

Boulogne, September 14th 2018



THE TF1 GROUP, SATEV, SPECT, SPFA, SPI and USPA ARE RENEWING THEIR PARTNERSHIP TO PROMOTE CONTENT CREATION

The TF1 group, SATEV, SPECT, SPFA, SPI and USPA have announced the signature of a new agreement that demonstrates the desire of French audiovisual content creators to support the transformation of the sector and the development of new uses within the context of a constructive relationship.

This agreement amends the one signed on May 14th 2016.

The professional organisations representing audiovisual producers and the TF1 group agreed on the following elements:

- the nominal share of the TF1 group's investments dedicated to works by "independent" producers increased to 8.75% of its net revenues, (or 70% of its obligation to invest in heritage audiovisual works) compared to the current 8.0%;
- the nominal share of the TF1 group's investments dedicated to works by "dependent" producers, reserved for TF1 group subsidiaries, increased to 3.75% of its net revenues (or 30% of its obligation to invest in heritage audiovisual works) compared to the current 3.25%;
- to this end, the "flexibility zone"¹ will be eliminated, thereby simplifying the breakdown of the TF1 group's production obligations.

With this agreement, which will come into effect on 1 January 2019 and apply for a period of three years, independently of any legislative or regulatory changes, the TF1 group is renewing its commitment to promote the creation of heritage audiovisual works with up to 12.5% of its net revenues for an additional year with regard to the agreement signed on May 24th 2016.

This announcement reflects the capacity of players in the audiovisual sector to build a shared future with the goals of rising to new challenges facing the industry, supporting the diversity of audiovisual creation and moving towards a more balanced economic model for each of the partners.

The signatories believe that the relationship built since 2016 between producers and broadcasters in the context of inter-professional agreements - notably anticipating capital requirements for digital - contributes to the dynamism of the audiovisual creation sector and has participated, for example, in the growth of production volumes and the rise in exports recorded over these past two years.

¹ In the context of the agreement of May 14th 2016, the "flexibility zone" notably enables TF1 to obtain more extensive rights (linear and non-linear), under the terms specified in the agreement, from independent production companies in which the TF1 group holds less than a 25% interest.

The urgent need for improved financing of the audiovisual sector

In light of impending legislative and regulatory changes, the TF1 group and professional organisations representing audiovisual producers believe it is essential for inter-professional agreements to be at the centre of the broadcaster-producer relationship, as they are a flexible tool that allows these groups to regularly adapt to changes in the market while supporting developments in technology and in the ways the public use media.

The TF1 group and the signatory professional organisations, which represent the entire French audiovisual production landscape, call on public policy-makers to ensure the quick development of responses to the need for improved financing of the audiovisual sector, in particular by loosening constraints that apply only to television channels, which are key in the financing of audiovisual content creation.

This will be achieved through:

- The levying of certain sectors prohibited from TV advertising, notably from actions promoting distribution. This levy will be preceded by an experimentation phase of one to two years in order to evaluate the economic impact of this measure, in particular on other media. It can then be monitored, as this experimentation phase will begin from January 1st 2019.
- The authorisation for TV channels to deploy targeted advertising. In the face of the exponential growth of the web advertising market, which surpassed that of TV several years ago, it is urgent that we give channels the same tools as their competitors.
- Support for the fairness of agreements signed between TV broadcasters and pay channel distributors and, to this end, the absence of any legislative or regulatory intervention that would undermine this balance. While these operators have long been marketing TNT free-to-air channels as part of their offers without remunerating these channels, it stands to reason that the latter should receive fair remuneration for the use of their programmes, as well as their related services. It was based on this model that all internet service providers signed agreements with the TF1 group.
- The CNC's capacity to support the development of dynamic heritage audiovisual production and the long-term application of the tax credit mechanisms currently in place. To enable the continued growth of this sector, the trend of relocation of investments in France, in particular on a regional level, the preservation of the job pool, etc. All these elements have enabled the rise in volume of audiovisual works produced and the growth in exportation of our programmes abroad.
- The intensification of the fight against the pirating of audiovisual works, which destroys value for the entire sector. This should translate to concrete measures such as requirements for internet service providers and search engines to de-index illegal sites, and the creation of specialised police forces.
- An equal consideration of tax, legal and regulatory frameworks to allow for the real integration and participation of GAFAN (Google, Apple, Facebook, Amazon and Netflix) in the financing of the national sector, as well as the strict protection of intellectual property created by national actors, notably outlined in the regulations set by the AMS Directive.

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