the close of business on 5 May 2020.

With this option, the entire dividend is eligible for the 40% rebate mentioned in Section 3–2, Article 158 of the French General Tax Code.

The General Meeting authorises the appropriation to retained earnings of the dividends on the shares that TF1 is authorised to hold as treasury shares, in accordance with Article L.225-210 of the French Commercial Code.

The General Meeting notes that the dividends distributed for the last three financial years were as follows:

	2016	2017	2018
Number of shares	209,417,542	209,865,742	209,928,940
Unit dividend	€0.28	€0.35	€0.40
Total dividend(1)(2)	€58,636,911.76	€73,453,009.70	€83,971,576.00

(1) *Dividends actually paid, with deduction where applicable, for shares held by TF1 not entitled to distribution.*
(2) *Dividends eligible for the 40% tax rebate mentioned in Section 3-2, Article 158 of the French General Tax Code (as an option from the 2017 financial year onwards).*

FIFTH RESOLUTION

(APPROVAL OF THE COMPONENTS OF COMPENSATION AND BENEFITS PAID IN 2019 OR GRANTED FOR THE 2019 FINANCIAL YEAR TO GILLES PELISSON AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, in accordance with Article L. 225-100 III of the French Commercial Code, having acknowledged the report on corporate governance, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended 31 December 2019 or granted for the same financial year to Gilles Pélisson as Chairman and Chief Executive Officer, as presented under heading 3.4 of the 2019 universal registration document.

SIXTH RESOLUTION

(APPROVAL OF THE REPORT ON 2019 COMPENSATION PURSUANT TO ARTICLE L. 225-100 II OF THE FRENCH COMMERCIAL CODE)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, in accordance with Article L. 225-100 II of the French Commercial Code, having acknowledged the corporate governance report, approves the information published pursuant to Article L. 225-37-3 I of the French Commercial Code, as presented under heading 3.4 of the 2019 universal registration document.

SEVENTH RESOLUTION

APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO GILLES PÉLISSON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, in accordance with Article L. 225-37-2 II of the French Commercial Code, having acknowledged the corporate governance report, approves the compensation policy for Gilles Pélisson as Chairman and Chief Executive Officer, described under heading 3.5 of the 2019 universal registration document.

EIGHTH RESOLUTION

(APPROVAL OF THE COMPENSATION POLICY FOR DIRECTORS)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, in accordance with Article L. 225-37-2 II of the French Commercial Code, having acknowledged the corporate governance report, approves the compensation policy for Directors, described under heading 3.5 of the 2019 universal registration document.

NINTH RESOLUTION

(RATIFICATION OF THE COOPTATION AS DIRECTOR OF THE COMPANY SCDM)

The General Meeting ratifies the cooptation as a Director of SCDM, represented by Martin Bouygues, as approved by the Board of Directors at its Meeting held on 13 February 2020, to replace Martin Bouygues, who has resigned as Director, for the remainder of the term of office of its predecessor, due to expire at the General Meeting called to approve the financial statements for the 2020 financial year, to be held in 2021.

TENTH RESOLUTION

(REAPPOINTMENT OF CATHERINE DUSSART AS DIRECTOR FOR A THREE-YEAR TERM)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, reappoints Catherine Dussart as Director for a three-year term of office expiring at the end of the Ordinary General Meeting called to approve the financial statements for the 2022 financial year.

ELEVENTH RESOLUTION

(REAPPOINTMENT OF OLIVIER BOUYGUES AS DIRECTOR FOR A THREE-YEAR TERM)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, reappoints Olivier Bouygues as Director for a three-year term of office expiring at the end of the Ordinary General Meeting called to approve the financial statements for the 2022 financial year.

TWELFTH RESOLUTION

(DETERMINATION OF ELECTIONS OF EMPLOYEE REPRESENTATIVE DIRECTORS)

The General Meeting, ruling under the quorum and majority rules for Ordinary General Meetings, having acknowledged the names of the employee representative Directors elected by the Chairman and Chief Executive Officer before the reading of this resolution, shall take note of their election and appointment as employee representative Directors.

The tenure for employee representative Directors is two years and shall end at the next announcement of the election results for employee representative Directors, pursuant to Article 10 of the Articles of Association.

THIRTEENTH RESOLUTION

(AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO TRANSACT IN THE COMPANY'S SHARES FOR AN 18-MONTH PERIOD, SUBJECT TO A MAXIMUM OF 10% OF THE SHARE CAPITAL)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, pursuant to Article L. 225-209 of the French Commercial Code, having acknowledged the Board of Directors' report containing the description of the share buyback programme:

1. hereby authorises the Board of Directors to carry out or have the Company carry out the buybacks, under the conditions set out below, of a number of 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;
2. resolves that this authorisation may be used for the following purposes, corresponding either to a market practice accepted by the AMF or an objective provided for in Article 5 of Regulation (EU) No. 596/2014 on market abuse or an objective specified in Articles L. 225-209 et seq. of the French Commercial Code:
   - reduce the share capital by cancelling 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, in particular as part of profit-sharing schemes, stock option schemes, corporate or Group savings plans, or through the allotment of free shares,
   - retain shares and, where appropriate, use them subsequently as payment or exchange for acquisitions, mergers, demergers or transfers of assets, in compliance with regulatory requirements,
   - promote market liquidity and regularity in the Company's equity securities listings and avoid price variances not justified by market trends, by making use of a liquidity agreement to be managed by an investment service provider acting in compliance with AMF-approved market practice,

- fulfil obligations related to debt securities, in particular securities giving entitlement to Company shares through redemption, conversion or exchange, 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 AMF in its position/recommendation No. 2017-04, 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 for the Company's shares. The entire programme may be carried out through block trades;
4. resolves that the purchase price cannot exceed €20 (twenty euros) per share, subject to any adjustments relating to share capital transactions. If share capital is increased by incorporating premiums, earnings, reserves or free 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 authorised share buyback programme, corresponding to a maximum number of 15,000,000 shares purchased based on the previously authorised unit price of €20;
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 subdelegate, 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, to complete all declarations and formalities with the AMF or any other body, and in general to take 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. sets the period of validity of the present delegation at eighteen months from the date of the present General Meeting, it being specified that this delegation cancels, to the extent of the unused amounts, and replaces any previous delegation of powers for the same purpose.

EXTRAORDINARY BUSINESS

FOURTEENTH RESOLUTION

(AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING TREASURY SHARES FOR AN 18-MONTH PERIOD)

The General Meeting, ruling under the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-209 of the French Commercial Code, having acknowledged the Board of Directors' report and the Statutory Auditors' special report:

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 subdelegate 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 Articles of Association accordingly and generally to attend to all necessary formalities;
4. sets the period of validity of the present delegation at eighteen months from the date of the present General Meeting, it being specified that this delegation cancels, to the extent of the unused amounts, and replaces any previous delegation of powers for the same purpose.

FIFTEENTH RESOLUTION

(AMENDMENT TO ARTICLE 4 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF ALLOWING THE BOARD OF DIRECTORS TO MOVE THE REGISTERED OFFICE ANYWHERE IN FRANCE)

The General Meeting, ruling under the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-36 of the French Commercial Code, having acknowledged the report of the Board of Directors, hereby resolves to allow the Board of Directors to move the registered office anywhere in France.

Consequently, the General Meeting hereby votes to amend the second paragraph of Article 4 of the Articles of Association entitled "Registered office", as follows:

Previous version

Article 4 – Registered Office

The registered office is established at 1, Quai du Point du Jour, 92100 Boulogne-Billancourt, France.

It can be transferred to any other location in the same or adjoining French Department by a simple resolution by the Board of Directors, subject to this vote's ratification by the next Ordinary General Meeting, and anywhere else in France by virtue of deliberation by the Extraordinary General Meeting of Shareholders.

Upon a transfer resolved by the Board of Directors, this latter is authorised to amend the Articles of Association accordingly.

New version

Article 4 – Registered Office

The registered office is established at 1, Quai du Point du Jour, 92100 Boulogne-Billancourt, France.

Its relocation within France may be resolved by the Board of Directors, subject to such resolution's ratification by the next Ordinary General Meeting.

Upon a transfer resolved by the Board of Directors, the latter is authorised to amend the Articles of Association accordingly.

SIXTEENTH RESOLUTION

(AMENDMENT TO ARTICLE 7 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF REMOVING THE PROVISIONS REGARDING THE IDENTIFICATION OF THE OWNERS OF BEARER SHARES)

The General Meeting, ruling in compliance with the quorum and majority rules required for Extraordinary General Meetings, pursuant to Article L. 228-2 et seq. of the French Commercial Code, duly recognising the system for identifying the owners of bearer shares and having acknowledged the Board of Directors' report, hereby resolves to remove the provisions regarding identification of the owners of bearer shares.

Consequently, the General Meeting hereby votes to amend paragraph b of Article 7 entitled "Form - Settlement - Fractional Shares" of the Articles of Association. As a result, paragraphs c, d, and e of Article 7 shall become paragraph b, c, and d of Article 7.

Consequently, the General Meeting hereby also resolves to amend the title of Article 7 of the Articles of Association, "Form - Settlement - Fractional Shares" by adopting the title "Form Of Shares - Shareholding".

SEVENTEENTH RESOLUTION

(AMENDMENT TO ARTICLE 7 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF MODELLING THE CROSSING OF STATUTORY THRESHOLDS ON THAT OF LEGAL THRESHOLDS)

The General Meeting, ruling under the quorum and majority rules for Extraordinary General Meetings, having acknowledged Articles L. 233-7 and L. 233-9 of the French Commercial Code on the crossing of legal thresholds and the report of the Board of Directors, hereby resolves to model the method for calculating the crossings of statutory thresholds on that of legal thresholds.

Consequently, the General Meeting resolves to add a subparagraph to the end of Article 7-b of the Articles of Association, as amended in the sixteenth resolution of this Meeting, worded as follows:

"For the implementation of the statutory reporting requirements set forth in this Article, the equivalent cases and calculation methods set forth by Articles L. 233-7 and L. 233-9 of the French Commercial Code or by the AMF General Regulation shall be applied."

EIGHTEENTH RESOLUTION

(AMENDMENT TO ARTICLE 10 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF COMPLYING WITH THE NEW LEGAL PROVISIONS APPLICABLE IN TERMS OF APPOINTING A DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS)

The General Meeting, ruling under the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-23 of the French Commercial Code, having acknowledged the Board of Directors' report, hereby resolves to make the statutory amendments necessary for admission of employee shareholder representative Directors onto the Board of Directors.

Consequently, the General Meeting hereby resolves to amend Article 10 – Board of Directors, as follows:

Previous version

Article 10 – Board of Directors

I- The Company is administered by a Board of Directors with between three and eighteen members, subject to the exceptions set forth by law. Pursuant to Article 66 of Law No. 86-1067 of 30 September 1986, at least one-sixth of the Board of Directors consists of employee representatives, one seat being reserved for engineers, managers and those in a similar category.

II- During the life of the Company, non-employee representative Directors are appointed or reappointed by the Ordinary General Meeting of Shareholders.

III-1 Non-employee representative Directors hold office for three years.

The term of office of a non-employee representative Director shall expire at the end of the Ordinary General Meeting called to approve the financial statements of the preceding financial year, held in the year during which the term of office of said Director expires.

III-2 Employee representative Directors hold office for two years.

The term of office of an employee representative Director terminates on announcement of the results of the votes of the electoral colleges held to appoint employee representative Directors; such appointment normally takes place two weeks before the General Meeting for the preceding financial year held during the year in which the term of office of said Director expires.

III-3 Directors can always be re-elected.

Non-employee representative Directors can be removed at any time by the Ordinary General Meeting.

Employee representative Directors can only be removed for misconduct in office, by a summary judgement of the Presiding Judge of the District Court (*Président du Tribunal de Grande Instance*), at the request of a majority of the members of the Board of Directors. The judgement is immediately enforceable.

Except in the event of termination by the employee, the breach of an employment contract of a Director elected by the employees can only be imposed by the adjudication panel of the Industrial Court (*Conseil des Prud'hommes*) ruling in a summary judgement. The judgement is immediately enforceable.

IV- Non-employee representative Directors may be natural or legal persons; they must, when appointed, name a permanent representative who is subject to the same conditions and obligations and who incurs the same responsibilities as if they were a Director in their own right, without prejudice to the joint responsibility of the legal person they represent. This office of permanent representative is granted to them for the length of the term of the legal person they are representing. They must be reappointed each time the latter is reappointed.

If the legal person removes its representative from office, it is required to notify the Company of such removal, without delay, by recorded delivery, and of the identity of its new permanent representative; the same is true in the event of the death, resignation or prolonged incapacity of the permanent representative.

V- If one or more seats of non-employee representative Directors fall vacant between two General Meetings due to death or resignation, the Board of Directors may make one or more interim appointments.

If one or more seats of employee representative Directors fall vacant due to death, resignation, dismissal or termination of employment contract, the vacant seat is filled by an alternate.

Appointments of Directors made by the Board of Directors are submitted for ratification at the very next Ordinary General Meeting. If they are not ratified, the deliberations and actions taken previously shall remain no less valid.

If only one or two Directors remain in office, they, or alternatively, the Statutory Auditors must immediately convene the Ordinary General Meeting of Shareholders for the purpose of completing the Board.

The Director appointed to replace another shall remain in office only as long as the unexpired portion of the term of office of their predecessor.

New version

Article 10 – Board of Directors

I- The Company is directed by a Board of Directors composed of three to eighteen members, subject to the exceptions set forth by law, and one employee shareholder representative Director, elected by the General Meeting, at the proposal of the Supervisory Board of the Company collective investment fund (FCPE), created in the context of the employee savings scheme of the TF1 group and invested primarily in TF1 shares. The Supervisory Board of the FCPE elects one candidate, by simple majority, from among the employee members of the Supervisory Board. Pursuant to Article 66 of Law No. 86-1067 of 30 September 1986, at least one-sixth of the Board of Directors consists of employee representatives, one seat being reserved for engineers, managers and those in a similar category.

II- During the life of the Company, non-employee representative Directors are appointed or reappointed by the Ordinary General Meeting of Shareholders.

III-1 Non-employee representative Directors and the employee shareholder representative Director hold office for three years.

The duties of a non-employee representative Director and of the employee shareholder representative Director shall expire at the end of the Annual Ordinary General Meeting, held in the year during which the term of office of said Director expires.

The duties of the employee representative Director shall automatically terminate ahead of schedule if the employment contract is terminated (subject to cases of intra-group transfer) or if the TF1 group exits the company that employs that Director. The Board of Directors shall then take all measures to organise the replacement of that Director whose term of office has thus expired.

III-2 Employee representative Directors hold office for two years.

The term of office of an employee representative Director terminates on announcement of the results of the votes of the electoral colleges held to appoint employee representative Directors; such appointment normally takes place two weeks before the General Meeting for the preceding financial year held during the year in which the term of office of said Director expires.

III-3 Directors can always be re-elected.

Non-employee representative Directors can be removed at any time by the Ordinary General Meeting.

Employee representative Directors and the employee shareholder representative Director can only be removed for misconduct in office, by a summary judgement of the Presiding Judge of the District Court (*Président du Tribunal de Grande Instance*), at the request of a majority of the members of the Board of Directors. The judgement is immediately enforceable.

Except in the event of termination by the employee, breach of employment contract of a Director elected by the employees or of employee shareholder representative Directors can only be imposed by the adjudication panel of the Industrial Court (*Conseil des Prud'hommes*) ruling in a summary judgement. The judgement is immediately enforceable.

IV- Non-employee representative Directors may be natural or legal persons; they must, when appointed, name a permanent representative who is subject to the same conditions and obligations and who incurs the same responsibilities as if they were a Director in their own right, without prejudice to the joint responsibility of the legal person they represent. This office of permanent representative is granted to them for the length of the term of the legal person they are representing. They must be reappointed each time the latter is reappointed.

If the legal person removes its representative from office, it is required to notify the Company of such removal, without delay, by recorded delivery, and of the identity of its new permanent representative; the same is true in the event of the death, resignation or prolonged incapacity of the permanent representative.

V- If one or more seats of non-employee representative Directors fall vacant between two General Meetings due to death or resignation, the Board of Directors may make one or more interim appointments.

If one or more seats of employee representative Directors fall vacant due to death, resignation, dismissal or termination of employment contract, the vacant seat is filled by an alternate.

Appointments of Directors made by the Board of Directors are submitted for ratification at the very next Ordinary General Meeting. If they are not ratified, the deliberations and actions taken previously shall remain no less valid.

If only one or two Directors remain in office, they, or alternatively, the Statutory Auditors must immediately convene the Ordinary General Meeting of Shareholders for the purpose of completing the Board.

The Director appointed to replace another shall remain in office only as long as the unexpired portion of the term of office of their predecessor.

NINETEENTH RESOLUTION

(AMENDMENT TO ARTICLE 13 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF ALLOWING THE BOARD OF DIRECTORS TO MAKE CERTAIN DECISIONS UPON WRITTEN CONSULTATION WITH THE DIRECTORS)

The General Meeting, ruling under the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-37 of the French Commercial Code, having acknowledged the Board of Directors' report and the Statutory Auditors' special report, resolves to allow certain resolutions of the Directors to be taken upon written consultation.

Consequently, the General Meeting resolves to add a third paragraph to the end of Article 13 of the Articles of Association, entitled "Deliberations of the Board", worded as follows:

"III - The following decisions may be taken by written consultation with the Board of Directors, at the request of the Chairman:

- interim appointment of Board members;
- authorisation of guarantee commitments given by the Company;
- decision to amend the Articles of Association to bring them into compliance with laws and regulations, upon delegation of the General Meeting;
- convening of the General Meeting;
- transfer of the registered office within the same French Department.

Written consultation with the Directors may be conducted *via* electronic messaging. These resolutions are reported in the minutes prepared by the Chairman of the Board of Directors. These minutes are kept in the same conditions as the other resolutions of the Board of Directors."

TWENTIETH RESOLUTION

(AMENDMENT TO ARTICLE 13 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF DELEGATING THE POWER TO THE BOARD OF DIRECTORS TO MAKE THE NECESSARY AMENDMENTS TO THE ARTICLES OF ASSOCIATION IN COMPLIANCE WITH REGULATIONS)

The General Meeting, ruling in compliance with the quorum and majority rules required for Extraordinary General Meetings, pursuant to Article L. 225-36 of the French Commercial Code, having acknowledged the Board of Directors' report, hereby delegates power to the Board of Directors to make the necessary amendments to the Articles of Association in order to bring them into compliance with laws and regulations.

Consequently, the General Meeting resolves to add a fourth paragraph to the end of Article 13 of the Articles of Association, entitled "Deliberations of the Board", worded as follows:

- IV The General Meeting is authorised, upon delegation by the General Meeting, and pursuant to Article L. 225-36 of the French Commercial Code, to make the necessary amendments to the Articles of Association in order to bring them into compliance with laws and regulations, subject to ratification of those amendments by the next Extraordinary General Meeting.

TWENTY-FIRST RESOLUTION

(AMENDMENT TO ARTICLE 14 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF DEFINING THE ROLE OF THE BOARD OF DIRECTORS IN CONNECTION WITH THE SOCIAL AND ENVIRONMENTAL CONSIDERATIONS RAISED BY THE COMPANY'S ACTIVITY)

The General Meeting, ruling in compliance with the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-35 of the French Commercial Code, having acknowledged the report of the Board of Directors, hereby resolves to specify the role of the Board of Directors in connection with the social and environmental considerations raised by the Company's activity.

Consequently, the General Meeting hereby resolves to amend Article 14, subparagraph 1 of the Articles of Association entitled "Powers of the Board of Directors", as follows.

Consequently, the General Meeting also resolves to amend the title of Article 14 of the Articles of Association, "Powers of the Board of Directors" by adopting the title "Role of the Board of Directors".

Previous version of subparagraph 1

Article 14 – Powers of the Board of Directors

"The Board of Directors determines the guidelines for the Company's activity and ensures their implementation."

New version of subparagraph 1

Article 14 – Role of the Board of Directors

"The Board of Directors determines the guidelines for the Company's activity and ensures their implementation, in accordance with its company interest, taking the social and environmental considerations of its activity into account."

TWENTY-SECOND RESOLUTION

(AMENDMENT TO ARTICLE 17 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF REMOVING THE REPEALED PROVISIONS CONCERNING CERTAIN REGULATED AGREEMENTS AND REMOVING ARTICLE 17)

The General Meeting, ruling under the quorum and majority conditions for Extraordinary General Meetings, pursuant to Articles L. 225-38 et seq. of the French Commercial Code on related-party agreements and the provisions of Order No. 2019/1234 of 27 November 2019 on the compensation of the corporate officers of listed companies, having acknowledged the report of the Board of Directors, hereby resolves to remove the provisions on compensation appearing in Article 17.

The General Meeting also resolves to remove Article 17 of the Articles of Association which described the procedure of related-party agreements in order to refer to the detailed provisions of the related-party agreement system as reformed by the PACTE Law of 22 May 2019, without any need to specify them in the Articles of Association.

As a result, Articles 18 to 28 of the Articles of Association are henceforth numbered Articles 17 to 27.

TWENTY-THIRD RESOLUTION

(HARMONISATION OF THE ARTICLES OF ASSOCIATION RELATING TO THE COMPENSATION OF DIRECTORS – CONSEQUENTIAL AMENDMENT TO ARTICLE 15)

The General Meeting, ruling in compliance with the quorum and majority rules for Extraordinary General Meetings, pursuant to Article L. 225-45 of the French Commercial Code, having acknowledged the report of the Board of Directors, hereby resolves to harmonise the Articles of Association with the laws and regulations on the compensation of Directors by replacing the terms “Directors’ fees” with “compensation for activity”.

Consequently, the General Meeting hereby resolves to amend Article 15 paragraph 1 entitled “Directors’ compensation”, as follows:

Previous version

Article 15 – Directors’ compensation

I- “Directors may collect Director’s fees, of which the value, set by the Ordinary General Meeting of Shareholders, is maintained until otherwise decided and which are expensed as operating costs.”

New version

Article 15 – Directors’ compensation

I- “The Board of Directors collects, with the aim of compensating the activity of the Directors, a sum to be deducted from overhead costs and of which the value, set by the General Meeting, is maintained until otherwise decided.”

TWENTY-FOURTH RESOLUTION

(AUTHORISATION TO CARRY OUT FORMALITIES)

The General Meeting, ruling in compliance with the quorum and majority rules for 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.

ADDITIONNAL INFORMATION

9.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND INFORMATION CONCERNING THE VERIFICATION OF THE FINANCIAL STATEMENTS

AFR

9.1.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I hereby certify that, having taken all reasonable steps, the information contained in this universal registration document reflects, to the best of my knowledge, the facts and contains no omissions that might affect its import.

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 true and fair view of the assets, financial position and results of the company and the consolidated companies, and that the management report (the content of which is listed in the cross-reference table in Section 9.6 of this document), presents a true and fair view of the development and performance of the business, results and financial position of the company and the consolidated companies and that it describes the main risks and uncertainties facing them.

Boulogne-Billancourt, 9 March 2020

Chairman and CEO

Gilles C. Pélisson

9.1.2 INFORMATION CONCERNING STATUTORY AUDITORS

Permanent Statutory Auditors	Date of first appointment	Expiry date of term
Ernst & Young Audit Represented by Laurent Vitse Tour First, 1-2 place des Saisons – Paris La Défense 1 – 92400 Courbevoie	General Meeting of 14 April 2016	General Meeting approving the 2021 financial statements
Mazars Represented by Gilles Rainaut Immeuble Exaltis – 61, rue Henri-Regnault – 92400 Courbevoie	General Meeting of 15 May 2001	General Meeting approving the 2024 financial statements
Alternate Statutory Auditors	**Date of first appointment**	**Expiry date of term**
Auditex (EY Group) Tour First, 1-2 place des Saisons – Paris La Défense 1 – 92400 Courbevoie	General Meeting of 14 April 2016	General Meeting approving the 2021 financial statements

The fees paid to the Statutory Auditors by TF1 and its subsidiaries are shown in Section 6, Note 9.3 of this document.

9.1.3 NAME OF THE INDEPENDENT THIRD-PARTY VERIFIER OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The social, environmental and societal information has been verified by Ernst & Young et Associés's 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 CALENDAR

17 April 2020: Combined General Meeting of shareholders

29 April 2020: 1[rst] quarter results 2020

4 May 2020: Ex-dividend date

5 May 2020: Record date for dividend payment

6 May 2020: Dividend payment date

23 July 2020: 2020 half-year results

28 October 2020: 3[rd] quarter results 2020

These dates may be subject to change.

9.3 INFORMATION INCLUDED BY REFERENCE

The following information is included by reference in this document:

- the consolidated financial statements for the year ended 31 December 2018, the relevant report of the Statutory Auditors and the Group's management report included on pages 132 to 202 of the registration document filed with the French Financial Markets Authority (AMF) on 7 March 2019 under number D. 19-0121;

- the consolidated financial statements for the year ended 31 December 2017, the relevant report of the Statutory Auditors and the Group's management report included on pages 112 to 174 of the registration document filed with the French Financial Markets Authority (AMF) on 8 March 2018 under number D. 18-0113;

9.4 FINANCIAL PRESS RELEASES PUBLISHED IN 2019

Date of release	Topic
24 January 2019	TF1 group and VIDEOFUTUR announce a new global distribution agreement
30 January 2019	TF1 group enter into negotiations for the disposal of Télé-achat
5 February 2019	Announcement of the creation of Unify, TF1 group's new digital unit
15 February 2019	TF1 group 2018 full-year results
22 February 2019	Announcement of the adaptation of the "The Masked Singer" on TF1
1 March 2019	Newen acquires De Mensen, a leading Belgian audiovisual production company
7 March 2019	Publication of the 2018 TF1 group registration document
11 March 2019	Share buyback programme launched
26 March 2019	Agreement between TF1 and Netflix for the "Le Bazar de la Charité" series
10 April 2019	Announcement of the exclusive broadcast of the entire 2019 Rugby World Cup
11 April 2019	TF1 group finalises the sale of Télé-achat to Jérôme Dillard, its former Chief Executive Officer
29 April 2019	TF1 group 2019 first quarter results
23 May 2019	Appointment of François Pellissier as Chief Executive Officer of TF1 Publicité and TF1 group Sports
24 June 2019	TF1 and IP Belgium announce the signing of an agreement to sell TF1 advertising airtime in Belgium
11 July 2019	Newen acquires the Canadian firm, Reel One, a world leader in the production and distribution of TV films
24 July 2019	TF1 group 2019 first half results
12 August 2019	The French Competition Authority authorises the SALTO project
17 September 2019	Set up of SALTO governance, Gilles Pélisson elected as Chairman of the Supervisory Board
4 October 2019	Newen finalises the acquisition of Reel One
4 October 2019	TF1 and Canal+ groups acquire the broadcasting rights to the 2021 UEFA Women's Euro Championships
24 October 2019	Newen signs a strategic agreement with Anton
30 October 2019	TF1 group results for the first 9 months of 2019
27 November 2019	TF1 group and M6 acquire the broadcasting rights to the UEFA Euro 2020
28 November 2019	TF1 group and Bein Sports broadcasts the EHF European Handball Championships
29 November 2019	TF1 group acquires the Champions League final from 2022 to 2014
4 December 2019	Makeover for TF1 group thematic channels
16 December 2019	Aufeminin unveils a new brand platform together with a new identity

All regulated information is available on the website https://www.groupe-tf1.fr/en/presse

9.5 ADDRESSES OF MAIN SUBSIDIARIES AND HOLDINGS

- **1, quai du Point du Jour – 92100 Boulogne-Billancourt**

e-TF1

Histoire

La Chaîne Info – LCI

STS Événements

Studio71

TF1 Digital Content

TF1 Audiovisual Rights

TF1 Distribution

TF1 Entertainment

TF1 Events

TF1 Films Production

TF1 One Innovation

TF1 Production

TF1 Publicité

TF1 Séries Films

TF1 Vidéo

TV Breizh

TFX

Une Musique

Ushuaïa TV

- **48, rue du Faubourg du Temple, 75011 Paris**

Unify Digital Factory

- **ZA du Pot au Pin – Entrepôt A4, 33612 Cestas Cedex**

Dujardin

- **89, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine**

Extension TV – Série Club

- **71, rue de la Victoire, 75009 Paris**

Newen Studios

- **6 bis, quai Antoine Ier, 98000 Monaco**

Télé Monte Carlo – (TMC)

- **174-178, quai de Jemmapes, 75010 Paris**

Vertical Station (ex-MinuteBuzz)

- **6th floor, 65 Gresham Street London, EC2V 7NQ United Kingdom**

EBX

- **8-10, rue Saint-Fiacre/33-35 rue du Sentier, 75002 Paris**

Aufeminin

Doctissimo

Marmiton

Mayane Communications

Unify Advertising

Ykone

- **13, boulevard de Rochechouart, 75009 Paris**

My Little Paris

- **201 Redwood Shores Parkway, Suite 300, Redwood City, CA 94065 (USA)**

Livingly Media

- **5, rue Cyrano de Bergerac, 75018 Paris**

Gamned!

- **20/22, rue des Bons Enfants, 75001 Paris**

Blue Spirit

- **195 rue Jean-Jacques Rousseau, 92130 Issy-les-Moulineaux**

17 Juin Production

- **80, rue de la Croix Nivert, 75015 Paris**

CAPA

- **14, avenue Gustave Eiffel, 78180 Montigny-Le-Bretonneux**

TelFrance

9.6 CROSS-REFERENCE TABLES

AFR

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9.6.2 MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

The management report and the consolidated report on the management of the Group are presented as a single report, as permitted by Article L. 225-100-1, II of the French Commercial Code. The report on the 2019 financial year is included in this document. It was approved by the TF1 Board of Directors on 13 February 2020.

9.6.3 ANNUAL FINANCIAL REPORT (AFR)

AFR

Information included in the Annual Financial Report required by Article L. 451-1-2 of the French Monetary and Financial Code and by Article 222-3 of the AMF General Regulation	Universal registration document
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9.6.4 CORPORATE GOVERNANCE

The Corporate governance report prepared pursuant to Articles L. 225-37 of the Commercial Code. appears in chapter 3 of this registration document. It was approved by the Board of Directors on 14 February 2019.

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9.7 GLOSSARY

ADSL: Asymmetric Digital Subscriber Line, high-speed network connection providing access to the Internet, fixed-line telephone, and television services.

AMF: *Autorité des Marchés Financiers*, the French Financial Markets Authority. Independent public authority which regulates financial players and products on the French stock market.

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.

WCR: working capital requirement. Current assets minus current liabilities (including current provisions but excluding current cash, 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.

CNC: *Centre National du Cinéma et de l'image animée*. A public administrative body that implements the government's policy regarding cinema and other animation arts and industries, notably audiovisual, video and multimedia.

AFEP/MEDEF Corporate Governance Code: A set of recommendations on corporate governance and the remuneration of the Executive Directors of listed companies, published by the *Association Française des Entreprises Privées* (AFEP, the French association of large companies) and the *Mouvement des Entreprises de France* (MEDEF, the French business confederation).

Cost of programmes: the sum of the cost of the programmes broadcast on the Group's free-to-air 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.

CSA: *Conseil Supérieur de l'Audiovisuel*. Independent administrative authority created pursuant to the law of 17 January 1989, whose purpose is to guarantee the freedom of audiovisual communication in France under the conditions defined in Law 86-1067 of 30 September 1986.

Display: includes all marketing methods (programming and non-programming related), all devices (mobile, desktop, IPTV) and is broken down into 3 formats: classic display (banners, recommended content and content links), video display (instream and outstream formats) and special operations.

Individual viewing times (IVT): a ratings indicator measuring the average television viewing time per day of the individuals of a given population.

Internet service providers (ISP): company that provides internet access, *via* ADSL, cable or optical fibre.

W<50PDM: advertising target of women aged under 50 purchasing decision-makers.

Goodwill: difference between the acquisition price of a company and its net book value.

GRI: Global Reporting Initiative. A global initiative for reporting on economic, environmental and social performance.

GRP: Gross Rating Point. 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): image resolution with definition in excess of 720 lines. A Full HD picture may have up to nearly 2.1 million pixels, almost five times more than a standard image.

IFRS: International Financial Reporting Standards. The accounting standards that must be applied by listed companies in the preparation of their financial statements, in order to harmonise their presentation.

IPTV: Internet Protocole Television: access to television channels and services (such as catch-up) through a telecom operator's box

Interactivity: TV programme or website that seeks audience participation (voting, etc.).

OTT: Over the Top. Method of distributing content *via* the Internet without the involvement of an internet service provider.

Sponsorship: When an advertiser links their brand to a programme for visibility and possibly image enhancement, depending on the type of programme

Audience share: percentage of audience of a medium (television, radio, etc.) calculated in relation to the total audience for that medium.

Advertising market share: advertising investments made by an advertising sales agency or entity in a media market (television, radio, etc.).

Prime time: Part of the schedule when the audience is largest. In France, television prime time is in the evening, generally from 9.00pm. "Access prime time" generally is between 6.00pm and 8.00pm.

SACD: the *Société des Auteurs et Compositeurs Dramatiques*, is a French copyright management collective. It's main focus is to receive and distribute copyright for SACD members working in the live entertainment and audiovisual industries.

SVOD: subscription video on demand. Video on demand subscription service Paid subscribers can access a catalogue of videos on demand, free of advertising.

Catch-up television: in English, replay or catch-up TV. Programmes that have recently been broadcast on TV can be viewed again in full, or in part, *via* the Internet. A free or pay service, it may also include supplements not shown with the original programme, such as summaries.

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).

DTT: Digital Terrestrial Television. Digital method of broadcasting television using the terrestrial network. A box, which may or may not be built into the television set, can reproduce images compressed at source.

Net cash: Available cash after the deduction of total debt.

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.

9.8 INDEX

NOTES

NOTES

Registyration document is available on www.groupe-tf1.fr/en

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