



2017

REGISTRATION DOCUMENT

METROPOLE TELEVISION

INCLUDING THE ANNUAL FINANCIAL REPORT



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Métropole Télévision

2017 Registration Document including the Annual Financial Report



The French version of this Registration Document was filed with the French Financial Market Authority (AMF) on 7 March 2018, in accordance with Article 212-13 of the AMF General Regulations. It may be used for the purpose of a financial transaction, if completed by an information notice approved by the AMF.

This document has been prepared by the issuer and is the responsibility of the signatories.



MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

2017 has been a truly exceptional year for M6 Group.

First and foremost, we celebrated our 30th Anniversary. 30 years of daring, imagination, initiatives, successes, occasional challenges, iconic programmes, bold diversification... Although resolutely forward looking, this anniversary was nevertheless the opportunity for me to look back and see how far we have come: our small up-and-coming channel has today grown into a powerful multimedia group. I would like to thank the teams for this transformation and in particular Thomas Valentin, who has accompanied me from the start.

If 2017 was historically the best year for the Group's channels on the commercial target, this is precisely because we are in good working order and firmly focused on the future. At the age of 30, we have no time to rest on our laurels.

The acquisition this year of the radio stations RTL, RTL2 and Fun Radio have allowed us to consolidate a powerful ecosystem. The competitive landscape is experiencing huge change and this was the incentive to pool our respective strengths. After television and digital, radio becomes our third complementary cornerstone.

With this acquisition, we have established the most powerful media group in France. Every month, our media reach 96% of the French population: 23 million viewers and 11 million listeners tune into our channels and stations every day!

In 2018, there are several challenges we must address: firstly, adapting to new habits in both live and on-demand television, while reception, particularly via boxes, continues to grow steadily. To this end we will strengthen 6play, which now has more than 20 million registered users and gives us access to valuable data.

With regard to programmes, certain formats are beginning to prove less popular, such as US dramas. We must therefore create new formats and invest more in French drama: we began to do this in 2017 and will continue in 2018 with, for example, "*Souviens-toi*" and "*La Faute*". We also intend to continue developing production: we already create half of our access prime-time programmes in-house, with the aim of increasing this percentage of the line-up in order to better control costs.

Next, we are going to continue to diversify. But the real competition today comes from globalisation. For many years, our only challenge was the competition between channels. Today, that is no longer the case since certain international players with enormous firepower are positioning themselves on the content market.

The addition of France's leading radio station is a significant step for our Group and its largest acquisition since its creation. 2018 begins with the challenge of integrating RTL, RTL2 and Fun Radio. This move will enable talents, ideas and skills to flow while respecting the identity and personality of each entity. A multimedia sales house, which offers the potential for powerful synergies, is now in place.

This acquisition is in keeping with our historical trajectory and reinforces our original strategy: to create a group with a variety of well-positioned channels and diversify our revenues.

Nicolas de TAVERNOST

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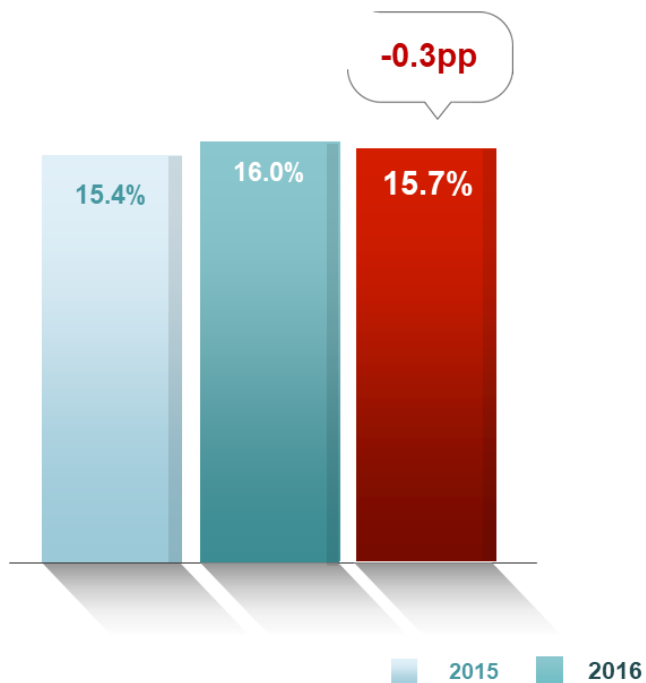
M6 GROUP PRESENTATION

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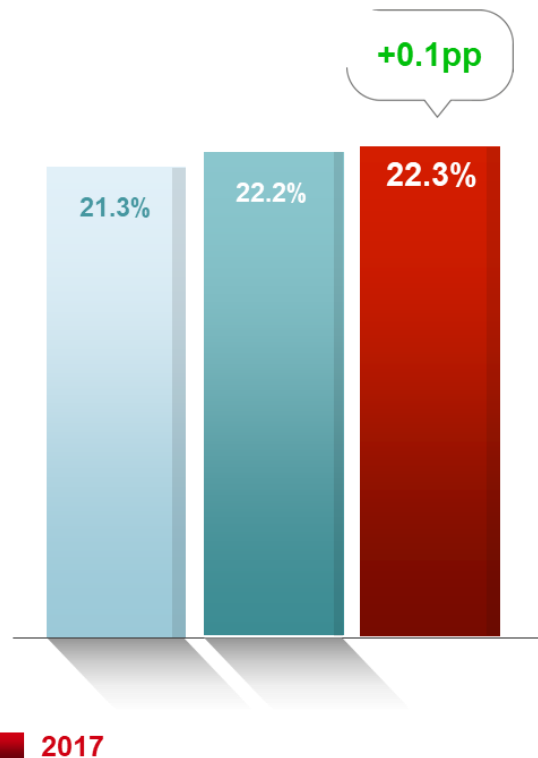
1.1 KEY FIGURES

1.1.1 Management indicators

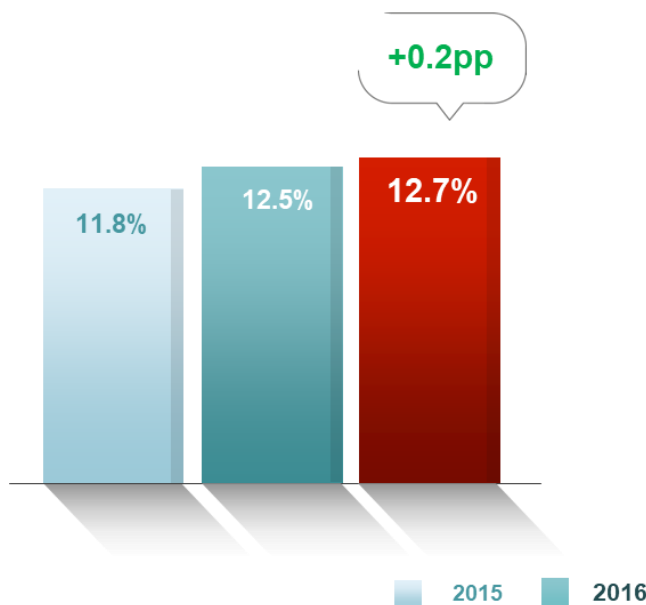
Audience share WRP<50 M6 channel



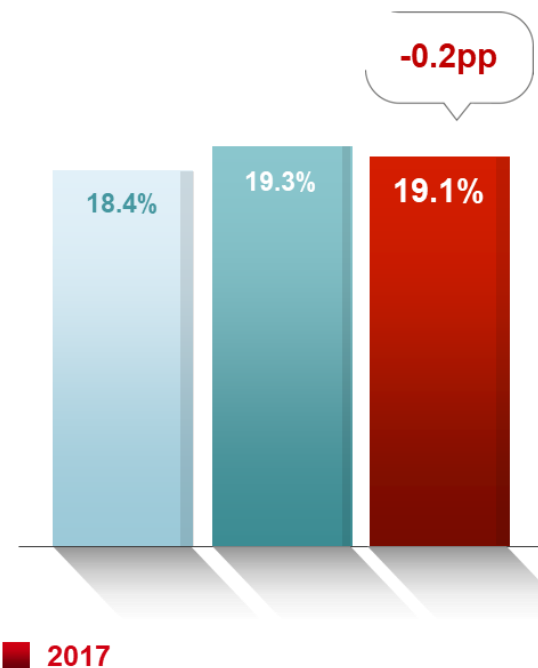
Audience share WRP<50 Free-to-air channels



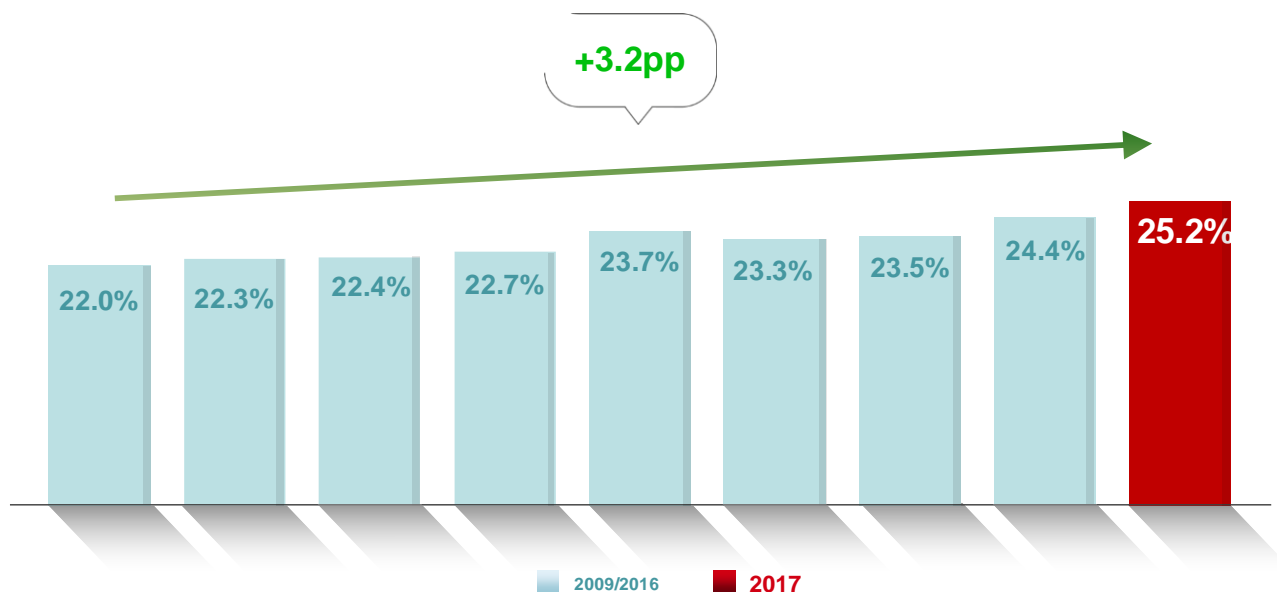
13+ audience RTL radio station



13+ audience RTL radio division

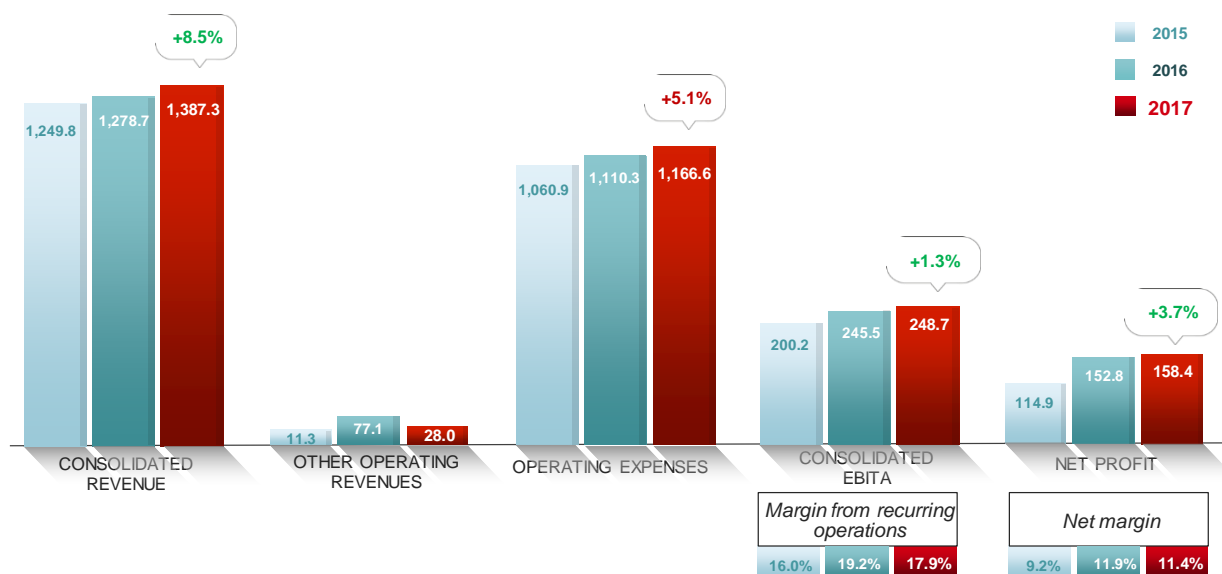


Net advertising market share of free-to-air channels



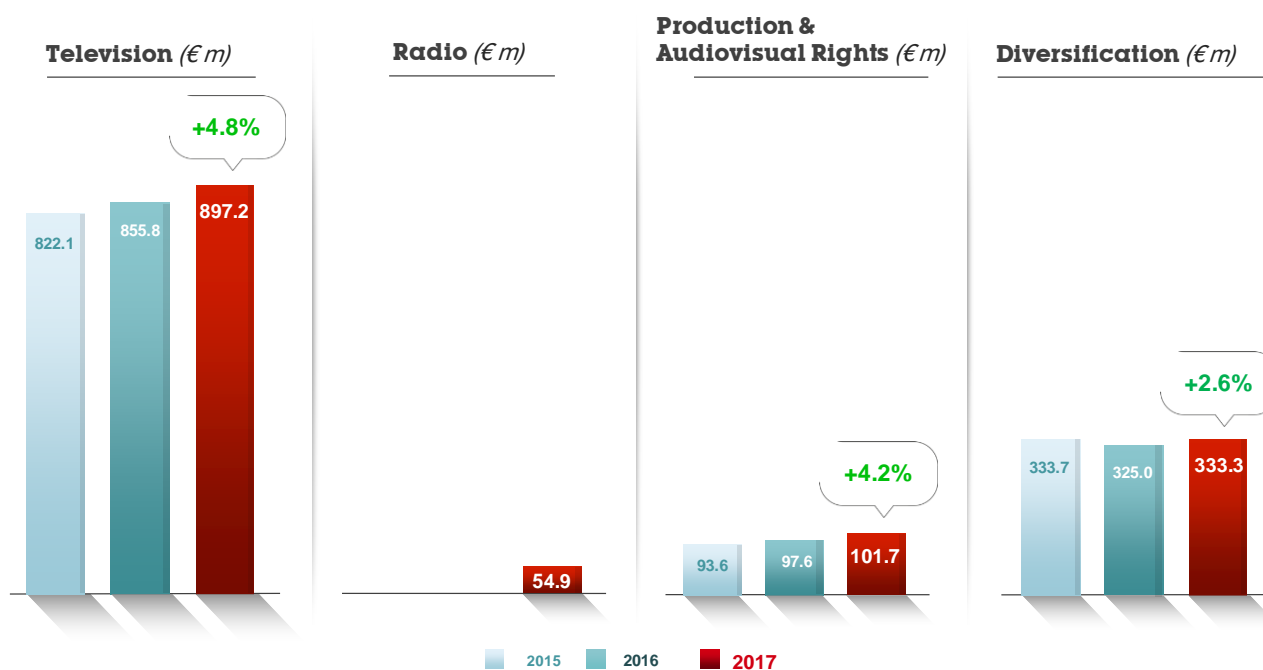
1.1.2 Financial indicators

Revenue, EBITA and net profit (€ millions)

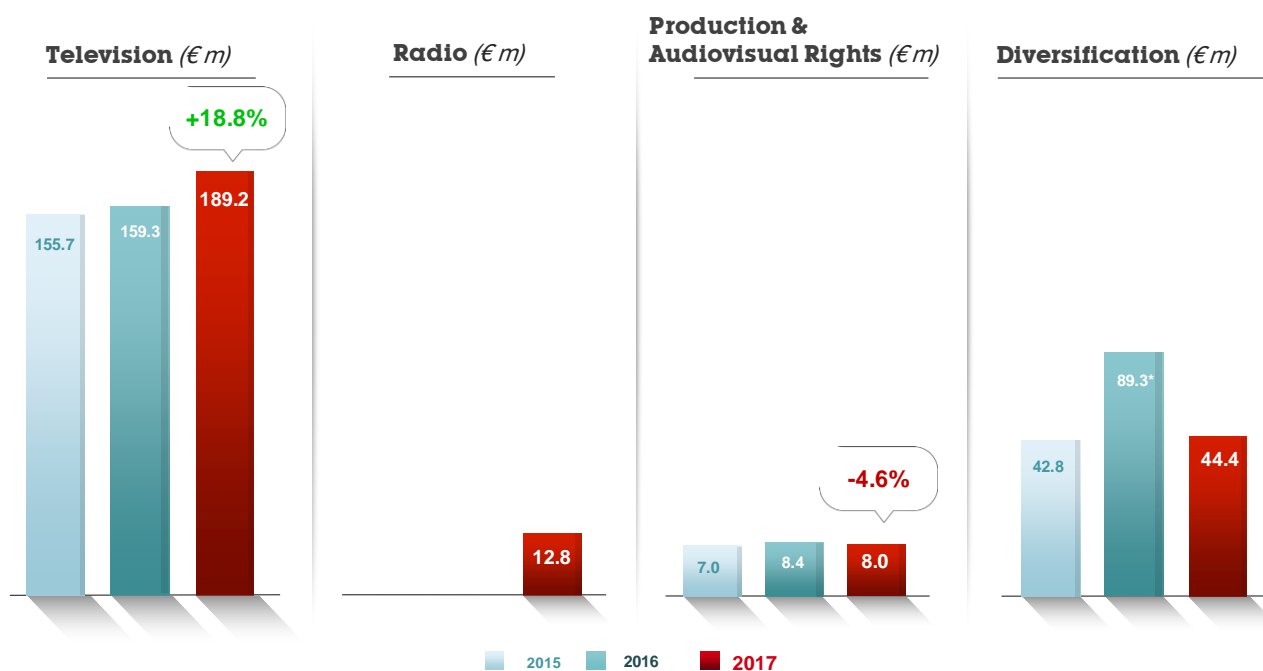


EBITA is defined in section 5.1.1.1 of this management report

Revenue analysis, by segment

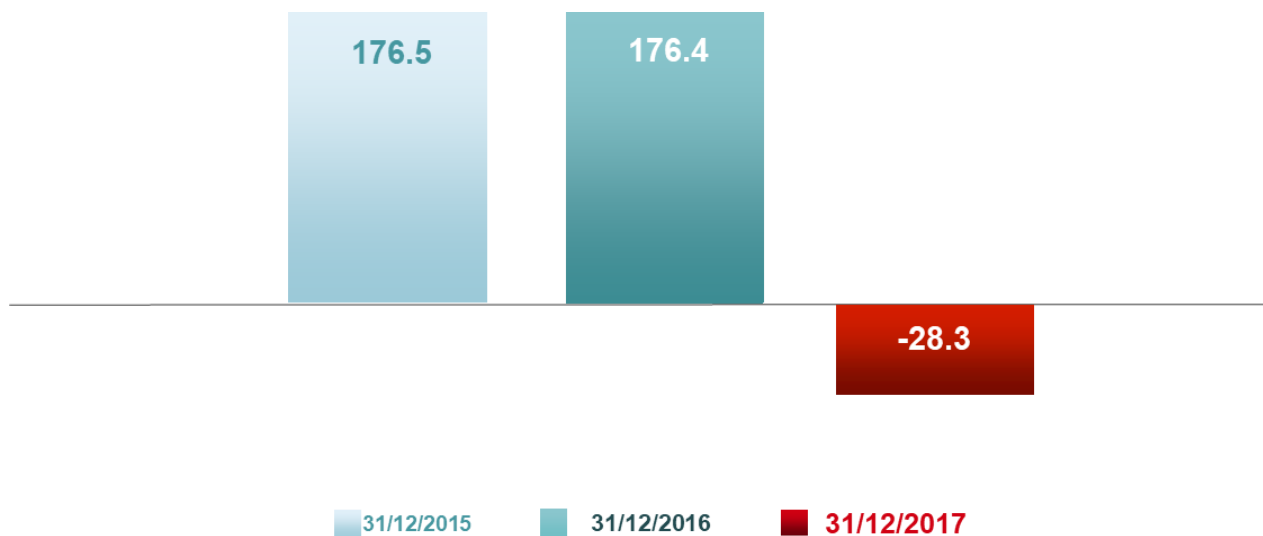


EBITA analysis, by segment



*incl. €50 million in compensation for the termination of the M6 mobile by Orange contract

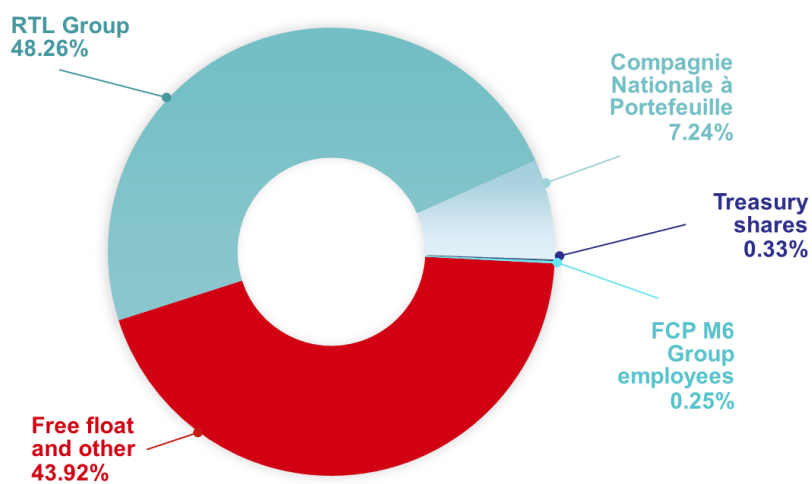
Net cash position (€ m)



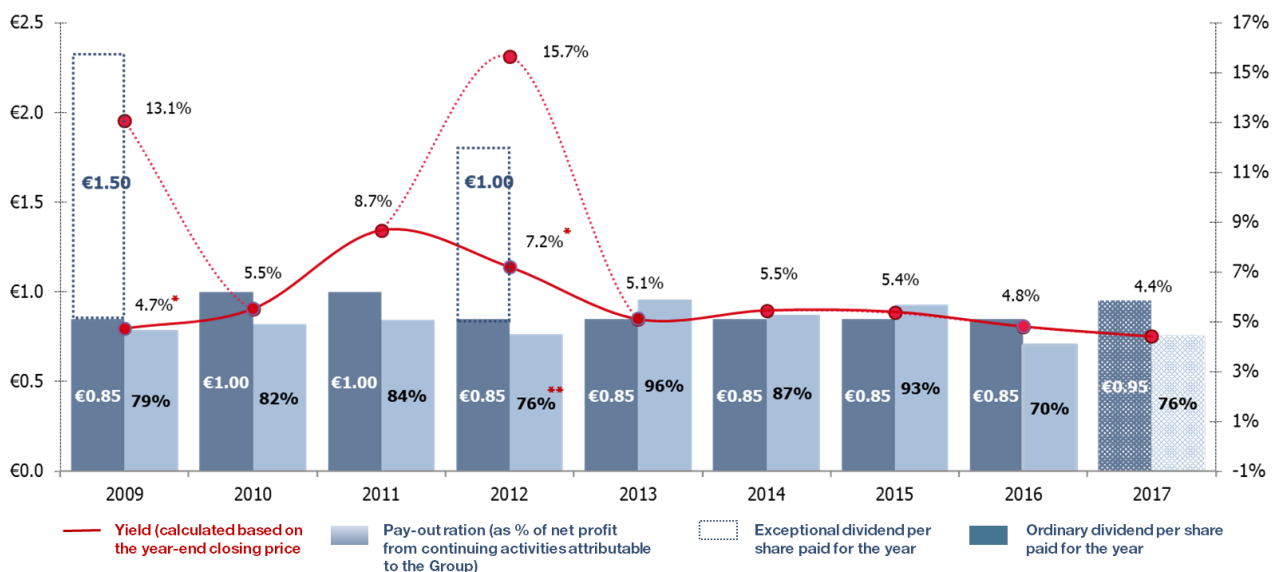
The net cash position is defined in section 5.2.2 of this management report

1.1.3 Stock market indicators

Shareholding structure at 31 December 2017



Dividends paid

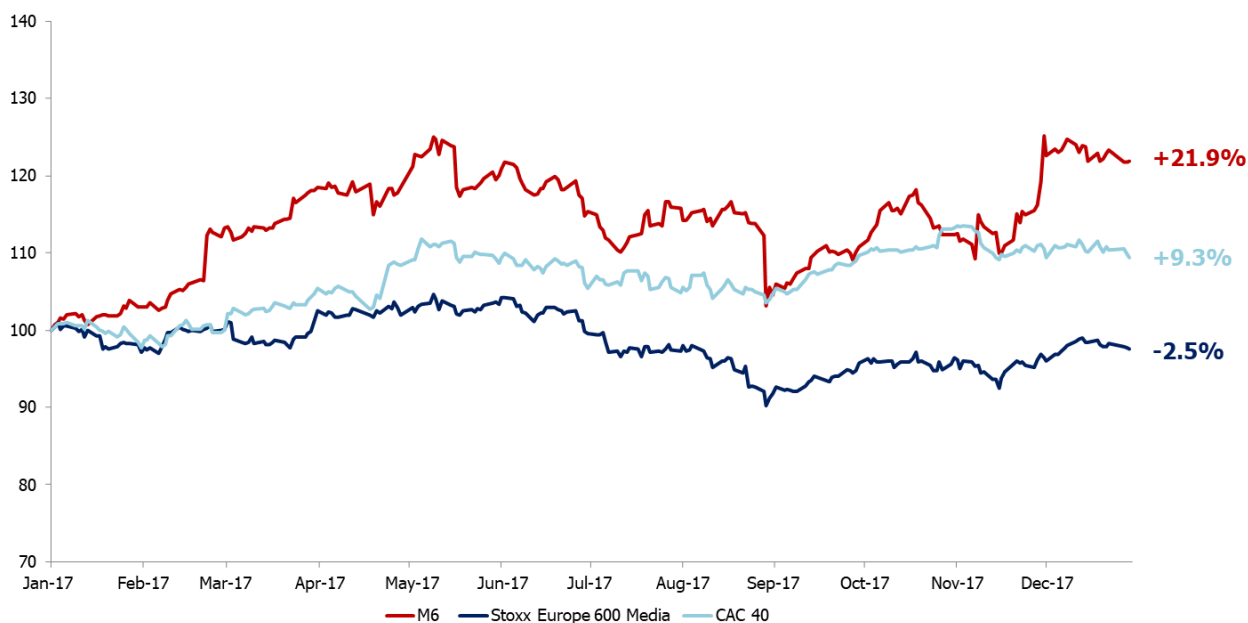


* Pay-out ratio excluding exceptional dividend

** 79% excl. Summit

A dividend of €0.95 will be proposed for the financial year 2017.

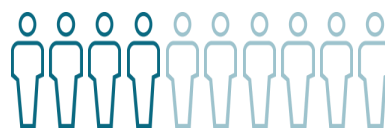
Stock market performance



1.1.4 Non-financial indicators

WORKFORCE

2,611 permanent employees



TALENT MANAGEMENT



47% of employees
received training in 2017



12,933 hours'
training
were provided

RESPONSIBILITY TO SOCIETY



M6 Foundation

A budget of **€2.5 m** over 5
years to support inmates and
improve their quality of life



€2.3 million
donated to charitable works

NON-DISCRIMINATION

52%
of the workforce
is female*



50%
of the Supervisory Board
made up of **Women**



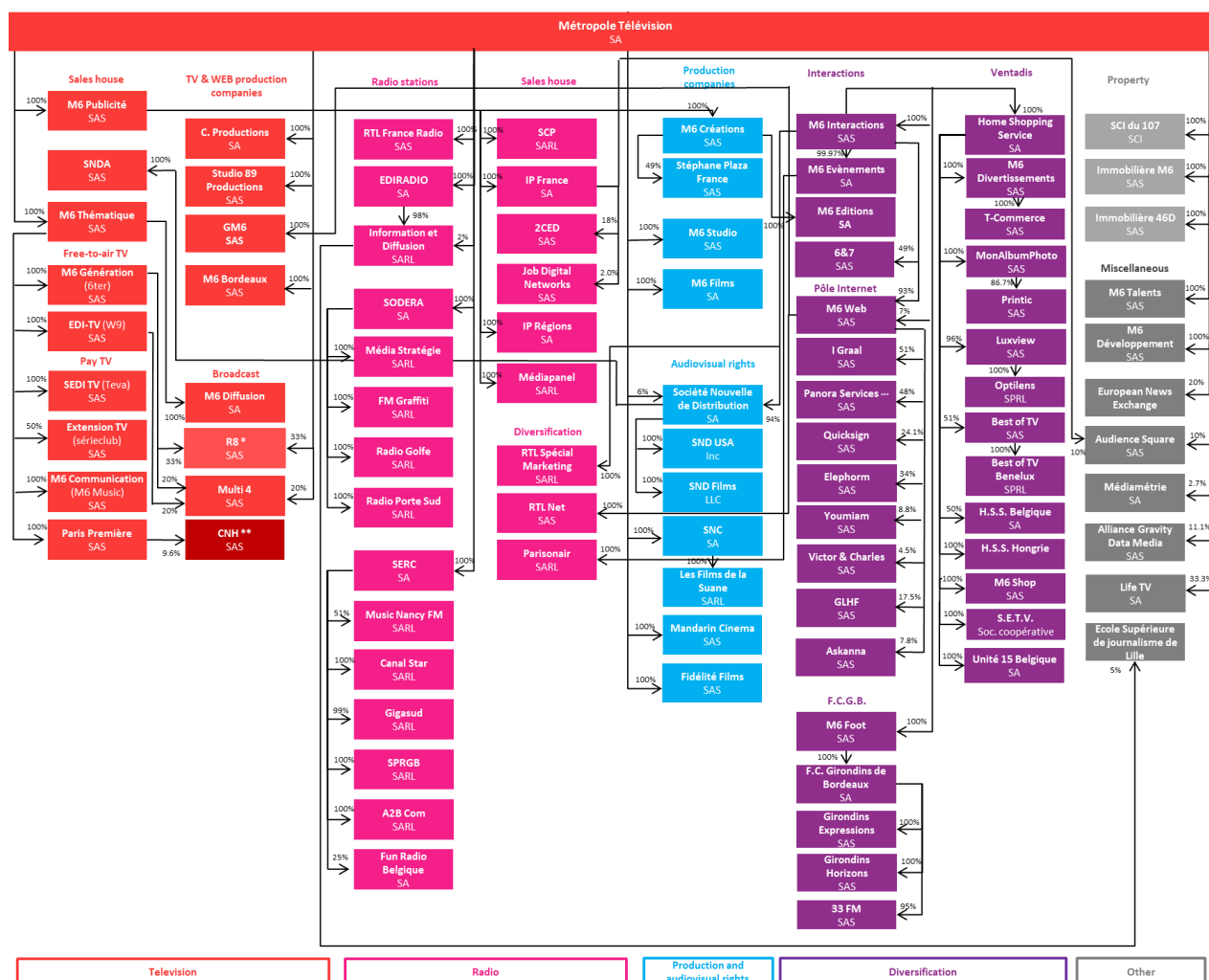
100%
of programmes subtitled
on M6 and W9



60%
of programmes subtitled
on 6Ter

* excluding the Radio division acquired on 1 October 2017

1.2 GROUP STRUCTURE (% OF SHARE CAPITAL) AT 31 DECEMBER 2017



* Organisation in liquidation at 31/12/2017

** Shares in the process of being purchased by Paris Première at the date of preparation of this document

The proportion of voting rights is equal to the stated percentage of the share capital held for each company in the above organisation chart.

1.3 GROUP STRUCTURE

On 28 March 2017, M6 Group announced that it had acquired a 49% stake in the share capital of 6&7, a new record label, via its subsidiary M6 Interactions.

On 13 April 2017, M6 Web participated in the share capital increase of YouMiam SAS, a recipe-based social platform. It has an 8.8% stake.

On 31 May 2017, M6 Web participated in the share capital increase of Victor & Charles SAS, a data platform aimed at hotel managers. It has an 4.5% stake.

On 20 July 2017, M6 Group finalised the acquisition of Fidélité Films, a company that holds a catalogue of 42 feature films, including *Astérix and Obélix: God Save Britannia*, *Le petit Nicolas*, *Les Vacances du petit Nicolas* and *De l'autre côté du lit*.

On 2 October 2017 M6 Group finalised the acquisition of the entire share capital of the companies making up the French Radio division of its shareholder RTL Group: the radio stations RTL, RTL2 and FUN, their sales house IP France, RTL net, and RTL Spécial Marketing, and all their subsidiaries.

On 24 November 2017, M6 Group acquired a 17.5% interest in GLHF.

On 30 November 2017, M6 Group acquired an 11.1% interest in Alliance Gravity Data Media SAS, a data marketing platform that will enable all types of advertisers and agencies to benefit from a wide variety of segment data to carry out digital programming campaigns across all formats and devices, with the guarantee of a premium, secure and transparent media environment.

On 15 December 2017, M6 Group announced that it had taken part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name. This company operates the Life TV DTT channel, which will be launched during 2018 in the context of deregulation of the television market in the Ivory Coast.

In addition, the Group pursued its efforts to streamline its organisation chart and completed the following two transactions:

- Absorption of Oxygem by M6 Web on 1 January 2017;
- Merger of TCM Droits Audiovisuels into Métropole Télévision on 20 November 2017.

1.4 HIGHLIGHTS

1.4.1 History of key dates

1987: Authorisation to operate France's 6th analogue channel. Launch of the channel on 1 March 1987 at 11.15 am.

1992: Creation of M6 Interactions, the first step to business diversification.

1993: Launch of the sérieclub channel, the first thematic channel. Creation of the *Zone Interdite* and *Capital* magazines.

1994: M6 shares listed on the Second Marché of the Paris Stock Exchange.

1996: M6 Group took part in the launch of TPS, making a 20% investment, and acquired 10% of Paris Première. Creation of the m6.fr website.

1997: The Group transferred to its new head office in Neuilly.

1999: The Group took over Football Club des Girondins de Bordeaux (F.C.G.B.) and extended its range of pay channels with the creation of TF6.

2000: Creation of the M6 Web subsidiary.

2004: Launch of the M6 Boutique teleshopping channel. The Group made the full acquisition of Paris Première. Suez Group disengaged from M6, maintaining a 5% shareholding, thus increasing the percentage of shares held by the general public.

2005: Acquisition of Mistergooddeal. Launch of W9 on free DTT. Launch of the M6 Mobile By Orange package. Announced merger of TPS and Canal+ Group pay-TV operations in France.

2007: The Group acquired the entire share capital of Téva and transferred its TPS shareholding to the new Canal Plus France pay-TV business. SND became a shareholder of the US producer and distributor Summit Entertainment L.L.C.

2008: The M6 channel topped the 100 best audiences of all the channels for the year, with the France – Italy Euro football match. Acquisition of Cyréalys Group and launch of M6Replay, the first catch-up TV service in France.

2009: F.C.G.B. crowned French Ligue 1 champion for the 2008-2009 season. M6 aired Le 19'45, the channels' new hosted newscast, for the first time.

2010: M6 Group sold its 5.1% shareholding in Canal+ France to Vivendi. The Group acquired MonAlbumPhoto.fr.

2011: M6 mobile by Orange passed the 2 million customer mark.

2012: M6 celebrated its 25th anniversary. The Group transferred its equity investment in Summit Entertainment LLC to Lions Gate. Launch of 6ter, the Group's third free-to-air channel, on DTT channel 22.

2013: Girondins de Bordeaux won the French Cup Final. Launch of 6play.

2014: M6 Group acquired 51% of the share capital of Best of TV. M6 Group transferred Mistergooddeal to Darty Group. TF6 stopped broadcasting.

2015: M6 Group acquired Oxygem. Girondins de Bordeaux unveiled their new stadium. Launch of the new 6play, the first 100% personalised free-to-air television service.

2016: The channel achieved its best historical audience, with an average of 20.8 million viewers for the final of Euro 2016 between Portugal and France. Announcement of the proposed acquisition of the radio division of RTL Group in France (RTL, RTL2 and Fun Radio).

1.4.2 2017 financial year highlights

January

10: During the first Think Football! Awards, organised by the agency News Tank, M6 won the Média-UNFP award for its “teleporting” feature, rolled out during Euro 2016.

February

2: M6 Group signed an agreement with producer organisations (SATEV, SPECT, SPFA, SPI and USPA) reaffirming its commitments in terms of audiovisual production.

21: The Supervisory Board of M6 Group decided to renew in advance the terms of office of the Executive Board for an additional three years.

26: The feature film *La La Land*, distributed by SND, was awarded 6 Oscars, including Best Director, Best Actress in a Leading Role and Best Original Score at the 89th Academy Awards ceremony.

The film *Chocolat*, co-produced by M6 Films, won two awards twice at the 42nd Césars ceremony.

March

1: M6 celebrated its 30th anniversary.

3: M6 Group joined forces with Pascal Nègre and launched a new music production and publishing label: Six et Sept.

April

27: M6 Group launched Golden Network, a digital production studio aimed at Millennials and bringing together all the Group's MCNs.

At the same time, Golden Network developed a major partnership with StyleHaul, the global leader in online beauty and fashion videos.

May

3: M6 Group continued to follow its policy of innovation by launching Up By M6, its start-up accelerator.

June

2: La Banque Postale joined forces with M6 Group to provide a new and innovative banking offer aimed at 18-25 year olds, called “#TalentBooster”.

July

5: Launch of *Gravity*, an alliance bringing together in particular the groups M6, Fnac Darty, SFR, Lagardère Active and NextRadio TV to pool and market their data via an innovative platform.

20: M6 Group finalised the acquisition of Fidélité Films, a company that holds a catalogue of 42 feature films, including *Astérix and Obélix: God Save Britannia*, *Le petit Nicolas*, *Les Vacances du petit Nicolas* and *De l'autre côté du lit*.

30: The renewal of the broadcasting licence for the M6 channel for a period of 5 years from May 2018 was published in the *Journal Officiel*. A new agreement was also signed between the CSA and Métropole Télévision, which came into force on 1 January 2018.

August

23: M6 confirmed its status as France's favourite channel according to a survey conducted by IFOP in relation to the 25 free-to-air channels.

September

14: M6 Publicité became the first audiovisual sales house to launch an emotional targeting service for advertisements broadcast during both live and catch-up TV programmes.

October

2: M6 Group finalised the acquisition of the entire share capital of the companies making up the French Radio division of its shareholder RTL Group: the radio stations RTL, RTL2 and FUN, their sales house IP France, RTL net, and RTL Spécial Marketing.

27: The French Constitutional Council declared the TST-E tax (tax on television broadcasters and services) collected by the CNC to be unconstitutional, and postponed the consequences of this annulment until 1 July 2018 at the latest.

November

8: M6 Group announced a strategic partnership with the MCN BroadbandTV, the global leader in the field of entertainment. Golden Network has thus become its exclusive representative in France.

14: M6 Group became the official broadcaster of the French women's football team and acquired the rights to all their qualifying and friendly matches, from autumn 2018 until 2023.

December

15: M6 Group took part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name.

17: The Kids United band presented Unicef with a cheque for €1,500,000 at the end of one of their major concerts at the AccorHotels Arena.

1.4.3 Main legal and regulatory developments

By virtue of its corporate purpose and status as an operator of free-to-air television and radio broadcasting licences, the Company is governed by a specific legal and regulatory regime which applies in addition to ordinary provisions, as specified in section 1.6.2 of this document. The main legal and regulatory developments introduced in 2017 are set out below.

1.4.3.1 Decision to renew the channel M6's licence

The channel has the authorisation to broadcast in high definition, which was granted in 2008 for an initial period of 10 years. On 19 October 2016, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of this authorisation without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channel thus appeared before the Conseil on 16 November 2016 which, in a decision dated 27 July 2017, decided to renew the authorisation until 5 May 2023.

1.4.3.2 Other legal and regulatory developments

Several laws enacted over the course of 2016 and which came into force in 2017 are likely to alter the regulatory framework in which the Group carries out its activities:

- The European Commission approved two taxes previously voted for by the French Parliament:
 - _ the tax on the sale and rental of videograms and related transactions in France introduced by the Amending Finance Act for 2013 published on 30 December 2013;
 - _ the tax specifically aimed at websites providing free or paid videos enacted by the Amending Finance Act for 2016 published on 30 December 2016.

These two taxes came into effect following the publication of Implementation Decree n°2017-1364 of 20 September 2017.

- Law n° 2016-925 of 7 July 2016 relating to creative freedom, architecture and heritage amended the provisions of the Law of 30 September 1986 relating to the broadcast of French language songs by private radio stations. As a result, the Conseil Supérieur de l'Audiovisuel published on 25 November 2016 new rules for calculating the radio quotas in relation to French-language songs.
- Law n° 2016-1524 of 14 November 2016 details the rules governing relationships between publishers and their shareholders. This piece of legislation, which widens the remit of the Conseil Supérieur de l'Audiovisuel, notably provides for the drafting of an ethics charter by broadcasters for journalists as well as the introduction of an ethics committee for groups providing information programmes. At its meeting of 26 July 2017, the Supervisory Board thus appointed Jacqueline de Guillenchmidt, Anne Lalou, Nicole Tricart, Louis de Broissia and Patrice Duhamel as members of M6 Group's Ethics Committee.

- The Law n° 2016-1524 of 14 November 2016 also amended the rules relating to the numbering of channels in the packages offered by distributors of audiovisual services that do not use the frequencies assigned by the CSA. These provisions were supplemented by a consultation by the Conseil Supérieur de l'Audiovisuel dated 15 February 2017.
- Law n° 2016-1691 of 9 December 2016 relating to transparency, combatting corruption and modernising economic life, known as the "*Sapin 2 Law*", introduced a set of mechanisms to preventive measures and mechanisms for handling conflicts of interest, under the control of the Haute Autorité pour la Transparence de la Vie Publique (Supreme Authority for Transparency in Public Life). This law strengthens the transparency requirements in exchanges between representatives of interests and public authorities, and specifically provides for the creation of a digital listing of representatives of interests, held by the *Haute Autorité pour la Transparence de la Vie Publique*, whose operating procedures have been specified by Decree n° 2017-867 of 9 May 2017.

In addition, several laws, decrees and other pieces of legislation enacted over the course of 2017 are likely to alter the regulatory framework in which the Group carries out its activities:

- By a decree published on 17 February 2017, the French Government amended Decree n° 92-280 of 27 March 1992 which implemented Articles 27 and 33 of Law n° 86-1067 of 30 September 1986 and set the rules applicable to television broadcasters concerning home shopping, advertising and self-promotion, in order to authorise, amongst the ways of identifying the sponsor, the presentation of its products and services, or reference to its slogan within sponsored jingles.
- The amending Finance Act n° 2017-1775 of 28 December 2017 for 2017 modified the calculation methods for several taxes to which the Group is subject:
 - _ the tax on television services owed by broadcasters, known as "TST-E" (the rate of which is now set at 5.65% while it has thus far stood at 5.7% for channels broadcast in high definition and 5.5% for channels broadcast in standard definition);
 - _ the tax on the broadcast of audiovisual content via physical and online video;
 - _ the tax on advertising broadcast by television channels.
- By consultation dated 24 May 2017, the Conseil Supérieur de l'Audiovisuel also specified the procedures for the broadcast by television channels of programmes concerning the fight against doping and the protection of people taking part in physical and sporting activities.

M6 Group was also involved in several public consultations organised by the French Ministry of Culture and Communication:

- The consultation relating to potential modifications to the legal regime applicable to televised advertising, televised sponsorship and product placement;
- the consultation relating to the amendment of the definition of peak viewing times in order to comply with requirements concerning the broadcast of European cinematographic and original French language works by producers of television services;
- the public consultation on the televised transmission of events of major importance jointly organised with the Ministry of Cities, Youth and Sport).

M6 Group also contributed to several public consultations organised by the CSA:

- the consultation relating to cross-promotion between media;
- the consultation relating to the future of the DTT platform;
- the consultation relating to the acceleration of the local roll-out of DAB+ and the process for organising a call for applications within mainland France.

M6 Group also took part in the mediation mission on media chronology led by Dominique d'Hinnin and instigated by the Ministry of Culture.

1.4.3.3 Agreement between M6 Group and producers

On 2 February 2017, M6 Group, SATEV, SPECT, SPFA, SPI and USPA signed an agreement that reaffirms M6 Group's commitments in the field of audiovisual production. With this agreement, M6 Group and the producer organisations confirmed their desire to work within a climate of confidence with the aim of adapting to the new challenges of the French audiovisual sector and supporting diversity in audiovisual creation. This agreement has been set down in amendments to the agreements signed by M6 Group channels at the end of 2017.

1.5 GROUP MARKETS AND OPERATIONS

Developed in 1987 around the M6 channel, over the years Métropole Télévision Group has become a powerful multimedia group, offering a wide range of programmes, products and services available on a wide variety of media: television, radio, internet, smartphones, etc.

The second largest commercial channel in the market, M6's output is complemented by W9 and 6ter. The family of pay TV channels (Paris Première, Téva, sérieclub, M6, M6 Boutique La Chaîne and Girondins TV) enhances the Group's range of programming, with extensive presence across all broadcast platforms.

With its brands and content, M6 Group gradually expanded its operations, with its diversification activities now representing almost one third of its revenues. Conscious of developing synergies in its programmes, and of responding to and anticipating the expectations of its various audiences as well as their new viewing patterns, it has emerged as a content publisher firmly anchored in the new technology era.

Since 1 October 2017, M6 Group also owns three radio stations, RTL, RTL2 and Fun Radio, and now boasts an even larger multimedia offering.



1.5.1 Television

1.5.1.1 Business presentation

M6 Group's main business is television edition and broadcasting, operated via a portfolio of channels that includes:

- Free-to-air channels (M6, W9 and 6ter), accessible without subscription via a digital signal, funded by the advertising investments of advertisers who seek to optimise the efficiency and cost of their media campaigns;
- Pay channels (Paris Première, Téva, sérieclub, M6 Music and Girondins TV), which operate on a mixed financing model, based both on advertising revenue and royalties paid by distribution platform operators (primarily cable, satellite and broadband operators), in accordance with the terms and conditions of commercial agreements between editors and distributors. The Paris Première channel also has a pay DTT licence.

METROPOLE TELEVISION	Métropole Télévision, parent company of M6 Group, broadcasts the M6 channel. It decides its programming strategy, its acquisition and production policies, and its schedule structure. It also collects the revenues from the advertising and promotion broadcast on the channel. Moreover, Métropole Télévision defines the policy directions pursued by the various Group entities and manages the cross-company administrative and support functions. The entire Group's strategic financial assets are predominantly held by the parent company.
EDI TV	EDI TV produces W9, the Group's second free-to-air channel.
M6 GENERATION	M6 Génération produces 6ter, the Group's third free-to-air channel.
Pay channels	The Group broadcasts channels that complement its offering via cable and satellite: Téva, Paris Première, serieclub, M6 Music and Girondins TV.
M6 PUBLICITE	The M6 channel's historical sales house, whose development it has supported, M6 Publicité is currently responsible for marketing the advertising space for 8 television channels.

The Group's televised and web production activities are handled by three distinct production companies:

C PRODUCTIONS	C Productions mainly produces the M6 channel's news magazines such as <i>Capital</i> , <i>Zone Interdite</i> , <i>Enquête Exclusive</i> , <i>66 Minutes</i> , as well as <i>Enquêtes criminelles</i> for W9.
STUDIO 89	Studio 89 Productions produces a significant number of formats both for M6 and for other Group channels, including <i>Top Chef</i> , <i>Cauchemar en cuisine</i> for M6, as well as <i>Enquête d'action</i> and <i>Les Princes de l'Amour</i> for W9 and <i>Norbert</i> , <i>Commis d'office</i> for 6ter.
GM6 (GOLDEN NETWORK)	Created in January 2017, Golden Network brings together the content production and broadcasting activities aimed at millennials. This digital production studio currently houses the channels Golden Moustache, Rose Carpet, Vlogger and Cover Garden and aims to enhance its offering with future developments.

1.5.1.2 Market trends in the TV business and Group positioning

STRUCTURAL CHANGES IN THE TV MARKET

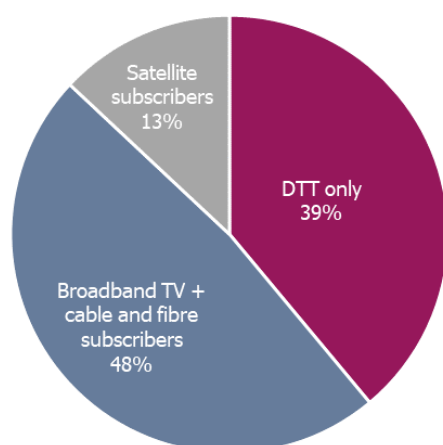
CONSTANTLY IMPROVING HOUSEHOLD EQUIPMENT

Today, practically all French households have a television (94.1%¹). Furthermore, the vast majority of households are equipped with a 16/9, HD flat screen. This trend has been fuelled in particular by the development of the range of HD programming and the drop in the price of televisions. Almost 65% of households own a connected television.

Moreover, although the penetration rate for televisions dipped very slightly in 2017 (down 0.2 percentage point year-on-year), it remains the main screen in households, ahead of computers, smartphones and touch screen tablets, which are found in 47% of homes (up 2.6 pp year-on-year). French people also own more and more screens, with an average of 5.5 per household, which reveals a growing diversity in the media providing access to audiovisual content.

THE ADVENT OF DIGITAL TELEVISION AND ACCESS TO A GROWING NUMBER OF CHANNELS

Equipment of households by reception system:



Source CSA – Monitoring household audiovisual equipment – 2nd quarter of 2017

¹ Source: CSA – Monitoring household audiovisual equipment – 2nd quarter of 2017

Since 2011, all households equipped with a TV set have had access to digital television. For the first time in 2017, terrestrial is no longer the main mode of either analogue or digital television reception, having been supplanted by broadband and fibre optic.

The rate of terrestrial reception and that of cable distribution (broadband, cable and fibreoptic) continues to converge: the percentage of households that receive television via terrestrial transmission continued to fall (down 2.6% in six months to stand at 56.3% of households during the second quarter of 2017), while the proportion of those receiving it via the Internet continued to rise (up 2.8% to 54.4% of households).

The CSA thus estimates that more than one third of households have two modes of television reception. Combined terrestrial and ADSL/fibre broadband remains the most common mode of reception².

Growth in digital has also enabled widespread access to a multi-channel package. Virtually all households equipped with a television receive 27 channels or more, compared with just 40% in 2006.

The gradual switchover of French households to digital reception and a multi-channel offering caused a change in the breakdown of audience shares between "traditional" analogue channels and "Other TV", which include:

- Cable and satellite pay channels, whose nationwide 4 plus year old audience share was 10.0% in 2017, compared with 11.2% in 2005³;
- Free DTT channels, whose nationwide 4 plus year old audience share was 31.5% in 2017, compared with 0.9% in 2005, driven by HD DTT channels since 2012.

Overall in 2017, changes in TV audience shares on the 4 plus year old target (i.e. all audiences) were as follows, reflecting the so-called "audience fragmentation" phenomenon: traditional channels attracted 58.5% of the nationwide TV audience, compared to 41.5% for "Other TV".

Nationwide audience share (4+ year olds):

%	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
M6	9.5%	10.2%	9.9%	10.1%	10.6%	11.2%	10.8%	10.4%	10.8%	11.0%	11.5%	12.5%	12.6%
TF1	20.0%	20.4%	21.4%	22.9%	22.9%	22.7%	23.7%	24.5%	26.1%	27.2%	30.7%	31.6%	32.3%
France 2	13.0%	13.4%	14.3%	14.1%	14.1%	14.9%	14.9%	16.1%	16.7%	17.5%	18.1%	19.2%	19.8%
France 3	9.1%	9.1%	9.2%	9.4%	9.4%	9.7%	9.7%	10.7%	11.8%	13.3%	14.1%	14.7%	14.7%
Canal+	1.2%	1.7%	2.6%	2.6%	2.6%	2.9%	3.1%	3.1%	3.1%	3.3%	3.4%	3.4%	3.6%
France 5	3.6%	3.4%	3.4%	3.2%	3.2%	3.5%	3.3%	3.2%	3.1%	3.0%	3.3%	3.1%	3.1%
Arte	2.2%	2.3%	2.2%	2.0%	2.0%	1.8%	1.5%	1.6%	1.7%	1.7%	1.8%	1.7%	1.8%
TOTAL traditional channels audience share*	58.5%	60.6%	62.9%	64.5%	65.0%	66.8%	65.2%	68.1%	72.1%	76.3%	82.5%	86.2%	87.9%
W9	2.6%	2.5%	2.6%	2.6%	2.6%	3.2%	3.4%	3.0%	2.5%	1.8%	1.0%	0.4%	0.1%
TMC	3.2%	3.0%	3.1%	3.1%	3.1%	3.6%	3.5%	3.3%	2.6%	2.1%	1.3%	0.8%	0.3%
NT1	2.0%	1.9%	2.0%	1.8%	1.8%	2.1%	1.9%	1.6%	1.4%	1.0%	0.6%	0.3%	n.a
NRJ 12	1.6%	1.7%	1.8%	1.9%	1.9%	2.4%	2.3%	1.9%	1.5%	1.0%	0.4%	0.2%	n.a
Virgin 17 / Direct Star / D17 / C Star	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.0%	0.7%	0.5%	0.4%	0.2%	n.a
Gulli	1.6%	1.6%	1.6%	1.8%	1.8%	1.9%	2.1%	2.2%	1.8%	1.5%	0.8%	0.4%	n.a
France 4	1.8%	1.9%	1.7%	1.6%	1.6%	2.1%	2.0%	1.6%	1.1%	0.9%	0.4%	0.1%	0.1%
Direct 8 / D8 / C8	3.3%	3.4%	3.4%	3.3%	3.3%	2.3%	2.3%	2.0%	1.4%	0.7%	0.3%	n.a	n.a
i>Télé / Cnews	0.6%	0.9%	1.0%	0.9%	0.9%	0.8%	0.8%	0.7%	0.5%	0.3%	0.3%	0.2%	n.a
BFM TV	2.7%	2.3%	2.2%	2.0%	2.0%	1.8%	1.4%	0.9%	0.7%	0.4%	0.2%	n.a	n.a
6ter	1.7%	1.4%	1.1%	0.7%	0.5%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
HD1	1.9%	1.8%	1.2%	0.9%	0.6%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
RMC Découverte	2.1%	1.8%	1.3%	1.0%	0.5%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Numéro 23	1.2%	0.8%	0.6%	0.5%	0.3%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Chérie 25	1.1%	1.1%	0.7%	0.3%	0.2%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
L'Equipe 21 / L'Equipe	1.1%	0.9%	0.6%	0.4%	0.2%	0.0%	n.a	n.a	n.a	n.a	n.a	n.a	n.a
LCI	0.6%	0.3%											
TOTAL DTT channels audience share	31.5%	29.4%	27.1%	24.7%	24.3%	22.0%	23.1%	19.7%	15.2%	10.4%	5.9%	2.7%	0.9%*
TOTAL cable and satellite channels audience share *	10.0%	10.0%	10.0%	10.8%	10.7%	11.1%	11.7%	12.2%	12.7%	12.7%	11.6%	11.0%	11.2%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Until 2011 inclusive, France 5 was considered a traditional channel before 7pm and a DTT channel after 10pm, whilst Arte was considered a traditional channel after 7pm and as a DTT channel before 7pm.

Source: Médiamétrie

On the commercial target, this audience fragmentation is even more stark. Thus, in 2017, the traditional channels represented only 53.6% of audiences (down 1.7 pp year-on-year).

² Source: CSA – Monitoring household audiovisual equipment – 2nd quarter of 2017

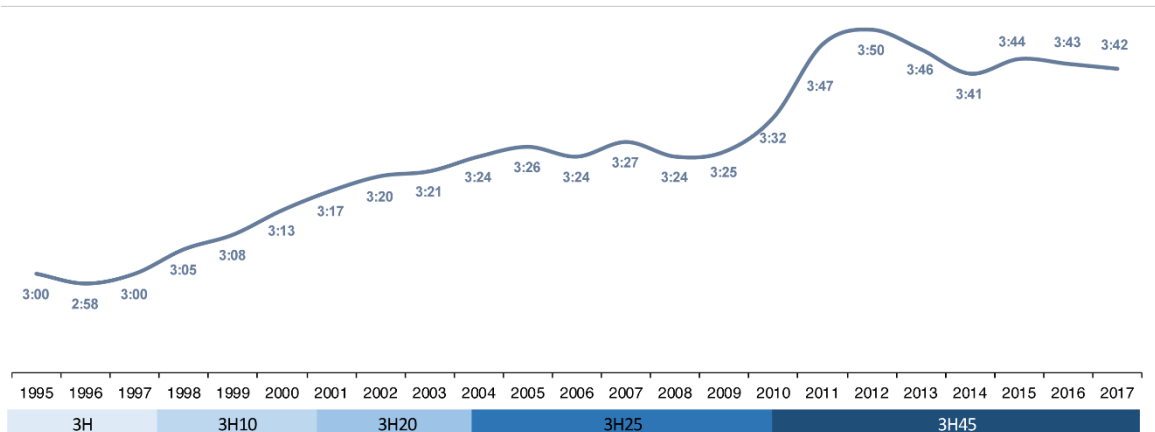
³ Source: Médiamétrie

CHANGES IN TV VIEWING PATTERNS CAUSED BY THE ADVENT OF NEW MEDIA

The advent of new media and the rapid development of the internet, supported by the rollout of the telecom operators' high-speed broadband, very high speed through optic fibre and triple (Internet, television, landline) and quadruple play (with added mobile) packages had an influence on TV viewing patterns. These developments improve viewers' experience, who benefit from better picture quality (HD) and can now have access to on demand formats (catch-up TV platforms) or as mobile TV (3G/4G reception).

However, the growing penetration of new media did not prevent the Individual Viewing Time (IVT) of television from increasing over the last twenty years, with consumption peaking in 2012.

Individual Television Screen Viewing Time (4+ year olds):



Since 2014, Individual Viewing Time has included the viewing of catch-up TV on television screens. This new usage has grown rapidly (up 3 minutes year-on-year),

but television usage is also expanding via other media. As such, in 2017 "Four Screen" Individual Viewing Time stood at 3 hours 51 minutes⁴, representing a slight year-on-year decline of 1 minute. While daily viewing via a television screen fell one minute to 3 hours 43 minutes, this drop was almost offset by the boom in viewing via other screens (computer, tablet, smartphone).

The majority of "video" viewing time spent on the four screens is devoted to watching television programmes, far ahead of VOD and S-VOD.

Television nevertheless remains a very powerful media: as such, 68% of "viewing" time for those aged 15 and over is devoted to TV content (live + replay).

The link between viewers and audiovisual content is also being strengthened as a result of "social TV", which allows a new kind of interaction to be created, notably via social networks. Médiamétrie points out that those who use social TV watch more television, and sometimes via other media.

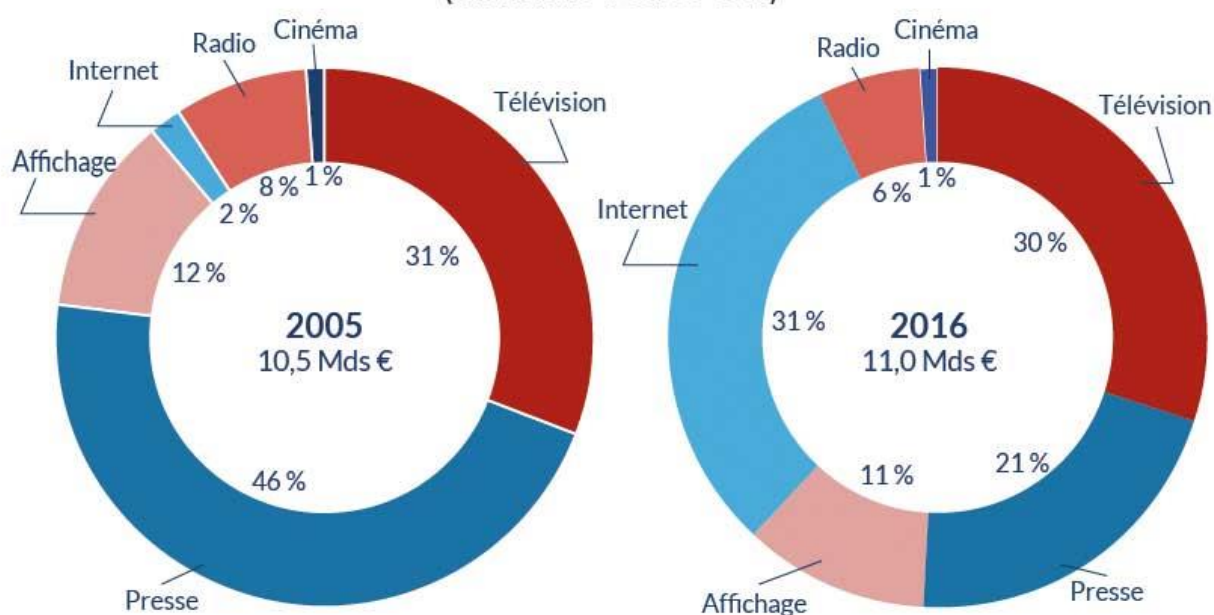
Changes in viewing time on a TV screen in 2017 revealed disparities. It increased by 6 minutes amongst >50 year olds and fell by 7 minutes amongst 15-24 year olds. In addition, French people who watch television are watching it ever more irrespective of age range. As such, 15-24 year olds who watch television watched it for 3 hours 1 minute per day in 2017 (stable over 10 years).

ADVERTISING MARKET

A GRADUAL RECONFIGURATION OF THE MARKET

The transformation of the radio and television markets, which was due to the effect of technological innovations and rapid changes in the resultant usages, has altered the advertising market which has been significantly reconfigured over the past 10 years.

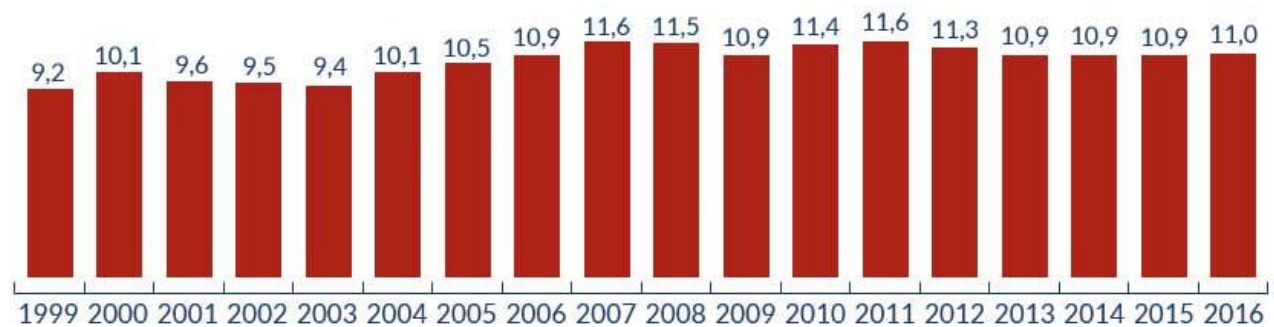
Répartition des recettes publicitaires nettes, 2005 et 2016 (En milliards d'euros et %)



Source: IREP - processed by CSA

Although the advertising market appears to be stable, in reality it has undergone a phenomenon involving the structural contraction of advertiser investment over the period (down 18% between 2000 and 2016 in constant euros) added to which were the effects of the financial crisis which took place over 2008-2009.

Recettes publicitaires nettes plurimédia (En milliards d'euros)



Source: IREP - processed by CSA

CHANGES IN THE MULTIMEDIA AND TV ADVERTISING MARKET BETWEEN 2016 AND 2017

Advertising expenditure (gross) – Multimedia:

	2017		2016		2015
	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)
Total TV *	13,155.4	6.2%	12,389.7	3.9%	11,924.7
incl. traditional channels	7,106.7	0.1%	7,097.2	3.6%	6,847.6
incl. DTT channels	5,264.2	15.9%	4,541.0	8.3%	4,194.3
incl. Cab/Sat channels	784.5	4.4%	751.5	-14.9%	882.8
Press	6,720.7	-3.8%	6,984.9	-3.2%	7,215.5
Radio	4,955.0	-0.9%	4,998.0	3.4%	4,831.9
Outdoor advertising	2,480.9	-8.6%	2,713.9	1.3%	2,680.0
Cinema	568.4	11.4%	510.0	18.2%	431.3
TOTAL EXCL. INTERNET **	27,880.4	1.0%	27,596.5	1.9%	27,083.5

* including self-promotion

** For internet Kantar only includes desktop display (excluding mobiles), and excludes Facebook and Google, making data difficult to interpret

Source: Kantar Media

Developments in the multiyear multimedia advertising market, internet excluded (Press, Television, Outdoor Advertising, Radio and Cinema) highlighted the following trends:

- Gross advertising expenditures increased slightly. This figure however masks mixed trends amongst the various media: television and cinema saw their gross advertising revenues increase, whilst press, outdoor advertising and radio revenues fell.
- Television had a greater market share over the year, and in 2017 represented 42% of multimedia investments (gross data). Television reaffirmed its position as the leading advertising medium (internet excluded) and the benchmark medium in France.
- In addition, according to the online advertising watchdog, the net market for online advertising (search, display and other levers, such as affiliation, emailing and price comparison services) was worth €4.1 billion⁵, and now comprises 34.4% of the multimedia advertising market, with full-year growth of 12%.

Excluding searches, the market stood at €2,145 million. Video display (38% increase in revenues to €577 million) is one of the major growth drivers in online advertising.

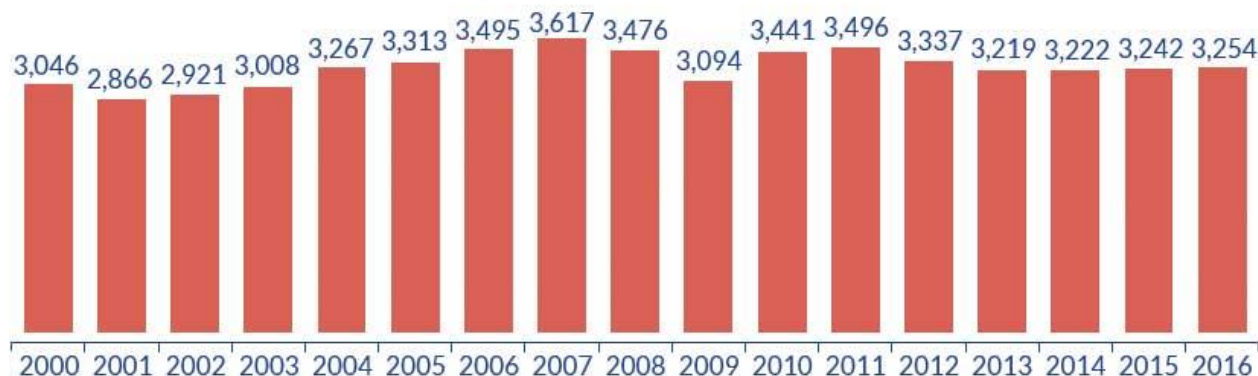
Even though variations in multimedia expenditure, the majority of which is measured in gross data (published prices applied to marketed volumes), provide a significant indication of trends and expenditure distribution by media, it is nonetheless necessary to remain cautious when interpreting the data, which differs from net figures (price actually paid by advertisers to the media after discounts), with potentially significant differences between media that can vary depending on the prevailing economic situation.

According to the Group's estimates, net advertising investments in television may have grown 0.5% in 2017.

Over a longer period, the net TV market appeared to be in decline in comparison with its 2007 peak.

Recettes publicitaires nettes de la télévision, 2000-2016

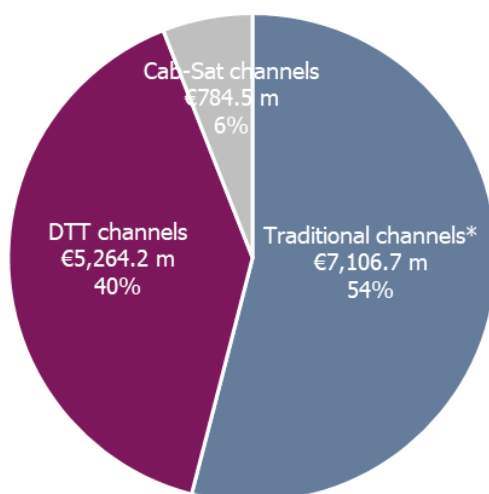
(En milliards d'euros nets)



Source: IREP - processed by CSA

The different types of channels developed differently. Thus, DTT channels progressively gained market share, reaching 40% in 2017, while traditional channels currently account for 54% of gross advertising investments in television. In addition, the cable and satellite channels represented 6% of the gross television advertising investments in 2017.

Advertising expenditure (gross) – TV: market share analysis by segment:



* Since 1 January 2017, the Canal sales house has been marketing C+ and C8 screens under a single medium, C8+, medium belonging to the DTT environment

Source: M6 / Kantar Media estimates

TRADITIONAL CHANNELS: DISTRIBUTION OF ADVERTISING EXPENDITURE AND MARKET SHARE (GROSS DATA, TRADITIONAL CHANNELS, EXCLUDING SELF-PROMOTION)

GROSS traditional channel TV expenditure (traditional channels, excluding self-promotion and regional channels)

	2017		2016		2015		2014		2013
	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)
M6	2,113.6	+8.4%	1,949.1	+6.2%	1,834.8	+4.8%	1,751.0	+4.7%	1,672.3
TF1	3,563.1	-0.2%	3,569.2	-0.2%	3,576.3	+2.1%	3,502.6	+3.9%	3,370.1
France 2	372.6	+1.9%	365.8	+10.8%	330.1	+17.8%	280.2	+12.7%	248.7
France 3	151.6	+4.4%	145.2	+5.6%	137.5	-4.9%	144.6	+5.3%	137.3
France 5	47.8	+13.5%	42.1	+13.2%	37.2	+16.1%	32.1	+4.7%	30.6
TOTAL *	6,248.7	+2.9%	6,071.4	+2.6%	5,915.8	+3.6%	5,710.5	+4.6%	5,459.0

* Since 1 January 2017, the Canal sales house has been marketing C+ and C8 screens under a single medium, C8+, medium belonging to the DTT environment

Source: Kantar Media, gross data for TF1, M6 and Canal+, net for FTV

Historical data may have been restated

GROSS traditional channel TV advertising market shares (traditional channels, excluding self-promotion and regional channels):

	2017		2016		2015		2014		2013
	Market share	(% change)	Market share	(% change)	Market share	(% change)	Market share	(% change)	Market share
M6	33.8%	+1.7pp	32.1%	+1.1pp	31.0%	+0.4pp	30.7%	0.0pp	30.6%
TF1	57.0%	-1.8pp	58.8%	-1.7pp	60.5%	-0.9pp	61.3%	-0.4pp	61.7%
France 2	6.0%	0.0pp	6.0%	+0.4pp	5.6%	+0.7pp	4.9%	+0.4pp	4.6%
France 3	2.4%	0.0pp	2.4%	+0.1pp	2.3%	-0.2pp	2.5%	0.0pp	2.5%
France 5	0.8%	+0.1pp	0.7%	+0.1pp	0.6%	0.0pp	0.6%	0.0pp	0.6%
TOTAL	100%		100%		100%		100%		100%

* Since 1 January 2017, the Canal sales house has been marketing C+ and C8 screens under a single medium, C8+, medium belonging to the DTT environment

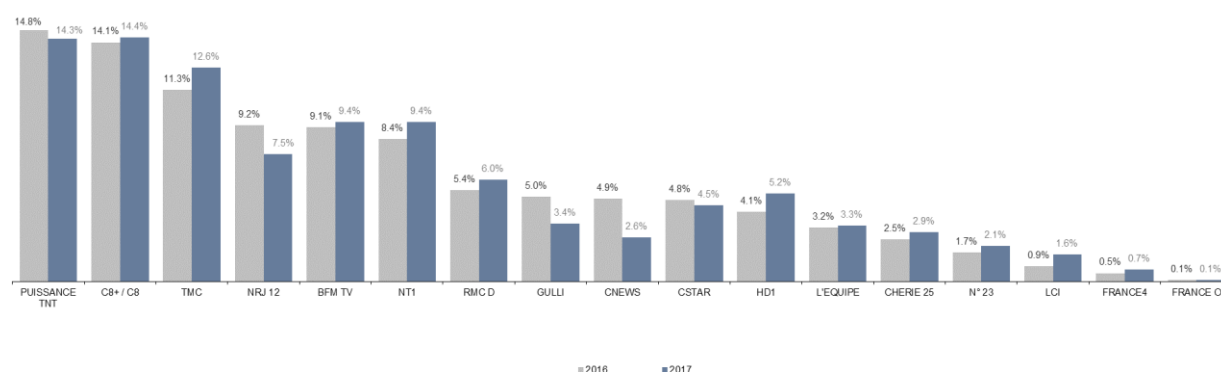
Source: Kantar Media, gross data for TF1 and M6, net for FTV

Historical data may have been restated

DTT CHANNELS: DISTRIBUTION OF ADVERTISING MARKET SHARE (GROSS DATA IN %)

The breakdown of the gross advertising market for DTT channels, which totalled €5,264 million in 2017, an increase of 15.9%, reflects the breakdown of the audience share of each of the channels, as well as the strength of the Puissance TNT advertising offer, the advertising medium that delivers the highest GRP on DTT.

It was as follows:



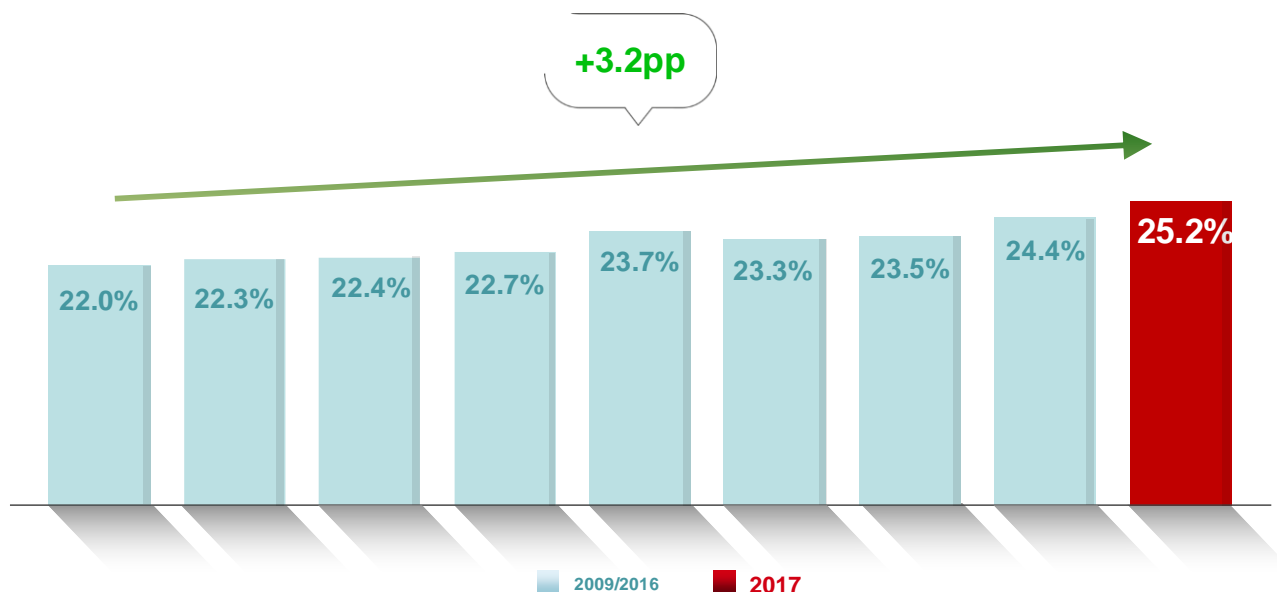
* Since 1 January 2017, the Canal sales house has been marketing C+ and C8 screens under a single medium, C8+, medium belonging to the DTT environment

Source: Kantar Media, DTT channels excluding self-promotion

CABLE AND SATELLITE CHANNELS: DISTRIBUTION OF ADVERTISING MARKET SHARE (GROSS DATA)

The distribution of the gross advertising market of cable and satellite channels, which totalled €784.5 million in 2017, potentially involves more than a hundred channels.

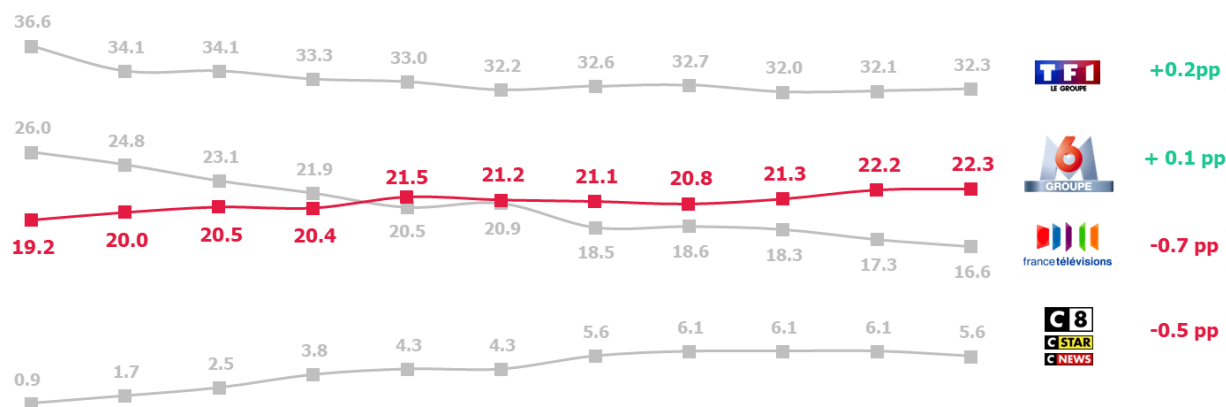
1.5.1.3 M6 Group TV market positioning and strategy in 2017



Overall, the Group's sales house, M6 Publicité, achieved a total market share of 25.3%⁶ in 2017 (gross advertising market share, measured by adding terrestrial, DTT, cable and satellite revenue), estimated by M6 to be 25.4% in net figures, across the entire TV advertising market, thus retaining its rank as the number two French sales house.

In 2017, M6 Group's free-to-air channels achieved an average audience share of 13.8% of 4+ year olds (down 0.3 pp *source Médiamétrie*) and 22.3% on the commercial target of women under 50 responsible for purchasing (up 0.1 pp, *source – Médiamétrie*), representing a new all-time record for the Group. M6, W9 and 6ter thus make up under 50s' favourite set of television channels.⁷

FULL-YEAR WRP<50 AUDIENCE SHARES OF THE GROUPS (%)



FREE-TO-AIR TELEVISION

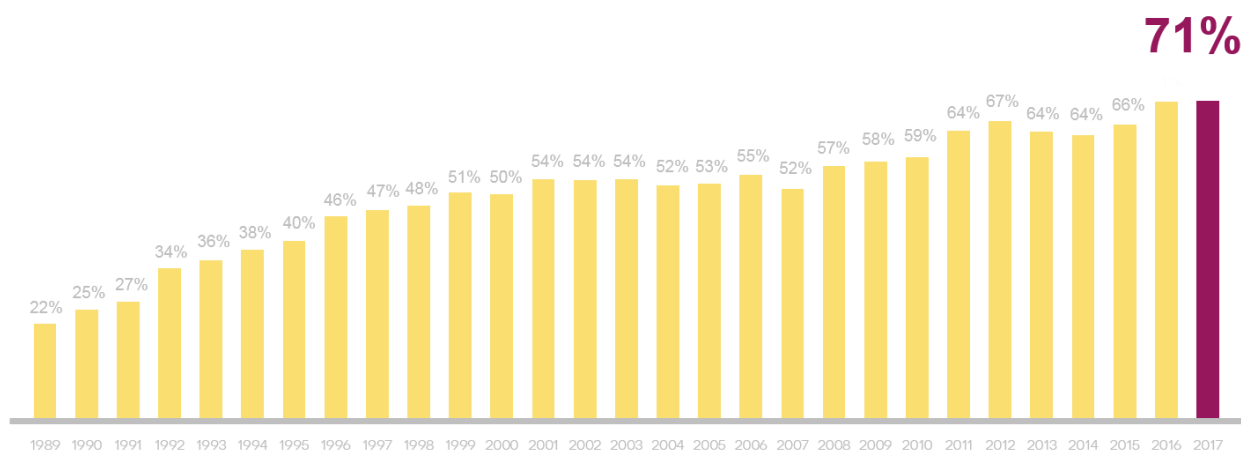
M6

With an average of 18 million viewers each day in 2017, M6 maintained its ranking as the 3rd biggest national channel across the entire viewing public for the 7th consecutive year, with an audience share of 9.5%. It also consolidated its ranking as the 2nd placed national channel on the commercial target, with an audience share of 15.7%.

In 2017, M6 has never been so close to TF1 on the commercial target.

⁶ Source: Kantar Media

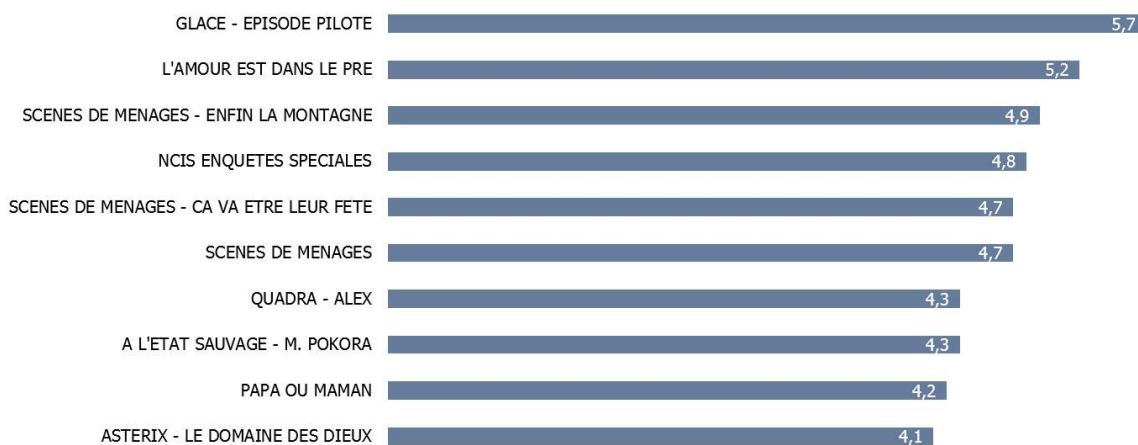
⁷ IFOP study conducted in December 2017. Families of free-to-air channels tested: TF1 Group, France Télévisions Group, M6 Group, Canal+ Group, NextRadioTV Group and NRJ Group.



These results primarily reflected the strength of its range of programmes in strategic timeslots in 2017, based on:

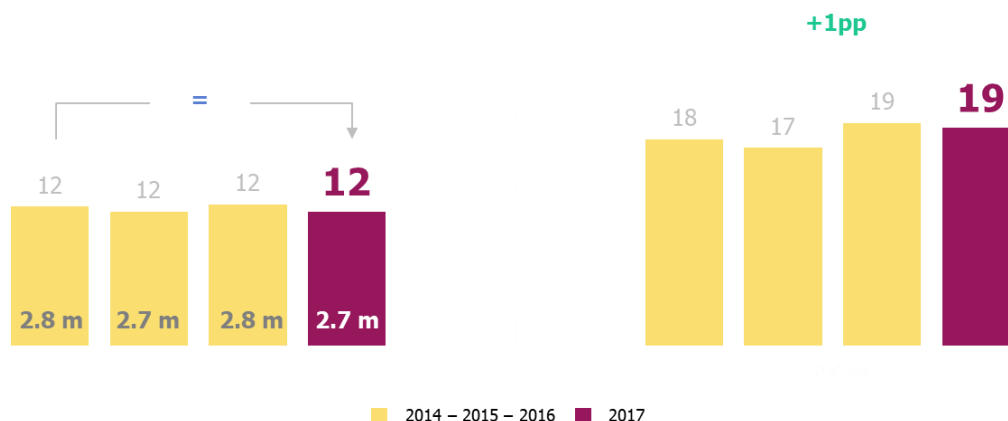
- leading prime-time (*L'Amour est dans le pré*, 4.7 million viewers on average, *Top Chef*, 3.2 million viewers, its best season in 4 years across the audience as a whole, *Le meilleur pâtissier*, 3.2 million viewers, with M6 the leading channel for WRP<50 during the evening over the entire season, etc.) and access prime-time (*Le 19'45*, the second most watched news programme amongst WRP<50, *Scènes de ménages*, the most popular programme amongst WRP<50 in its 8pm timeslot, etc.) brands continued to draw large audiences during peak viewing times.
- New comedy shows (*Saturday Night Live* with Gad Elmaleh, 3.3 million viewers) and competitions (*Le meilleur pâtissier: les professionnels*, *La robe de ma vie*, etc.),
- Revamped news magazines (*Zone interdite*, *Capital*, etc.) which has achieved record viewing figures on the commercial target since 2009,
- New films (*Papa ou Maman*, 4.2 million viewers, *Astérix et le domaine des dieux*, 4.1 million, etc.) and American series (*NCIS*, up to 4.8 million viewers, *Prison Break*, etc.).

Top ten M6 audience ratings in 2017 (millions of viewers)⁸:



Strategically speaking, the channel intends to focus its investment efforts in programmes of the midday-midnight time slot, which by itself represents almost 90% of TV advertising expenditure and 91% of daily audience levels.

AUDIENCE SHARE 4+ / WRP-50 (%) / AUDIENCE IN MILLIONS OF VIEWERS – 9-11PM TIMESLOT
EXCLUDING EURO 2016 WEEKS – CONSOLIDATED AUDIENCE FIGURES



W9

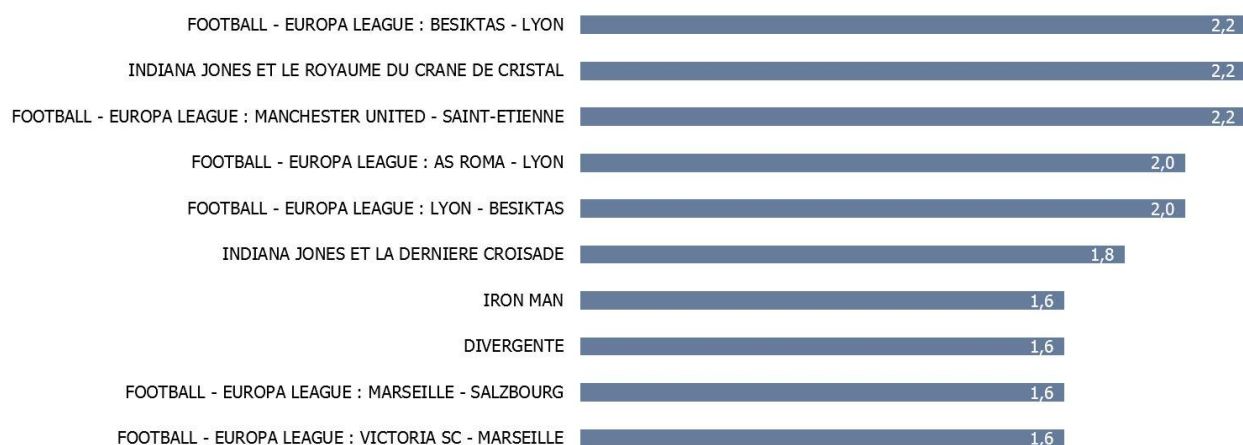
In the highly competitive free DTT market, M6 Group consolidated the positioning of W9 as a leading DTT channel, with a view to making it a general-interest channel for under 50 year-old audiences.

In 2017, W9 saw its nationwide audience share (4+ years old) increase to 2.6% with a 4.0% share on the target of women under 50 responsible for purchases. These results made W9 the leading DTT channel for under 50 year-old viewers.

W9's image continues to strengthen, the channel having confirmed its status as France's most well-known and favourite DTT channel⁹. This solid performance is the result of an active policy of producing ground-breaking programmes in access prime-time (*Un dîner presque parfait*, *Les Marseillais*, *Moundir et les apprentis aventuriers*, etc.), in parallel with varied primetime programming, built around several pillars (films, series, sport, and magazines) and new shows embodied by modern and dynamic figures, from the worlds of music, entertainment and humour.

W9 also offers the most varied regular range of sports on DTT channels, notably broadcasting the Europa League unencrypted, where matches involving Lyon, Marseille or Saint-Etienne helped the channel record very high audiences.

Top ten W9 audience ratings in 2017 (millions of viewers)¹⁰:



6ter

In 2017, 6ter, M6 Group's third largest free-to-air channel, celebrated its 5th birthday with fifth place in the DTT channel rankings (all channels) on the commercial target of WRP under 50 (with a 2.6% audience share, a year-on-year increase of 0.2 points), and retained its leadership amongst the HD DTT channels on this target.

In five years, 6ter has established itself as THE leading channel for family audiences, offering them entertaining and feel-good programmes that are violence free.

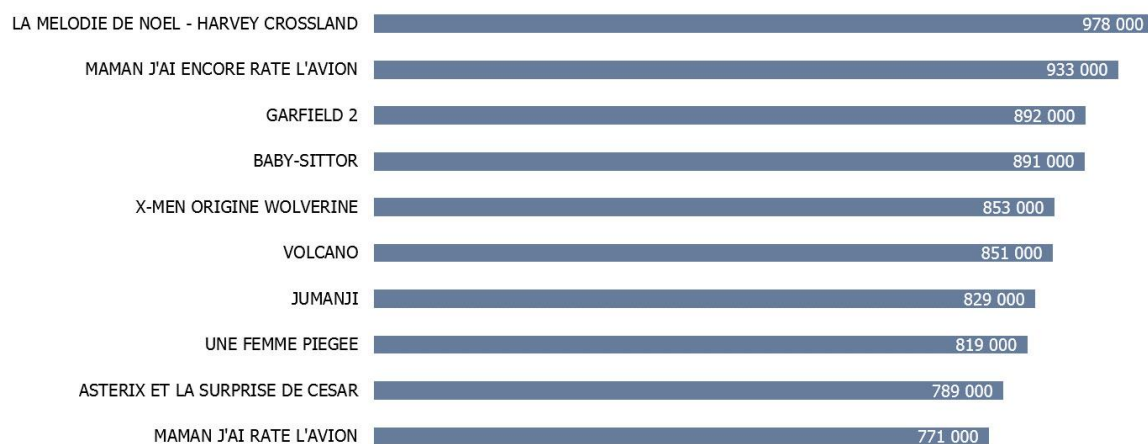
In 2017, 6ter strengthened its original productions with a complete season of *Départ Immédiat*, the magazine show presented by a newcomer to French television, Sophie Pendevelle, and by producing even more episodes of *Norbert Commis*

⁹ Survey conducted by IFOP in April 2017
¹⁰ Source Médiamétrie, one broadcast per format

d'office, with Norbert Tarayre, which is in its 5th season. Both programmes beat their audience records by exceeding 500,000 viewers.

Moreover, 6ter successfully renewed its range of entertaining documentary series by introducing *Rénovation Impossible*, *Les Rois de la Réno* and *Mini-maisons à emporter* which have established themselves as the channel's hit weekend shows. By offering a strong, family-friendly line-up of films, series and dramas, 6ter has successfully pulled in a large audience both during the day and the evening, and ended the year on a high note with a record audience of 1 million viewers for the drama *La mélodie de Noël*.

Top ten 6ter audience ratings in 2017 (number of viewers)¹¹:



Puissance TNT

Early in 2014, M6 Publicité introduced synchronised advertisements on its two free-to-air DTT channels - W9 et 6ter – through its “Puissance TNT” offer, thereby successfully positioning itself as the leader in this category of channels by offering the most powerful advertisements on DTT.

Across 2017 as a whole, Puissance TNT was the leading advertising package amongst the under 50s: it generated the strongest DTT slots in the under 50s¹² and women under 50 responsible for purchases categories. Moreover, the under 50s represented 56% of the Puissance TNT audience¹³, making the combined DTT offer¹⁴ the most in tune with this target.

DIGITAL PAY CHANNELS

Digital pay channels are distributed on all broadcasting platforms and media (cable, satellite, broadband, mobile, internet), with a view to maximising the potential of subscribing households/individuals. This extensive distribution, which was further increase at the end of 2016 after the channels were included in the basic TV by CANAL packages offered to Free and Orange subscribers, enables them to attract targeted or more general-interest audiences, depending on each channel's positioning, and as a result to offer commercial breaks that meet the objectives of advertisers' campaigns. Therefore, the Group has developed a family of pay channels (excluding Girondins TV) to complement free-to-air channels, with strong and identity-building positioning, with the intent of making each of these channels a benchmark in its niche market (Paris Première for upper socio-economic targets, Téva for women).

¹¹ Source Médiamétrie, one broadcast per format

¹² Average GRPs over the entire day, Source: Popcorn 2017. Average GRP Entire 15- years and WRP 15- -49 years calculated over the entire day.

¹³ Source Médiamétrie-Médiamat

¹⁴ DTT combined offers: (TMC + NT1 + HD1) and C8star (C8 + Cstar)

Summary table of broadcasting network by channel (at 31 December 2017):

	Free DTT	Pay DTT	Cable	Satellite	xDSL/FTTx	Mobile/Internet**
Paris Première	unscrambled					
Téva						
M6 Music						
Série Club*						
Girondins TV						

* Broadband via CanalSat

** Mobile broadcast as part of specific mobile TV packages or multi-screen access to TV packages

Source: M6

Change in the number of households (4+ year old) equipped to receive M6 Group's pay channels:

Number of households equipped to receive M6 Group's pay channels *

	Dec. 17		Dec. 16		Dec. 15	
	Equipped households (millions)	% of households equipped with TV	Equipped households (millions)	% of households equipped with TV	Equipped households (millions)	% of households equipped with TV
Téva	15.7	59%	12	46%	12.5	47%
Paris Première**	11.1	41%	7.7	29%	8.5	32%
M6 Music	8.9	33%	6.4	24%	6.8	26%
Série Club	6.3	24%	4.0	15%	4.0	15%
Girondins TV	5.7	22%	3.3	13%	3.5	13%

* Estimate of households (Mainland France) effectively connected, restated for subscribers to several packages

** Excluding Paris Première's unscrambled slots

Source: distributor data / M6 estimates

According to Kantar Media data, the cumulative advertising market share of M6 Group's pay channels (Paris Première, Téva, M6 Music and Série Club) totalled 17.4% in 2017, an increase of 1.0 pp compared to 2016.

PARIS PREMIÈRE

On 15 December 1986 at 7pm, Paris Première was launched on Paris Cable's channel 8. Among a constantly changing audiovisual industry, Paris Première celebrated its 30th anniversary in 2016 and benefits today from stable visibility and a strong identity.

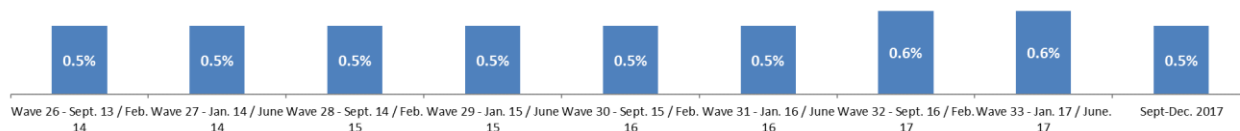
Paris Première benefits from an extensive broadcasting network: cable, satellite, broadband, mobile TV (3G and 4G) as well as pay DTT since 21 November 2005, with a daily two-hour unscrambled time slot between 6.35pm and 8.35pm.

Paris Première features a rich and diverse editorial line based on live performance, discussion programmes and culture. The channel dedicates a significant portion of its budget to the production and acquisition of original formats. The channel's flagship magazines in 2017 were *Très très bon*, *Zemmour et Naulleau* and *En Off* presented by Michel Denisot, and the ground-breaking show, *La revue de presse*, a major viewing hit with fans of the political satire of songwriters.

In 2017, the channel confirmed the depth of its events-based programming, notably via the live broadcast of plays (*Columbo* with Martin Lamotte, *Conseil de famille*, *La dame blanche*, etc.), as well as themed nights, film seasons (Belmondo, Eastwood, Pagnol, etc.), numerous live comedy shows (*Bernard Mabille de la tête aux pieds*, *Le Grand Gala de l'humour politique*) and events such as the *Gérards* television awards, the *Baftas* and the live concert by Sheila.

Paris Première is today the most watched Pay-TV channel with monthly coverage of 11.4 million viewers. It is also the most dominant general interest Pay-TV channel in its environment¹⁵.

Paris Première's audience share of 4+ year old individuals:



Source: Médiamétrie / MédiaCabSat, extended competitive base

TÉVA

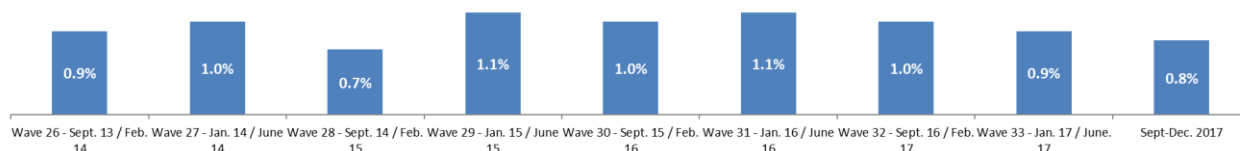
Launched more than 20 years ago, Téva, M6 Group's channel aimed at women, continues to be their greatest ally in the Pay-TV environment year after year.

Known for its premiered series, it shows on the art of living with recognised and inspirational experts, and its magazines and documentaries, in 2017 Téva consolidated its position as the most popular channel amongst women in the Pay-TV environment. 10 million people watch it each month.

In 2017, Téva specifically focused on series with, in particular, new seasons of *The Good Wife*, *Madam Secretary*, *Younger*, and new shows like *Crazy Ex Girl Friend*, the revamping of *Téva déco*, *Magnifique by Cristina* and *Sucrément Bon*, and comedy, with the arrival of a new talent from Belgium, Véronique Gallo, who has brought her original and uproarious series *Vie de Mère* to the channel.

This year, Téva has also developed its "360" strategy in partnership with all broadcast platforms, by increasing its on-demand range and investing in digital, social media and by leading a very active community of female viewers.

Téva is the leading pay TV channel for women under 50 responsible for purchases:

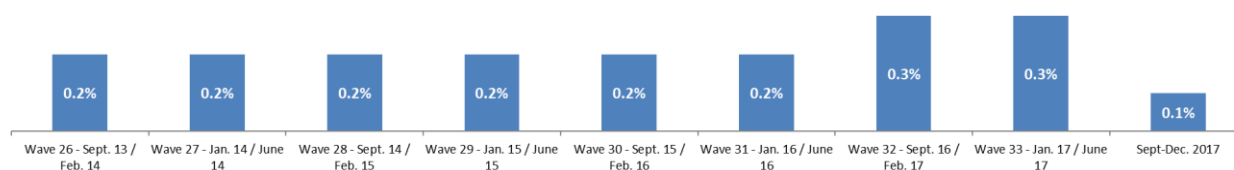


Source: Médiamétrie / MédiaCabSat, extended competitive base

SÉRIECLUB

sérieclub, which is 50% held by M6 (and 50% by TF1), was created in 1993 and has ever since occupied a clearly identified position in the complementary TV offering. The channel asserted its positioning as the "series channel", with a complete range of never shown-before series and full broadcasts of cult series. It also offers full digital and widescreen broadcasting. Série Club is also available on catch-up TV.

Série Club audience share of women under 50 responsible for purchases:



Source: Médiamétrie / MédiaCabSat, extended competitive base

M6 MUSIC

M6 Music's offers programming based on hits and stars geared towards 15-34 year olds, and is accessible via cable, satellite, broadband and mobile phones.

COMPREHENSIVE ADVERTISING PACKAGE

In 2017, M6 Publicité continued its drive to offer its clients innovative packages.

The creation of Golden Network, the leading digital studio dedicated creating content aimed at millennials, now enables M6 Publicité to offer cross-media advertising systems integrating TV, digital, social media exposure and brand content. This offer has been strengthened by partnerships concluded with the networks BroadbandTV, the global leader in entertainment in terms of the number of videos viewed online, and StyleHaul, the global leader in online Beauty and Fashion videos.

In 2017, M6 Publicité was also involved in the launch of Gravity. This digital platform, which brings together data publishers and stakeholders, offers advertisers digital programming campaigns across all formats and devices, with the guarantee of a premium, secure and transparent media environment.

Another innovation developed in 2017, CRM-OnBoarding allows the advertiser's data to be cross-referenced with that of the Group's sites in order to optimise targeting.

Lastly, M6 Publicité launched emotional targeting in TV and digital during the year. Its purpose is to improve recall of the advertisements broadcast thanks to the optimized broadcasting of commercials according to the emotive context of the programme involved.

In addition to product innovations, developments in the regulations governing sponsorship have helped to revitalize this market and M6 Publicité has played a particularly active role in this growth.

The acquisition by M6 Group of the radio stations RTL, Fun and RTL2 means that M6 Publicité can now improve its multimedia offering. The first step in this strategy was the launch in late 2017 of M6 Publicité Local, a package that will strengthen the marketing dynamic throughout France and the depth of the sales house's territorial network. This new structure dedicated to supporting and advising local businesses, creative agencies and regional media, is tailored to the recognition and image requirements of all types of advertisers.

TV AND WEB PRODUCTION

C PRODUCTIONS

C. Productions primarily produces news magazines for M6 (*Capital*, *Zone Interdite*, *Enquête Exclusive*, *66 Minutes*), W9 (*Enquête d'action*, *Enquête criminelle*, *État de choc*), 6ter (*Départ Immédiat*) and Téva (*Les Dossiers de Téva*). C.Productions leverages its production capabilities both in-house and from more than 80 independent producers, specialising in documentaries and in-depth reporting.

In 2017, C. Productions provided 600 hours of programming for broadcast, including 304 hours of new programmes, for all the Group's channels:

- 327 hours in primetime,
- 115 hours in access primetime,
- 110 hours in late evening,
- 48 hours in daytime.

M6's Sunday evening news magazines again performed very well this season, despite ever stiffer competition from new channels:

- during primetime, *Capital* and *Zone Interdite* remained stable in terms of viewing figures and each increased their audience share by 2 points on the commercial target in relation to 2016;
- during the second part of the evening, *Enquête Exclusive* continued to grow across all targets.

STUDIO 89

Studio 89 Productions, an in-house flow programme unit develops and produces numerous reality TV, drama, entertainment and magazine programmes for all the Group's channels: *Objectif Top Chef*, *Top Chef*, *Cauchemar en cuisine*, *Chasseurs d'appart*, *Mariés au premier regard*, *La famille à remonter le temps* (M6); *Les Princes de l'amour*, *Un dîner presque parfait* (W9); *Norbert Commis d'Office* (6ter), etc.

In 2017, Studio 89 produced 513 programmes for M6, W9 and 6ter, representing an increase of 30% in relation to 2016. With its 421 hours of new programmes, Studio 89 achieved excellent audience figures for its historical brands, with in particular:

- *Top Chef*: an eighth season whose formula has been refreshed and which drew an average audience of 3.2 million¹⁶ viewers, representing its best season across the viewing public as a whole in four years (with a 14% audience share);
- *Cauchemar en cuisine* which achieved a record in the WRP under 50 segment in January (27% audience share);
- *Mariés au premier regard* with an average of 2.8 million viewers for the second season (and a 22% audience share for WRP under 50) posted steadily growing scores as the weeks progressed (increase of 825,000 viewers between the first and last episodes);

- *Un Dîner Presque Parfait* which helped W9 become the leading DTT channel at 5.55pm in the programme timeslot on average this season;
- *Norbert commis d'office* which also beat its record audience this year (with up to 500,000 viewers). The programme helped 6ter, with the new seasons 4 and 5, to be ranked as the leading HD DTT channel each Friday in the under 50s category.

Studio 89 continued to innovate by creating new formats for M6 in order to alleviate the shortage of formats in the programme market:

- *La Robe de ma vie* which was the most successful launch with the viewing public as a whole and with WRP under 50 in its weekly access primetime slot (up to 24% share in the WRP under 50 timeslot);
- *Mon invention vaut de l'or* which performed well in primetime, with 2.6 million viewers and a 22% audience share in the WRP under 50 category.

This production activity enabled Studio 89 to position itself as a new player on the format sale market with in particular the adaptation of *Chasseurs d'appart* in four countries.

GOLDEN NETWORK

In recent years, M6 Group has been well positioned on the creation of short video content.

In 2017, the production and publishing activities for Millennials were brought together within a new entity, Golden Network, the Group's MCN (Multi Channel Network).

The TV production activity has expanded with content notably sold to France TV, and to the Canal Plus and M6 Groups.

Since 2015, several programmes have thus been created, whether for W9 (*Golden Moustache: Spécial Parodies 1 et 2*, the *WEB Comedy Awards*, etc.), Comédie + (*Trône des Frogz*, *Golden Moustache fait son cinéma*) and France 4 (*Allons Enfants : portraits d'une jeunesse qui se bouge*).

In addition, the audience for the brands has continued to grow, in particular Golden Moustache and Rose Carpet and thanks to the arrival at the sales house of the Broadband TV channels, to add up to a total of 600 million views per month, placing Golden Network in the top three MCNs in France.

Produced by Golden Network, **Golden Moustache** is a comedy-based entertainment platform aimed at 13 to 24 year olds. Golden Moustache distributes original content across all digital formats: a YouTube channel (3 million subscribers / 670 million views), presence across all social media (1.5 million Facebook fans, 365K Instagram subscribers, 933K Twitter followers), a website (5 million visits per month) and a very active Snapchat community. In May 2017, Golden Moustache was named by 15 to 24 year olds as the brand with which they most identify in the mobile sector in France according to Médiamétrie Netratings. Since its creation, the development of original brand content formats has always been one of the strengths of Golden Moustache with clients such as L'Oréal, Coca Cola and BNP.

In 2017, Golden Network launched a new comedy channel focused on three talents (Anis, Freddy and Aurélien): **Multiprise**. In 2 months, the channel has built up 4 million views and 200K subscribers on YouTube.

Also produced by Golden Network, **Rose Carpet** is a lifestyle media aimed at young women aged 13 to 24. Rose Carpet broadcasts original content across all digital formats: a YouTube channel (1.1 million subscribers), presence across all social media (155K Facebook fans, 835K Instagram subscribers, 127K Twitter followers), a website (400K visits per month) and a very active Snapchat community. The Rose Carpet brand is embodied by a group of highly influential talents on YouTube and social media: Sandra (1.1 million YouTube subscribers and 1.1 million on Instagram), Clara Marz (857K YouTube subscribers and 1.1 million on Instagram), PerfectHonesty (500K YouTube subscribers and 551K on Instagram), Yoko NailArt (645K YouTube subscribers and 436K on Instagram), Lola Dubini (437K YouTube subscribers 573K on Instagram), The Doll Beauty (538K YouTube subscribers and 851K on Instagram) and Sophie Riche (103K YouTube subscribers and 33K on Instagram). The group offer fashion and beauty advices, as well as drama, challenges, experiences, travel and discoveries. A striking feature of these videos is that they really engage the community and are shared very widely across social media.

Since 2016, the development of original brand content formats has accelerated greatly, with clients such as L'Oréal, Sephora and Procter&Gamble.

In 2017, Golden Network increased its standing on the YouTube beauty market, welcoming Horia, one of the most powerful influencers in France.

She has a community of 2 million subscribers on YouTube and 1.2 million on Instagram.

Within the lifestyle environment, Horia is the second biggest beauty YouTuber in terms of subscribers. It is the fastest growing beauty-based channel.¹⁷

1.5.2 Radio

1.5.2.1 Business presentation

The Radio division of M6 Group (RTL, RTL2, Fun Radio, IP France, IP Régions, RTL Net, RSM, etc.) is the leading private radio group in France with an audience share of 19.1% in 2017.

EDIRADIO / RTL RADIO FRANCE	Radio Luxembourg, which came into being in 1933, became RTL (Radio Télé Luxembourg) in 1966. In August 1946, SOCIETE POUR L'EDITION RADIOPHONIQUE (SPERA) was created in France, becoming, in August 1951, SOCIETE POUR L'EDITION RADIOPHONIQUE (EDIRADIO) whose purpose is news gathering, the creation of programmes and their broadcast, and assumed the trade name "RTL". RTL is a general interest station providing news and entertainment.
INFORMATION ET DIFFUSION	In September 1956, the press agency INFORMATION & DIFFUSION (ID) was created. Its purpose was to provide information to the public via all forms of research and broadcast, notably through the medium of radio. It brings together journalists, reporters and international correspondents sent to areas in the news, in tandem with a volunteer engineer, to be as close to the action as possible.
SODERA	SODERA produces RTL2. In December 1987, ADDIM (Association pour le Développement et la Diffusion de l'Information Militaire / Society for the Development and Broadcast of Military Information) and Bayard Presse decided to create SOCIETE DE DEVELOPPEMENT DE RADIO DIFFUSION (SODERA), then the broadcaster of Aventure FM which passed into the hands of RTL Group in 1989. The trade name was changed to "MAXXIMUM" which in 1992 became M40 before taking the name RTL2 in 1995.
SERC	SERC produces FUN RADIO. FUN was created in October 1985 in the south of France by three breakaway members of a rival station. Acquired by Hersant Group in September 1987, owner of the Chic FM network, FUN took on the trade name FUN RADIO and was run by SOCIETE D'EXPLOITATION RADIO CHIC (SERC). RTL Group took a stake in the share capital of the company in 1993.
IP FRANCE	IP France is the sales house of the radio division. It markets the stations RTL, RTL2 and FUN Radio.
IP REGIONS	IP Régions is the regional sales house for the radio division. It gives advertisers the option to communicate within specific geographic areas thanks to the regional programming of the music stations (RTL2, Fun Radio) and partner stations. IP Régions offers a complementary range to that of IP France thanks to comprehensive geographic coverage and a customisable offer, with three levels of targeting (Île de France / Multiple Cities / Local).
RTL NET	In 1992, the SCP TELEMATIQUE was created. It became RTL NET in 2000, and its purpose is to conduct all commercial transactions using every means of communication, notably digital, and every communication network.
RTL SPECIAL MARKETING	Created in 1999, RTL SPECIAL MARKETING is responsible for the diversification operations of the radio division's brands, RTL, RTL2 and FUN RADIO: record label, publishing, licences, production and co-production of musical and cultural events.
PARISONAIR - RTL EVENTS	Created in 2006, PARISONAIR - RTL EVENTS specialises in the production and/or co-production of musical and cultural events.
MEDIAPANEL	Created in February 1998, MEDIAPANEL specialises in providing strategy advice to content editors, thanks to an array of research tools specifically designed and created to meet their needs: media analyses with consumers, telephone surveys, online studies, conducting qualitative groups and organisation of musical recording studios. The MEDIAPANEL teams work for RTL Group's radio stations, RTL2 and FUN RADIO on broader issues which go from the in-depth analysis of audiences to the creation of dedicated listener panels, taking in the organisation of music recording sessions and the hosting of qualitative focus groups with "live" panels. MEDIAPANEL's core business is therefore focused on content editors and is based on two key missions: advice on music programming and editorial advice.

As soon as the contract to purchase the Radio division companies was concluded, M6 Group presented and submitted to staff representative bodies a plan to progressively integrate the various companies acquired as they were transferred to Neuilly to the new building dedicated to the radio operations.

This plan must allow the three stations to continue their development while simultaneously pooling the other intra-company activities and business lines within a common structure.

In this regard, the following companies will be merged in the first few months of 2018, with a retroactive effect for tax and accounting purposes:

- EDIRADIO will be amalgamated into Métropole Télévision, and employees will continue their programme creation activity within a dedicated profit centre;
- IP France, IP Régions and Mediapanel will be amalgamated into M6 Publicité, and employees will continue their radio advertising space selling activity within a dedicated profit centre;
- RTL Spécial Marketing will be amalgamated into M6 Interactions, where diversification and music marketing operations will be carried out within a dedicated profit centre;
- PARISONAIR will be amalgamated into M6 Événements, where diversification and event operations will be carried out within a dedicated profit centre;
- RTL Net will be amalgamated into M6 Web, and employees will continue their digital activities based on radio programmes within a dedicated profit centre;
- SCP will be liquidated.

As such, following completion of this restructuring, the radio division will be based on three segments:

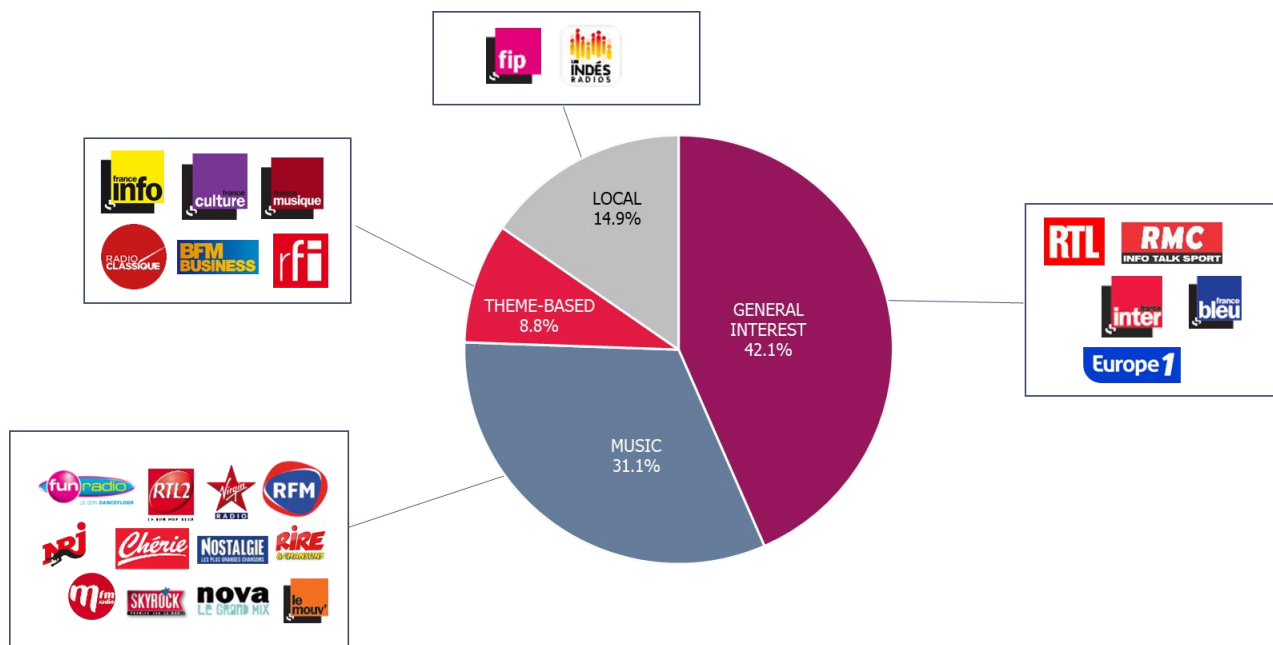
- RTL France and INFORMATION & DIFFUSION,
- FUN Radio (SERC) and its regional broadcast network subsidiaries,
- RTL 2 (SODERA) and its regional broadcast network subsidiaries.

1.5.2.2 Trends in the Radio business

STRUCTURAL CHANGES IN THE RADIO MARKET

Today, France is one of the countries in the world best catered for in terms of FM radio stations. Their great diversity (with numerous community radio stations) and their number testify to regulation that is both balanced and conscious of the variety of the range.

Radio audience breakdown by genre (13+):

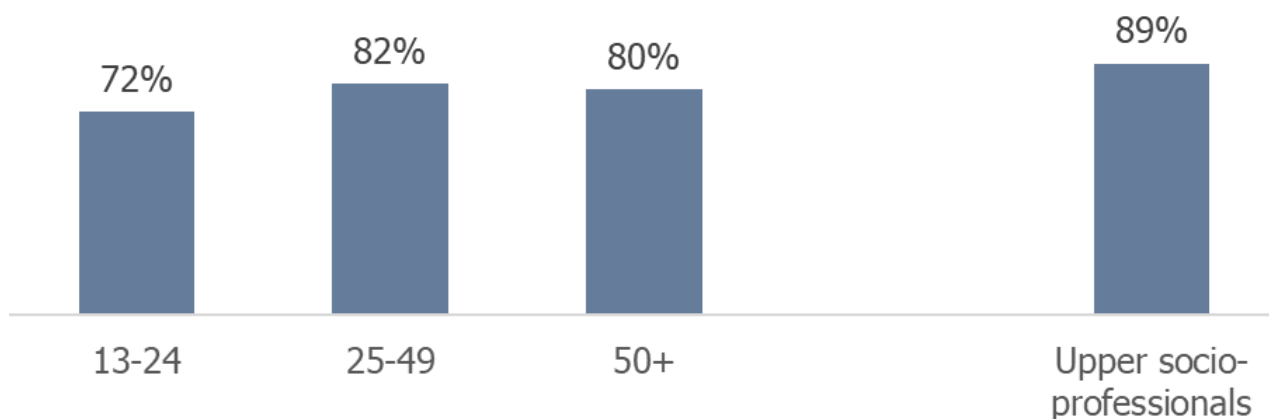


Source: Source: Médiamétrie – 126,000 Radio, Audience Share, 13 years +, SO17, M-F, 5am – 12am

The commercial market is nevertheless barely fragmented with powerful private national stations and significant daily national coverage.

80% of French people listen to the radio every day, meaning 43 million listeners with a daily listening time of 2 hours 51 minutes.

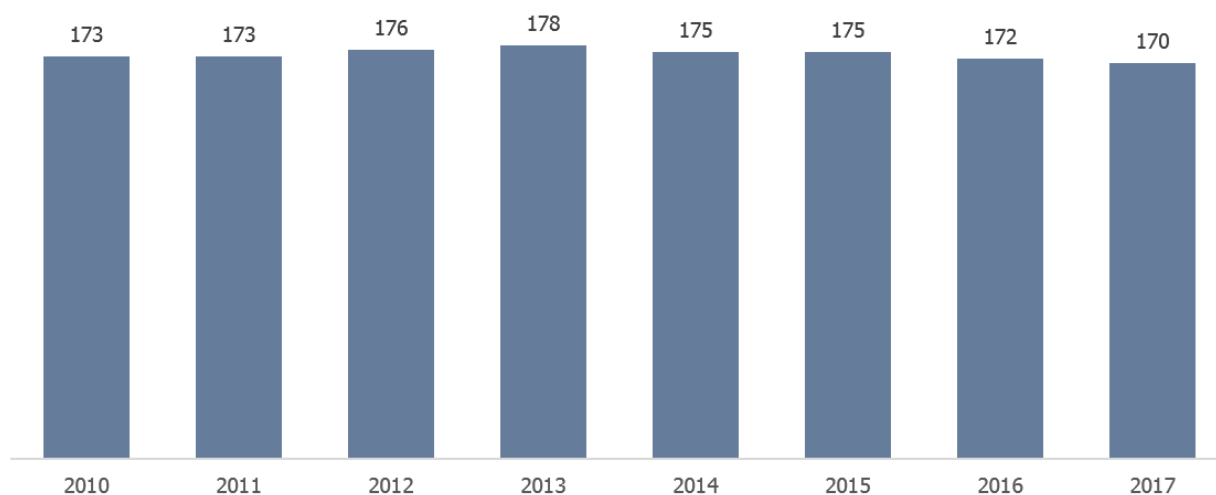
Listening percentage of Radio media by age:



Source Médiamétrie September-October 2017, Mon-Fri, 5am-12am – Cumulative audience in %, Listening time per listener – 13+ years target + cumulative audience on target

Radio listening time has remained stable since 2010.

Individual Listening Time in minutes:



Source Médiamétrie – Monday to Friday – All listeners aged 13+

The radio environment structure provides a remarkable diversity of stations – private, music based for young people (NRJ, Fun radio, Skyrock, etc.), adult focused (Nostalgie, Virgin, RTL2, etc.), general interest (RTL, Europe 1), public service (France Inter, France Culture, France Bleu, etc.), and community focused.

Historical audience share – 15 years +:

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EUROPE 1	5.8	6.8	7.5	7.8	7.6	7.4	7.5	8.1	8.3	7.9	7.9
FRANCE INTER	11.0	10.9	9.6	8.9	9.3	10.1	9.8	9.5	9.8	8.9	8.5
RMC	6.7	6.3	6.4	6.6	6.8	6.3	6.1	5.7	5.5	5.1	4.7
RTL	12.7	12.5	11.8	11.3	11.9	11.6	12.1	12.3	12.4	13.0	12.8
FRANCE BLEU	6.3	6.3	6.7	6.6	6.9	6.4	6.2	6.1	5.8	5.4	5.0
SUD RADIO	-	-	-	-	-	0.3	0.5	0.5	0.6	0.7	0.7
General-interest programmes	42.4	42.8	42.0	41.3	42.5	42.1	42.2	42.2	42.4	41.0	39.7
CHERIE	2.5	2.6	2.8	2.5	2.7	2.7	2.6	3.0	3.0	2.8	3.5
FUN RADIO	3.8	4.1*	4*	3.8	3.6	3.8	4.2	4.1	3.8	3.8	3.8
MOUV	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.6
M RADIO	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.9	1.1
NOSTALGIE	4.1	4.1	4.0	4.0	3.9	3.8	4.2	4.4	4.9	5.1	5.4
NRJ	6.3	6.8	7.2	7.4	7.4	6.9	6.0	5.7	5.6	6.2	6.7
RADIO NOVA	0.5	0.5	0.6	0.7	0.7	0.6	-	-	-	-	-
RFM	3.1	3.2	3.3	3.1	3.0	3.1	2.8	2.9	3.0	3.1	3.6
RIRE ET CHANSONS	1.2	1.2	1.2	1.4	1.5	1.4	1.7	1.6	1.7	1.7	1.4
RTL2	2.6	2.7	2.6	2.9	2.8	2.9	2.9	2.8	2.9	3.0	3.0
SKYROCK	3.5	3.2	3.4	3.8	3.7	4.1	4.6	4.8	4.4	4.4	4.2
VIRGIN RADIO	2.7	2.8	2.5	2.1	1.9	2.1	2.3	2.6	2.8	3.1	3.1
Music programmes	31.2	31.9	32.1	32.4	31.9	31.6	32.1	32.7	33.3	34.5	36.3
FRANCE INFO	4.0	3.5	3.2	3.3	3.4	3.7	3.8	3.5	3.6	3.7	3.9
FRANCE MUSIQUE	1.2	1.2	1.1	1.0	1.1	1.0	1.0	0.9	1.0	1.1	0.9
FRANCE CULTURE	1.7	1.4	1.5	1.6	1.4	1.4	1.3	1.1	1.0	1.0	0.9
RADIO CLASSIQUE	1.6	1.7	1.6	1.8	1.7	1.7	1.6	1.6	1.6	1.4	1.2
Other theme-based radio stations**	0.6	0.5	0.6	0.5	0.6	0.7	0.5	0.6	0.6	0.5	0.5
Theme-based programmes	9.1	8.3	8.0	8.2	8.2	8.5	8.2	7.7	7.8	7.7	7.4
Les Indés Radios cluster	11.1	10.9	11.6	11.6	11.1	11.4	11.5	11.2	10.1	10.2	10.1
ALOUETTE	0.7	0.6	0.7	0.7	0.6	0.7	0.6	0.6	-	-	-
Other local radio stations ***	2.4	2.4	2.4	2.7	2.6	2.8	2.5	2.7	3.7	3.7	3.5
Local programmes	14.2	13.9	14.7	15.0	14.3	14.9	14.6	14.5	13.8	13.9	13.6
Other programmes ****	3.1	3.1	3.2	3.1	3.1	2.9	2.9	2.9	2.7	2.9	3.0
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Recalculation

*BFM Business and RFI-Radio France Internationale.

** other local stations not affiliated with a national network

*** including foreign stations, other or non-identified stations, pirate stations and DKs

The trend is towards the decline in music content with competition from digital services. General interest content is holding up despite competition from TV in morning slots.

There are now more digital alternatives that are providing increasingly stiff competition to radio such as the use of podcasts, online stations (Pandora, IHeartRADIO), streaming platforms (Deezer, Spotify) and also non-specialist sites (YouTube). In response to these alternatives, the sector's leading players are developing more and more digital solutions and online content to maintain their positions in this field.

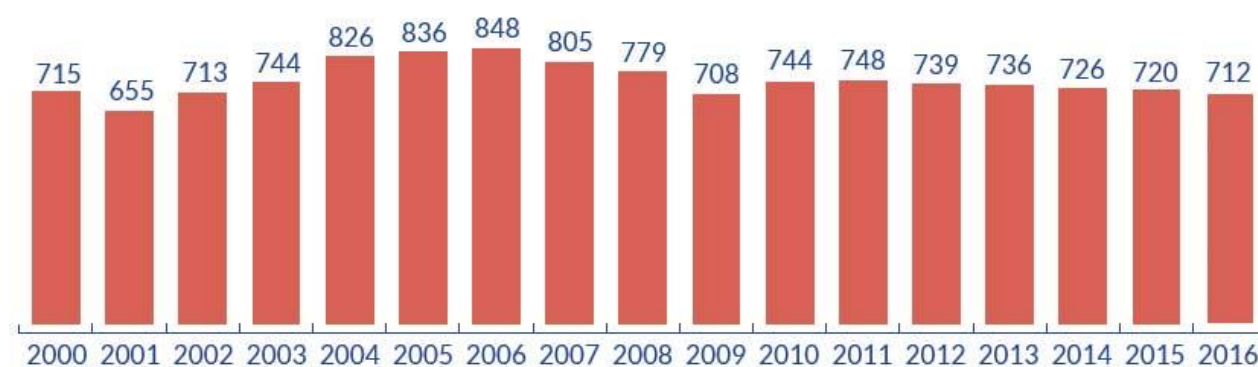
ADVERTISING MARKET

The multimedia advertising market is outlined in Section 1.5.1.2.

According to the Group's estimates, net radio advertising investments will have fallen 3% in 2017.

Over a longer period, the net Radio market also appears to be in decline in relation to its peak, reached in 2006.

Recettes publicitaires nettes de la radio (millions d'euros)



Source: IREP - processed by CSA

Breakdown of GROSS Radio investments:

	Inv. (€ K)		Market share of environment	
	Jan-Dec 2017	change in %	Jan-Dec 2017	change in pp
GENERAL INTEREST STATIONS	1,672.6	-4.6%	100.0%	
RTL	676.4	+0.9%	40.4%	+2.2
RMC INFO	566.4	+2.4%	33.9%	+2.3
EUROPE 1	367.2	-21.7%	22.0%	-4.8
FRANCE INTER	62.8	+4.2%	3.8%	+0.3
MUSIC RADIO STATIONS FOR ADULTS	1,654.4	+3.3%	100.0%	
LES INDES RADIOS	656.8	+7.0%	39.7%	+1.4
RTL 2	235.0	+3.2%	14.2%	-0.0
NOSTALGIE	226.6	+1.9%	13.7%	-0.2
CHERIE	199.2	+0.0%	12.0%	-0.4
RFM	194.7	-3.6%	11.8%	-0.8
RIRE ET CHANSONS	78.2	+6.1%	4.7%	+0.1
M RADIO	32.8	+18.5%	2.0%	+0.3
NOVA	21.8	-12.3%	1.3%	-0.2
TSF JAZZ	9.3	-11.3%	0.6%	-0.1
MUSIC RADIO STATIONS FOR YOUNG PEOPLE	1,226.4	-1.4%	100.0%	
NRJ NATIONAL	586.8	-6.9%	47.8%	-2.8
FUN RADIO	274.0	-4.0%	22.3%	-0.6
VIRGIN RADIO	243.4	+13.7%	19.8%	+2.6
SKYROCK	122.2	+6.8%	10.0%	+0.8
OTHER	180.1	+3.1%	100.0%	
TOTAL EXCLUDING RADIO FRANCE	4,626.3	-0.9%		
TOTAL	4,733.6	-0.8%		

Source Kantar Media

1.5.2.3 M6 Group radio market positioning and strategy in 2017

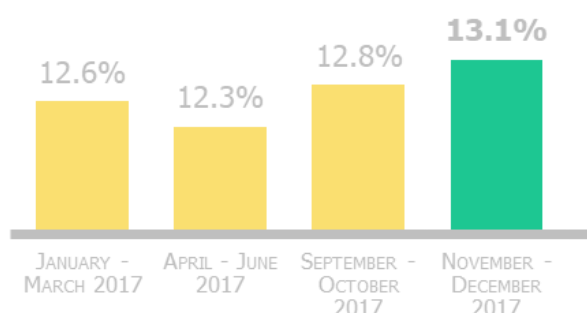
For the past six years, RTL Radio has been implementing a resolutely forward-looking strategy to consolidate its leadership within a media world undergoing profound change. It is within this context that the Division has significantly revamped the range of programming offered by its flagship station, launched an ambitious development plan for its digital activities following the example of the "revival" plan, modernised its music stations, and joined M6 Group.

Since December 2017, RTL Radio has been marking a new chapter in its corporate plan by relocating all its operations from its historic site in Paris's 8th arrondissement, to a new modern complex where all the teams will be housed together. This new site is located in Neuilly-sur-Seine, thereby joining M6 Group's operations. It creates all the right conditions for the continued modernisation of the Radio Division's activities.

In 2017, the RTL Radio Division (RTL, Fun Radio, RTL2), with a 19.1% audience share, confirmed its position as the leading private radio group in France.

RTL
NO.1 RADIO
STATION IN
FRANCE
 MORE THAN
 6.5 MILLION
 LISTENERS EVERY
 DAY

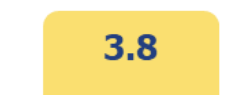
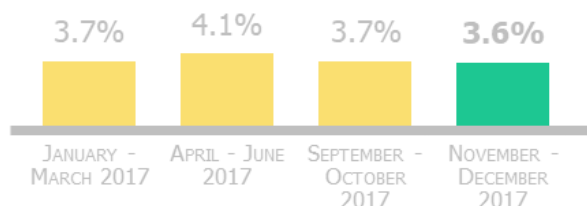
AUDIENCE SHARE* (%)



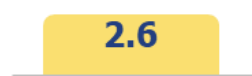
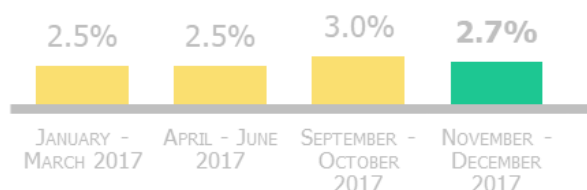
FY 2017



fun radio
 LE SON DANCEFLOOR
NO.2 MUSIC
STATION FOR
THE 25-49 AGE
BRACKET



RTL2
LEADING ADULT
MUSIC STATION
FOR UPPER SOCIO-
PROFESSIONALS



Its net advertising market share was estimated at 25% for 2017 as a whole.

RTL

Approximately 6.5 million listeners tune in every day to RTL, which is the leader in France, both in terms of audience share and Cumulative Audience. The station's flagship programme, "Les Grosses Têtes" has been its most popular show since 1977.

Following a record 2016-2017 season, marked by the best audience figures in terms of listener numbers for 15 years, RTL began this new 2017-2018 season on a record footing with the best audience share since 2002 and the highest number of listeners in an autumn poll with 6,496,000 listeners (up 95,000)¹⁸.

From this first poll of the season, RTL has thus been the leader and improving across all criteria and retaken the primetime leadership for radio, between 7 and 9am with a 13.8% audience share.

Over 2017 as a whole, RTL also confirmed its leadership.

The season's new programmes in great shape

The RTL station is constantly evolving. Since 2009, 95% of its schedule has been renewed with the arrival of new presenters / journalists and new programmes, together the foundation of the current success: Yves Calvi, Stéphane Bern, Sidonie Bonnec and Thomas Hugues, Flavie Flament, Marc-Olivier Fogiel, Jacques Pradel, Bixente Lizarazu, Laurent Gerra – who this year celebrated his 2,500th episode – and of course, Laurent Ruquier.

¹⁸ Source: Médiamétrie, 126,000, Mon – Fri, 5am-12am, SO2017 vs SO2016 and cumulative season Sept16 - June17, 13 years +, RTL, AC, PDA, DEA and QHM

News

2017 was one of the busiest years for news.

On 12 January, RTL jointly organised the first debate between candidates in the Socialist Primary. The election campaign was covered extensively on the station through the creation of Presidential Election Breakfasts which were staggered throughout March, with Emmanuel Macron kicking them off and François Fillon doing the final one. Two hours of programmes, between 7 and 9am, with the leading candidates answering questions from Yves Calvi and Elizabeth Martichoux as well as those from columnists, from Alba Ventura to Laurent Gerra and including the Regional Daily Press.

This year of politics, which culminated in the four evenings of election coverage (Presidential and Legislative) was punctuated by the first interview with the former President of the Republic, François Hollande, who gave an exclusive interview to Marc-Olivier Fogiel and Alain Duhamel on 14 December, a year after he left office.

At international level, RTL was present on all fronts, from the investiture of Donald Trump on 20 January to the fall of Raqqa, the final stronghold of Islamic State, in mid-October. Natural disasters also kept the station busy. RTL was one of the first media organisations in the Caribbean to report on the destruction wrought by Hurricane Irma in early September.

Lastly RTL swung into action with the passing of every leading figure, from Jean d'Ormesson to Mireille Darc and including Jeanne Moreau, Jean Rochefort, Simone Veil and, of course, Johnny Hallyday, to whom RTL's newsroom and Programmes devoted almost 35 hours of coverage, rearranging the entire schedule.

Entertainment as the foundation

The many events on the station in 2017 included the following:

- The 2,500th episode of Laurent Gerra live from the Grand Studio (between 9 and 9.30am on 20 November): more than 150,000 views on YouTube;
- The biggest stars of French and international music in the most popular LIVE music show in France: le Grand Studio, including Texas, Calogero, Carla Bruni, Nolwenn Leroy, Seal, Soprano, Matthieu Chedid, etc.
- More than 15 programmes broadcast live from the International Agricultural Show;
- The Césars Ceremony - live from backstage at the Salle Pleyel with George Clooney, Isabelle Huppert, Xavier Dolan, etc.
- The RTL Album of the Year awarded to Julien Doré with a special one-off concert in the Grand Studio;
- An entire day of special programming related to the death of Johnny Hallyday and live coverage of his funeral on the Saturday;
- An exclusive two-hour interview with Francis Cabrel broadcast on Sunday 24 September;
- The live broadcast of the "Jazz in Juan" festival with Sting, Jamie Cullum, etc.
- The broadcast of the Enfoirés concert with exclusive artist interviews;
- The Le Mans 24 Hours live from the Paddocks race-side from 11pm to 5am.

RTL2

RTL2 is the pop/rock station, bringing together the biggest pop and rock artists of the last three decades and the best songs from the 80s to today: Depeche Mode, U2, Nirvana, Coldplay, etc. The station offers editorial shows based on its music programming: from Gaëtan Roussel to Francis Zégut, and not forgetting Eric Jean-Jean – the best experts in Pop and Rock are on RTL2 – as well as the legendary "top secret concerts" with, for example, Olivia Ruiz, Julien Doré and Ed Sheeran.

The station has a daily audience of more than 2.3 million listeners and is the 3rd most popular station with 25-49 year olds and the 2nd ranked station in the upper socio-professional category.

In 2017, true to its historical editorial stance, RTL2 offered its listeners a careful selection of music and content-based programmes, hosted by presenters who are expert in their fields: Pop and Rock spanning the 1980s to today.

On RTL2, the biggest international Pop and Rock artists - Muse, Ed Sheeran, Nirvana, U2, Red Hot Chili Peppers, Depeche Mode – rub shoulders each day with French stars in this field - Indochine, Les Insus, Julien Doré, Calogero – on a station whose distinctive feature is to be one of the most music-driven networks in France with 80% of daily airtime taken up by music.

FUN RADIO

FUN RADIO is the party and dancefloor sound station (since 2007) and it dances to the beat of the biggest Dance-Electro events on the planet. The station organises events like the FUN PARTY where DJ KUNGS performed his set live from the Mirage Yacht, or LIVE FUN PARTY and especially the FUN RADIO IBIZA EXPERIENCE alongside the biggest DJs in the world (Hardwell, Afrojack, Nervo, W&W, Robin Schultz and Sam Feldt).

It is now the 2nd most popular station in France in the 25-49 year age range and has, over the last four consecutive years, been increasing in popularity in the upper socio-professional category since the 13+ measure was introduced.

In 2017, FUN RADIO continued to consolidate its Dance-Electro music positioning connected with the festival spirit which conveys its editorial promise: "Dancefloor Sound". FUN RADIO presenters and listeners form a family – the term is also used regularly on the station – where fun is shared every day through its musical programming and content-based programmes and its phone-ins in the evenings.

As well as being a station that makes listeners want to party and which lets DJs express their talent on the air, FUN RADIO has a role as a prescriber in relation to new music. FUN RADIO is therefore officially the French radio network that plays the most new music each month¹⁹.

In terms of programmes, the morning show "BRUNO DANS LA RADIO" once again beat audience records between 6 and 9am with its star presenter, Bruno Guillon, who, with his whole team, woke up France from 6am every morning. In the entertainment radio sector, this "family" is the most connected to its listeners: it goes to meet them via completely new radio initiatives: Bruno in your Living Room, Bruno in your Club, Bruno in your Weekend, etc.

This unique positioning on the market makes FUN RADIO a leading station for listeners who want to stay up to date in relation to the latest international trends in electro and R'n'B: from David Guetta to Rita Ora and not forgetting Dua Lipa.

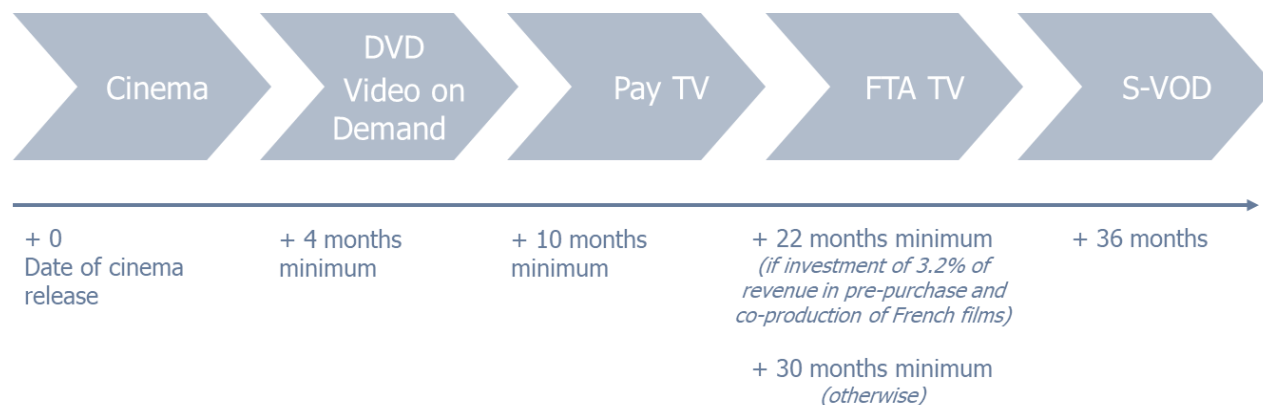
1.5.3 Production and Audiovisual Rights

1.5.3.1 Business presentation

The Group's Production & Audiovisual Rights business operates in the production and audiovisual rights distribution markets throughout their operating cycle, primarily to the general public (cinemas, selling of physical and on-demand videos) and subsequently to professionals (distribution of the rights portfolio to nationwide free-to-air and pay channels and international distribution), in accordance with a cycle defined by media chronology which operates under the following timeframe:

This activity primarily addresses the need for M6 to provide the channels with quality content, whilst limiting the Group's reliance on the advertising market.

Media chronology:



M6 FILMS

For film production, M6 Films co-produces French and European films, and also manages the advance purchasing of broadcasting rights for the Group. This activity forms part of the obligations of all audiovisual groups to finance the French film industry using part of their advertising revenues. For M6, the investment requirement is that 3.2% of the channel's net revenue is to be reinvested in French and European film production.

M6 STUDIO

M6 Studio, created in 2003, is dedicated to the development and production of animated feature films and series. In 2006, the company thus produced the first and second series of the cartoon "Le Petit Nicolas" (52x13 minutes) and in 2014 the animated film "Asterix: The Mansion of the Gods", followed in 2018 by "Asterix – The Secret of the Magic Potion".

M6 CRÉATIONS	M6 Créations markets the “comprehensive package” of advertising products outside the Group’s media (production of audiovisual programmes, short programmes and advertising material, promotional campaigns and merchandising).
Société Nouvelle de Distribution	SND (Société Nouvelle de Distribution) is the flagship of M6 Group’s audiovisual rights business, operating on all film distribution formats. SND’s main activities are the acquisition, management and distribution of the licensing rights of audiovisual works (cinema, video, sale of rights to pay TV and free TV broadcasters and sale of rights internationally). In recent years, SND has been developing its own feature film production activity.

In order to consolidate its rank in the audiovisual rights environment and secure its access to more diverse content, M6 Group owns a number of feature film rights catalogues.

SNC	SNC incorporates all the catalogue companies acquired by M6 Group (resulting from merger or takeover of the following companies: Mandarin acquired in 2002, Mandarin Films acquired in 2006, Diem 2 acquired in 2007, Hugo Films in 2008 and SNC in 2005). It holds a catalogue with both classic French and European films (over 450 titles), and more recent cinema-released French feature films (during the 2000s).
FIDELITE FILMS	Acquired in 2017 by M6, Fidélité Films holds a catalogue of 42 feature films, including “Astérix and Obélix: God Save Britannia”, “Le petit Nicolas”, “Les Vacances du petit Nicolas” and “De l’autre côté du lit”.
MANDARIN CINEMA	Acquired by M6 in 2016, Mandarin Cinéma is a company that holds a catalogue of 32 feature films, including “Chocolat”, “OSS 117 – Rio ne répond plus”, “Potiche”, “De l’autre côté du périph” and “Pattaya”.

These various shareholdings, which require recurring investment, enable M6 Group to benefit from a wide range of assets in an increasingly fragmented environment where access to quality content is ever more critical.

1.5.3.2 Market trends and Group positioning

The general public markets of audiovisual rights operations are facing an increasingly digitalised and dematerialised environment, which goes hand-in-hand with a change in content viewing patterns.

THE CINEMA MARKET IN 2017

After a particularly strong 2016, cinema attendance in 2017 stood at 209.2 million admissions (down 1.8%), representing the 3rd highest level in 50 years and far higher than the average over the past ten years (205 million). For the fourth consecutive year, cinema attendance exceeded 200 million admissions. Cinema attendance in France thus remained the highest in Europe in 2017.

2017 distributor ranking				
Ranking	Distributors	Number of films released in 2017	French box office	Market share
1	Walt Disney Studios	9	26,443,264	13%
2	Universal Pictures	21	25,045,390	12%
3	20th Century Fox	15	16,598,171	8%
4	Studiocanal	21	15,496,814	7%
5	Warner Bros.	14	15,358,717	7%
6	Gaumont Distribution	13	11,913,163	6%
7	Sony Pictures	15	11,753,243	6%
8	Pathé Distribution	18	11,191,493	5%
9	SND	13	10,614,442	5%
10	Mars Films	22	6,650,369	3%

* Including continued screening of films released in 2016. Screenings between 01/01/2017 and 31/12/2017

Source: 2017 distributor ranking (source Cbo-box-office)

With 13 releases in 2017, SND achieved cinema admissions of 10.7 million, once again passing the milestone of 10 million admissions (up 2% vs 2016 with two fewer films).

SND ranked as the 9th largest distributor and the 4th largest French distributor in 2017²⁰.

4 films attracted more than one million viewers during the year: "La La Land" was enjoyed by almost 2.8 million cinema goers. This was not only the biggest success in 2017 for an "arthouse recommended" film, but also the biggest success in 34 years at the French box office for a musical.

With 1.9 million in admissions, "Seven Sisters", an SND production, achieved the feat of surpassing the ratings of the first "Hunger Games" and "Divergente" films, thereby outperforming the launches of previous dystopian science fiction franchises. SND thus confirmed its ability to produce and launch new international franchises.

Driven by a bold campaign, "Lion", a British/Australian film shot in India, in English and Hindi, attracted audiences of almost 1.8 million. It was the most successful drama this year.

"A bras ouverts", which reunited Christian Clavier and Ary Abittan, achieved more than 1 million admissions. Lastly, we must note the great success of two animated films, "Opération casse-noisette 2" and "Les as de la jungle" (almost 900,000 and 70,000 admissions respectively), and "Otez-moi d'un doute", with Cécile de France and François Damiens (almost 700,000 admissions).

Furthermore, SND was the 2nd largest exporter of French films in 2017 behind Europacorp thanks in particular to the films *Demain tout commence*, *Les As de la jungle* and *A bras ouverts*.

2017 ranking of French Films

Ranking	Film	French box office
1	Valérian et la Cité des mille planètes	4,041,205
2	Alibi.com	3,581,337
3	Le Sens de la fête	2,985,000
4	Épouse-moi mon pote	2,457,399
5	Au revoir là-haut	1,945,295
6	L'École buissonnière	1,855,904
7	Il a déjà tes yeux	1,394,206
8	Un sac de billes	1,336,878
9	Rock'n roll	1,300,253
10	Santa & Cie	1,280,702

THE VIDEO SALES MARKET IN 2017

In 2017, the French market for physical video (DVD and High Definition formats) amounted to €536.56 million, a decline of 9.8% compared with 2016. This decline results from the decrease in DVD sales (down 11.9% in volume and 12.0% in value) and high definition formats (down 3.6% in volume and 5.7% in value).

Video format sales in value

(€ millions)	2017	% change
DVD	394	-11.9%
High definition formats	143	-3.6%
TOTAL	537	-9.8%

Source: Baromètre Vidéo CNC-GFK 2017

Video format sales in volume

(€ millions)	2017	% change
DVD	60	-12.0%
High definition formats	12	-5.7%
TOTAL	72	-11.0%

Source: Baromètre Vidéo CNC-GFK 2017

In 2017, SND maintained its position as a leading independent video publisher, with a physical media market share of approximately 5%²¹.

Bolstered by a catalogue of more than 1,000 films published under the M6 Video label, the video edition business has a substantial position in the market, as it operates in all physical distribution channels, (supermarkets, superstores, export, corporate, newsstands, etc.). The distribution of VOD rights (T-VOD, S-VOD, EST, etc.) is in place across all French, Swiss

21 Source GFK, in value terms

and Belgian digital platforms (around 15 customer platforms including Orange, Swisscom, Proximus, i-Tunes, Canalplay and SFR).

The catalogue contains a wealth of diverse works, representing all genres and film eras, from the saga "Divergent", to the "Astérix" franchise, cinema classics (Renoir, Cocteau, Risi, Pasolini, etc.) and recent American blockbusters such as "Insaisissables 1 and 2", etc.) and to recent cinema successes such as "La la land", "Lion" and "A bras ouverts".

The bestsellers of 2017 included "La La Land", "Lion" and "Blood Father".

On the non-film side, releases included the latest "Chevaliers du Fiel" show and "Noël d'enfer".

THE TV RIGHTS TRANSFER MARKET

The operating cycle of the rights portfolio continues with the sale of TV rights when pay or free-to-air TV time slots open up.

Thanks to its significant and varied catalogue of cinematic works, SND provides its films to all French television channels (both private and public). As such, in 2017, works from the SND catalogue were broadcast on 452 occasions across all TV channels in France, including 54 times on the Group's channels.

1.5.4 Diversification

M6 was one of the first TV channels to capitalise on its brands, its marketing expertise and its knowledge of the various audiences' expectations to extend its offer to products and services and diversify its sources of revenue, and as such pursue several complementary objectives: setting up new growth drivers, seizing new development opportunities, lessening its dependence on the advertising market and anticipating new viewing patterns by developing its brands and programmes in new formats.

These diversification activities are extended to the following 4 segments:

- **Interactions**
- **M6 Web**
- **Ventadis**
- **F.C.G.B.**

1.5.4.1 Interactions

BUSINESS PRESENTATION

With the creation of M6 Interactions in 1992 and M6 Événements in 1997, M6 very quickly decided to invest into fields other than television by initiating new expertise in music publishing, events and shows. In 2017, M6 Interactions expanded its activity by creating a BtoB division and by integrating the Group's Talents operations as well as the Publishing activity.

This division is now broken down in 5 product lines:

- **Music:** production, co-production or co-distribution of short and long-playing formats (singles and albums) and compilations on physical and digital formats;
- **Events and shows:** production, co-production and co-distribution of shows (plays, stand-up comedians, musical shows, concerts, etc.).
- **Talents:** Endorsement activity which develops the link between presenters and brands;
- **Publishing:** Own brand publishing or co-publishing of books, most of whose content relates to diversifications of the channel's flagship programmes;
- **B to B:** activity whose purpose is to create and develop new and recurring B-to-B Entertainment offers by using the assets and expertise of M6 Interactions and to create additional revenues on ongoing or existing projects by seeking out partners and advertisers thanks to active prospecting.

BUSINESS POSITIONING

2017 progressed well thanks to the integration of the Talents, Publishing and B-to-B activities, and to the continued success of Kids United, a project co-produced in partnership with Unicef, which has achieved sales of almost 1.7 million physical albums since the release of the first album "Un monde meilleur" in November 2015. Since that release, three other albums have been made, with the second "Tout le bonheur du monde", released in August 2016, "Kids United Le Live" in February 2017, and the third "Forever United" in August 2017. This project also led to synergies with the Live Shows activity, with the completion of a tour which was a great success, as the 74 dates co-produced, including 2 shows at Bercy, recorded an exceptional attendance rate of more than 96%. The B-2-B team agreed a major autumn campaign with Carrefour based on Kids United.

In terms of Music co-distribution, 2017 was marked by the signing of 24 new projects including several major successes such as Louane, Rag'n'bone Man and Julien Doré, as well as the continued success of projects in late 2016 such as with Vianney and Claudio Capéo.

The charts for physical album sales in France highlighted eight projects from the Music activity in the top 20 including the latest two Kids United albums, and 19 projects in the top 50.

2017 ranking of French albums			
Ranking	Album		Physical market
1	Soprano - L'Everest		393,192
2	Ed Sheeran - :		357,389
3	On a tous quelque chose de Johnny		296,583
4	Vianney - Vianney	Co-marketed by M6 Musique	292,134
5	Kids United - Forever United	Co-produced by M6 Musique	271,657
6	Claudio Capéo - Claudio Capéo	Co-marketed by M6 Musique	257,197
7	Calogero - Liberté chérie		256,731
8	Les Enfoirés - Mission Enfoirés		255,192
9	Louane - Louane	Co-marketed by M6 Musique	235,476
10	Indochine - 13		230,587
11	Rag'n'bone Man - Human (Deluxe)	Co-marketed by M6 Musique	221,026
12	Julien Doré - &	Co-marketed by M6 Musique	197,985
13	Michel Sardou - Le choix du fou		189,895
14	Florent Pagny - Le présent d'abord		169,765
15	Bigflo & Oli - La vraie vie	Co-marketed by M6 Musique	149,655
16	U2 - Songs of experience		129,729
17	Les Insus - Les Insus Live		126,457
18	Orelsan - La fête est finie		124,511
19	M Pokora - My way		121,135
20	Kids United - Tout le bonheur du monde	Co-produced by M6 Musique	111,959

Source: 2017 ranking of album sales (GfK Entertainment 2017)

In terms of the Shows activity, 2017 was also a busy and successful year both in terms of co-distribution and co-production. In co-distribution, the year was marked by the success of the Bodins whose 236,000 spectators enjoyed performances throughout 2017; the success of Matt Pokora's "My Way Tour" with an attendance rate of 97% and ticket sales of 295,000; and the renewal of the partnership with the Arlette Gruss Circus which achieved audiences of 226,000 in 2017. Co-productions of shows benefited from the success of the Kids United tour, the end of the Parisian show, and the Notre Dame de Paris tour, as well as the children's musical Emilie Jolie, which was very well received at the end of 2017.

On the Talents side, 2017 was marked by numerous projects, some of which were fairly prominent such as Cristina Cordula's partnership with the brand Head & Shoulders, Mac Lesgy with Oral B, and Norbert Tarayre with Leader Price.

Lastly, M6 Editions published or co-published 20 projects, amongst which the works Top Chef, le Meilleur Pâtissier, the Stéphane Plaza comic book, the Kids United book, and the title Sur la Route 66, were all successful.

1.5.4.2 M6 Web

BUSINESS PRESENTATION

The role of M6 Web, M6 Group's digital subsidiary is to support the development of the brands and channels across all new screens, develop innovation within the Group's various activities and diversify revenues. In this regard, M6 Web continued to develop its video platform 6play and strengthened its "pure player" activities, with the integration of iGraal, the leading operator in the cashback market.

M6 Web also strengthened M6 Group's open innovation policy, by taking several shareholdings in innovative start-ups and launching a start-up accelerator.

The M6 Web division brings together the following activities: new media services as an extension of the Group's channels, theme-based websites, an open-innovation business and a mobile phone package.

This Division derives the majority of its revenues from advertising, pay-per-click income and transactions with consumers.

NEW MEDIA SERVICES

6play, M6 Group's TV entertainment platform brings together:

- All the available videos related to Group programmes: Live, Replay, Excerpts & exclusive videos. In 2017, more than 1.3 billion videos were viewed across all the Group's sites (1.2 billion in 2016);
- 6 online channels: Sixième Style, Crazy Kitchen, Comic, Stories, Home Time and Bruce, proposing new content not broadcast on the network, on all the most popular topics amongst its users.

M6 Web also publishes an interactive programme (*Absolument Stars*) and game modules broadcast on M6 Group channels;

THEMATIC PORTALS

The content of these sites is based on inclusive themes: Technology (clubic.com), Home (deco.fr), Cars (turbo.fr), Cookery (cuisineaz.com), Slimming (fourchette-et-bikini.fr), Good Deals (radins.com), Cash-back (iGraal.com), Health (passeportsante.net) and Weather (meteocity.com).

OPEN INNOVATION AND THE DIGITAL CULTURE

As part of its innovation policy, M6 Web this year acquired a stake in several innovative start-ups and opened a start-up accelerator, "UP by M6".

MOBILE TELEPHONY

M6 Web managed the "M6 mobile by Orange" licence concluded with the Orange phone operator.

In May 2016, Orange and M6 Group jointly decided to gradually transfer M6 mobile by Orange subscribers to equivalent Orange packages by 30 June 2019.

MARKET TRENDS AND GROUP POSITIONING

INTERNET

In 2017, communications regulator ARCEP approved neutral access to the Internet for all French people. With 47 million Internet users (89% of the French population) across three screens, the huge majority of whom go online every day (76%), digital usage continues to grow²².

With the continual evolution of access technologies (broadband/fibreoptic, 3G/4G, Wifi) and devices (tablets, smartphones, connected TV, IPTV decoders), the linear consumption of programmes is being enhanced by numerous types of non-linear content (catch-up TV, one-off or subscription based VOD, digital channels). While most Internet users can no longer manage without mobile, the television set is losing ground even though it remains the preferred screen of 91% of Internet users, followed by the computer (55%). Conversely, for children, (aged 6 to 14), the tablet is clearly preferred, going from 46% to 67% in one year²³.

Moreover, mobile access continues to rise: 70% of French people own a smartphone and access the Internet via this device (often preferred to other devices for recreational or interactive activities). In this way, incoming Internet traffic for the main four ISPs has quadrupled in four years (from 2.1 Tbps to 8.4 Tbps).

Almost half of French people watch TV via another means: catch-up television remained stable with almost 10 billion videos viewed, 75% of people watch it, with 31% doing so regularly.

The use of direct live internet (ISP, Molotov) has dipped very slightly to 42% while S-VOD is increasing. Its revenues reached €250 million, almost double the 2016 annual estimate²⁴. Increasingly connected and complementary, the consumption of programmes sequentially (i.e. between one screen and another) reached 21% (vs 16% in 2016). Such viewing is taking place less often on television and computer screens. The practice of watching video on a smartphone grew 10 points to reach 44%²⁵.

A pioneer, M6 Publicité Digital has reinvented itself with an advertising strategy that aims to contextualise and unify TV/Digital advertising based on effectiveness. It offers, for example, a psychological targeting package, for both linear and catch-up television, so that advertisers can deliver their brand message at a time when the audience is at its most receptive.

²² Source Médiamétrie, July 2017

²³ Source ARCEP, June & July 2017

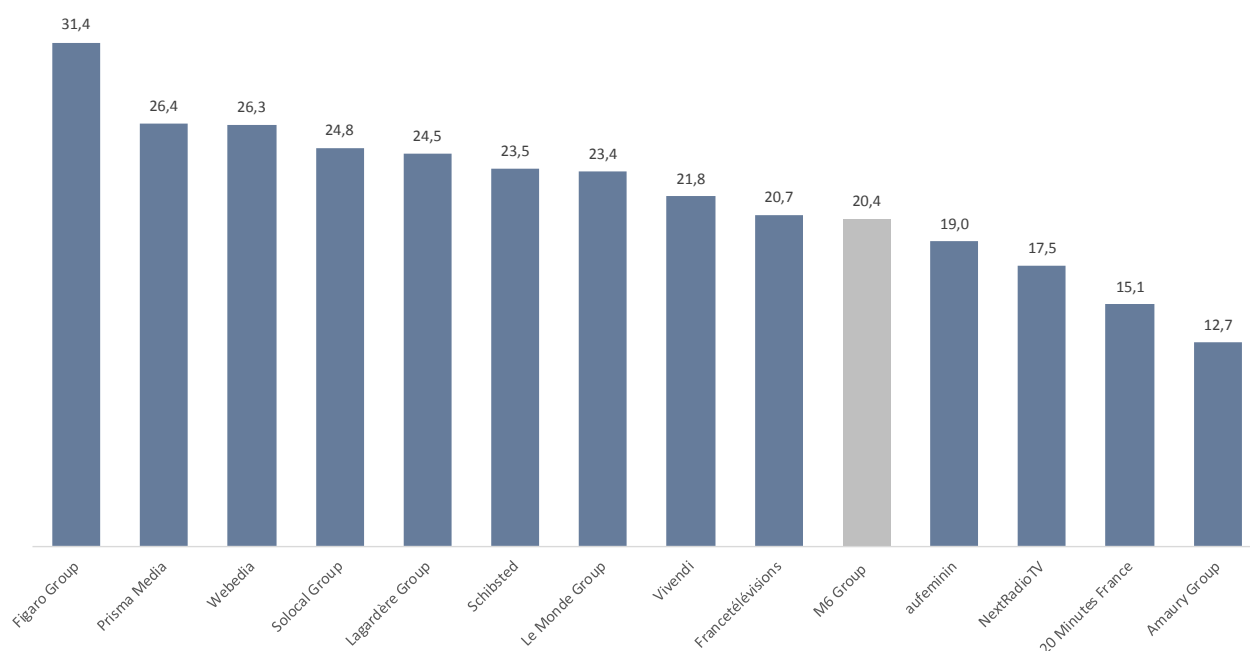
²⁴ L'Observatoire de la V&D (VoD monitoring by the CNC), January 2018

²⁵ Source: Médiamétrie, Screen 360, January 2018

Another innovation, M6 Addressable, allows an advert to be broadcast in parallel with a live TV feed. In this way, M6 is conducting the first experiment substituting TV commercials on connected televisions. Lastly, the sales house is breaking new ground with 360° commercials or those using chatbots²⁶.

In 2017 (January to September), the overall audience for M6 Web sites and applications stood at 20.85 million unique monthly visitors on Internet Global (desktop, mobile and tablet), including more than 7 million exclusively on PC, more than 5 million exclusively on mobile, and almost 3 million exclusively on tablet, thus demonstrating the synergies between screens in the viewing of our content by the French²⁷. In 2017, the Group reached a total of 2.9 billion videos viewed (long and short), driven by 6Play.

Online ranking of major media groups (millions of visitors)



Source: Médiamétrie/Netratings - Audiences Internet Global - France - September 2017

NEW MEDIA SERVICES

In 2017, **6play** established itself as the essential replay service within the French audiovisual landscape:

- Almost 20 million users registered on 6play (online and applications),
- More than 1.3 billion videos viewed over the year just ended,
- Average daily viewing time of 1 hr 14 per user, representing the best performance among the replay TV services,
- A far higher contribution to the television audiences of the Group's channels (5.6% on the WRP under 50 target) than that of other channels' replay services,
- Leader on the strategic Millennials target: 40% of the video audience aged 15 to 34 used 6play either via the website or the application in 2017.

In addition to the flagship programmes of M6 Group's linear channels, 6play continues to enhance its catalogue with new content not broadcast on the network, in all the areas popular amongst its users.

In 2017, 6play thus offered a total of more than 4,000 hours of programmes and launched 30 new brands.

The 6play experience is now customised across all screens: computer, mobile, tablet and TV.

The user can go back to a programme on their mobile at the place where they had stopped on their TV set the day before. Their viewing is taken into account throughout their use in order to offer them the best experience on all their screens.

The TV also adapts to each member of the household who can find their favourite programmes and enjoy personal recommendations.

²⁶ Baromètre du numérique, CRÉDOC, November 2017

²⁷ Source: Médiamétrie MNR, January-September and until the end of December for the Videos viewed

THEMATIC PORTALS

The number of videos viewed on theme-based portals stood at 801 million in 2017, against 294 million in 2016, with the growth primarily driven by social networks.

In 2017, the penalisation on Google results pages of price comparison stores within special interest portals has heavily eroded the activity of the brands Clubic.com and Deco.fr.

In 2017, **Clubic.com** consolidated its position as the sector's third largest site in France with more than 5 million Internet users who use it each month across all screens (Médiamétrie).

Clubic strengthened its editorial stance to further help consumers in their digital purchasing decisions. To deal with Google's penalisation of price comparison sites within special interest portals, Clubic.com has transformed its price comparison engine into a shopping engine managing not only the price comparison but also provision of additional business to its online retailer customers, with payments on the sales and no longer on the traffic generated.

In 2017, **Turbo.fr** continued to expand its range of content and services aimed at providing motoring guidance and information to Internet users, through our three key values: passion, expertise and quality.

With more than 500,000 fans on Facebook, Turbo.fr is the leading motoring community on social networks in France.

Turbo.fr has thus positioned itself as a key player in online motoring, with a presence on the leading audience generators.

In 2017, **Déco.fr** upgraded its price comparison site to become a marketplace, thus allowing Internet users to access a wide range of home and interior design products, and to place an order, up to payment, without leaving the site. This new e-commerce brokering model will not only allow all the traffic acquisition levers of the e-commerce marketing mix to be activated, in particular Google Shopping, but also lead to the adoption of a loyalty-building strategy by exploiting CRM & Data levers.

In 2017, **Radins.com** experienced a year of great innovation in 2017, with the launch of its platform "SmartCoupon" aimed at its online retailer customers. SmartCoupon (www.smartcoupon.io) is a platform that allows online retailers to create and manage couponing campaigns completely independently. The major innovation lies in the targeting capability provided by the platform, thus enabling the targeting of personalised coupons to each Internet user. The campaigns are run simultaneously on the online retailer's site and on radins.com and subsequently via numerous other channels.

CuisineAZ.com, the second largest cookery site in France with more than 6 million unique visitors per month (Médiamétrie), brings together 600,000 members who enjoy cooking at all levels and from all backgrounds who every day add to a base of more than 70,000 recipes. CuisineAZ also has more than 2 million Facebook fans and each week engages with more than 600,000 people. In 2017, the brand consolidated its video presence with more than 25 million videos viewed each month on the site and on social networks. In 2017, CuisineAZ also developed major sections, very popular amongst its users, such as Eating Well, vegetarian and vegan cooking, and healthy diets.

In 2017, **Fourchette-et-Bikini.fr** continued to see high traffic growth thanks to the development of new sections: Astrology, Interior Design and People. It is the 4th most popular Wellbeing site in France with a monthly average of 2.7 million unique visitors (Médiamétrie). The brand confirmed its influence on social media by amassing more than 1.5 million Facebook fans on 5 verticals, representing high levels of engagement, which helped it to achieve more than 45 million videos viewed per month.

PasseportSanté.net is now positioned as a key player in health online, by giving consumers access to objective, reliable and accessible content. According to Médiamétrie, PasseportSanté.net records an average of 5 million unique visitors every month.

MeteoCity.com & Weather Wherever, with more than 2 million unique visitors every month, consolidated their position in the top 5 weather sites in France and the UK. In 2017, they became **M6 Météo**, the brand having made way for M6 Group to provide a unified weather offer.

In 2017, M6 Web strengthened the digital expertise it provides to online retailers thanks to **iGraal.com**, a cashback service operating in France and Germany. iGraal has consolidated its position as the undisputed leader for cashback in France.

OPEN INNOVATION AND DIGITAL CULTURE

In 2017, as part of its innovation policy, M6 Web acquired stakes in several innovative start-ups: Youmiam (mobile application to share and find recipes), Victor & Charles (data) and G4G (online sport).

In 2017, the Group continued to implement its policy of innovation by launching a start-up accelerator. "UP by M6" offers six months of incubation to the chosen start-ups. The innovative projects selected are housed within M6's premises and receive support from M6 Group's professional experts (marketing, communication, media, sales, business development).

MOBILE TELEPHONY

In May 2016, Orange and M6 Group jointly decided to gradually transfer M6 mobile by Orange subscribers to equivalent Orange packages.

Launched in 2005, the M6 Mobile by Orange service was the result of the alliance of the expertise and strength of the Orange and M6 brands, the strategy of which was to specifically use its marketing power to generate additional revenues.

By 30 June 2019, M6 Mobile by Orange customers will therefore keep their services as well as all the related benefits, such as the management of the customer community by M6 Group, until their transfer.

M6 Group will continue to receive a payment for coordinating both the subscriber base and the brand licence, which will continue to contribute to the Group's operating profit.

1.5.4.3 Ventadis

BUSINESS PRESENTATION

M6 Group has also built another diversification business using the power of its media to develop its market share in distance selling, particularly through the use of TV air time.

Ventadis, which allies teleshopping and e-commerce, is the name of M6 Group's distance-selling business that combines stores specialising in selling niche goods.

The growth in distance-selling activities is linked to consumer spending, as well as to the change in purchasing behaviours with the development and generalisation of online purchase (e-commerce).

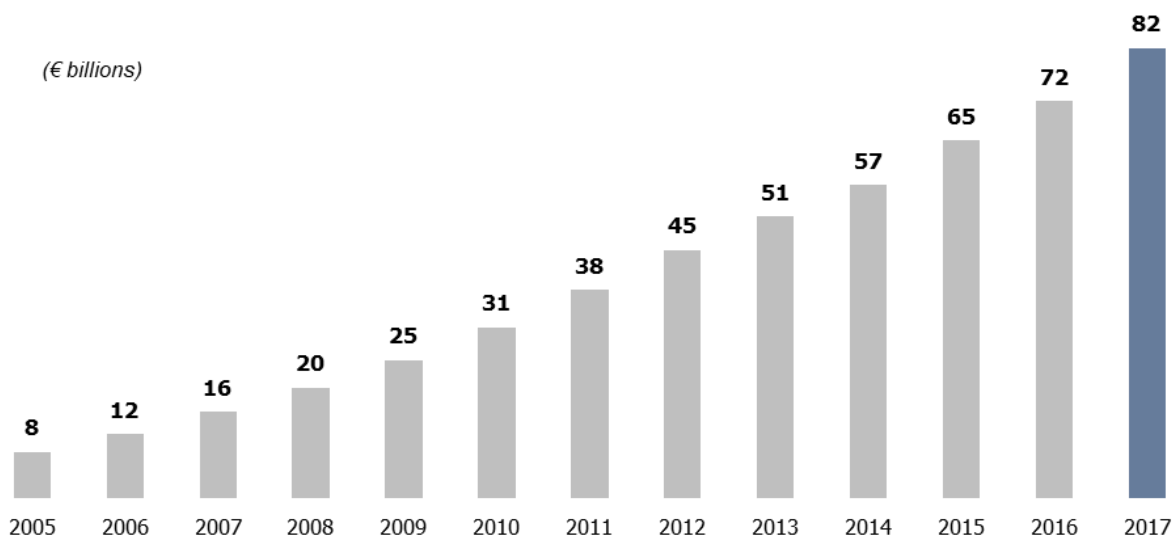
HSS	Home Shopping Service is the legal entity that oversees M6 Boutique, the morning show on M6, which has been on the air for the last 25 years: its business efficiency is based on clear demonstrations, specialist speakers, customer testimonials and strong special offers. M6 Boutique La Chaîne, a channel devoted to teleshopping and available via cable, satellite and broadband, has since 2004 provided viewers with the chance to discover products from the worlds of fashion, jewellery, beauty, cookery, etc. As a result of its expertise, Ventadis develops teleshopping formats for other broadcasters, such as W9, Paris Première and Téva, as well as for Belgian TV channels for example. This division also operates in the infomercial segment, which consists of short news programmes and films demonstrating products and how to use them.
BEST OF TV	Best of TV is an importer / wholesaler that has since 2008 offered exclusive home shopping products. Best of TV is 51% owned by Home Shopping Service.
MonAlbumPhoto	MonAlbumPhoto.fr, acquired in 2010, is a leading player in the online photo and personalised object market. Using software that can be downloaded or creation interfaces available on the site www.monalbumphoto.fr , users can create photo albums, calendars, posters, canvasses, personalised mugs, etc. and choose their photo prints, which are sent to their home a few days later.
PRINTIC	Printic, acquired in 2014, is a company that markets photo prints, photobooks, posters and photo boxes via a mobile application.

MARKET TRENDS AND GROUP POSITIONING

Ventadis operates in a competitive market, in the presence of many players, including supermarket distribution players operating an internet portal, traditional media players that have developed a distance-selling offer and online players. Many of them implement an aggressive promotional policy to offset slower sales, at the expense of profit margins.

Online spending grew by 14% to €82 billion in 2017, driven by the growing customer base, with more than 37 million online shoppers.²⁸

Online sales growth in France since 2005



Source: Fevad

In addition, the number of online purchasers substantially increased in 2017 (up 19%). Online purchasers complete an average of 33 transactions per year, amounting to a total of € 2,200.

Online purchaser behaviour is gradually moving towards increased buying on mobile, which currently represents more than one third of online retailers' business, and appears to be one of the main e-commerce growth drivers, with year-on-year growth of 38%.

Lastly, the increase in sales volumes achieved in online marketplaces (+15%) is also a feature in the development of the behaviour of online purchasers.

The number of active merchant websites grew 10% compared with 2016. The number of e-merchants has therefore increased more than 10-fold between 2006 and 2017.

Within this competitive environment, the Distance Selling Division pursued its expansion strategy based firstly on home shopping, by continuing to integrate the company Best of TV and, secondly, on the Photo & Personalised Products business line, by rolling out an increasingly extensive offering.

In 2017, **od** with the brand M6 Boutique continued pursued its multichannel dynamic within a still sluggish consumer environment in France. More than 50% of orders are now placed online, which demonstrates M6 Boutique's modernity in its interactions with its customers.

The site M6 Boutique became "responsive" in 2017. It thus adapts to each screen and facilitates a successful user experience across all digital devices. Home Shopping Service also adopted a new CRM solution enabling all marketing campaigns to be optimised. Delivery times continued to improve, again helping to increase customer satisfaction.

In 2017, **Best Of TV** successfully renewed its product portfolio while expanding its distribution to include additional store formats, such as specialist retailers (toys).

Within an environment of intense competition, the **Photo & Personalised Products Division** continued to grow, thanks in particular to the development of new photo product segments (velvet prints), personalised products (cushions, bags, snow globes, etc.).

The Nanteuil le Haudouin site continued to follow its strategy of ongoing improvement, helping it to achieve record production levels in December.

1.5.4.4 F.C.G.B

BUSINESS PRESENTATION

The Football Club des Girondins de Bordeaux has been owned by M6 Group since 1999. It plays in the French League 1 Championship. The wholly-owned Football Club des Girondins de Bordeaux provides M6 Group with access to the football market, a reputation in the sports world and an opportunity to develop an asset.

Club revenues primarily comprise TV rights relating to the French Ligue 1 and Ligue 2 championships and apportioned by the LFP (French professional football league): in addition to a fixed share, these TV rights are based on the Club's ranking (over the last season and previous seasons), and based on its reputation (number of matches broadcast on TV).

These rights are paid to the LFP by the broadcasters who have been awarded match batches following calls for tender. At the end of the tender process launched in 2014 by France's Professional Football League (LFP) for the League 1 and League 2 TV rights, the broadcast rights were allocated as follows:

- For the broadcast in France for the 2016-2017 to 2019-2020 seasons, to Canal+ and BeIN Sports for €748.5 million (vs. €607 million for the 2013-2014 season) on 4 April 2014,
- For the international broadcast for the 2018-2019 to 2023-2024 seasons, to BeIN Sports for €80 million (vs. €32.5 million previously) on 30 May 2014.

The result of this increase in rights will be to boost clubs' resources from the 2016/2017 season.

Other Club revenues comprise TV rights generated by potential participations in European (Champions' League, UEFA Cup) and French competitions (League Cup, French Cup), match day sales (season ticket and match ticket sales), partnerships and sales of derivative products bearing the Club colours. Lastly, revenue records fees from the transfer of players' contracts on a recurring basis.

GROUP POSITIONING

Football Club des Girondins de Bordeaux, founded in 1881, is cementing its position as one of the oldest French and European clubs. The club has been one of the most successful teams in French football, winning 6 French League titles, 4 French Cups, 3 League Cups, and 3 Champions Trophies. With more than 200 matches played in the various European Cups, one semi-final of the Champions' League and one final of the UEFA Cup, the Club has gained an international standing.

F.C.G.B ended the 2016-2017 season in 6th place in the Ligue 1 championship, 5 places higher than in the previous season. After a disappointing start to the 2017-2018 season, the professional team coach, Jocelyn GOURVENNEC, was replaced by Gustavo POYET on 20 January 2018. A former Uruguay international, Poyet played for Saragossa and Chelsea, with whom he won two European Cups, and has notably coached Sunderland, AEK Athens and Real Betis. His contract runs until June 2019.

The Club's team includes players able to compete on an international level and young players that have been trained at its training centre. The Club intends to continue this policy of focusing on training young players to guarantee that it will keep playing at the top level in the future and to maintain its performance level. Its centre is thus regularly acknowledged as one of the best in France according to the French Football Federation's criteria. By way of illustration, the under-19s team won the French League title at the end of the 2016-2017 season.

Its link with supporters is ensured by an active presence on social networks. The Club has more than 792,000 fans on Facebook (5th most popular French club).

Its popularity is also reflected on Twitter, with 322,000 followers.

The Club also bolstered its presence on Instagram (54,000 subscribers), SnapChat, YouTube and Dailymotion to complete its visibility on the major social networks and video platforms which play a role of ensuring close links with supporters.

Since August 2008, the Club has provided its supporters with a dedicated television channel, Girondins TV, available via satellite, cable, broadband, Internet and mobile. This media offer is complemented by a radio station, Gold FM, whose audience is growing steadily, and a website with 150,000 unique visitors and 2 million pages viewed per month on average.

Lastly, since the end of the 2014/15 season, F.C.G.B has been playing in a new stadium, the Matmut Atlantique Stadium. The City of Bordeaux, in a desire to create a major economic development tool for the city, the district and for the region as a whole had decided to build a new stadium with the prospect of the "UEFA Euro 2016" football championship to be organised in France. This stadium has a capacity of 42,000 (whereas the Stade Chaban Delmas only had a capacity of 34,000), with F.C.G.B as its resident club.

It was built within the framework of a public/private partnership (PPP), signed in 2011 between the City of Bordeaux and the Vinci/Fayat Group, which provides for an indirect contribution by the Club to the funding of the project from the date of delivery of the stadium, in April 2015. An initial contribution of €20 million was paid at that date and a 30-year lease signed for an annual rent of €3.8 million.

This new stadium should enable the club to increase its revenues, from ticket sales and sponsorship in particular.

For the start of the 2017-2018 season, the attendance rate:

- for "VIP" seats was 79%, increased by 7% by one-off events,
- for regular seating was 21% of season ticket holders, increased by 39% of seats being sold on matchdays on average over the first 8 days of the championship.

Risks attached to the Group's activities are specified in section 4 of this management report, which completes the description of the Group's activities and markets.

1.6 BYLAWS AND REGULATORY INFORMATION

1.6.1 Bylaws

1.6.1.1 Major legal information concerning the Company

The main provisions of the Company's Bylaws are as follows:

Company name

MÉTROPOLE TÉLÉVISION

Registered office and head office

89, avenue Charles-de-Gaulle
92575 NEUILLY-SUR-SEINE Cedex France
Telephone: +33 1 41 92 66 66

Legal form

A French public limited company (Société Anonyme) with an Executive Board and a Supervisory Board, governed by the Commercial Code and regulations specific to audiovisual activities.

Share capital

At 31 December 2017, the share capital was €50,565,699.20. represented by 126,414,248 shares of the same class with a par value of €0.40 each.

Date of incorporation - duration

The Company was incorporated on 13 October 1986 for a period of 99 years unless subject to early dissolution or extension.

Trade and companies register - Siret – APE code

The Company is entered in the Trade and Companies Register under the numbers:
RCS Nanterre 339 012 452
SIRET 339 012 452 00084
APE 6020A

1.6.1.2 Bylaws updated on 6 July 2015

Article 1 - Legal form

A French public limited company (Société Anonyme) with an Executive Board and a Supervisory Board, governed by legal and regulatory provisions applicable to public limited companies and by these Bylaws.

Article 2 – Company name

The name of the Company is:
MÉTROPOLE TÉLÉVISION

Article 3 – Corporate purpose

The Company's corporate purpose is as follows:

- operation of one or more audiovisual communications service broadcast or distributed over terrestrial, cable, satellite networks or by any other means that may be authorised, as applicable, by the Conseil Supérieur de l'Audiovisuel (CSA), comprising in particular the conception, production, programming and broadcasting of television programmes, including advertisements;

- all industrial, commercial, financial and real estate transactions directly or indirectly connected to the above and any similar, related or complementary aims likely to further their achievement or development or to any net assets, directly or indirectly, for itself or on behalf of third parties, either singly or with third parties, by way of creating new companies, contributions, sponsorship, subscription, purchase securities or rights of ownership, merger, combinations, joint venture associations or by obtaining the use of any property or rights under a lease, lease management agreement or by acceptance in lieu, or otherwise.

Its activity is pursued in accordance with the obligations defined by competent authorities and applicable laws.

Article 4 – Duration

The Company was incorporated for a period of 99 years from the date of registration in the Trade and Companies Register unless subject to early dissolution or extension as provided for by the Law or these Bylaws.

Article 5 – Registered office

The Company's registered office is located at:

89 avenue Charles de Gaulle,
92200 Neuilly-sur-Seine, France

It may be transferred to any other location in the same or an adjoining district by decision of the Supervisory Board, subject to ratification by the next Ordinary General Meeting, or anywhere else in France through a decision by the Extraordinary General Meeting of Shareholders.

Article 6 – Share capital

The share capital is set at €50,565,699.20. represented by 126,414,248 shares of the same class with a par value of €0.40 each.

Article 7 – Changes in share capital

The share capital may be increased or reduced under the conditions and in accordance with applicable legal and regulatory provisions.

It may also be amortised pursuant to Articles L. 225-198 and subsequent of the Commercial Code.

Article 8 - Paying-up of shares

Shares representing contributions in kind made during a capital increase must be fully paid up.

At least a quarter of the par value of shares subscribed to in cash and, if applicable, the full issue premium, must be paid up upon subscription.

The remainder must be paid up in one or more instalments within 5 years of the day on which the capital increase was completed, at the dates and in the proportions that shall be fixed by the Executive Board. Payments are made at the Registered Office into funds specially designated for said purpose.

Shareholders are notified of calls for funds either by a notice published in a legal gazette of the locality in which the registered office is located, no less than fifteen days before the period appointed for each payment, or by registered letter addressed to each shareholder within the same period.

Article 9 - Failure to pay up shares

Any late payment shall bear interest as of right in favour of the Company at the legal rate in commercial matters plus three percentage points, accruing from the date such payment was due, without need of legal action.

If the shareholder fails to pay up the shares within the time frames set by the Executive Board, the Company shall address them a formal notice by registered letter with acknowledgement of receipt.

At least one month after such formal notice has gone unheeded, the Company has the right to proceed with the sale of the shares that have not been paid up in full.

The sale of the shares is carried out under the conditions stipulated by law.

The net proceeds of the sale return to the Company, and are included on what is owed to it in principal and interest by the defaulting shareholder and later by the refund of expenditure incurred by the Company to carry out the sale.

The defaulting shareholder remains liable or benefits from the difference.

The defaulting shareholder, successive transferees and subscribers shall be jointly liable for the unpaid amount of the share. The Company may take action against them, before or after the sale, or at the same time, to obtain payment of the sum due and a refund of the costs incurred.

Two years after the transfer of securities from one account to another, any subscriber or shareholder who had transferred his/her security ceases to be held accountable for payments not yet called for.

Amounts called but not paid on shares cease, within thirty days of the formal notice, to qualify the holder to attend and vote at shareholder Meetings and shall not be taken into account for calculating the quorum.

The right to dividends and the pre-emption right in capital increases attached to said shares are suspended.

Article 10 - Form of shares

Shares may be held in registered or bearer form.

Shares and any other securities issued by the Company are recorded in an account on behalf of their holders, or if applicable, the name of the intermediary, in accordance with the legislation in force.

The Company, after examining the list sent by the securities clearing agency, is entitled, either through this agency or directly, to request information regarding ownership of the securities to the persons appearing on this list and those whom the Company believes may be registered on behalf of a third party.

The Company, after examining the list sent by the securities clearing agency, is entitled, either through said agency or directly, to request information regarding ownership of the securities to the persons appearing on this list and those whom the Company believes may be registered on behalf of a third party.

If said persons are intermediaries, they are required to disclose the identity of the holders of these securities. The information is provided directly to the authorised financial intermediary of the account holder, which must then disclose it to the Company or aforementioned agency, as appropriate.

Article 11 - Form and transfer of shares

1. Shares are freely negotiable.

Shares are transferred by transfer from one account to another subject to applicable legal provisions. In the event of an increase in the share capital, shares may be traded as soon as it is completed.

2. Any individual or legal entity, acting alone or in concert, that attains a holding of at least 1% or any multiple of 1% of the capital and/or voting rights must notify the Company of the number of shares and/or voting rights held within a period of five stock market trading days from the moment this threshold is exceeded, by registered letter with return receipt addressed to its registered office.

The number of shares that determine the above thresholds shall include indirectly held shares and/or voting rights and shares and/or voting rights as defined by Articles L. 233-7 and subsequent of the Commercial Code.

This declaration must also be made each time that the fraction of share capital or voting rights held becomes less than one of the thresholds stated above.

In the absence of regular disclosure in the conditions described above, unreported shares in excess of the threshold lose their voting rights in respect of any shareholders' meeting that may be held within a two-year period following the regularisation date, upon request, recorded in the minutes of the Annual General Meeting, of one or more shareholders holding 5% of the share capital.

3. Intermediaries registered as holders of shares pursuant to Article L. 228-1 of the Commercial Code are required, without prejudice to the obligations of the owners of shares, to make the declarations stipulated in this article for all of the shares of the Company for which they are registered as the holder.

The requirements set forth in the present Article shall not limit the application of the provisions of the Law of 30 September 1986 on the free disclosure of share ownership or voting rights of companies licensed to operate an audiovisual communication service, or of any other provisions under law.

Article 12 - Rights and obligations attached to shares

Ownership of shares results from the registration of their owners or the intermediary registered as holding the shares as prescribed by Article L. 228-1 of the Commercial Code.

Upon request from and at the expense of the holder of a share account, account managers issue a statement specifying the nature and the number of shares registered to his/her account and the details that it contains.

Shareholders are only liable up to the par value of the shares which they hold and any request for funds beyond that amount is prohibited.

Each share entitles its holder to ownership of a portion of the assets and profits of the Company, in proportion to the percentage of the share capital it represents, while taking into account, if applicable, whether or not any shares have been redeemed, whether or not they have been fully paid up, the nominal value of the shares and the rights of shares of different class, and, subject to these reservations, each share carries a right, during the term of the Company or upon its

liquidation, to the payment of the same net sum of any distribution or refund, in such a way that all shares shall be considered as a whole, without, if applicable, distinction for any tax exemption or any taxation likely to be borne by the Company.

Share ownership automatically entails acceptance of the Company's Bylaws and the resolutions duly adopted by the General Meetings.

The rights and duties attached to a share shall be transferred to the holder of the account on which the share is registered.

Heirs, representatives or creditors of a shareholder may not, on any grounds whatsoever, call for the affixing of seals on the assets and valuables of the Company, or call for a division or sale by auction thereof, or interfere in any manner whatsoever in its administration; for the exercise of their rights, they shall be bound by the statements of corporate assets and liabilities and resolutions of the General Meeting.

The shares are indivisible. Joint owners of an indivisible share shall be represented to the Company by one of them or by a sole proxy.

The voting right belongs to the beneficial owners at both Ordinary and Extraordinary General Meetings.

Whenever more than one share is required to exercise a particular right, specifically in the event of a share exchange, consolidation or allocation, or as a result of an increase or reduction in share capital, or in the event of a merger or other transaction, shareholders who own only one share or who do not own the minimum number required have no rights against the Company; shareholders must make their own arrangements to form a group or to purchase or sell the requisite number of shares or rights.

Article 13 - Other securities

The Executive Board is qualified to decide on or authorise the issue of bonds and/or debt securities conferring entitlement to the allocation of other debt securities or giving access to existing equity securities under the conditions and arrangements provided for by law. The General Meeting may also exercise this power.

Only the Extraordinary General Meeting, based on the report of the Executive Board and the report of the Statutory Auditors, has authority to decide or authorise the issue, as provided by applicable regulations, of any securities which are equity securities giving access to other equity securities or conferring entitlement to the allocation of debt securities or marketable securities giving access to the equity securities to be issued.

Article 14 - Administration of the Company - General provisions

An Executive Board, which acts under the supervision of a Supervisory Board, governs the Company.

When a transaction requires the authorisation of the Supervisory Board, which is denied, the Executive Board may submit the dispute to the Shareholders' General Meeting, which decides what action should be taken.

Article 15 – Executive Board

The Executive Board comprises between two and five members appointed by the Supervisory Board.

The members of the Executive Board must be natural persons who do not need to be shareholders, and may even be Company employees.

If a member of the Supervisory Board is appointed to the Executive Board, his/her term on the Board ends when he/she takes office.

No individual may serve more than one term as Chief Executive Officer, Executive Board member, or Sole Chief Executive Officer or Chairman of the Board of Directors for public limited companies having their registered office on French territory, subject to exceptions provided for by law.

A member of the Executive Board may not accept an appointment to another Executive Board, as Sole Chief Executive Officer, or as Chairman of the Board of Directors of another company, without the permission of the Supervisory Board.

The General Meeting and Supervisory Board may remove from office any member of the Executive Board. In the event that the individual has an employment contract with the Company, the removal from office as a member of the Executive Board will not terminate said contract.

Article 16 - Term of office of Executive Board members

The Executive Board is appointed for a period of three years. In the event of vacancies, the Supervisory Board may designate a replacement until renewal of the Executive Board, subject to the provisions of Article 15 paragraph 1 of the Bylaws.

All members of the Executive Board may be re-elected.

No one aged 70 or over may be appointed member of the Executive Board. Any member of the Executive Board who reaches said age limit while in office shall be deemed to have resigned.

The Supervisory Board determines the nature and amount of compensation for each member of the Executive Board.

Article 17 - Organisation and operation of the Executive Board

1. The Supervisory Board appoints a member of the Executive Board as Chairman.
2. The Executive Board meets as often as required in the interest of the Company, at the registered office, or any other location specified in the notice of meeting.

It is convened by the Chairman or by at least two of its members.

At least half the members must be in attendance to validate submissions, which must be approved by a majority of members in attendance. In the event of a split vote, the Chairman of the meeting shall have the casting vote.

3. Mandatory deliberations are recorded in the minutes signed by the members who took part in the session, however failure to comply with said formality does not invalidate decisions taken.

The minutes include the name of members present, represented, or absent.

These minutes are either recorded in a special register or bound.

The copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members, and, under liquidation, by a liquidator.

4. The members of the Executive Board may distribute management duties among themselves. However, this distribution may under no circumstances relieve the Executive Board of its character as the body collectively responsible for deciding the Company's general management.

5. The Supervisory Board may appoint, from among the members of the Executive Board, one or more chief executive officers, with power of representation in relation to third parties.

Article 18 - Powers of the Executive Board

1. The Executive Board has the widest possible powers to act in all circumstances on behalf of the Company with third parties, to the exception of powers expressly bestowed upon the Supervisory Board and Shareholders' General Meetings by the law.

In its relations with third parties, the Company is bound even by the actions of the Executive Board which are not part of the corporate purpose unless it can prove that the third parties were aware the act in question exceeded corporate purpose or could not in view of the circumstances be unaware of it, publication of the Bylaws not being sufficient proof thereof.

2. The Executive Board may delegate those of its powers that it deems necessary.

Article 19 - Representation in dealings with third parties

The Chairman of the Executive Board and each of the chief executive officers represent the Company in its dealings with third parties.

The appointments and terminations of members of the Executive Board must be published pursuant to the law.

Acts binding the Company as regards third parties must bear the signature of the Chairman of the Executive Board or one of the Chief executive officers or any other person duly authorised.

Article 20 - Supervisory Board

1. The Supervisory Board comprises a minimum of three and a maximum of fourteen members, subject to the derogation provided by law in the event of a merger.

During the existence of the company the members of the Supervisory Board are appointed by an Ordinary General Meeting of shareholders; however in the case of a merger or division the appointment may be made by the Extraordinary General Meeting. At least one third of members must be deemed independent. A member of the Supervisory Board is deemed independent when he/she has no relationship of any kind with the Company, its Group or its management likely to compromise the exercise of his/her free judgement.

2. Supervisory Board members are appointed for a period of 4 years. As an exception and solely for the purpose of establishing and maintaining staggered terms of office for Supervisory Board members, the Ordinary General Meeting may appoint one or several members of the Supervisory Board for terms of one, two or three years.

The term of office of a member of the Supervisory Board expires at the end of the shareholders meeting held to approve the accounts of the previous financial year in which his/her term expires.

Members of the Supervisory Board may always be re-elected.

The Ordinary General Meeting may remove them from office at any time.

No person over the age of 70 may be appointed to the Supervisory Board should this appointment lead to one third of Board members exceeding this age. Furthermore, if the one-third proportion is exceeded as a result of a member of the Board in office reaching the age of 70, the eldest member of the Supervisory Board is deemed to have resigned after the next Ordinary General Meeting.

3. The members of the Supervisory Board may be natural persons or legal entities; the latter must, upon appointment, designate a permanent representative who is subject to the same conditions, obligations and responsibilities as if he/she were a member of the Board in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents.

The permanent representative is appointed for the same duration of term of office as the legal entity he/she represents.

If the legal entity terminates the appointment of his/her representative, he/she is bound to immediately notify the Company, by registered letter, of such termination as well as of the identity of the new permanent representative; the same shall apply in the event of death, resignation or extended incapacity of the permanent representative.

4. In the event of a vacancy, due to death or resignation of one or several of its members, the Board may appoint members on a provisional basis between two General Meetings.

Appointments made by the Supervisory Board are subject to approval from the following Ordinary General Meeting. Failing ratification, the deliberations and actions previously taken by the Board nevertheless remain valid.

A member of the Supervisory Board appointed to replace another member only remains in office for the remainder of the predecessor's term.

If the number of members of the Supervisory Board falls below three, the Executive Board must immediately convene the Ordinary General Meeting in order to appoint new members to the Supervisory Board.

5. The natural persons who are members of the Supervisory Board, as well as the permanent representatives of legal entities members of the Supervisory Board, are subject to the cumulated provisions of Articles L.225-21, L.225-27, L.225-94 and L.225-94-1 of the Commercial Code regarding the simultaneous terms of office of members of the Supervisory Board of public limited companies having their registered office on French territory, and holding office as Chief Executive Officer, Executive Board member, Sole Chief Executive Officer, or Director of such companies, subject to the provisions of Article L.225-95-1 of the aforementioned Code.

Article 21 - Shareholding requirements

Every member of the Supervisory Board must hold 100 shares.

If, on the day of appointment, a member of the Board does not hold the required number of shares or if, during the term of office, he/she is no longer the holder, he/she is deemed to have resigned, if he/she has not remedied the situation within six months.

Article 22 - Organisation and operation of the Supervisory Board

1. The Supervisory Board elects from amongst its members a Chairman and a Vice-Chairman, in charge of convening and directing meetings. It determines the amount of their compensation. The Chairman and Vice-Chairman are natural persons. They are appointed for the same duration as their Supervisory Board term of office. They may always be re-elected.

In the event of absence or incapacity of the Chairman, the Vice-Chairman chairs the Board meeting.

The Board may appoint a secretary, who does not need to be a shareholder.

2. The Supervisory Board meets as often as required in the interest of the Company upon notice of its Chairman, or failing that, its Vice-Chairman.

The Chairman must convene the Board within fifteen days if at least one member of the Executive Board or at least one third of the members of the Supervisory Board submit(s) a reasoned request.

If the request remains without effect, its initiators may convene the Board and set the agenda.

The meetings take place at the registered office or any other place specified in the notice of meeting.

Any member of the Board may grant proxy to a colleague, even by letter or telegram, to represent him/her at a Board meeting.

At least half of Board members must be in attendance for deliberations to be valid.

Decisions are taken by a majority of the votes of attending and represented members. Each member has one vote and may not represent more than one other Board member.

In the event of a split vote, the Chairman of the meeting shall have the casting vote.

3. An attendance register is kept and signed by the Board members attending the meeting, stating the name of members of the Supervisory Board who took part in deliberations by means of video conference or telecommunications.

Minutes are drafted and copies or extracts of deliberations are issued and certified pursuant to the law.

4. Except in cases specifically excluded by applicable legislative or regulatory provisions, shall be deemed present for the purpose of calculating the quorum and the majority members of the Supervisory Board participating in the meeting of the Board by video conference or means of telecommunications enabling their identification and effective participation, the nature and applicable conditions of which are determined in accordance with legal and regulatory provisions.

Article 23 - Compensation of members of the Supervisory Board

The General Meeting may allocate members of the Supervisory Board an annual fixed sum, as attendance fees, the amount of which is recorded as Company overheads.

The Supervisory Board allocates such compensation among members as it deems appropriate.

Moreover the Board may allocate exceptional compensation to some members for assignments or mandates with which they have been entrusted.

No other compensation, whether permanent or not, apart from that possibly allocated by the Chairman and the Vice-Chairman, may be paid to members of the Supervisory Board.

Article 24 – Powers of the Supervisory Board

The Supervisory Board exercises permanent control of the Company's management by the Executive Board and provides prior approval to the latter to finalise transactions that require its authorisation.

1. The Supervisory Board:

- appoints the members of the Executive Board and the Chairman, and if necessary the Chief executive officers from among the members of the Executive Board; it decides or may propose to the General Meeting dismissal, and sets their compensation;
- convenes the Shareholders' General Meeting if necessary, if the Executive Board fails to do so, and draws up its agenda;
- authorises the agreements referred to in Article 25 hereinafter (Article L. 225-86 of the Commercial Code);
- authorises the sale of property as well as the total or partial sale of investments and the constitution of securities on company assets; the Supervisory Board may, subject to specific individual limits, authorise the Executive Board to proceed with the above-mentioned transactions; all transactions exceeding the set amount require the authorisation of the Supervisory Board in each case;
- may authorise the Executive Board to issue securities, sureties, or guarantees during a period which may not exceed 1 year, and within the limit of a total amount fixed by its decision;
- decides the relocation of the registered office within the same French department or a neighbouring department, subject to ratification by the next Ordinary General Meeting;
- at any time of the year, carries out the verifications and controls it deems appropriate and may request any documents that it deems useful to perform its duties.

The Executive Board shall submit a report to the Supervisory Board on Company matters whenever the Supervisory Board sees fit, and at least quarterly.

Within three months from the end of the financial year, the Executive Board must present the Supervisory Board with the parent company and consolidated financial statements, for verification and control, accompanied by a written report on the Company's position and activity thereof during the course of the financial year.

The Supervisory Board presents the Shareholders' Annual Ordinary General Meeting with its comments on the Executive Board's report, as well as the financial statements for the year.

The Chairman of the Supervisory Board gives an account, in a report to the General Meeting attached to the aforementioned report, of the conditions of preparation and organisation of the Board's work as well as the internal control procedures implemented by the Company.

The Supervisory Board may confer one or more of its members with special mandates for one or more specific purpose(s). It may decide to create committees to examine issues submitted by itself or its Chairman for review.

2. The Executive Board shall submit the allocation proposals for the profits of the past financial year and the Company's and group's draft annual budget to the Supervisory Board.

3. The following Executive Board decisions shall be subject to the Supervisory Board's prior approval:

- significant transactions which may impact Company and group strategy, changing their financial positions and scope of operations;
- investments and commitments (including equity investments) with a total investment exceeding €20 million, insofar as these investments have not been budgeted;
- divestments (including disposal of equity investments) and/or dilutions of a total amount or having an impact on the balance sheet exceeding €20 million, insofar as these divestments have not been budgeted;
- the issuance of securities of whatever kind, liable to result in changes of the share capital.

Article 25 – Regulated agreements

1. Any agreement, with the exception of those relating to current operations concluded under normal conditions, between the Company and a member of the Executive Board or Supervisory Board, either directly or indirectly, or through an intermediary, one of its shareholders with a fraction of voting rights greater than 10% or, if it is a corporate shareholder,

the company controlling it under the terms of Article L 233-3 of the Commercial Code, must receive prior authorisation from the Supervisory Board.

The same rule applies to agreements in which one of the persons referred to in the previous paragraph has an indirect interest.

The same rule applies to agreements between the Company and another business, if one of the members of the Company's Executive Board or Supervisory Board is the owner, partner, manager, director, member of the Supervisory Board or, more generally, director of said business.

The member of the Executive Board or Supervisory Board concerned is bound to inform the Supervisory Board immediately upon becoming aware of the agreement subject to authorisation; if he/she sits on the Supervisory Board he/she may not participate in the vote on the requested authorisation.

These agreements are subject to the approval of the Shareholders' General Meeting under the conditions set out in the law.

2. The provisions of 25.1 above do not apply to cases provided for by Law.

Article 26 – Statutory Auditors

The Ordinary General Meeting confers the duties laid down by law to one or more principal or alternate Statutory Auditor(s). They are appointed for six financial years in accordance with the eligibility conditions prescribed by law.

If several Statutory Auditors are appointed, they may proceed with separate investigations, audits and controls, but they shall draw up a joint report.

The Auditor(s) has(have) the right to convene the General Meeting in cases determined by the law. They receive compensation paid for by the Company and established pursuant to the legal provisions in force.

The Statutory Auditor(s) is(are) not liable, either as regards the Company or third parties, for the consequences of errors or omissions caused by them in the course of their work.

Auditors may be re-appointed, in accordance with legal and regulatory conditions.

Article 27 - General Meetings – Notice of Meetings

Shareholders meet annually at the Ordinary General Meeting held within six months following the end of the financial year. Moreover, Ordinary, Extraordinary or Special Meetings may be convened at any time as provided for by law and in these Bylaws.

Shareholder Meetings are held at the Registered Office or any other place stipulated in the notice of meeting.

General Meetings are convened by the Executive Board and, failing this, by the Supervisory Board or the Statutory Auditors or by a representative designated by a court of law, or by the liquidators, under the conditions laid down by the law and applicable regulations.

Shareholders' meetings are announced by a preliminary notice which is published in the Bulletin des Annonces Légales Obligatoires (BALO) at least 35 days prior to the meeting date, pursuant to regulations in force, other than where an exception to this rule is allowed by such regulations (notably during a public takeover bid).

The final notice of shareholders' meetings is issued at least fifteen days prior to the date set for the meeting, other than where an exception to this rule is allowed by regulations in force.

This time period is reduced to ten days for meetings on second call, other than where an exception to this rule is allowed by regulations in force.

The notices are sent by postal carrier or by electronic mail to all holders of registered shares and published in a legal gazette serving the location in which the registered office is located and in the BALO.

The notices must include the information required by applicable legislation and regulations, and more specifically the location, date and time of the meeting, as well as the nature of the meeting and its agenda.

These notices must also specify the conditions under which a shareholder may vote remotely, and must specify the location where postal voting forms may be obtained and the necessary documents to be attached.

Shareholders may submit their questions in writing up to four working days prior to the General Meeting.

Article 28 - Agenda

The party convening the meeting draws up the Meeting's agenda. However one or more shareholders who satisfy the conditions laid down by legislation in force have the right to request the inclusion of points or draft resolutions on the agenda.

The request for inclusion of points or draft resolutions on the agenda are to be sent to the registered office within the time limits prescribed by applicable regulations.

The Meeting may not discuss questions that are not on the agenda. Nevertheless it may, under any circumstances, remove one or several members of the Supervisory Board and replace them.

The agenda may not be amended in the second notice of meeting.

Article 29 - Admittance to Meetings

All of the Company's shareholders whose shares are fully paid up may participate in General Meetings. All shareholders may be represented by a natural person or legal entity of their choice, in accordance with the terms and conditions provided by applicable regulations.

The right to attend General Meetings is subject to registration of the shares in the name of the shareholder or the intermediary registered on his/her behalf, on the second working day preceding the meeting (00.00 hours Paris time), either in the nominative accounts held by the Company, or in the accounts of bearer shares held by an authorised intermediary.

Legal representatives of shareholders deemed legally incapable and individuals representing legal-entity shareholders may participate in the General Meetings, irrespective of whether or not they themselves are shareholders.

Proxy and postal voting forms are prepared and addressed in accordance with legislation in force.

The shareholders may forward their proxy and postal voting forms related to any General Meeting in paper format or via email, in accordance with legal and regulatory terms and conditions.

At the time a General Meeting is convened, the shareholders may also, if it is permitted by the Executive Board or failing that, the Supervisory Board, participate in this General Meeting by video conference or electronic telecommunication or broadcasting means, subject to the qualifications and terms and conditions set out by applicable laws and regulations.

The proxy form informs the shareholder that if he/she returns it to the Company, or to one of the individuals authorised by the latter to collect proxy forms without any indication of the proxy holder, a favourable vote will be issued in his/her name for the adoption of draft resolutions presented or approved by the Executive Board, and an unfavourable vote for the adoption of all other draft resolutions. To cast his/her vote differently the shareholder must choose a proxy holder who agrees to vote as instructed by him/her.

The postal voting form informs the shareholder in a very visible manner that any abstention expressed on the form or resulting from a lack of voting indication will be considered as a vote opposed to the adoption of the resolution.

The owners of the securities referred to in Article L 228-1 of the Commercial Code may be represented at general meetings by an intermediary registered on behalf of such owners in accordance with the provisions of the foregoing Article.

The intermediary who has fulfilled the obligations specified in Article L. 228-1 may, pursuant to a general securities management mandate, transmit its voting rights or power of attorney as an owner of shares for a General Meeting, as defined in the same Article.

Before transmitting a proxy or voting rights to the General Meeting, the intermediary registered pursuant to Article L 228-1 is required, at the request of the Company or its representative, to provide the list of non-resident shareholders who hold the shares to which voting rights are attached as well as the number of shares held by each of them. This list is provided under the terms of Articles L 228-2 or L 228-3 as applicable. The vote or proxy issued by an intermediary who, either did not declare him/herself as such pursuant to Article L 228-1, or has not disclosed the identity of the shares' owners in accordance with Articles L 228-2 or L 228-3, shall not be counted.

Article 30 - General Meeting Committee

Meetings are chaired by the Chairman of the Supervisory Board or, in his/her absence, by the Vice-Chairman or by a member of the Supervisory Board specially delegated by the Supervisory Board for this purpose.

In the event of a notice of meeting by the auditors, a legal representative or liquidators, the individual or one of the individuals who convened it chairs the Meeting.

Two members of the Meeting with the highest number of votes, and who accept such duties, act as tellers.

The Chairman and tellers appoint a Secretary who need not be a shareholder.

The Chairman assisted by other committee members will direct discussions. He/she has powers of enforcement at the General Meeting.

Article 31 - Attendance sheet

An attendance sheet recording the legally required information is drawn up during each shareholder meeting.

On condition of appending to this sheet the proxy and postal voting forms bearing the first and last names and addresses of each principal or shareholder who voted by post, as well as the number of shares and the votes attached to these shares, the committee may waive any indications concerning represented shareholders or those who voted by post.

Duly signed by the shareholders and proxies present, the attendance sheet is certified by the General Meeting committee.

Article 32 - Minutes

Meeting decisions are recorded in minutes drafted in a special register, numbered and initialled, and kept at the Registered Office.

The minutes indicate the date and venue of the meeting, the means of convening it, the agenda, committee membership, the number of shares participating in the vote and the quorum, the documents and reports submitted to the Meeting, a summary of discussions, the resolutions, and voting results.

The minutes are signed by the members of the committee.

If, due to the absence of quorum, the Meeting was unable to deliberate, the members of the committee shall record this in the minutes.

The Chairman or Vice-Chairman of the Supervisory Board or a member of the Executive Board or the Meeting Secretary validly certifies copies or extracts of these minutes requested for legal or other purposes.

In the event of liquidation of the Company a single liquidator shall validly certify them.

Article 33 - Shareholders' information and communication rights

Shareholders exercise their right to information, communication and copies in accordance with legal and regulatory provisions.

For this purpose, all documents giving rise to communication or copy will be made available to shareholders at the Registered Office, at least fifteen days before the date of the Meeting.

Article 34 - Quorum - Majority

The Meetings deliberate pursuant to the conditions of quorum and majority in accordance with applicable regulations.

Article 35 – Voting rights

Subject to the provisions below, the voting rights conferred on shares are proportional to the share capital they represent, and each share carries the right to one vote. Fully paid-up shares for which proof is provided of a nominative registration in the same name for at least two years do not benefit from double voting rights.

No shareholder, or group of shareholders acting in concert, may hold more than 34% of the total number of voting rights. Accordingly, in the event that a shareholder, either alone or in concert with others, holds over 34% of the share capital, the number of voting rights available to this shareholder in General Meetings is restricted to 34% of the total number of shares in the Company and/or the attached voting rights. This restriction ceases to have effect in the event of the elimination of the need for such a restriction, either following a decision by the CSA or as part of a revision to the Agreement between the Company and the CSA.

Article 36 - Jurisdiction

The Extraordinary General Meeting alone has the authority to amend any and all of the provisions of the Bylaws. It may not, however, increase the commitments of shareholders, without prejudice to transactions resulting from a properly executed share consolidation.

The Ordinary General Meeting deliberates and makes all decisions that fall outside the jurisdiction of Extraordinary General Meetings.

Article 37 - Scope of decisions of the General Meeting

The General Meeting duly constituted represents all shareholders.

Decisions made in compliance with the law and these Bylaws bind all shareholders, including those who are absent, incapacitated or dissenting.

However, a General Meeting decision requiring an amendment of rights attached to a specific category of shares shall only be final after its endorsement by a Special General Meeting of the shareholders of the relevant category.

Article 38 – Financial year

The financial year starts on 1 January and ends on 31 December of each year.

Article 39 - Annual financial statements

At the end of each financial year the Executive Board draws up an inventory of the various assets and liabilities existing at that time, as well as the annual financial statements, which include as an indivisible whole the balance sheet and income statement, and related notes, and the consolidated financial statements.

It also draws up a written management report on the Company's position and the activity thereof over the course of the financial year.

The annual financial statements and management report as well as the consolidated financial statements are made available to the Auditor(s) at the Registered Office at least one month before notice is given of the General Meeting held to approve the parent company and consolidated financial statements.

All these documents are prepared each year in accordance with the same format and using the same valuation methods. In the event of proposed amendments, the General Meeting, in view of the documents prepared in accordance with both old and new formats and methods, and of the management report and the Auditor(s)' report, will decide on these amendments.

Article 40 - Allocation of profits

5% of the profit of the year, as reduced by any prior year losses, shall be allocated to the legal reserve. This deduction ceases to be obligatory once the legal reserve amounts to one tenth of the share capital.

The balance, less any transfers to other reserves as required by law, together with any profits carried forward, comprises the distributable profit.

As applicable, the following may be deducted from the distributable profit:

1. any amounts that the General Meeting, upon the recommendation of the Executive Board, decides to allocate to any special reserves, ordinary or extraordinary, or to carry forward.
2. any amounts necessary to give shareholders, by way of first dividend, 5% of the amount paid and not written down on their shares without entitling them to a claim on future profits, if there is an insufficient profit in a year to effect the payments.

The balance of distributable profit, after the above deductions, shall be split equally among all shares by way of an additional dividend.

If the General Meeting decides to distribute amounts from the reserves that are available, the decision shall expressly indicate which reserves are to be used.

Article 41 - Dividends - Payment

Dividends are payable on dates set by the General Meeting or, failing that, by the Executive Board, no later than nine months following the end of the financial year except where this period is extended by order of the President of the Commercial Court.

Payment is validly made to registered shareholders, by bank transfer to the shareholders' account.

The General Meeting called to approve the annual financial statements may grant shareholders, for all or part of the dividend or interim dividend distributed, an option of payment in cash or in shares in accordance with the manner prescribed by the law.

Article 42 - Expiry of the term

At least one year before the expiry of the Company's term, the Executive Board convenes the Shareholders' Extraordinary General Meeting in order to decide whether or not to extend the term of the Company.

Article 43 - Premature dissolution

The Extraordinary General Meeting may, at any time and based on a proposal by the Executive Board or Supervisory Board, decide on a premature dissolution of the Company.

Should the losses recorded in the financial documents cause the equity of the Company to fall below half the share capital, the Executive Board shall, within four months following approval of the financial statements showing said losses, convene the Extraordinary General Meeting in order to decide whether to dissolve the Company prematurely.

If the Company is not dissolved, the capital must be reduced by an amount equal to the loss observed at the latest by the end of the second financial year following that in which the losses affecting the capital occurred.

Subject to the provisions of Article L 224-2 of the Commercial Code, there are no grounds to dissolve or reduce the capital if, within the period specified above, the equity can be restored to an amount greater than half the share capital.

In both cases the resolution adopted by the General Meeting is published in accordance with statutory regulations.

In the absence of a session of the General Meeting, for example if this Meeting fails to validly deliberate when last convened, any party concerned may file a lawsuit at the Commercial Court to dissolve the Company. The same applies if the provisions of paragraph 3 above have not been applied. In all instances, the Court may grant the Company a maximum period of six months in which to rectify the situation; if the situation has been rectified before judgement is issued it cannot dissolve the Company.

The Commercial Court may, at the request of any party concerned, declare the dissolution of the Company if the number of shareholders is reduced to less than seven for more than one year. It may grant the Company a maximum period of six months in which to rectify the situation. It may not declare the dissolution if the situation has been rectified on the day when it issues judgement on the substance.

The Commercial Court may also, at the request of any interested party, declare the dissolution of the Company if the share capital has been reduced to an amount less than the statutory minimum. It may not declare the dissolution if the situation has been rectified on the day when it issues judgement on the substance.

Article 44 - Liquidation

On expiry of the Company or in the event of premature dissolution, the General Meeting or, if necessary the Commercial Court, decides on the liquidation procedure, and appoints for a period not exceeding three years, one or more liquidators whose powers and compensation it determines.

In particular, the liquidators will possess the fullest powers necessary to execute, even by amicable agreement, any assets of the Company and discharge its liabilities. They may convene an Extraordinary General Meeting in order to contribute to or authorise the disposal of all assets, rights and obligations.

The appointment of liquidators terminates the powers of members of the Supervisory Board and Executive Board.

The net proceeds from liquidation, after payment of all liabilities, shall be used to fully reimburse the paid and unamortised amount of the shares; the surplus is shared in cash or in shares between shareholders.

During the liquidation, the duties of the Statutory Auditor(s) and the powers of the General Meeting continue as during the Company's operation.

The shareholders are convened at the end of the liquidation to rule on the final accounts, give discharge to the liquidator(s) for their management and relieve them of their duties, and to record the completion of liquidation deliberations.

Article 45 - Disputes

Any dispute that may arise during the Company's lifetime or its liquidation, whether between the shareholders and the Company, or between shareholders themselves, on the subject of corporate affairs, shall be subject to the jurisdiction of competent courts.

For this purpose, in the event of disputes each shareholder must elect domicile within the jurisdiction of the Registered Office, and any summons or notice shall be validly served to said address.

In the absence of such an address, the summons or notices are validly served at the Office of Public Prosecution of the French Republic at the High Court with jurisdiction over the Registered Office.

Article 46 - Publications

The formalities of publication of acts and deliberations modifying the Bylaws will be carried out pursuant to regulations in force.

To make statutory filings and publications, all powers are given to the bearer of a copy or certified copy of deeds or documents.

1.6.2 Legal and regulatory environment

By virtue of its corporate purpose and status as an operator of free-to-air television and radio broadcasting licences, the Company is governed by a specific legal and regulatory regime which applies in addition to ordinary provisions, as specified in section 1.6.2 of this document. The main legal and regulatory developments introduced in 2017 are set out below.

Due to its corporate purpose and the operation by Group companies of an authorisation to broadcast in analogue or digital form, a specific legal and regulatory framework applies in addition to ordinary provisions.

1.6.2.1 Ownership of the share capital

Under the terms of Article 39 of Law n°86-1067 of 30 September 1986, as amended, no individual or entity, acting alone or in concert, shall hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television service by terrestrial transmission.

This provision limits the scope of the 49% rule to those terrestrial channels with an average annual audience (terrestrial, cable and satellite combined) in excess of 8% of the total television audience.

Under the terms of Article 40 of Law n°86-1067 of 30 September 1986, as amended, no individual or entity of foreign nationality shall purchase an interest leading to foreign nationals holding, directly or indirectly, more than 20% of the capital of a company licensed to operate a national television or radio service by terrestrial transmission (subject to the international commitments of France, excluding notably European community or European economic area nationals).

Under the terms of Article 41 of Law n° 86-1067 of 30 September 1986, no individual or entity may only, on the basis of authorisations relating to the use of frequencies that it holds for the terrestrial analogue broadcast of one or more radio services, or by the means of a programme that it provides to other holders of terrestrial analogue licences, operate in law or in fact, several networks inasmuch as the total population recorded in the areas served by these different networks does not exceed 150 million inhabitants.

1.6.2.2 Authorisations to use free-to-air frequencies

Television

M6

M6 is a privately owned free-to-air terrestrial TV network which was initially licensed to broadcast for a duration of ten years from 1 March 1987 under the licensing regime set forth by Article 30 of the amended Law of 30 September 1986 on Freedom of Communication.

As a network which is financed exclusively by advertising, it is subject to the general requirements of this legal classification and to the special terms and conditions of its broadcasting licence.

This licence was extended on 5 April 2016 as part of the widespread roll-out of HD, the M6 channel also having a licence to broadcast in High Definition, effective since 31 October 2008 for a period of ten years. On 19 October 2016, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of this authorisation without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channel thus appeared before the Conseil on 16 November 2016 which, in a decision dated 27 July 2017, decided to renew the authorisation until 5 May 2023.

W9

W9 is a privately owned free-to-air terrestrial TV network which was initially licensed to broadcast for a duration of ten years from 10 June 2003 (tendering process of 24 July 2001) under the licensing regime set forth by Article 30-1 of the amended Law of 30 September 1986 on Freedom of Communication. W9 was launched on 31 March 2005.

W9's broadcasting licence was renewed for five years, i.e. until 2020, pursuant to Article 97 of the abovementioned Law, in return for extending its effective coverage of Mainland France to 95%. This also requires that at least 91% of every district be covered.

Via a decision dated 7 October 2015, the CSA authorised W9 to broadcast in high definition (HD). The channel's transition to HD took place on 5 April 2016, with the term of its authorisation remaining unchanged.

6ter

6ter is a privately owned free-to-air terrestrial high definition TV network which was initially licensed on 3 July 2012 (call for tenders of 18 October 2011) to broadcast for a duration of ten years from 12 December 2012 (until 2022) under the licensing regime set forth by Article 30-1 of the amended Law of 30 September 1986 on Freedom of Communication.

Paris Première

M6 Group also holds a Digital Terrestrial Television licence for the pay channel Paris Première. Its initial authorisation for 10 years, by ruling dated 10 June 2003 (tendering process of 24 July 2001), was extended to 2020.

RADIO

At 31 December 2017, the three radio services controlled by the Group, RTL, RTL 2 and Fun Radio, held 699 broadcasting licences in France. The renewal periods are as follows:

Renewal periods			Total number of broadcasting licences
Under one year	Between 1 and 5 years	Over 5 years	
160	442	97	699

RTL

The RTL radio service was originally created under the name Radio-Luxembourg in Luxembourg in 1933. Since then, it became one of the leading general interest stations in France when FM radio was launched in France.

RTL is broadcast:

- in long wave from Luxembourg. A franchise for a Luxembourg broadcasting programme with international reach called RTL was granted by the Government of the Grand Duchy of Luxembourg to the company CLT-UFA;

- in frequency modulation (FM) from France: RTL is a category E radio service, i.e. a general interest and national service whose programmes, covering a wide range of content and genres, attach a lot of importance to providing news.

The company that currently holds FM licences for the RTL service is RTL France SAS. RTL France SAS is the holder of an agreement concluded on 20 July 2017 with the CSA.

RTL2

RTL2 is a music radio service. This service was formerly called M40 prior to its acquisition by the Compagnie Luxembourgeoise de Télédiffusion (CLT) in 1995. RTL2 is a radio service broadcast in frequency modulation. It is broadcast using category D and Category C licences:

- the category D licences are held by the company SODERA (a subsidiary fully owned by Métropole Télévision) which is the holder of an agreement concluded with the CSA dated 2 October 2012;
- the category C licences – national services with local programming – are held by subsidiaries fully owned by SODERA (FM Graffiti, Média Stratégie, Radio Golfe, Radio and Porte Sud). These companies each hold agreements with the CSA.

FUN RADIO

Fun Radio is a music radio service created in 1985. As with RTL2, Fun Radio is a category C and D service, broadcast in modulation frequency:

- the category D licences are held by the company SERC (subsidiary 99.99% owned by Métropole Télévision) which holds an agreement concluded with the CSA dated 2 October 2012;
- the category C licences are held by subsidiaries of SERC (Canal Star, Gigasud, Communication A2B and SPRGB, all fully owned by SERC; Musique Nancy FM is 51% owned by SERC). These companies each hold agreements with the CSA.

1.6.2.3 Investment obligations in the production of audiovisual and cinematographic works and broadcasting

Television

The channels' investment obligations in audiovisual and cinema productions, as well as their broadcasting obligations are defined by Decree No. 2010-747 of 2 July 2010, known as the "Production" decree, Decree No. 90-66 of 17 January 1990, as amended, known as the "Broadcasting" decree, and agreements signed with the Conseil Supérieur de l'Audiovisuel.

PROVISIONS APPLICABLE TO M6

The M6 channel's regime for obligations in 2017 was as follows:

Audiovisual production

- Invest 15% of net annual revenue for the previous year in the production of European audiovisual works or original French language works, at least 10.5% of which must be invested in heritage works which are defined as works relating to the following categories: drama, animation, creative documentaries, including those which are broadcast within a programme other than a newscast or entertainment programme, music videos and broadcasting or re-enactment of live shows.
- European works which are not original French language works must be eligible for the industry's support programmes and cannot represent more than 10% of the investment in heritage works.
- 9% of revenue must be invested in productions deemed independent. A production company is considered as independent from M6 as long as M6 does not directly or indirectly hold more than 15% of the share capital or voting rights in that company.
- 66.6% of the contribution to audiovisual production must be invested in European works or in new original French language works.
- At least 1% of the previous year's net annual revenue must be invested in the production of original French language and European animation works, of which 0.67% must be invested in works produced by independent producers as defined above. Investments in animation works which are not specifically directed at children may be included in this.

Film production

- To invest at least 3.2% of its annual revenue in the development of the production of European cinematographic works, of which 2.5% must be dedicated to the development of original French language cinematographic works, of which 75% must be dedicated to cinematographic works that are independently produced.

Broadcasting obligations

- To annually broadcast 120 hours of European works or of new original French language works with a starting broadcast time of between 8pm and 9.30pm (including 25% of repeats).
- In any 24-hour period, a minimum of 40% of audiovisual works broadcast must be original French language, and 60% must be European, and the same requirements apply to peak viewing periods between 6pm and 11pm every day and between 2pm and 6pm on Wednesdays.
- To broadcast no more than 192 cinematographic works during the year, of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinematographic works must comply with the broadcasting quotas throughout the day and for peak viewing hours, i.e. 60% of European work and 40% of original French language works.
- To broadcast, as an annual average, between 4pm and midnight, 80% of programmes in high definition in 2017.

Musical programming obligations

- Broadcast a minimum of 20% of musical programming per 24-hour period, in particular between 4pm and midnight;
- At least 50% of the music broadcast during these programmes must be original French work;
- Prebuy and broadcast 100 music videos dedicated to French language artists, of which 70 music videos dedicated to new talent;
- Invest €19 million in music programmes, with this obligation shared at Group level.
- Each year reserve a minimum of twelve early primetime periods, on M6 or W9, for music programmes each lasting a minimum of 90 minutes whose broadcast begins between 8.30 and 9.30pm. Out of these 12 early primetime periods, at least 4 must be broadcast on M6. However, they must not include the following genres: music documentary, non-European music-based audiovisual drama, music-based talent show.

PROVISIONS APPLICABLE TO W9

The W9 channel's regime for obligations in 2017 was as follows:

Audiovisual production

- Invest 15% of net revenue of the previous year in the production of European audiovisual works or original French language works, including at least 8.5% of net annual revenue must be invested in heritage works which are defined as works relating to the following categories: drama, animation, creative documentaries, including those which are broadcast within a programme other than a newscast or entertainment programme, music videos and broadcasting or re-enactment of live shows.
- European works which are not original French language works may not account for more than 20% of the overall obligation and more than 20% of investment in heritage films. This requirement applies as long as net revenue for the previous year does not exceed €100 million.
- 70% of the overall obligation and 75% of investment in heritage work must be devoted to productions deemed independent.
- 25% of the contribution to audiovisual production must be invested in European works or in new original French language works (investment in feature-length drama, music videos and animation are excluded).
- Dedicate at least 5% of net annual revenue of the previous year to original French language or European music.

Film production

- To invest at least 3.2% of its annual revenue in the development of the production of European cinematographic works, of which 2.5% must be dedicated to the development of original French language cinematographic works, including 30% of original work,
- 75% invested in pre-purchase or co-production must be dedicated to cinematographic works that are independently produced.

Broadcasting obligations

- In any 24-hour period, a minimum of 40% of audiovisual works broadcast must be original French language, and 60% must be European, and the same requirements apply to peak viewing periods between 10 am and 12.30pm between 5pm and 11pm.
- To broadcast no more than 192 cinematographic works during the year of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinematographic works must comply with the broadcasting quotas throughout the day and for peak viewing hours (8.30pm to 10.30pm), i.e. 40% of original French language works and 60% of European origin.

Musical programming obligations

W9's agreement states that its programming primarily focuses on mainstream music, aimed at the general public and more specifically at young adults. W9's programming is open to diverse types of music and includes the broadcasting of at least 52 live shows per year. At least 20% of music videos broadcast by the channel are dedicated to new talents singing in French.

The M6 and W9 agreements also stipulate that each year, a minimum of 12 early primetime periods are reserved, on M6 or W9, for music programmes each lasting a minimum of 90 minutes whose broadcast begins between 8.30 and 9.30pm. Out of these 12 early primetime periods, at least eight are broadcast on W9.

PROVISIONS APPLICABLE TO 6TER

The 6ter channel's regime for obligations in 2017 was as follows:

Film production and audiovisual obligations

- Invest 15% of net annual revenue in the production of audiovisual works and 9% in heritage works,
- Dedicate at least 3.2% of net annual revenue to the development of European cinematographic works, of which 2.5% to original French language works.
- Dedicate at least 1% of net annual revenue to the production of European or original French language animation.

Broadcasting obligations

- In any 24-hour period, a minimum of 40% of audiovisual works broadcast must be original French language, and 60% must be European, and the same requirements apply to peak viewing periods between 6.30am and 9am and between 6pm and 11pm.
- To devote at least 60% of total transmission time to magazine and documentary programmes on the one hand and to drama on the other, with an equal balance between the two;
- To broadcast no more than 192 cinematographic works during the year of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinematographic works must comply with the broadcasting quotas throughout the day and for peak viewing hours (8.30pm to 10.30pm), i.e. 40% of original French language works and 60% of European origin.
- Devote the entire transmission time, between 4pm and midnight, to programmes in genuine high definition.
- Propose a minimum volume of 400 hours of original, unscrambled programming.

Discovery programme obligations

- To broadcast a minimum of 100 hours of programmes dedicated to discovery, made up of magazines, game shows, documentaries, drama and animation.

RADIO

PROVISIONS APPLICABLE TO RTL

The RTL radio station's regime for obligations in 2017 was as follows:

Percentage of airtime devoted to news:

- Broadcast an annual average of 10 hours of daily news programming, between 5am and 1am including advertising. The service can however, depending on current events, devote a larger portion of its programming to news.

Provisions relating to the broadcast of French language songs

- At least 45% of all songs broadcast monthly, between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm at the weekends, are French language or sung in a regional language in use in France.
- Songs in the French language or sung in a regional language in use in France by new talents or from new productions account for at least 20% of the total number of songs broadcast between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday.

PROVISIONS APPLICABLE TO RTL2

The RTL2 radio station's regime for obligations in 2017 was as follows:

Programmes specific to the Paris area

- Broadcast news or local topics specific to the Paris area between 7am and 1.30pm, Monday to Sunday.

Provisions relating to the broadcast of French language songs

- At least 40% of all songs broadcast monthly, between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday, are in the French language.
- French language songs by new talents or from new productions account for at least 20% of the total number of songs broadcast between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday.

Music programming

- The service's programming must include a minimum of 200 music titles.
- The percentage of "Gold" titles (titles over three years old) within the music schedule is between 40% and 70%. "Gold" titles come from the 80s, 90s and 2000s.
- The percentage of new titles (titles under 12 months old) within the music schedule is between 20% and 50%.

PROVISIONS APPLICABLE TO FUN RADIO

The regime for obligations in 2017 was as follows:

Programmes specific to the Paris area

- Broadcast news or local topics specific to the Paris area between 6am and 9am, Monday to Sunday.

Provisions relating to the broadcast of French language songs

- At least 35% of all songs broadcast monthly, between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday, are in the French language.
- French language songs by new talents account for at least 25% of the total number of songs broadcast between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday.

Music programming

- The percentage of "Gold" titles (titles over three years old) within the music schedule is between 3% and 35%.
- The percentage of new titles (titles under 12 months old) within the music schedule is between 60% and 90%.

1.6.2.4 Other provisions

Television

ACCESSIBILITY OF PROGRAMMES

Deaf and hard of hearing

In accordance with the obligations set by Law n°2005-102 for equal rights, opportunities, participation and citizenship of the disabled, obligations in respect of broadcasting subtitled programmes require that all programmes on channels with an average audience share of more than 2.5% are made accessible to the deaf and hard-of-hearing, with the exception of advertising slots, self-promotion messages, live singing performances and instrumental music pieces, trailers, teleshopping and commentaries on live broadcasts of sporting events between midnight and 6am, via a progressive increase.

In 2017, M6 and W9 subtitled all its programming (excluding above-mentioned exceptions). 6ter was obliged to subtitle 60% of its programmes in 2017.

Blind or visually impaired

Pursuant to the provisions of Articles 28 and 33-1 of the Law of 30 September 1986 arising from the above-mentioned Law n°2005-102, M6 and W9 signed an amendment with the CSA to reinforce their obligations to broadcast programmes in audio-description.

For M6, the agreement concluded on 27 July as part of the renewal of its agreement set at 60, of which 30 must be original, the number of programmes with audio-description to be broadcast in 2017. The stakeholders are to pay particular attention to peak viewing times and programmes aimed at children and teenagers.

On 2 October 2017, W9 and the CSA signed an amendment to the channel's agreement that set the number of original programmes to be broadcast in audio description at 22 for 2017.

6ter's licence imposed on the channel the obligation to broadcast at least 12 original programmes in audio description in 2017.

Rating system

As part of its role to protect young viewers, the CSA has established a rating system for programmes and a signalling code, which M6 Group's channels must adhere to. Channels may broadcast programmes aimed at all audiences, and, depending on broadcasting time, category II (viewers must be at least 10 years old), III (12+) and IV (16+). M6 and W9 are not authorised to broadcast programmes classified as category V (18+).

6ter is not permitted to broadcast category III programmes before 10pm and is not authorised to broadcast category IV programmes.

ADVERTISING

Concerning advertising, the Law n° 93-122 of 22 January 1993 (the "Loi Sapin") governs the relationship between advertisers, their agents and the advertising media.

Other regulations that relate to the broadcasting of advertising spots arise from the Code of Public Health, from the Law of 30 September 1986 already mentioned, and from Decree n° 92-280 of 27 March 1992. It should be noted that as of 27 February 2007, advertising or promotional messages for certain foods and beverages must be accompanied by relevant health information.

6ter cannot broadcast advertising for video games or video recordings of works prohibited or not recommended for children under the age of 12 before 10pm.

Moreover, the Decree n°92-280 of 27 March 1992, amended by the Decree n° 2008-1392 of 19 December 2008, set the regulations applying to television advertising, self-promotion and teleshopping and authorised:

- an extension of the average advertising time allowable during one hour from 6 to 9 minutes, with the maximum allowable hourly advertising time remaining at 12 minutes;
- a change in the method of counting, clock time replacing moving time.

SECTOR-SPECIFIC TAXES TO WHICH M6, W9 AND 6TER ARE SUBJECT

All three channels are liable for the following taxes:

- the tax on television services (*Article 302 Bis KB of the General Tax Code*), named "Cosip tax", for the benefit of the CNC. The rate is 5.65% of the amounts paid by advertisers and sponsors for the broadcast of their commercials on television services, including catch-up.
- the tax on advertising broadcast by radio and television (*Article 302 bis KD of the General Tax Code*) for the benefit of the "fonds de soutien à l'expression radiophonique" (radio expression support fund). A graded scale applies, based on quarterly revenues.
- the tax on TV advertising (*Article 302 Bis KA of the General Tax Code*) for the benefit of written press. A scale based on the number and price of advertisement applies.
- tax on advertising broadcast on TV channels (*Article 302 bis KG of the General Tax Code*) for the benefit of France Télévisions. The rate was set at 0.5% of advertising revenue (where this amount exceeds €11 million).
- tax on premium rate calls as part of TV game shows and competitions (*Article L137-19 of the Social Security Code created by Article 19 of the 2010 PFLSS*). A rate of 9.5% applies to this type of revenue.

Radio

ADVERTISING

On the RTL service, the maximum time devoted to advertising is a daily average of 17 minutes per hour, and may not exceed 25 minutes in any given hour.

On the RTL 2 service, the maximum time devoted to advertising is a daily average of 10 minutes per hour, and may not exceed 15 minutes in any given hour.

The terms and conditions relating to the broadcast of local advertising in the programme schedule are set out in the agreement concluded with the CSA.

On the Fun Radio service, the maximum time devoted to advertising is a daily average of 15 minutes per hour, and may not exceed 18 minutes in any given hour.

The terms and conditions relating to the broadcast of local advertising in the programme schedule are set out in the agreement concluded with the CSA.

SECTOR-SPECIFIC TAX TO WHICH RTL, RTL2 AND FUN RADIO ARE SUBJECT

The three radio stations are subject to the tax on advertising broadcast by radio and television (Article 302 bis KD of the General Tax Code) for the benefit of the "fonds de soutien à l'expression radiophonique" (radio expression support fund). A graded scale applies, based on quarterly revenues.

2

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2.5 OBSERVATIONS OF THE SUPERVISORY BOARD TO THE COMBINED GENERAL MEETING OF 19 APRIL 2018 136

This second section of the Registration Document represents the Supervisory Board Report on corporate governance drafted in accordance with the last paragraph of Article L.225-68 of the French Commercial Code. Pursuant to this provision, this Report includes the information referred to in Articles L. 225-37-3 to L. 225-37-5 of the French Commercial Code as well as the Supervisory Board's observations on the Report of the Executive Board and the financial statements for the year.

This report, prepared under the responsibility of the Supervisory Board with the support of the Finance Department, was reviewed by the Audit Committee on 19 February 2018. All the procedures that enabled the preparation of this Report have been presented to the Supervisory Board which approved their terms in its meeting of 20 February 2018.

The information concerning corporate governance was established based on various internal documents (Bylaws, Rules of Procedure and Minutes of the Supervisory Board and its committees, etc.).

As regards corporate governance, the Company refers to the *Corporate Code of Governance for listed companies of December 2008, updated in April 2010, June 2013, November 2015 and November 2016, prepared by AFEP-MEDEF*. The AFEP-MEDEF Code can be obtained from: www.medef.com.

The authors also took into account current regulations, Autorité des Marchés Financiers (AMF) reports and recommendations regarding corporate governance and internal control, the AMF working group's report of 22 July 2010 on the Audit Committee, the AMF's reference framework on internal control and risk management mechanisms, as well as best practices.

As required by law and the Paragraph 27.1 of the AFEP-MEDEF Code, the Company stated that it has disregarded the following recommendations of the said Code:

Recommendation §21 of the Code: Justification

Concurrent employment contract and corporate officer status: it is recommended that the employment contract is terminated by mutual agreement or resignation when an employee becomes a corporate officer.

At its meeting of 5 May 2014, the Supervisory Board decided to renew in advance the term of office of the Executive Board for three years from 25 March 2015, i.e. until 25 March 2018. On this occasion, the Supervisory Board firstly decided not to change the individual remuneration of the members of the Executive Board, and secondly, it renewed its 1990 decision to maintain the (suspended) employment contract of Nicolas de TAVERNOST.

The creation of the channel M6 in 1987 was only possible through the combination of the drive of its historical shareholders and the energy invested by the initial salaried staff, including Nicolas de TAVERNOST. When he was appointed as a corporate officer in 1990, the shareholders sought to maintain that initial employment contract (suspended) since the future of the channel was not assured at that time. The Group's subsequent development, the result of the work carried out by its management, and the evolution of its governance have never erased this particular relationship between the Group and one of its founders, justifying the continued suspension of the employment contract.

Recommendation §24.5 of the Code: Justification

Departure of executive corporate officers: the payment of severance pay to executive corporate officers must be ruled out if they elect to leave the company in order to hold a new position, or are assigned to another position within a group, or if they have the opportunity to retire.

At its meeting of 21 February 2017, the Supervisory Board decided to renew the term of office of the Executive Board for three years, i.e. until 21 February 2020. On this occasion, the Supervisory Board decided to maintain the compensation mechanism in the event of the termination, for any reason whatsoever, of the duties of Nicolas de TAVERNOST.

This commitment will not however apply in the event of dismissal for gross misconduct personally committed by Nicolas de TAVERNOST contrary to the interests of the Company. Moreover, the payment of this severance pay will remain subject to the fulfilment of a performance condition.

This decision appeared justified to the Supervisory Board, given (i) the exceptional nature of Nicolas de TAVERNOST's contribution to the creation of the Company in 1987, to its continued growth and development and to his strong performance, year after year, since the creation of the Company, (ii) his agreement to continue his term of office, and (iii) the aforementioned exclusivity and non-compete commitments undertaken by him.

Recommendation §16.1 of the Code: Justification

Composition of the Committee responsible for Appointments: the Remuneration and Appointments Committee must have a majority of independent members.

Until 25 April 2017 and the loss of independence of Guy de Panafieu, the Remuneration and Appointments Committee had a majority of independent members (2/3).

Since that date, it has been made up of two members, one of whom is independent. Upon the renewal of the terms of office of some of the members of the Board during the next Annual General Meeting which will take place on 19 April 2018, the Company will once again seek to comply with this recommendation.

In the interim, the Company notes that the rate of 50% does not, according to the Haut Comité de Gouvernement d'Entreprise (HCGE / Corporate Governance High Committee), represent a "serious deviation" from the AFEP-MEDEF recommendation.

2.1 SUPERVISORY BOARD

The Combined General Meeting of 26 May 2000 approved the adoption of the two-tier management structure comprising a Supervisory Board and an Executive Board. This organisation creates a separation between the management functions performed by the Executive Board and the management control functions devolved to the Supervisory Board, the shareholder representative body. The Group has retained this organisational structure, considering it to be the best guarantee of the balance of powers for the benefit of all stakeholders.

2.1.1 Composition of the Supervisory Board

At the date of preparation of this report, the Supervisory Board of Métropole Télévision consisted of 12 members, including 11 individuals and 1 legal entity.

Members are appointed for a period of 4 years subject to bylaw provisions relating to staggered terms of office (Article 20.2 of the Bylaws).

No member of the Supervisory Board has been elected by the employees.

Members of the Supervisory Board are as follows:

Member of the Supervisory Board	Nationality	Age	Gender	Principal duties within the Company	Other duties within the Company	Number of M6 shares held	Number of terms of office in non-Group listed companies	Date of first appointment	Expiry date of appointment	Date of exit
Guillaume de Posch	Belgian	60	M	Chairman	Member of the Remuneration and Appointments Committee	100	0	27/03/12	2020	-
Guy de Panafieu **	French	75	M	Vice-Chairman		1,600	1	18/02/04	2018	-
Delphine Arnault*	French	43	F	Member		200	3	05/11/09	2018	-
Philippe Delusinne	Belgian	60	M	Member		100	0	28/07/09	2020	-
Vincent de Dorlodot	Belgian	53	M	Member		100	0	18/03/04	2018	-
Cécile Frot-Coutaz	French	51	F	Member		100		07/11/17	2019	-
Elmar Heggen	German	50	M	Member	Member of the Audit Committee	100	0	22/11/06	2020	-
Immobilière Bayard d'Antin represented by Catherine Lenoble	French	68	F	Member		97,930	0	03/03/08	2019	-
Sylvie Ouziel*	French	47	F	Member		1,000	1	28/04/15	2019	-
Gilles Samyn*	Belgian and French	68	M	Member	Chairman of the Remuneration and Appointments Committee and Chairman of the Audit Committee	100	3	02/05/07	2019	-
Anke Schäferkordt	German	55	F	Member		100	1	28/04/15	2018	-
Mouna Sepehri*	French	54	F	Member	Member of the Audit Committee	100	3	03/05/12	2020	-
Christopher Baldelli	French	53	M	Member		15,337	0	03/05/12		06/11/17

* Independent Member

** Guy de Panafieu ceased to qualify as an independent director at the close of the General Meeting of 26 April 2017.

Six of these members are French nationals and six are Europeans, including four Belgian nationals and two German.

In 2017, there was a change to the composition of the Board, with the resignation on 6 November of Christopher BALDELLI, approached to join the Executive Board, and the co-option of Cécile FROT-COUTAZ on 7 November as a replacement for Christopher BALDELLI for the remainder of his term of office, namely until the Annual General Meeting to be held in 2019. The ratification of her co-option is subject to approval by the next Annual General Meeting.

This change had the particular effect of increasing female representation on the Supervisory Board.

In accordance with §18.4 of the AFEP-MEDEF Code, no Supervisory Board member holds more than four terms of office within non-Group listed companies, including at international level.

2.1.1.1 Assessment of the independence of Supervisory Board members

In accordance with the rules of governance set by the Rules of Procedure of the Supervisory Board and based on the Code of corporate governance for listed companies issued by AFEP-MEDEF and revised in November 2016, and pursuant to addendum no 3 to the Agreement between the Company and the Conseil Supérieur de l'Audiovisuel, the Supervisory Board considered that at least one third of its members is independent after considering each of their individual positions.

As such, as of today's date 4 (four) members of the Supervisory Board are independent within the meaning of the AFEP-MEDEF Code, whose criteria for determining independence and applied by the Company are listed below. The Company thus complies with the proportion of one third recommended by the AFEP-MEDEF Code.

These 4 members are:

- Delphine ARNAULT,
- Mouna SEPEHRI,
- Sylvie OUZIEL,
- Gilles SAMYN.

The members of the Board possess great experience which they make available to the Supervisory Board of Métropole Télévision.

According to the Supervisory Board's rules of procedure, a member is considered to be independent if he/she satisfies the following criteria on the date upon which his/her status as an independent member is assessed:

- Not to be, or have been for the previous five years, an employee or an executive corporate officer of the Company, an employee, an executive corporate officer or a member of the Supervisory Board of a company consolidated by the Company, or an employee, an executive corporate officer or a member of the Board of its parent company or a company it consolidates;
- Not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director;
- Not to be a customer, supplier, investment banker or commercial banker:
 - that is material to the Company or its Group,
 - or for which the Company or its Group accounts for a significant part of its business.
- Not to have been a Statutory Auditor of the Company within the previous five years;
- Not to be a member of the Supervisory Board of the Company for more than twelve years, it being specified that according to the AFEP-MEDEF recommendation, the loss of status as an independent director under this criterion occurs at the end of a 12-year period;
- Not to be a member of a Company corporate officer's immediate family;
- Not to (i) represent a shareholder of the Company or its parent company, participating in the control of the Company, and (ii) the Board should, based on a report of the Remuneration and Appointments Committee, question the independence of persons with a shareholding or Company voting rights in excess of a threshold of 10%, taking into consideration the composition of the Company's share capital and the potential conflict of interests.

It is specified that within public limited companies with Executive and Supervisory Boards, executive corporate officers refer to the Chairman and members of the Executive Board.

The Board is required to verify, at least once a year, that the members or candidates for the position of member fulfil the independence criteria listed below.

At its meeting of 20 February 2018, the agenda of which included the annual review of the independence of Board members, the Board particularly focused on the concept of significant business links. It more specifically checked that the volume of advertising business done with groups with whom certain of its independent members have links does not contribute significantly to the Group's revenue. It also addressed the question of the potential volume of services or purchases of external services that the Group may have carried out with groups to which certain of its independent directors are connected.

To this end, it reviewed the amounts of the transactions effected with each of the groups within which independent members of the Board performed management duties during the financial year (Renault for Mouna SEPEHRI, LVMH for Delphine ARNAULT, Allianz for Sylvie OUZIEL, Flo Group for Gilles SAMYN) and compared them with the Group's revenues in 2017. The Board considers that these figures cannot not be made public, to avoid disclosing information that could prove useful to rival companies. However, it has been able to gauge that these figures did not materially differ from those of competitors to compromise independence.

In view of these elements, the Supervisory Board has found that M6 does not have a significant business relationship or any business relationship with the companies in which the independent board members hold executive positions.

Summary table on the status of the independent members of the Supervisory Board in relation the independence criteria set out by the AFEP MEDEF Code

Independent members of the Supervisory Board	Delphine Arnault	Sylvie Ouziel	Gilles Samyn	Mouna Sepehri
Not to be, or have been for the previous five years:				
▪ an employee or a corporate officer of the Company, or an employee or a corporate officer of a Group company	✓	✓	✓	✓
▪ a corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office for less than five years) holds a term of office as corporate officer	✓	✓	✓	✓
Not to be a customer, supplier, investment banker or commercial banker that is material to the Company or its Group, or for which the Company or its Group accounts for a significant part of its business	✓	✓	✓	✓
Not to be a member of a corporate officer's immediate family	✓	✓	✓	✓
Not to have been a Statutory Auditor of the Company within the previous 5 years	✓	✓	✓	✓
Not to be a member of the Supervisory Board for more than 12 years	✓	✓	✓	✓
Not to be a shareholder of the Company or its parent company with a shareholding or Company voting rights in excess of 10%.	✓	✓	✓	✓

It is specified that the AFEP-MEDEF Code, as amended in November 2016, now provides that the status of independent director is lost after a period of 12 years and no longer upon expiry of the term of office. In this regard, the HCGE (Corporate Governance High Committee) specified in its December 2016 guide that this new recommendation would apply from the end of Annual General Meetings held in 2017. Taking into account these elements, at its meeting of 21 February 2017, the Supervisory Board upheld Guy de Panafieu's status as independent director until the end of the Annual General Meeting of 26 April 2017.

Summary table on the status of other members of the Supervisory Board in relation the independence criteria set out by the AFEP MEDEF Code

Other Members of the Supervisory Board	Guillaume de Posch	Elmar Heggen	Philippe Delusinne	Vincent de Dorlodot	Cécile Frot-Coutaz	Anke Schäferkordt	Guy de Panafieu	Catherine Lenoble
Not to be, or have been for the previous five years:								
▪ an employee or a corporate officer of the Company, or an employee or a corporate officer of a Group company	✓	✓	✓	✓	✓	✓	✓	
▪ a corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office for less than five years) holds a term of office as corporate officer	✓	✓	✓	✓	✓	✓	✓	
Not to be a customer, supplier, investment banker or commercial banker that is material to the Company or its Group, or for which the Company or its Group accounts for a significant part of its business	✓	✓	✓	✓	✓	✓	✓	✓
Not to be a member of a corporate officer's immediate family	✓	✓	✓	✓	✓	✓	✓	✓
Not to have been a Statutory Auditor of the Company within the previous 5 years	✓	✓	✓	✓	✓	✓	✓	✓
Not to be a member of the Supervisory Board for more than 12 years	✓	✓	✓	✓	✓	✓		✓
Not to be a shareholder of the Company or its parent company with a shareholding or Company voting rights in excess of 10%.							✓	

2.1.1.2 Increased female representation on the Board

As regards male and female representation on the Board, we remind you that at 31 December 2017, the Board comprised six female members (50% of the Board), which makes the Company compliant with the provisions relative to a "balanced male and female representation within boards of directors and supervisory boards and gender equality at work" provided for by the provisions of Article L.225-69-1 of the Commercial Code.

2.1.1.3 Specific rules to be followed by members of the Board

The rules of procedure provide that acceptance by a member of the Board of a new term of office in a listed company, or a company outside the Group that is likely to be in competition with one of the Group's activities, must be communicated to the Board in advance.

Furthermore, each new member is offered training in the form of a series of interviews with the Group's main operational directors and is also provided with detailed documentation on the Group's governance, strategy and business sectors.

Lastly, as regards the setting of a minimum number of shares that the executive corporate officers and in particular the Chairman of the Supervisory Board must retain as registered shares until the termination of their duties, pursuant to Paragraph 22 of the AFEP/MEDEF Code, the Supervisory Board, upon proposal from the Remuneration and Appointments Committee considered that the 100 shares that must be retained notably by the Chairman of the Supervisory Board in accordance with the provisions of Article 21 of the Bylaws was significant and satisfied this new recommendation of the AFEP/MEDEF Code.

2.1.1.4 Presentation of the members

Guillaume de POSCH



Number of company shares held: 100

Biography and principal duties outside the Company

Guillaume de Posch, born 1958 in Brussels, has 20 years of international experience in the television and media industry. After starting out with international energy and services company Tractebel (1985 to 1990) and Mc Kinsey & Company (1990 to 1993), he began his media industry career at the Luxembourg-based Compagnie Luxembourgeoise de Télédiffusion (CLT). At CLT, Guillaume de Posch started out as assistant to the Chief Executive Officer (1993 to 1994) and then became Head of CLT's TV operations in French-speaking countries (1995 to 1997). From 1997 to 2003, he was Deputy General Manager and Head of Programming for the French pay-TV company TPS. In August 2003, he joined the Munich-based, publicly listed ProSiebenSat1 Media AG, first as Chief Operating Officer and then as Chairman of the Executive Committee and CEO (2004-2008). Between 2009 and 2011, Guillaume de Posch advised several European and US broadcasters. In December 2011, he was appointed Chief Operating Officer of RTL Group with effect from 1 January 2012. He was appointed as Co-CEO of RTL Group S.A. on 18 April 2012.

Other appointments and duties

- Co-CEO of RTL Group S.A. (listed group, Luxembourg)
- CEO of CLT-UFA S.A. (Luxembourg)
- Chairman of the Board of Directors of de RTL BELUX S.A. (Luxembourg)
- Director of Broadband TV Corp. (Canada), Style Haul Inc. (USA), BroadbandTV (USA) Inc (USA), Viso Online Video Productions Inc. (Canada), TGN Game Communities Inc. (Canada) and 0971999 BC Ltd (Canada).
- Member of the Supervisory Board of RTL Television GmbH (Germany)
- Director and Chairman of the Board of Directors of RTL Belgium S.A. (Belgium)
- Chairman of the Supervisory Board of RTL Nederland Holding BV (Netherlands)
- Director of Brussels Beer Project SA (Belgium)

Appointments and duties having expired in the course of the last five financial years

- Director of BeProcurement S.A. (Luxembourg)
- Chairman of the Supervisory Board of Ediradio SA (since 01/10/2017)

Business address

RTL Group
43, boulevard Pierre Frieden
L - 1543 Luxembourg

Guy de PANAFIEU



Number of company shares held: 1,600.

Biography and principal duties outside the Company

Guy de Panafieu is Manager of Boileau Conseil, Advisor to Chambre nationale des Conseils en Gestion de Patrimoine. He was Senior Advisor of CA-CIB from 2002 to 2012 and Chairman of the BULL Group from 1997 to 2001. From 1983 to 1997 he worked in the Lyonnaise des Eaux Group, in various management positions and latterly as Vice-Chairman and CEO.

From 1968 to 1982 he worked for the Ministry of the Economy and Finance with various responsibilities in the department of foreign trade and international economic relations. From 1978 to 1981 he was a technical advisor to the French President on matters of international economics. He is a graduate of the Institut d'études politiques de Paris, a graduate in humanities and economics, a former student of ENA and a former finance inspector general.

Other appointments and duties

- Manager of Boileau Conseil
- Director of SANEF SA, Chairman of the Audit Committee, Member of the Remuneration and Appointments Committee.
- Non-voting director of Korian (formerly Médica) SA, a listed company (France)

Appointments and duties having expired in the course of the last five financial years

- Chairman of the Supervisory Board of Gras-Savoie SA
- Senior Advisor of Crédit Agricole SA
- Vice-Chairman of BIAC (OCDE's Business and Industry Advisory Committee)
- Director of Korian (formerly Médica) SA, a listed company (France), Chairman of the Audit Committee, Member of the Remuneration and Appointments Committee.

Business address

Chambre nationale des Conseils en Gestion de Patrimoine
4 rue de Longchamp
75016 Paris

Sylvie OUZIEL

Number of company shares held: 1,000.

Biography and principal duties outside the Company

A graduate of the Ecole Centrale de Paris and holder of an Executive MBA from Northwestern (Kellogg School of Management – Accenture programme), Sylvie OUZIEL, began her career with Andersen Consulting in 1992 as a strategy and organisation consultant for industrial and commercial businesses. In 2000, she was appointed partner before overseeing healthcare and life science operations for Northern Europe. In 2007, she became CEO - France for Accenture Management Consulting France and Benelux. Between 2009 and 2012, she was Global Deputy CEO in charge of Accenture Management Consulting. She is currently Chair and CEO of Allianz Global Assistance and a member of the Allianz International Executive team.

Other appointments and duties

- Director and member of the Audit Committee of Foncière des Régions (France, a listed company)

Appointments and duties having expired in the course of the last five financial years

- Director of APERAM

Business address

7 rue Dora Maar
93400 Saint-Ouen

Gilles SAMYN



Number of company shares held: 100.

Number of company shares held by Compagnie Nationale à Portefeuille SA, of which Gilles Samyn is the Chairman: 9,154,477.

Biography and principal duties outside the Company

Gilles Samyn, a French and Belgian national, is a sales engineer graduate from the Solvay Brussels School of Economics and Management (Université Libre de Bruxelles, Belgium). He is currently the CEO of Groupe Frère-Bourgeois and Chairman of Compagnie Nationale à Portefeuille SA (CNP).

Other appointments and duties

- CEO of Domaines Frère-Bourgeois SA (Belgium), Frère-Bourgeois SA (Belgium), Financière de la Sambre SA (Belgium), Investor SA (Belgium), and Société des Quatre Chemins SA (Belgium)
- Chairman of Compagnie Nationale à Portefeuille SA (formerly Newcor SA) (Belgium), Compagnie Immobilière de Roumont SA (Belgium), Europart SA (Belgium), Cheval Blanc Finance SAS (France), Filux SA (Luxembourg), Financière FLO SA (France), Finer (formerly Erbe Finance SA) (Luxembourg), Groupe FLO SA (France), Helio Charleroi Finance SA (Luxembourg), Kermadec SA (Luxembourg), Swilux SA (Luxembourg), Tagam AG (Switzerland), Transcor Astra Group SA (Belgium) and Worldwide Energy AG (Switzerland)
- Director of AOT Holding Ltd (Switzerland), Astra Transcor Energy NV (Netherlands), Banca Leonardo SpA (Italy), Grand Hôpital de Charleroi ASBL (Belgium), Groupe Bruxelles Lambert SA (a listed company, but controlled by Pargesa Holding SA, a listed company, Belgium), Société Civile du Château Cheval Blanc (France), Pargesa Holding SA (a listed company, Switzerland), Stichting Administratiekantoor Frère-Bourgeois (Netherlands) and Pernod Ricard SA (a listed company, France)
- Alternate Director of Cheval des Andes (formerly Opéra Vineyards SA) (Argentina)
- Representative of Société des Quatre Chemins SA, CEO of Carpar SA (Belgium); Société des Quatre Chemins SA, Chairman of the Board of Fibelpar SA (Belgium); Compagnie Immobilière de Roumont SA, Director of BSS Investments SA (Belgium) and Frère-Bourgeois SA, Manager of GBL Energy Sàrl (Luxembourg)
- Commissaris of Parjointco NV (Netherlands), Manager of Astra Oil Company LLC (USA)
- Manager of Gosa SDC (Belgium) and Sienna Capital SARL (Luxembourg)

Gilles SAMYN has 3 terms of office in listed companies outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (4 within non-Group listed companies) set out by Paragraph 18.4 of the Afep-Medef Code.

Appointments and duties having expired in the course of the last five financial years

- Chairman of Groupe Jean Dupuis SA (2013), Transcor East Ltd (2014), International Duty Free SA (2015), Unifem SAS (France) (2015), Financière FLO SA (2017) and Groupe FLO SA (2017)
- Vice-Chairman of Compagnie Nationale à Portefeuille (2011) and APG/SGA SA (2015)
- CEO of Erbe SA (2017) and Loverval Finance SA (2017)
- Director of Belgian Ice Cream Group NV (2013), Carsport SA (2013), Starco Tielen NV (2013), TTR Energy SA (2013), Safimar SA (2014), Segelux SA (formerly Gesecalux SA) (2014), SCP (2015), APG/SGA SA (2015), Belgian Sky Shops SA (2015), Fidentia Real Estate Investments SA (Belgium) (2016) and Belholding Belgium SA (2017)
- Representative of Société des Quatre Chemins SA, Director of ACP NV (Belgium) (2016) and ACP NV, Director of Antwerp Gas Terminal NV (Belgium) (2016),
- Commissaris of Agesca Nederland NV (2014),
- Member of the Investment Committee of Tikehau Capital Partners SAS (2013),
- Manager of Sodisco SARL (France)

Business address

COMPAGNIE NATIONALE A PORTEFEUILLE
rue de la Blanche Borne 12, B-6280 LOVERVAL

Philippe DELUSINNE



Number of company shares held: 100.

Biography and principal duties outside the Company

Philippe Delusinne began his career in 1982 as Account Executive for Ted Bates. He then joined Publicis as Account Manager. In 1986, he transferred to Impact FCB as Client Service Director. In 1988, he was appointed Deputy General Manager at McCann Erickson and in 1993 became Chief Executive Officer of Young & Rubicam. Philippe Delusinne has been Chief Executive Officer of RTL Belgium since March 2002.

Other appointments and duties

- CEO of RTL Belgium SA and Radio H SA
- Permanent representative of CLT-UFA, CEO of Cobelfra SA and Inadi SA
- CEO of RTL Belux SA & Cie SECS and CEO of RTL Belux SA
- CEO and Chairman of the Board of Directors of IP Belgium SA
- Director and Chairman of the Board of Directors of Home Shopping Service Belgium S.A.
- Permanent representative of CLT-UFA, CEO and Chairman of New Contact SA
- Director of CLT-UFA SA
- Director of Agence Télégraphique Belge de Presse
- Director of MaRadio.be SCRL
- Director of L'Association pour l'Autorégulation de la Déontologie Journalistique
- Member of Conseil Supérieur de l'Audiovisuel (Belgium)
- President of Théâtre Royal de La Monnaie
- President of Amis des Musées Royaux des Beaux-Arts de Belgique asbl
- Independent Director of CFE SA,
- Vice-President of B19 Business Club

Appointments and duties having expired in the course of the last five financial years

- CEO of Joker FM SA (for CLT-UFA, represented by Philippe Delusinne)
- Director of BeWeb SA
- Vice-Chairman of B.M.M.A. (Belgian Management & Marketing Association)
- Director of FRONT SA
- Chairman of Association des Télévisions Commerciales Européennes (A.C.T.) (2009/2014)

Business address

RTL Belgium
avenue Jacques Georgin, 2
1030 Brussels
Belgium

Vincent de DORLODOT



Number of company shares held: 100.

Biography and principal duties outside the Company

Vincent de Dorlodot was appointed General Counsel of RTL Group in April 2000. A law graduate from Louvain University (Belgium) and Leiden University (Netherlands), Vincent de Dorlodot also holds a Masters in law from Duke University (USA). He began his career in 1990 as a lawyer with Brandt, Van Hecke and Lagae (now Linklaters). He later joined the Bruxelles Lambert Group as a legal advisor in 1995 before joining RTL Group in 2000.

Other appointments and duties

- General Counsel of RTL Group S.A
- Chairman of the Board of Directors of B & CE SA (Luxembourg)
- Director of RTL Group Services Belgium SA (Belgium), CLT- UFA SA, RTL Group Germany SA, RTL BELUX SA (Luxembourg) and RTL Belgium SA (Belgium)

Appointments and duties having expired in the course of the last five financial years

- CEO of RTL Group Central and Eastern Europe SA (Luxembourg) and RTL TV d.o.o (Serbia)

Business address

RTL Group
43, boulevard Pierre Frieden
L - 1543 Luxembourg

Elmar HEGGEN



Number of company shares held: 100.

Biography and principal duties outside the Company

Elmar Heggen, a German national, graduated in business management from the European Business School and holds an MBA in Finance. He began his career in 1992 with the Félix Schoeller group. He became Vice-Chairman and CEO of Felix Schoeller Digital Imaging in the United Kingdom in 1999 and joined the Corporate Center of RTL Group in 2000 as Vice-President – Mergers and Acquisitions. In January 2003, he was appointed Senior Vice-President - Investment and Control activities, and fulfilled the role of Vice-President - Control and strategy from July 2003 to December 2005. He has been a member of RTL Group's Management team since January 2006. Since 1 October 2006, Elmar Heggen has been Chief Financial Officer and Chairman of the Corporate Center of RTL Group. On 18 April 2012, he was appointed as Executive Director of RTL Group S.A.

Other appointments and duties

- Chief Financial Officer, Head of Corporate Center and Luxembourg Activities RTL Group SA,
- Deputy CEO of RTL Group SA (a listed Group company, Luxembourg),
- Chairman of the Board of Directors of Broadcasting Center Europe SA (Luxembourg); Média Assurances SA (Luxembourg); RTL Group Services Belgium SA (Belgium); Duchy Digital SA (Luxembourg) and Media Real Estate S.A. (Luxembourg),
- Chairman of the Supervisory Board of RTL Nederland Holding BV (Netherlands),
- Director of CLT UFA SA (Luxembourg); RTL Group Germany SA (Luxembourg); RTL Belgium SA (Belgium); Immobilière Bayard d'Antin SA (France); Atresmedia Corporacion de Medios de Comunicacion SA (Spain); RTL Belux SA (Luxembourg), Style Haul Inc (USA) and Style Haul UK Ltd (United Kingdom); SpotX Inc (USA); Broadband TV Corp (Canada); 0971999 B.C. Ltd (Canada) ; Viso Online Video Productions Inc (Canada); TGN Game Communities Inc (Canada); Broadband TV (USA) Inc (USA); Broadcasting Center Europe International SA (Luxembourg),
- Manager of RTL Group Services GmbH (Germany); UFA Film und Fernseh GmbH (Germany); RTL Group Vermögensverwaltung GmbH (Germany); RTL Group Deutschland GmbH (Germany); RTL Group Central and Eastern Europe GmbH (Germany); RTL Television GmbH (Germany), RTL Group Licensing Asia GmbH (Germany),
- Chairman of the Management Committee of Média Properties Sarl (Luxembourg),
- Independent non-executive director of Regus PLC (listed company, UK)

Appointments and duties having expired in the course of the last five financial years

- Director of Alpha Satellite Television SA and Plus Productions SA (Greece) and Bertelsmann Capital Investment (S.A.), (Luxembourg), INADI SA (Belgium); RTL 9 SA (Luxembourg);
- Director of RTL TV Doo (Serbia) and IP France SA (France) as permanent representative of Immobilière Bayard d'Antin SA (since 01/10/2017);
- Chairman of the Board of Directors of BeProcurement SA (Luxembourg) and MP B S.A. (Luxembourg), MP D SA (Luxembourg), MP E SA (Luxembourg) and MP H SA (Luxembourg);
- Member of the Supervisory Board of Ediradio SA (France) as permanent representative of Immobilière Bayard d'Antin SA (since 01/10/2017);
- CEO of RTL Group Central and Eastern Europe SA (Luxembourg).

Business address

RTL Group
43, boulevard Pierre Frieden
L - 1543 Luxembourg

Cécile FROT-COUTAZ



Number of company shares held: 100

Biography and principal duties outside the Company

CEO of FremantleMedia Group since 2012, one of the largest companies creating, producing and distributing entertainment, drama and factual entertainment programmes in the world, and a fully-owned subsidiary of RTL Group, Cécile Frot-Coutaz was previously CEO of FremantleMedia North America, where she produced several of the most innovative hit programmes on US television, including American Idol and America's Got Talent.

Her career began in London in 1994 within Pearson Group London where she rose through the ranks to become Corporate Strategy Executive, a role for which she oversaw the acquisition and integration of a certain number of companies which later helped make FremantleMedia the leading group that we know today.

Other appointments and duties

- CEO of FremantleMedia Group
- Director of FremantleMedia Group Ltd (UK), FremantleMedia Ltd (UK), FremantleMedia Espana SA (Spain), Ludia Inc (Canada), FremantleMedia North America Inc (USA), FremantleMedia Productions North America Inc (USA), FCB Productions Inc (USA);

Appointments and duties having expired in the course of the last five financial years

- Director of Blue Orbit Productions Inc (USA), 3 Doors Productions Inc (USA), Fremantle Productions Inc (USA), REG Grundy Productions Holdings Inc (USA), The Baywatch Production Company (USA), Fremantle Licensing Inc (USA), Fremantle International Inc (USA), Mark Goodson Productions LLC (USA), Fremantle Productions Music Inc (USA), All American Music Group (USA), Feudin'Productions Inc (USA), Fremantle Goodson Inc (USA), Little Pond Television Inc (USA), Triple Threat Productions Inc (USA), American Idol Productions Inc (USA), Tick Tock Productions Inc (USA), Good Games Live Inc (USA), Kickoff Productions Inc (USA), Big Break Productions Inc (USA), Terrapin Productions Inc (USA), Radical Media LLC (USA).

Business address

FremantleMedia
1, Stephen Street
London W1T 1AL

Anke SCHAEFERKORDT



Number of company shares held: 100

Biography and principal duties outside the Company

After studying business affairs in Paderborn, Anke SCHAEFERKORDT, 55, joined Bertelsmann in 1988 via a future business leaders' programme. In 1991, she joined RTL Plus as a sales control and strategic planning consultant. The following year, she became Director of the Management Control Department, before taking over the Business Planning and Management Control Department, and in 1995, she joined VOX as Commercial Director. She was subsequently Director of Programmes and Chief Financial Officer between 1997 and 1999, and then CEO from 1999 to 2005. In February 2005, Anke SCHAEFERKORDT became Director of Operations and Deputy CEO of RTL and in September that year was appointed CEO of RTL Television. Since 2012, she has also been a Member of the Executive Board of Bertelsmann SE & Co. KGaA. Between 2012 and 2017, she was Co-Chief Executive Officer of RTL Group SA alongside Guillaume de Posch.

Other appointments and duties

- Co-CEO of RTL Group SA (a listed Group company, Luxembourg) (until 19/04/2017);
- Member of the Supervisory Board of BASF SE (Germany, a listed company);
- Manager of: Mediengruppe RTL Deutschland GmbH, RTL Television GmbH, UFA Film und Fernseh GmbH;
- Member of the Board: CBC Cologne Broadcasting Center GmbH, IP Deutschland GmbH, IP Österreich GmbH, n-tv Nachrichtenfernsehen GmbH, RTL 2 Fernsehen GmbH & Co. KG, RTL Disney Fernsehen GmbH & Co. KG, RTL interactive GmbH, RTL Radio Deutschland GmbH (until 19/04/2017), Universum Film GmbH, VOX Television GmbH;
- Member of the Board of Directors of CLT-UFA S.A (until 19/04/2017);
- Member of the Executive Board of Bertelsmann Management SE.

Anke SCHAEFERKORDT has 1 term of office in a listed company outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (4 within non-Group listed companies) set out by Paragraph 18.4 of the Afep-Medef Code.

Appointments and duties having expired in the course of the last five financial years

- Member of the Supervisory Board of Software AG, Darmstadt
- Member of the Board of RTL Creation

Business address

Mediengruppe RTL Deutschland GmbH
Picassoplatz 1
D - 50679 Köln
Germany

Delphine ARNAULT



Number of company shares held: 200

Biography and principal duties outside the Company

A graduate of EDHEC and the London School of Economics and Political Science, Delphine ARNAULT started her career as a consultant for the McKinsey practice, before becoming Deputy CEO of Christian Dior Couture.

She is currently Deputy CEO of Louis Vuitton Malletier.

Other appointments and duties

- Director of LVMH Moët Hennessy – Louis Vuitton SE (France, a listed company)
- Director of Christian Dior S.A (France, listed but controlled by LVMH Moët Hennessy – Louis Vuitton SE)
- Member of the Board of Directors of HAVAS (a listed company, France)
- Member of the Board of Directors of 21st Century Fox (a listed company, US)
- Director of Société Civile Cheval Blanc (France)
- Director of Emilio Pucci Srl (Italy)
- Director of Loewe SA (Spain)
- Director of Société Celine (France)
- Delphine ARNAULT has 3 terms of office in listed companies outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (4 within non-Group listed companies) set out by Paragraph 18.4 of the Afep-Medef Code.

Appointments and duties having expired in the course of the last five financial years

- Chairman of the Board of Directors of Calto Srl (Italy)
- Chairman of the Board of Directors of ManifatturaUno Srl (Italy)
- Director of the Sèvres – Cité de la céramique public organisation
- Member of the Supervisory Board of Les Echos SAS (France)

Business address

Louis Vuitton
2, rue du Pont Neuf
75001 Paris

Mouna SEPEHRI



Number of company shares held: 100

Biography and principal duties outside the Company

A law school graduate and member of the Paris Bar Association, Mouna SEPEHRI began her career in 1990 as a lawyer based first in Paris and then in New York, specialising in mergers and acquisitions and in corporate international law. Mouna Sepehri joined Renault in 1996 as Deputy General Counsel. She was an integral part of Renault's international expansion and the formation of the Renault-Nissan Alliance (1999) in her capacity as a member of the original negotiating team.

Mouna Sepehri joined the Office of the CEO in 2007 and was in charge of the management of the Cross-Functional Teams (CFTs).

In 2009, Mouna Sepehri was appointed Director of the CEO Office and Secretary of the Renault-Nissan Alliance Board. In 2010, she also became a member of the Steering Committee on the Alliance cooperation with Daimler. As part of this assignment, Mouna Sepehri was responsible for the implementation of Alliance synergies, for coordinating strategic cooperation and for driving new projects.

On 11 April 2011, Mouna Sepehri joined Renault Group's Executive Committee as Executive Vice President, Office of the CEO. She oversees the following functions: Legal Department, Public Affairs Department, Communications Department, Corporate Social Responsibility Department, Real Estate & Corporate Services Department, Prevention and Group Protection Department, as well as overseeing Cross-Group Teams, the Programme for Economic Efficiency of Running Costs and the Strategy Department.

Other appointments and duties

- Member of the Executive Committee of Renault (a listed company, France)
- Director of Danone (a listed company, France)
- Director of Orange (a listed company, France and New-York)

Mouna SEPEHRI has 3 terms of office in listed companies outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (4 within non-Group listed companies) set out by Paragraph 18.4 of the Afep-Medef Code.

Appointments and duties having expired in the course of the last five financial years

- Executive Vice-President, Office of the CEO Renault-Nissan Alliance, Renault, a listed company (France)
- Director of Nexans, a listed company (France)

Business address

Renault
13-15 quai Le Gallo
92513 Boulogne-Billancourt

IMMOBILIERE BAYARD D'ANTIN represented by Catherine LENOBLE



Number of company shares held by the legal entity: 61,007,461.

Number of company shares held by its representative: 97,930.

Biography and principal duties outside the Company of the individual representing the legal entity

Catherine Lenoble has spent her entire career in media. Initially with RMC as Director of Sponsorship, she became Deputy CEO of M6 Publicité in 1987 when the channel was founded. She was appointed to the Executive Board of Métropole Télévision

in 2000, the following year she became CEO of M6 Publicité. She decided to retire in 2012.

Other appointments and duties

- Member of the Supervisory Board of Hexamedics SAS

Appointments and duties having expired in the course of the last five financial years

- Nil

Business address

Immobilier Bayard d'Antin
22 bis rue Bayard
75008 Paris

2.1.2 Operation of the Supervisory Board

The Supervisory Board exercises permanent control over the management of the Company and its subsidiaries by the Executive Board and grants the latter the prior approval for transactions that it may not perform without such authorisation, in accordance with the provisions of Article 24.3 of the Bylaws.

Throughout the year, the Supervisory Board performs whatever verifications and checks it considers appropriate and may call for any documents it requires to perform its duties.

In addition, the Supervisory Board's Rules of Procedure may be consulted on the Group's website www.groupeM6.fr.

2.1.2.1 Conditions of preparation of the work of the Supervisory Board

More than four working days prior to each of its meetings, the Executive Board provides members of the Supervisory Board with all necessary information and documents to prepare their meetings, in the form of a file covering all items of the agenda and presenting Group operations during the last quarter as well as the various projects submitted for approval by the Board.

Each member of the Supervisory Board is also provided with all the Company's corporate communications throughout the year.

In accordance with its rules of procedures, the Board is informed on a quarterly basis of the Company's financial position and cash flow as well as its commitments.

Works Council representatives also benefit from the same information within the same time frames as Supervisory Board members.

2.1.2.2 Supervisory Board meetings

Notices of meetings are sent in writing by the Chairman to Board members and Works Council representatives on average ten days before the date of the meeting.

The Supervisory Board meets as often as required in the interests of the Company and at least quarterly. It met five (5) times in 2017 and at least one representative of the Works Council attended each meeting. The overall attendance rate of

the members of the Supervisory Board is calculated for the effective period of the term of office in 2017. This rate was 88.3% and may be analysed as follows:

Member of the Supervisory Board	Meetings of the Supervisory Board					
	21 February 2017	26 April 2017	16 May 2017	25 July 2017	7 November 2017	
Guillaume de Posch	✓	✓	✓	✓	✓	100%
Guy de Panafieu		✓	✓	✓		60%
Gilles Samyn	✓	✓	✓	✓	✓	100%
Philippe Delusinne	✓	✓	✓	✓	✓	100%
Vincent de Dorlodot	✓	✓	✓	✓	✓	100%
Elmar Heggen	✓	✓		✓	✓	80%
Delphine Arnault	✓			✓		40%
Mouna Sepehri	✓	✓	✓	✓	✓	100%
Anke Schaeferkordt	✓	✓	✓		✓	80%
Sylvie Ouziel	✓	✓	✓	✓	✓	100%
Christopher Baldelli	✓	✓	✓	✓		100%
Cécile Frot-Coutaz					✓	100%
Immobilière Bayard d'Antin represented by Catherine Lenoble	✓	✓	✓	✓	✓	100%
TOTAL	92%	92%	83%	92%	83%	88.3%

Minutes are prepared at the end of every Board meeting. These are formally approved at the following Supervisory Board meeting.

The Statutory Auditors were specifically requested to attend the two Supervisory Board meetings at which the annual and interim financial statements were reviewed.

At each meeting and at least once each quarter, the Executive Board presented a report to the Supervisory Board on the progress of the company's activities. Within three months following the end of the financial year, the Executive Board presented the Supervisory Board with the parent company and consolidated financial statements, for verification and control, accompanied by a written report on the Company's position and activity during the course of the financial year.

Moreover, a Supervisory Board meeting took place outside the presence of the Executive Board members and Group employees in accordance with Recommendation 10.3 of the AFEP-MEDEF Code.

2.1.2.3 Statutory rules on prior approval

Pursuant to the provisions of Article 24.3 of the Bylaws, the following Executive Board decisions shall be subject to the Supervisory Board's prior approval:

- significant transactions which may impact Company and Group strategy, changing their financial positions and scope of operations;
- investments and commitments (including equity investments) with a total investment exceeding €20 million, insofar as these investments have not been budgeted;
- divestments (including disposal of equity investments) and/or dilutions of a total amount or having an impact on the balance sheet exceeding €20 million, insofar as these divestments have not been budgeted;
- the issue of marketable securities of any type liable to result in changes in the share capital.

2.1.2.4 Supervisory Board's Rules of Procedure

At its first meeting on 20 May 2000, the Supervisory Board adopted its own rules of procedure, supplemented on 30 April 2003, 6 May 2008, 27 May 2012, 17 February 2015 and amended on 21 February 2017 (alignment with the latest legal and regulatory developments), which primarily specified and supplemented the Company's Bylaws regarding its organisation and operation: in particular, arrangements for Board meetings, how the Board exercises its powers, as well as the composition, purpose and powers of its Committees.

It includes best practices and provides the Board with the resources to operate efficiently and better serve the Company and its shareholders. It reaffirms the Board's commitment to corporate governance rules and has been updated to include the latest recommendations from the AMF, the AFEP-MEDEF Code and the Poupart Lafarge report dated 22 July 2010.

It recalls the other obligations incumbent upon Supervisory Board members and in particular the obligation for every member of the Board to inform the Board of any situation involving a conflict of interests, even a potential one, between them and the Company or the Group.

Therefore, depending on the case, they shall:

- abstain from voting on the corresponding deliberation,
- refrain from attending Board meetings during the period he/she is in conflict of interest, or
- resign his/her duties as member of the Board.

The Supervisory Board member may be held liable for their failure to comply with these rules of abstention or withdrawal.

Moreover, the Chairman of the Supervisory Board will not be required to forward to the members, about whom he has serious grounds for suspecting they are faced with a conflict of interests, the information or documents relating to the conflicting issue and will inform the Board that he has not handed over such information.

These rules of procedure are available on the Company's website (<http://www.groupem6.fr/finances/conseil-de-surveillance.html>).

2.1.2.5 Matters discussed by the Supervisory Board in 2017

The key matters discussed by the Supervisory Board during the 2017 financial year mainly concerned:

- interim and annual consolidated financial statements;
- the budget for the 2018 financial year;
- the results for the quarters ended 31 March and 30 September 2017;
- major investment projects, particularly in programming;
- the procedure for the integration of the RTL Radio division in France;
- the renewal of the share buyback agreement for subsequent cancellation and the treasury management agreement with RTL Group;
- the annual review of regulated agreements;
- the allocation of free shares to certain employees and/or corporate officers;
- the renewal of the authorisation given to the Executive Board to grant deposits, guarantees and sureties;
- assessment of the independence of Supervisory Board members;
- self-assessment of the Supervisory Board's work;
- the co-option of a new member of the Supervisory Board;
- the breakdown of directors' fees;
- consultation on gender equality at work and equal pay.
- renewal of the Executive Board;
- the appointment of a new member to the Executive Board;
- the appointment of a new member to the Audit Committee.
- amendment of the Supervisory Board's Rules of Procedure,
- the main elements of M6's policy on sustainable development and Corporate Social Responsibility.

In addition, at its meeting of 21 February 2017 the Supervisory Board discussed the Executive Board members' obligation to retain a certain number of shares and decided that they would be required to retain, as registered shares and unconditionally, 20% of the shares received until the end of their term of office, even though the Code only requires, in its Article 22, that a minimum number of shares be retained, a number that may be revised every time a term of office is renewed.

The Executive Board also informed or sought the opinion of the Supervisory Board on various matters even where its prior approval was not necessary.

Lastly, the Supervisory Board met without the Executive Board in attendance at its meeting of 20 February 2018 in order to assess the latter's performance.

2.1.2.6 Self-assessment of the Supervisory Board's work

The Supervisory Board reviews its own *modus operandi* once a year at one of its meetings, using a questionnaire issued to each member to evaluate the Supervisory Board's operating rules, which each member completes anonymously.

This evaluation is structured into four chapters:

- Principles of Supervisory Board intervention,
- Composition of the Supervisory Board and relationship with the Executive Board,
- Holding of Supervisory Board meetings,
- Supervisory Board committees.

For each criterion, members are asked to give a rating of between 1 (the highest rating) and 4 (the lowest rating).

On this occasion, the actual contribution of each member of the Board is assessed. An evaluation analysis is then presented to the Board.

The following emerged from the 2018 review:

- There is sufficient information available for the Board to be able to oversee the performance of the Executive Board, and more specifically, the achievement of the strategic objectives. Supervisory Board members also consider that the Group has made progress in this area in comparison with the 2017 assessment;
- The Board devotes the necessary time, at regular intervals, to the analysis, assessment and management of the risks to which the Company is exposed;
- Members of the Board are sufficiently informed of any external development (legislative, strategic, sector-specific, etc.) likely to affect the Company and its competitors;
- Meetings are carried out in a manner that promotes quality and fully transparent discussions;
- One of the areas for improvement could concern devoting more time to strategic issues.

2.1.3 Committees of the Supervisory Board

The Supervisory Board has had the following two Committees in place since it was established in 2000:

- The Remuneration and Appointments Committee,
- The Audit Committee.

2.1.3.1 Remuneration and Appointments Committee

Composition

The rules of procedure of the Supervisory Board provide that the Remuneration and Appointments Committee, first set up in 2000, must be made up of a minimum of two and a maximum of five members, selected from the members of the Supervisory Board, of whom more than half are selected from the independent members.

The Remuneration and Appointments Committee currently comprises two members appointed for the duration of their term of office as members of the Supervisory Board.

At 31 December 2017, the members of the Remuneration and Appointments Committee were the following:

Members of the Remuneration and Appointments Committee		Date of first appointment	Expiry date of appointment
Gilles Samyn *	Chairman of the Committee	10 March 2009	2019
Guillaume de Posch	Member	3 May 2012	2020
Guy de Panafieu**	Standing invitee		

* Independent Member.

** Guy de Panafieu ceased to be a member of the Remuneration and Appointments Committee on 26 April 2017. At its meeting of 21 February 2017, the Supervisory Board nevertheless authorised him to continue to attend Committee meetings and receive attendance fees in this regard.

Operation

As defined in the rules of procedure, the Remuneration and Appointments Committee meets at least once a year and has the following responsibilities:

- to make recommendations for the remuneration of members of the Supervisory Board and the Executive Board;
- to issue a recommendation on the total budget and distribution of attendance fees;
- to ensure compliance with the Group's individual and collective principles, values and code of conduct, applicable to all staff;

- to consider every candidate for appointment or replacement of any member of the Supervisory Board or the Executive Board;
- to prepare a succession plan for members of the Executive Board and the Chairman of the Supervisory Board;
- discuss the independence of Supervisory Board members;
- review the balance of the composition of the Supervisory Board in particular in accordance with the shareholding and gender distribution;
- annually evaluate the Board's work in order to help draft the Chairman of the Supervisory Board's report on corporate governance;
- ensure the prevention of conflicts of interest that could arise within the course of corporate life.

The Remuneration and Appointments Committee also regularly reviews succession issues relating to Executive Board members in order to be able to propose solutions to the Supervisory Board in the event of a vacancy. These issues were addressed at each of the 2017 meetings, and were covered by a specific item at the meeting of 17 February 2017, during which the early reappointment of the Executive Board was proposed.

For each of its meetings, the Remuneration and Appointments Committee is provided with a file prepared by the Company to give the clearest possible insight into the implications of its decisions. Members of the Executive Board participate in certain meetings of the Committee in order to provide it with any information that may be useful.

The Committee met three times in 2017, on 17 February, 20 July and 26 October, and ruled on:

- the calculation of the Executive Board members' variable remuneration for 2016;
- the definition of objectives for the calculation of Executive Board members' variable remuneration for 2017;
- the achievement of performance conditions for releasing the free share allocation plan of 2015, with delivery on 28 July 2017, and 2016, with delivery on 28 July 2018;
- the conditions for the annual allocation of free shares;
- the co-option of a new member of the Supervisory Board;
- renewal of the Executive Board;
- the appointment of a new member to the Executive Board;
- the authorisation of the Supervisory Board's attendance fees scale.

The Committee reported on its work to the Supervisory Board, which took note of it and followed all of the Committee's recommendations.

The attendance rate of its members was 100% in 2017:

Members of the Committee	Meetings of the Remuneration and Appointments Committee			
	17 February 2017	20 July 2017	26 October 2017	
Guy de Panafieu	✓			100%
Gilles Samyn	✓	✓	✓	100%
Guillaume de Posch	✓	✓	✓	100%
TOTAL	100%	100%	100%	100%

2.1.3.2 Audit Committee

The rules of procedure of the Supervisory Board provide that the Audit Committee, first set up in 2000, has a minimum of three and a maximum of five members chosen by the Supervisory Board from among its own members other than the Chairman of the Board, including at least two thirds of independent members.

As regards the Audit Committee, the Company refers to the report of the AMF working group chaired by Mr Poupart-Lafarge on the Audit Committee dated 22 July 2010.

Composition

The Audit Committee comprises three members selected for their expertise. Two of the members are independent within the meaning of the criteria mentioned in Section 2.1.1.1 above.

At 31 December 2017, its members were the following:

Members of the Audit Committee		Date of first appointment	Expiry date of appointment
Gilles Samyn*	Chairman of the Committee	3 May 2012	2019
Elmar Heggen	Member	22 November 2006	2020
Mouna Sepehri*	Member	19 December 2013	2020
Guy de Panafieu**	Standing invitee		

* Independent Member.

** Guy de Panafieu ceased to be a member of the Remuneration and Appointments Committee on 26 April 2017. At its meeting of 21 February 2017, the Supervisory Board nevertheless authorised him to continue to attend Committee meetings and receive attendance fees in this regard.

All members of the Audit Committee have the appropriate accounting, financial and auditing expertise, as evidenced by their past or current professional positions:

- Gilles SAMYN was selected by the Board for his professional experience in the financial field, acquired in particular in his capacity as Deputy CEO of the Frère-Bourgeois Group and Chairman of Compagnie Nationale à Portefeuille.
- Elmar HEGGEN holds an MBA in finance and has held a variety of finance and strategy positions, which led to his current position as Chief Financial Officer and Head of Corporate Center of RTL Group.
- Mouna SEPEHRI was retained by the Board for her expertise, acquired within the Renault Group over the past 20 years, in major acquisitions and strategic partnerships, including the Renault-Nissan Alliance. Executive Vice-President, Office of the CEO at Renault, she oversees the corporate functions delegated to Senior Management, including the Legal Department, which also equips her with expertise in the field of internal control and risk management.

Operation

Based on the rules of procedure, completed with recommendations from the AMF (Final report on audit committees, dated 22 July 2010), the Audit Committee defined its Operating Charter in July 2011. It is subject to the provisions of the French Commercial Code and Regulation (EU) No. 537/2014 of 16 April 2014.

The Audit Committee meets at least twice a year and has the following responsibilities:

- In relation to the financial statements:
 - to review the annual financial statements prior to their submission to the Board;
 - to monitor the relevance and consistency of the accounting principles and rules used for the preparation of the financial statements and to prevent any potential violation of these rules;
 - to review the preliminary and interim results as well as the accompanying notes, prior to their publication,
 - to monitor the financial reporting process and, if applicable, issue recommendations to safeguard its integrity and ensure the quality of the processes enables compliance with stock market regulations;
 - as part of its review of the financial statements, to examine the scope of consolidation and, where relevant, the reasons for which companies are excluded from the scope.
- In relation to the internal control of the Company:
 - to issue a recommendation on the Statutory Auditors proposed for appointment by the general meeting to the Board. It also issues its recommendation on the renewal of the statutory auditor's or auditors' appointment;
 - to monitor the completion by the Statutory Auditors of their assignment, taking into account the observations and findings of the H3C (French Statutory Auditors' Supervisory Body) following the audits performed pursuant to Articles L. 821-9 and subsequent;
 - to ensure compliance by the Statutory Auditors with the principles of independence, and to take all steps required to apply article 4-3 of Regulation (EU) No. 537/2014 (economic independence) and ensure compliance with the conditions of article 6 of this regulation.
- In relation to the internal control of the Company:
 - to assess the Company's and its subsidiaries' internal control systems with internal control officers;
 - to review with them the response and action plans in the field of internal control, the findings of these responses and measures, and the action that is required of them;
 - to monitor the efficiency of internal control and risk management systems, as well as of the internal audit where applicable, regarding the procedures related to the preparation and processing of accounting and financial information, without it affecting its independence.

- In relation to risks:
 - regularly review with the Executive Board of the Company the main risks to which the business is exposed as well as the significant off-balance sheet commitments.
- In relation to conflicts of interests:
 - to review and check the rules of procedure applicable to conflicts of interest, to the expenses of the management team members and to the identification and measurement of the main financial risks, as well as their application, and submit its assessment annually to the Board;
 - during the review of the financial statements, probe any material transactions that could have generated conflict of interest.
- In relation to non-audit services provided by the Statutory Auditors:
 - approve the service.

At its meeting of 25 July 2016, the Audit Committee decided that for any service whose provision by the Statutory Auditors is required by law [Report on the cancellation of the preferential subscription right, supplementary reports, etc.], its overall approval is always provided, the Committee not having the legal capacity to object to its provision.

At the same meeting, the Committee expressly authorised, in principle and by definition, the provision, either to the Company or to companies it controls, the following categories of service:

- Audit other than the certification of the financial statements,
- Limited review,
- Findings upon the conclusion of procedures agreed with the entity,
- Statements,
- Consultations
- Services rendered during the acquisition of entities,
- Services rendered during the sale of entities,
- Consultation on internal control,
- Services related to corporate and environmental information,
- Letter of Intent in relation to market transactions,
- Assurance Report / agreed procedures concerning internal control processes,
- Tax services provided in the countries where these are permitted.

At its meeting of 17 February 2017, the Audit Committee added the following to these categories of services:

- Tax services provided in the countries where these are permitted.

The Committee also approved, under the same conditions, the provision of the above-mentioned services to companies that control the Company on condition that neither the Company nor any of the companies that it controls shall bear the cost thereof.

When a service is provided, senior management must verify that it falls within the scope of one of the two preceding authorisations.

Should this not be the case, the service in question shall be subject to the individual approval of the Audit Committee.

Furthermore, the Audit Committee reports to the Supervisory Board on a regular basis regarding the discharge of its duties. It also reports on the results of the assignment to certify the financial statements, on the way in which this assignment has contributed to the integrity of financial information and on the role it has played in this process. It shall inform the Supervisory Board without delay of any difficulty encountered.

In order to fulfil its mission, the Audit Committee is provided with all the documents it deems necessary or useful and contacts all persons it deems necessary or useful to consult to carry out its review, particularly the Statutory Auditors (including at least one meeting without the Executive Board and Finance Department in attendance), as well as the CFO and his principal assistants. A detailed file is prepared by the Company's financial staff for each Audit Committee meeting. It may also be assisted by external consultants, at the Company's expense.

On this basis, the Audit Committee makes recommendations to the Executive Board regarding financial reporting, as well as financial, accounting or taxation issues that the Group may have to face.

The Audit Committee presents the conclusions of its deliberations to the Supervisory Board at the meetings to discuss the interim and annual financial statements. The Committee has sufficient time to review the financial statements, as files are sent more than five working days before each meeting.

Audit Committee meetings relative to the review of full-year and interim financial statements are always held between the approval of the financial statements by the Executive Board and the subsequent meeting of the Supervisory Board.

Audit Committee meetings normally take place the day before Supervisory Board meetings to facilitate travel for directors who live abroad.

The Committee met five times in 2017. Its work included:

- the review of the parent company and consolidated financial statements;
- the review of the interim consolidated financial statements at 30 June and quarterly financial position at 31 March and 30 September;
- the review of off-balance sheet commitments;
- the 2018 budget;
- the review of the financial parts of the Registration Document and the Chairman's Report;
- the review of the Group's Sustainable Development Report;
- the monitoring of the treasury position and the working capital requirements of the Group;
- a follow-up of the year's internal control assignments;
- the review of the risk-mapping;
- the review of the Group's insurance policies;
- 2017 assignments and fees of the Statutory Auditors and the 2017-2018 audit plan;
- the follow-up of financial reporting.
- the procedure for purchasing and then integrating the radio division of RTL Group in France and its financing.

The Committee reported on its work to the Supervisory Board, which was duly noted. Minutes of every meeting are prepared and approved at the following meeting.

The attendance rate of its members was 82.4% in 2017:

Members of the Committee	Meetings of the Audit Committee					
	23 January 2017	17 February 2017	24 July 2017	6 November 2017	14 December 2017	
Guy de Panafieu	✓	✓				100%
Gilles Samyn	✓	✓	✓	✓	✓	100%
Elmar Heggen	✓	X	✓	✓	✓	80%
Mouna Sepehri	✓	X	✓	✓	X	60%
TOTAL	100%	50%	100%	100%	67%	82.4%

The Audit Committee carries out an assessment of its own operation on an annual basis by filling out the Supervisory Board's assessment questionnaire provided to all Board members, a section of which is reserved for the Audit Committee. The 2018 assessment highlighted that:

- the committee meets at sufficiently frequent intervals and the duration of the meetings is appropriate;
- the members of the committee receive appropriate information prior to each meeting;
- the atmosphere within the committee is conducive to discussion.

The main area for improvement would be to receive the preparatory information for meetings further in advance.

2.1.3.3 Committee of Independent Directors

As part of the planned acquisition of RTL Group's Radio Division in France, the independent members of the Supervisory Board took care to hold an ad hoc meeting of the Committee in advance in order to assign a mission to an independent expert, and more generally to prepare for the Board meetings concerning the proposal.

From 2016 and pursuant to AMF recommendation n°2012-05 (Proposal 25), the Committee appointed the firm FINEXSI as Independent Expert to enable the latter to *"assess the activities to be taken over as well as the purchase price of the companies that would be acquired"*. The firm submitted an initial report on 12 December 2016, following which the Committee recommended the project to the Supervisory Board on 13 December 2016, (a) reiterating their positive opinion on the corporate interest for M6 to complete the transaction, (b) confirming that the transaction was in the interests of all M6 shareholders and that it involved no conflict of interests, and (c) confirming the appropriateness of the purchase price of the scope of the companies within the French radio division of RTL Group and its fairness.

In January 2017, M6 Group was informed by RTL Group of the existence of accounting anomalies in the historical consolidated financial statements within the scope of the project, that were likely to have an impact on the exclusive negotiations entered into on 13 December 2016.

The ad hoc Committee of Independent Directors thus met on three occasions:

- on 8 March 2017, to examine the accounting anomalies announced and published by RTL Group on 9 March 2017,
- on 26 April 2017, to examine the new basis for negotiations under consideration by the Executive Board and to reappoint the firm FINEXSI for an identical assignment to that completed in November and December 2016,
- on 15 May 2017, to examine the findings of the assessment work completed by FINEXSI as well as the latest negotiations. During this meeting, the Committee again decided to recommend the Supervisory Board to vote in favour of the project.

2.2 – EXECUTIVE BOARD

2.2.1 Composition of the Executive Board

Since the Annual General Meeting of 5 May 2014, the Executive Board has been appointed for a period of three years.

The Executive Board has five members, all natural persons, aged less than 70 years, appointed by the Supervisory Board and compensated by Métropole Télévision Group.

Given the quality of the executive team and the Company's recurring strong performance, the Supervisory Board of M6 Group decided at its meeting of 21 February 2017 to proceed with the early renewal of the terms of office of the Executive Board, with effect from today, for a period of three years ending 21 February 2020.

At its meeting of 7 November 2017, M6 Group's Supervisory Board appointed Christopher BALDELLI as Vice-Chairman of the Executive Board, responsible for Radio and News (excluding Magazines).

Members of the Executive Board	Nationality	Age	Principal duties	Date of first appointment	Date reappointed	Date term expires
Nicolas de Tavernost	French	67	Chairman of the Executive Board	26/05/2000	21/02/2017	21/02/2020
Thomas Valentin	French	63	Vice-Chairman of the Executive Board with responsibility for Programming and Content	26/05/2000	21/02/2017	21/02/2020
Christopher Baldelli	French	53	Vice-Chairman of the Executive Board with responsibility for Radio and News (Magazines excluded)	07/11/2017		21/02/2020
Jérôme Lefébure	French	55	Member of the Executive Board in charge of Finance and Support Functions	25/03/2010	21/02/2017	21/02/2020
David Larramendy	French	43	Member of the Executive Board with responsibility for Sales	17/02/2015	21/02/2017	21/02/2020

Nicolas de TAVERNOST



Chairman of the Executive Board

Number of Company shares held:

399,489

A graduate of the Bordeaux Institute of Political Studies and with a post graduate degree in Public Law, Nicolas de Tavernost began his career in 1975 as part of Norbert Ségard's team, the junior minister for foreign trade, then in the Postal and Telecommunications sectors. In 1986 he took over the management of audiovisual activities at Lyonnaise des Eaux and, on this account, oversaw the project to create M6. In 1987, he was appointed Deputy CEO of Métropole Télévision M6 where since 2000 he has performed the role of Chairman of the Executive Board.

Other appointments and duties

▪ *Outside M6 Group and RTL Group*

- Independent Director of GL Events SA, a listed company (France)
- Independent Director and Chairman of the Remuneration Committee of Natixis, a listed company (France)
- Director, on a voluntary basis, of endowment fund Raise and Polygone SA

In accordance with the AFEP-MEDEF Code, Nicolas de Tavernost holds 2 terms of office in a personal capacity in listed companies outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (two within non-Group listed companies) set out by Paragraph 18.2 of the Afep-Medef Code.

▪ *Within M6 Group and RTL Group*

- Permanent representative of:
 - a. Métropole Télévision in its capacity as Chairman of: M6 Publicité SAS, Immobilière M6 SAS, M6 Bordeaux SAS, M6 Interactions SAS, M6 Web SAS, M6 Foot SAS, Mandarin Cinéma SAS and Fidélité Films (since 20/07/2016).
 - b. M6 Web in its capacity as Chairman of I Graal SAS
 - c. Métropole Télévision as Director of SASP Football Club des Girondins de Bordeaux, Société Nouvelle de Distribution SA, C. Productions SA, Extension TV SAS, IP France SA (since 02/10/2017), IP Régions SA (since 02/10/2017), Société d'Exploitation Radio Chic-SERC SA (since 02/10/2017) and Société de Développement de Radio Diffusion-Sodera SA (since 02/10/2017).
 - d. Métropole Télévision in its capacity as Member of the Shareholders' Committee of Multi4 SAS.
 - e. Métropole Télévision in its capacity as Managing Partner of SCI du 107, avenue Charles de Gaulle.
 - f. Immobilière Bayard d'Antin SA in its capacity as Director of Médiamétrie SA (since 29/11/2017).
- Member of Association Football Club des Girondins de Bordeaux.
- Chairman (since 02/10/2017) and member of the Supervisory Board of Ediradio SA.
- Member of the Board of Directors of RTL France Radio SAS (since 02/10/2017).
- Representative of RTL Group to the Supervisory Board, Vice-Chairman of the Remuneration Committee and Member of the Executive Committee of Atresmedia, a listed company (Spain)

Appointments and duties having expired in the course of the last five financial years

▪ *Outside M6 Group and RTL Group*

- Director of Nexans SA, a listed company (France)

▪ *Within M6 Group and RTL Group*

- Director of Société Nouvelle de Distribution SA, Extension TV SAS and TF6 Gestion SA.
- Permanent representative of:
 - a. Métropole Télévision in its capacity as Chairman of M6 Toulouse SAS, Fondation M6 and TCM DA SAS (since 20/11/2017).
 - b. Métropole Télévision in its capacity as Director of Paris Première SA and MisterGooddeal SA.
 - c. M6 Publicité in its capacity as Chairman of M6 Créations.
 - b. M6 Publicité in its capacity as Director of Home Shopping Service SA, M6 Diffusion SA, M6 Evénements SA and M6 Editions SA.
 - e. Home Shopping Services in its capacity as Director of MisterGooddeal SA
 - f. C. Productions SA in its capacity as director of M6 Films SA

Thomas VALENTIN



Vice-Chairman of the Executive Board with responsibility for Programming and Content

Number of Company shares held:

192,810

Thomas Valentin joined M6 in its infancy as Fiction and International Relations Representative, and in November 1989 became Director of Drama and Documentaries and International Relations Representative until December 1990, Assistant Director of Programmes and Director of Purchasing and Production(s) in 1991. Appointed M6 Director of Programmes in March 1992, then Chief Operating Officer in May 1996, he was Vice-President in charge of Programmes from June 2000 to January 2007.

In 1986 and 1987 Thomas VALENTIN was responsible for preparing CLT's application to be a television channel in France. From 1984 to 1987, he was Special Advisor at IP France, responsible for the satellite sector, macroeconomic analyses and the development of RTL-Télévision in France.

Between 1981 and 1984, he was Director of Communications at the French Embassy in New York.

Thomas VALENTIN is a communications graduate, with a Master of Arts in Broadcasting from Stanford University (California) and holds a Masters in Physics and a post graduate degree in Optics from the University of Paris.

Other appointments and duties

▪ *Outside M6 Group*

Nil

▪ *Within M6 Group*

- Chairman and CEO of M6 Films SA.
- Chairman of C. Productions and Studio 89 Productions SAS.
- Director of C. Productions SA and Extension TV SAS.
- Vice-Chairman of the Supervisory Board of Ediradio SA (from 02/10/2017)
- Permanent representative of:
 - a. Métropole Télévision SA in its capacity as Chairman of M6 Studio SAS, M6 Communication SA and Director of SNC SA (since 30/06/2017).
 - b. M6 Thématiques SAS in its capacity as Chairman of SEDI TV SAS and Director of IP France SA.
 - c. M6 Web SAS in its capacity as Chairman of GM6 SAS.
- Member and Vice-Chairman of Association Football Club des Girondins de Bordeaux

Appointments and duties having expired in the course of the last five financial years

▪ *Outside M6 Group*

Nil

▪ *Within M6 Group*

- Chairman of M6 Studio SAS, M6 Communication SAS and Sedi-TV SAS
- Chairman of the Board of Directors of M6 Films SA and Métropole Production SA
- Director of Société Nouvelle de Distribution SA, Métropole Productions SA and TF6 Gestion SA
- Permanent representative of:
 - a. M6 Films SA in its capacity as Director of Métropole Productions SA and Home Shopping Service SA
 - b. Métropole Production SA in its capacity as Director of M6 Diffusion SA and Société Nouvelle de Distribution SA
 - c. Edi Tv and Paris Première SAS in its capacity as Member of the Shareholders' Committee of Multi 4 SAS

Christopher BALDELLI



Vice-Chairman of the Executive Board with responsibility for Radio and News (Magazines excluded)

Number of Company shares held: 15,337

Biography and principal duties outside the Company

A former student of Ecole Normale Supérieure and a graduate of the Paris Institut d'Etudes Politiques, Christopher Baldelli served from 1994 to 1997, successively as an Advisor as part of the French Budget Minister's staff, the Communication and Culture Minister's staff, and lastly as part of the Prime Minister's staff. He subsequently acted as Head of Strategy at Lagardère Group's head office (Media industry) from 1997 to 1998, before being appointed CEO of the "La Provence" daily newspaper (Lagardère Group) in 1999.

From 1999 to 2002, Christopher Baldelli held the position of Deputy CEO of France 2, and was subsequently appointed CEO in 2002, a position he held until 2005.

He then joined M6 Group in 2006 as Chairman of M6 Thématique (W9, Paris Première, TEVA and the M6 Music, TF6, Série Club channels) before his appointment as Chairman of the Executive Board of Ediradio in August 2009 and Chairman of the Board of Directors or Manager of various RTL Group companies (RTL2, FUN Radio, Information & Diffusion, etc.).

Other appointments and duties

Outside M6 Group (until 01/10/2017)

Chairman of the Executive Board of Ediradio SA

- Chairman of the Board of Directors of IP France SA, Société d'Exploitation Radio Chic SERC SA, Société De Radio Diffusion -SODERA SA
- Chairman of RTL NET SAS
- Permanent representative of Société Immobilière Bayard d'Antin S.A. to Médiamétrie
- Permanent representative of IP France to the Board of IP Régions SA
- Co-Manager of Information & Diffusion SARL, Société Commerciale de Promotion et de Publicité SARL, RTL Special Marketing SARL
- Within M6 Group (since 02/10/2017)
- Chairman of the Executive Board of Ediradio SA
- Chairman of RTL NET SAS
- Chairman of the Board of Directors of Société d'Exploitation Radio Chic-SERC SA and Société de Développement de Radio Diffusion-Sodera SA.
- Co-Manager of Information et Diffusion-ID SARL, RTL Spécial Marketing SARL and Société Commerciale de Promotion et de Publicité SARL.

Appointments and duties having expired in the course of the last five financial years

- Chairman of the Board of Directors of IP France SA (since 02/10/2017)
- Director of CLT-UFA SA (since 01/10/2017)
- Permanent representative of Société Immobilière Bayard d'Antin S.A. to Médiamétrie SA (since 29/11/2017)

Jérôme LEFEBURE



Member of the Executive Board in charge of Finance and Support Functions

Number of Company shares held: 86,617

Biography

A graduate of the Paris Institute of Political Studies and holder of a Master's Degree in Business Law, he began his career at Arthur Andersen (1988-1998), followed by Atos Direct (Koba) as Chief Financial Officer and Member of the Executive Board (1998-2003). In 2003, he joined M6 Group as Chief Financial officer, and in 2010 became a member of the Executive Board responsible for Management Activities (Finance Department, Organisation and Human Resources Department, Information Systems Department).

Other appointments and duties

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman and CEO of M6 Diffusion SA

- Permanent representative of:

a. Métropole Télévision in its capacity as Chairman of SNDA SAS, M6 Talents SAS, M6 Développement SAS, M6 Génération SAS, M6 Thématique SAS and Immobilière 46D SAS

b. M6 Thématique in its capacity as Chairman of Edi TV SAS

c. M6 Interactions in its capacity as Director of Home Shopping Service SA, Best of TV SAS and Société Nouvelle de Distribution SA

d. EDI-TV SAS in its capacity as member of the Shareholders' Committee of Multi 4 SAS

e. M6 Publicité SAS as Member of the Supervisory Board of Ediradio SA and Director of IP France SA, IP Régions SA and Société d'Exploitation Radio Chic-SERC SA (since 02/10/2017).

f. M6 Thématique SAS in its capacity as Chairman of Edi-TV SAS.

- Director of Unité 15 Belgique SA, Société Européenne de Télévente Belgique SCARL and M6 Group's Corporate Foundation.

- Member and Director of Association Football Club des Girondins de Bordeaux

Appointments and duties having expired in the course of the last five financial years

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman of M6 Développement SAS, M6 Génération SA, M6 Divertissements SAS, Immobilière 46D SAS, M6 Thématique SAS and Métropole Productions SA

- Chairman and CEO of M6 Editions SA and M6 Evènements SA

- Permanent representative of:

a. Métropole Télévision in its capacity as Chairman of M6 Shop SAS

b. Métropole Télévision in its capacity as Director of M6 Éditions SA

c. Métropole Télévision in its capacity as Manager of TCM DA SAS

d. M6 Interactions SAS in its capacity as Director of Mistergooddeal SA and M6 Evènements SA

e. M6 Evènements in its capacity as Chairman of Live Stage SAS

f. M6 Thématique in its capacity as Director of TF6 Gestion SA

g. C. Productions SA in its capacity as director of Métropole Productions SA

h. M6 Diffusion SA in its capacity as Director of C. Productions SA

David LARRAMENDY



Member of the Executive Board with responsibility for Sales and Business Development

Number of Company shares held: 56,968

Biography

A graduate of Supélec and holder of an MBA from Wharton School at the University of Pennsylvania, he began his career with Ernst & Young before joining Mistergooddeal at its inception in 2000. He then worked in the London offices of Goldman Sachs prior to joining M6 Group in 2008 as Sales Director of the Ventadis Division, of which he became CEO in 2010. Appointed CEO of both M6 Publicité and M6 Interactions in December 2014, he joined the Executive Board in February 2015.

Other appointments and duties

- *Outside M6 Group*
- Vice-Chairman and Treasurer of SNPTV (France)
- *Within M6 Group*
- Chairman and CEO of M6 Editions SA and M6 Evènements SA
- CEO of M6 Publicité SAS and M6 Interactions SAS
- Chairman of the Board of Directors of IP France SA and IP Régions SA (since 02/10/2017)
- Permanent representative of M6 Publicité SAS in its capacity as Chairman of M6 Créations SAS
- Director of Société de Développement de Radio Diffusion-Sodera SA (since 02/10/2017)

Appointments and duties having expired in the course of the last five financial years

- *Within M6 Group and RTL Group*
- Deputy CEO of Home Shopping Service SA, Mistergooddeal SA and M6 Interactions SAS
- Chairman of Luxview SAS, MonAlbumPhoto SAS
- Permanent representative of Home Shopping Service SA in its capacity as Chairman of Best Of TV SAS
- Permanent representative of MonAlbumPhoto SAS in its capacity as Chairman of Printic SAS
- Permanent representative of M6 Évènements SA in its capacity as Chairman of Live Stage SAS
- Director of Home Shopping Service Belgique SA, Société Européenne de Télévente Belgique SCA and Unité 15 Belgique SA
- *Outside M6 Group*

Nil

2.2.2 Operation of the Executive Board

The Executive Board has the widest possible powers to act in all circumstances on behalf of the Company with third parties pursuant to Article 18 of the Bylaws.

However, investments and divestments whose unit cost is not provided for in the budget and has an impact exceeding €20 million on the Group's financial position require the prior approval of the Supervisory Board (Article 24.3 of the Bylaws in section 1.6 of this document).

The Executive Board meets as often as required in the interests of the Company. In 2017, the Executive Board met 31 times, with minutes kept for each of these meetings. The Executive Board prepares all files to be submitted to Supervisory Board meetings by providing a detailed presentation of the situation of each activity of the Group during the previous quarter. To that end, the Executive Board ensures the relevance of operating management indicators presented to the Supervisory Board in order to reflect developments affecting the various activities and businesses.

The Executive Board collectively examines and takes decisions on investment projects submitted to it by operating teams. The Executive Board also approves the Group's half-year and annual financial statements, provisional management documents and wording of the management report, which are subsequently presented for review by the Supervisory Board. Lastly, the Executive Board decides on the Group's financial communication.

2.3 CORPORATE OFFICERS' REMUNERATION AND BENEFITS

In application of Article L. 225-37-3 of the Commercial Code, the total remuneration received by the Group's Board members, including benefits, was as follows, it being noted that this chapter was prepared with the assistance of the Remuneration Committee.

2.3.1 Principles and rules determining Executive Board members' remuneration and benefits

Every year, the Supervisory Board, upon proposal by the Remuneration Committee, sets the Executive Board members' remuneration policy with reference to the AFEP/MEDEF recommendations on the governance of listed companies.

All members of the Executive Board concurrently hold an employment contract with a term of office as Director, noting that Nicolas de TAVERNOST's employment contract has been suspended since 6 December 1990 and will remain so until his term of office as Chairman of the Executive Board expires. This suspension has been confirmed by the Supervisory Board at each collective renewal of the terms of office, including in February 2017.

This suspension is motivated by the fact that the creation of the channel M6 in 1987 was only possible through the combination of the drive of its historical shareholders and the energy invested by the initial salaried staff, including Nicolas de TAVERNOST. When he was appointed as a corporate officer in 1990, the shareholders sought to maintain that initial employment contract (suspended) since the future of the channel was not assured at that time. The Group's subsequent development, the result of the work carried out by its management, and the evolution of its governance have never erased this particular relationship between the Group and one of its founders, justifying the continued suspension of the employment contract.

In addition, Nicolas de TAVERNOST will now be subject to a non-compete obligation for a period of twelve months following his departure (details enclosed in § 2.3.1.5).

2.3.1.1 Policy to determine the fixed and variable remuneration of the members of the Executive Board

The remuneration policy sets all fixed, variable and exceptional components of remuneration, in addition to the long-term incentive and employee retention plans granted in the form of free shares as well as other commitments of any nature undertaken by the Company for the benefit of its directors and senior executives.

It is not only based on technical performance, results achieved, level of responsibility assumed, but also on practices observed in comparable companies and remuneration paid to other operational managers of the company.

The remuneration of members of the Executive Board is paid by the parent company Métropole Télévision, with the exception of David LARRAMENDY, whose salary is paid by M6 Publicité.

The remuneration of Christopher BALDELLI, member of the Executive Board since 7 November 2017, was until 31 December 2017 paid by EDIRADIO and will be paid by Métropole Télévision as of 1 January 2018.

FIXED COMPONENTS OF REMUNERATION

The fixed component of Executive Board members' remuneration is:

- paid in 12 monthly instalments in the case of Nicolas de TAVERNOST, in respect of his role as a corporate officer, and in 13 monthly instalments in the case of the other members, in respect of their employment contracts,
- augmented by a benefit in kind equal to the value of their company car, it being specified that this is the sole benefit in kind that they receive.

The fixed remuneration of the members of the Executive Board was last revised in relation to:

- Nicolas de TAVERNOST, on 1 January 2016,
- Thomas VALENTIN, on 1 January 2010,
- Jérôme LEFEBURE, on 1 January 2017, up 2.5% after 5 years of stability,
- David LARRAMENDY on 1 January 2018, to correct the discrepancy noted in relation to comparable positions in the advertising market.

VARIABLE COMPONENTS OF REMUNERATION

The variable component of the remuneration of each member of the Executive Board is comprised of two components, each calculated based on one or two performance criteria, for which an annual target is set by the Supervisory Board to enable payment of the maximum amount and a minimum performance level under which no variable component will be paid.

As such, the criteria applied to each individual are as follows:

- For Nicolas de TAVERNOST:

- 70% calculated according to a Group EBITA target,
- 30% calculated according to two audience targets, including 15% assessed on the cumulative audience share (4+ years target) of all Group channels, and 15% assessed on the audience share (WRP < 50 target) of the Group's free-to-air channels.

It is specified that this variable component relates exclusively to his role as corporate officer.

- For Thomas VALENTIN:

- 70% related to his employment contract, including 49% calculated according to a Group EBITA target, and 21% calculated according to two audience targets, with 10.5% assessed on the cumulative audience share (4+ years target) of all Group channels, and 10.5% assessed on the audience share (WRP < 50 target) of the Group's free-to-air channels;
- 30% related to his role as a corporate officer and entirely assessed on the same two audience criteria due to his responsibilities as Head of Television Programming and Content.

As such and overall, the variable component calculated according to audience figures represents 51% and the component calculated according to Group EBITA is 49%.

- For Jérôme LEFEBURE:

- 78.5%, related to his employment contract and calculated according to a Group EBITA target, due to his responsibilities as Chief Financial Officer and Head of the Group's Support Functions;
- 21.5% related to his role as a corporate officer and calculated according to two audience targets, with 10.75% assessed on the cumulative audience share (4+ years target) of all Group channels, and 10.75% assessed on the audience share (WRP < 50 target) of the Group's free-to-air channels.

- For David LARRAMENDY:

- 86% related to his employment contract and calculated according to a consolidated advertising revenue target, due to his role as Managing Director of M6 Publicité;
- 14% related to his role as a corporate officer and calculated according to EBITA.

- For Christopher BALDELLI and with exclusive effect from 2018:

- 90% related to his employment contract, of which 50% calculated according to a Group EBITA target and 40% according to the audience share of the Group's radio stations, due to his role as Director of the Group's Radio Broadcasting;
- 10% related to his role as a corporate officer and calculated according to the Television audience share, as a result of the intra-company responsibility he exercises in relation to news reporting. 5% of this portion will be assessed on the 4+ years target of all Group channels, and 5% assessed on audience shares (WRP < 50) for the Group's free-to-air channels.

The variable remuneration of the members of the Executive Board was last revised in relation to:

- Nicolas de TAVERNOST, on 1 January 2016,
- Thomas VALENTIN, on 1 January 2007,
- Jérôme LEFEBURE on 1 January 2017, in order to adjust the amount, unchanged since 2008, to reflect his wider responsibilities.
- David LARRAMENDY on 1 January 2018, in order to promote the achievement of ambitious sales targets.

In accordance with Paragraph 24.3.2 of the AFEP-MEDEF Code, and in order to allow an assessment of the standards expected of management, the table below includes the following information:

- The portion of the maximum variable remuneration of each member of the Executive Board in relation to their fixed remuneration,
- The portion that will actually be paid in respect of the 2017 financial year and the previous financial year, and expressed according to the maximum variable part, in order to enable performance to be assessed,
- The attainment percentage of the maximum target set by the Supervisory Board.

In this regard, 2017 was characterised by:

- The Group EBITA target being exceeded,
- The consolidated advertising revenue target being exceeded,
- A 0.3 point fall in the 4+ year olds' audience share of the Group's channels, resulting in a performance that was below target,
- 0.1 point growth in the WRP<50 audience share, insufficient however to attain the target required for payment of the maximum amount.

	2016			2017			2018
	Maximum variable part / Fixed part	Actual performance / Target	Actual variable part / Maximum variable part	Maximum variable part / Fixed part	Actual performance / Target	Actual variable part / Maximum variable part	Maximum variable part / Fixed part
Nicolas de TAVERNOST	100%	107.6%	100%	100%	99.6%	92.3%	100%
Thomas VALENTIN	111%	105.8%	100%	111%	99.0%	86.8%	111%
Christopher BALDELLI	-	-	-	-	-	-	100%
Jérôme LEFEBURE	42%	107.6%	100%	59%	99.9%	94.5%	59%
David LARRAMENDY	83%	101.2%	100%	83%	102.6%	100.0%	97%

The expected level of achievement for all criteria of variable remuneration, all of a quantitative nature, is established precisely every year based on budget targets but is not disclosed on the grounds of confidentiality.

The variable remuneration of all employee beneficiaries (including members of the Executive Board) due in respect of a financial year are paid during the following financial year.

EXCEPTIONAL REMUNERATION

An exceptional bonus of €100,000 was paid to Jérôme LEFEBURE in October 2017 on account of his essential contribution to the transaction to purchase the radio division. It may be noted that no other exceptional remuneration was paid during the 2017 financial year to Executive Board members.

2.3.1.2 Allocation of options to subscribe or purchase shares and allocation of free shares to members of the Executive Board

On 10 March 2009, the Supervisory Board decided to introduce a number of rules to provide a future framework for all allocations of options to subscribe or to purchase shares and all allocations of free shares for the benefit of members of the Executive Board.

At the outset, it is noted that as of the date on which this document was drafted, no executive director has received any stock options.

ALLOCATION LIMITS

The allocation of free shares for the benefit of members of the Executive Board shall now be subject to the following collective and individual limits:

COLLECTIVE LIMITS

The total amount, determined under IFRS 2, of free shares allocated to all the members of the Executive Board, with effect from 1 January 2009, may not exceed 15% of the total amount authorised by the Extraordinary General Meeting;

Based on the authorisation granted by the General Meeting of 26 April 2016, this amount may represent a maximum of 345,000 shares, based on the Company's current share capital, or 0.3% of the share capital.

INDIVIDUAL LIMITS

The Supervisory Board has set two distinct limits:

- One for Nicolas de TAVERNOST, as Chairman of the Executive Board, which has set the cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares which could be allocated to him during a given financial year.

This amount may not exceed 150% of his gross fixed and variable remuneration, due in respect of the financial years preceding the year of allocation.

- A second for the other members of the Executive Board, which has set the cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares which could be allocated to them during a given financial year.

This amount may not exceed 100% of their gross fixed and variable remuneration, due in respect of the financial years preceding the year of allocation.

RETENTION COMMITMENT

Following the latest revision of the AFEP-MEDEF Code published in November 2016, the Supervisory Board maintained, with regard to Executive Board members, the obligation to retain, as registered shares and unconditionally, 20% of the shares arising from the exercise of the options to subscribe or to purchase shares, as well as shares allocated free of charge, until the end of their terms of office, even if Article 22 of the Code only requires a minimum quantity that is likely to be revised each time the term of office is renewed.

PERFORMANCE CONDITIONS

Allocations of free shares granted for the benefit of members of the Executive Board must be subject to demanding performance conditions and at least identical to those imposed on all other potential beneficiaries of any other allocation plan.

With effect from the 2017 financial year, the Supervisory Board decided that the performance condition required for the Executive Board will now be exclusively multi-year, setting it at three cumulative financial years, with a requirement of continued employment at the end of this period.

As such, the performance conditions are those required by earlier three-year long-term incentive plans (LTIP), previously allocated in addition to the annual allocation of free shares subject to an annual performance condition.

This motivational system is in line with previous long-term incentive plans, having been implemented in 2011 for the years 2011/2012/2013, and subsequently in 2014 for the financial years 2014/2015/2016.

In 2017, this multi-year remuneration mechanism was again subject to a value creation obligation, after return on capital employed, and equal to the profit from recurring operations after tax, less the expected return on capital employed. Value creation is calculated each year based on the expected return from the stock market value at the start of a three-year period and supplemented by the investments made over the course of each financial year. As such, the quality of the investment projects and the management of the working capital requirement, rather than operating profit alone, are used to assess performance.

This performance is required for a cumulative three-year period, and remuneration in shares will reflect the achievement of the objectives according to a scale set at the start of the three-year period.

The 2017 allocation thus formalises the performance expected for the years 2017, 2018 and 2019, and an identical system is planned for 2018 to apply to the years 2018, 2019 and 2020. The benefit of this three-year rolling system is to not freeze three-year performance periods.

In this way, and in strict compliance with the collective and individual limits described above, the amount of each annual allocation has been revised. Within this framework, the members of the Executive Board may be granted a maximum of 79,167 free shares out of the 217,667 shares reserved for all beneficiaries, subject to a further period of presence within the Group in the first quarter of 2020.

Lastly, it is specified that following the purchase of the RTL radio stations in October 2017, during its meeting on 2 October 2017 the Executive Board expanded this three-year scheme to benefit 4 senior executives of acquired companies, including Christopher BALDELLI.

These individuals may receive a maximum of 8,917 shares under the same conditions as those set out in the LTIP approved on 26 July 2017, namely M6 Group value creation for the three years 2017/2018/2019 and continued employment during the first quarter of 2020.

OTHER PROVISIONS APPLICABLE TO MEMBERS OF THE EXECUTIVE COMMITTEE IN THE AREA OF OPTIONS AND FREE SHARES

It should be noted that the members of the Executive Board have made a formal commitment not to enter into a hedging transaction for their risk where they benefit from the allocation of free shares or options to subscribe for or purchase shares and from the allocation of free shares (the latter not being used by the Group).

Also, the Supervisory Board decided to prohibit transfers of free shares by members of the Executive Board during the Company's following financial communication periods:

- For 2017:
 - from 22 January to 2 March 2017
 - from 5 April to 5 May 2017
 - from 25 June to 4 August 2017
 - from 17 October to 17 November 2017.
- For 2018:
 - from 21 January to 1 March 2018
 - from 30 March to 29 April 2018
 - from 24 June to 3 August 2018
 - from 23 October to 23 November 2018.

2.3.1.3 Free share allocation plans granted to members of the Executive Board

Free shares are granted to members of the Executive Board, as described previously, at the same time as those granted to other employees of the Group. The quantity granted reflects the assessment of individual performance.

Since the introduction of free share plans, allocated shares have been purchased on the market rather than newly issued. Allocations of free shares have not therefore caused any dilution.

FREE SHARES ALLOCATED DURING THE 2017 FINANCIAL YEAR

ALLOCATION VOLUME

In accordance with the authorisation granted by the Combined General Meeting of 26 April 2016 in its 14th resolution, the Executive Board decided on 26 July 2017 to grant 225,000 shares under the three-year LTIP 17-19 plan to a number of executives, including the Executive Board, as explained previously.

COMPLIANCE WITH ANNUAL ALLOCATION LIMITS

At the end of this July 2017 allocation, all the shares allocated to Executive Board members as part of the authorisation of the Annual General Meeting of 26 April 2016 accounted for, at the date on which this Document was drafted, 10.2% of the total amount (4.4% for Nicolas de TAVERNOST, 2.5% for Thomas VALENTIN, 2.1% for Jérôme LEFEBURE, 1.7% for David LARRAMENDY and 0.2% for Christopher BALDELLI), thus respecting the Supervisory Board decision of 10 March 2009 and the AFEP/MEDEF recommendations, as explained in Paragraph 2.3.1.2.

FREE SHARES ALLOCATED IN THE PREVIOUS YEAR (2016)

Regarding the allocation of free shares in July 2016, during its meeting of 21 February 2017 the Supervisory Board had established the attainment of performance criteria required

- for the 2016 financial year, and approved during its meeting of 20 February 2018 the additional performance condition required for the Executive Board which demands that the Group's gross advertising market share be higher than 20% over the financial year concerned (2016) and the following financial year (2017). This level of performance was achieved during both financial years.
- for the 2014/2015/2016 LTIP, and confirmed the achievement of the target.

As such, the Supervisory Board has authorised the Executive Board to complete the payment of the shares in July 2018 subject to the continued employment of each of the beneficiaries on this same date.

FREE SHARES VESTED IN 2017

These shares resulted from the free share plan of 28 July 2015 which, for the Executive Board, was conditional not only on the achievement of the consolidated net profit objective, but also on the achievement of an advertising market share for 2015 and 2016. Given the figure achieved in comparison with the target, the number of shares definitively allocated represents 100% of the maximum number authorised.

The number of shares definitively allocated complies with the rules on maximum allocations referred to in Paragraph 2.3.1.2. These shares already issued were thus granted on 28 July 2017, the 2015-2016 performance condition having been validated by the Supervisory Board in February 2017.

2.3.1.4 Benefits subsequent to term of office

In addition, on the same subject and under the same conditions as Group employees, the members of the Executive Board benefit from a legal end of career payment.

Moreover, since the conclusion of the referendum agreement dated 22 May 2007 (and its corrective amendment of 25 June 2014) establishing a supplementary defined contributions pension scheme, the members of the Executive Board have benefited, as do all of the Group's employees whose remuneration during the year n-1 exceeds 4 PASS (Annual Social Security Ceiling), from a supplementary and compulsory defined contributions pension scheme (Article 83 of the General Tax Code) that enables the establishment of an individual retirement savings account to finance the payment of a life-time annuity.

The reference base for eligibility is comprised of the remuneration for year n-1, it being specified that the remuneration refers to the gross annual remuneration made up of the AGIRC and ARRCO contributions base i.e. that defined in Article L. 242-1 of the French Social Security Code.

Individual pension accounts under supplementary schemes are paid at a rate of 9.13% for tranches B (floor) and C (ceiling) of basic gross annual salaries (excluding primes and bonuses) broken down as follows:

- 5.71 % to be paid by the employer,
- 3.42 % to be paid by the employee.

Employer contributions paid to an insurer and recognised by the Company during the 2017 financial year in respect of pension commitments are detailed individually in Paragraph 2.3.2, Tables (5). These mandatory contributions are payable by the employer at the end of each quarter, such contributions being calculated each month based on the slips. The employer portion of the contributions is subject to the corporate contribution rate of 20%.

In 2017, the charge paid by the employer totalled €61,939 for all members of the Executive Board and cumulative payments made by all members of the Executive Board totalled €37,098.

At the date of preparation of this report, the estimated amount of the annuity of each member of the Executive Board, contingent upon contributions being paid at the same rate until retirement age (66 or 67 years), is as follows:

- Nicolas de TAVERNOST: €15,032 annually,
- Thomas VALENTIN: €17,369 annually,
- Jérôme LEFEBURE: €30,264 annually,
- David LARRAMENDY: €36,810 annually,

2.3.1.5 Non-compete agreement

All members of the Executive Board are bound by individual non-compete agreements:

- Nicolas de TAVERNOST in respect of the duties performed as part of his term of office. At its meeting of 21 February 2017, the Supervisory Board maintained Nicolas de TAVERNOST's non-compete agreement, which would apply in any case resulting in the termination of his duties and would trigger the payment, over 12 months, of compensation equating to 50% of the fixed and variable remuneration received during the previous twelve months.

The Supervisory Board retains the option to release Nicolas de TAVERNOST from this commitment.

- Other members of the Executive Board, in respect of their employment contracts, notably:

- Thomas VALENTIN for a period of 3 months and he would receive fixed-rate remuneration of 50% of his fixed remuneration received over the previous twelve months;
- Jérôme LEFEBURE for a period of 3 months and he would receive fixed-rate remuneration of 50% of his fixed remuneration received over the previous twelve months;
- David LARRAMENDY for a period of 12 months and he would receive fixed-rate remuneration of 50% of his remuneration received over the previous twelve months;
- Christopher BALDELLI for a period of 9 months and he would receive fixed-rate remuneration of 50% of his remuneration received over the previous twelve months;

In accordance with Paragraph 23.3 of the AFEP-MEDEF Code, the Supervisory Board may, upon the opinion of the Remuneration and Appointments Committee, release one or several members of the Executive Board from this agreement.

2.3.1.6 Exclusivity commitment

For the duration of his present and future terms of office as Chairman of the Executive Board, Nicolas de TAVERNOST undertakes to dedicate his working time exclusively to the duties he carries out within the Company, with the exception of the fulfilment of his role as a lecturer at the university Sciences-Po Paris and the corporate terms of office he currently holds (renewed where applicable) within M6 Group and RTL Group as well as outside these groups (as specified in Section 2.2 of this Registration Document). Any other role (with the exception of the renewal of his existing terms of office, and the executive positions he holds in family-owned asset holding companies) must be authorised in advance by the Supervisory Board once the Remuneration Committee has issued its opinion.

2.1.7 Severance pay

In application of the recommendations published in the AFEP-MEDEF Corporate Governance Code for listed companies, the Supervisory Board meeting of 10 March 2009 approved the Remuneration Committee's proposal seeking to standardise all severance pay agreed for the benefit of the members of the Executive Board by specifying (a) the taxable base and (b) the circumstances giving rise to this compensation (c) the payment of which remains subject to the performance condition introduced by the Supervisory Board on 3 March 2008.

This individual mechanism was the subject of an amendment to the employment contracts of Thomas VALENTIN and Jérôme LEFEBURE, duly authorised by the Supervisory Board, as well as for Christopher BALDELLI upon his appointment by the Supervisory Board on 7 November 2017.

Arising from his term of office as Chairman of the Executive Board, Nicolas de TAVERNOST benefits from a compensation for breach of contract, while the other members of the Executive Board have contractual compensation included in their employment contracts in the event of termination at the initiative of the Company, for any motive excluding misconduct or serious offence.

This severance pay was approved by the Annual General Meeting of 28 April 2015 in its 5th to 7th ordinary resolutions, in accordance with Article L.225-90-1 of the French Commercial Code.

EVENT OF PAYMENT OF SEVERANCE PAY

At its meeting of 21 February 2017, the Supervisory Board specified that the compensation mechanism in the event of the termination of the duties of Nicolas de TAVERNOST, implemented in 2008, would apply to all instances of termination as of 21 February 2017.

This change in mechanism is warranted by Nicolas de TAVERNOST's agreement to continue his term of office beyond its initial expiry in 2018 and the exceptional character of his contribution to the creation of the company in 1987, its continued growth and development and his strong performance, year after year.

During the same meeting, the Board also decided to maintain unchanged, from 21 February 2017, the pre-existing conditions applicable to the termination of the duties of Thomas VALENTIN and Jérôme LEFEBURE. Payment of compensation for breach of contract is limited to cases in which their contract of employment is terminated for reasons other than dismissal for gross misconduct or serious negligence, resignation, or failure to perform their duties satisfactorily. Severance pay is not therefore paid out in the event of a change in role within the Group.

At its meeting of 7 November 2017, the Supervisory Board extended this mechanism to include Christopher BALDELLI upon his appointment to the Executive Board, under the same conditions as those set out for Thomas VALENTIN and Jérôme LEFEBURE.

Moreover, David LARRAMENDY benefits from the provisions of the National Agreement for Advertising relating to severance pay.

BASIS FOR CALCULATION OF SEVERANCE PAY

Severance pay would be equal to the difference between (i) 24 months' gross monthly remuneration calculated based on the total fixed and variable remuneration (excluding free shares, LTIP, stock-options and similar benefits) received over the course of the 12 months preceding the termination of the term of office of the member of the Executive Board and (ii) the cumulative amount of (a) the legal and contractual redundancy or retirement (either voluntary or enforced) pay due in respect of the termination of the employment contract and (b) the total amount of the financial consideration of the aforementioned non-compete commitment if such consideration is due to Nicolas de TAVERNOST, Thomas VALENTIN, Jérôme LEFEBURE or Christopher BALDELLI. This commitment will not apply in the event of dismissal for gross misconduct personally committed by the member of the Executive Board contrary to the interests of the Company.

MAINTAINED PERFORMANCE CONDITION

The payment of this severance pay will, in accordance with Article L. 225-90-1 of the French Commercial Code, remain subject to the fulfilment of a performance related condition defined as follows: METROPOLE TELEVISION Group's profit from recurring operations (EBITA) for the 48 months preceding the termination of the term of office shall be equivalent to at least 80% of the budgeted target for this same aggregate such as approved by the Supervisory Board.

The amount of severance pay will be calculated on a straight-line basis according to the percentage of the profit from recurring operations (EBITA) achieved in relation to the budgeted target, it being specified that the compensation will be due in full as soon as the percentage achieved is equal to or higher than 90% of the budgeted target. No severance pay shall be paid when profit from recurring operations (EBITA) for the 48 months prior to the termination of the term of office proved lower than 80% of the budgeted objective. Payment of severance pay is subject to prior acknowledgement by the Supervisory Board that the performance condition has been fulfilled.

It is noted that where appropriate in the event of the reinstatement of Nicolas de TAVERNOST's employment contract following the termination of his term of office as Chairman of the Executive Board, the severance pay due to Nicolas de TAVERNOST will be calculated based on his total length of service within the Group, including in respect of his corporate office, and on the average gross monthly remuneration (excluding free shares, LTIP, options and similar benefits) received by Nicolas de TAVERNOST as Chairman of the Executive Board or as an employee during the twelve months preceding the date of termination of his employment contract.

This mechanism was submitted to a vote of shareholders at the Annual General Meeting of 26 April 2017 under the provisions of Articles L. 225-82-2 and L. 225-86 and subsequent of the French Commercial Code and took effect following its approval by the Annual General Meeting of Shareholders.

Concerning Christopher BALDELLI, member of the Executive board since 7 November 2017, this mechanism will be submitted to a vote of shareholders at the Annual General Meeting of 19 April 2018 under the provisions of Articles L. 225-82-2 and L. 225-86 and subsequent of the French Commercial Code and will take effect subject to its approval by the Annual General Meeting of Shareholders.

It is noted that in accordance with legislation and the recommendations of the AFEP-MEDEF Code (Paragraph 26), the remuneration items due or allocated in respect of the financial year ended 31 December 2016 to Nicolas de TAVERNOST, as Chairman of the Executive Board, and Thomas VALENTIN, Jérôme LEFEBURE and David LARRAMENDY, as members of the Executive Board, were submitted to the advisory vote of shareholders at the Combined General Meeting of 26 April 2017, in the 8th and 10th resolutions, approved at 86.41% and 87.14% of the respective votes cast.

2.3.2 Amounts paid to members of the Executive Board

The table detailing the history of free share allocations is included in Section 3.9 of this document. No stock option allocation plan has been implemented since the 2009 financial year.

2.3.2.1 Nicolas de Tavernost, Chairman of the Executive Board

(1) Summary of remuneration and options and free shares granted

(Table 1 of AMF Recommendation)

	FY 2016	FY 2017
Remuneration due in respect of the year (2)	2,009,626	1,932,508
Value of options allocated during the year (4.1)	232,160	0
Value of performance-based shares allocated during the year and linked to multi-year performance (4.2)	798,050	564,600
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	3,039,836	2,497,108

(2) Summary of remuneration

(Table 2 of AMF Recommendation)

	FY 2016		FY 2017	
	Amounts paid (€)	Amounts due (€)	Amounts paid (€)	Amounts due (€)
Portion as corporate officer				
Fixed remuneration	1,000,007	1,000,007	1,000,007	1,000,007
Variable remuneration	731,218	1,000,000	1,000,000	922,598
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	0	0	0	0
Variable remuneration	0	0	0	0
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
<i>Sub-total paid</i>	<i>1,731,225</i>	<i>2,000,007</i>	<i>2,000,007</i>	<i>1,922,605</i>
Benefits in kind	9,619	9,619	9,903	9,903
TOTAL	1,740,844	2,009,626	2,009,910	1,932,508

(3.1) Options to subscribe or purchase shares granted in 2017

(Table 4 of AMF Recommendation)

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2017	Exercise price	Period of exercise
-	-	-	-	-	-

(3.2) Options to subscribe or purchase shares exercised in 2017

(Table 5 of AMF Recommendation)

N° and date of plan	Number of options exercised in 2017	Exercise price
-	-	-

(4.1) Free shares granted in 2017 and 2016

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	Value	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1628072016 date: 28 July 2016	16,000	14.51	232,160	11.6%	28 July 2018	Achievement by the Group of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, and achievement of an advertising market share in 2016 and 2017	28 July 2018

(4.2) Free shares granted in 2017 and 2016 and linked to a multi-year performance target

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	financial year Value	% of remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1728072016 date: 28 July 2016	55,000	14.51	798,050	39.7%	28 July 2018	Expected performance over 2014, 2015 and 2016 based on economic value creation	28 July 2018
n° AAAG1827072017 date: 27 July 2017	30,000	18.82	564,600	29.2%	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation	Q1 2020

(4.3) Free shares definitively allocated in 2017

N° and date of plan	Number of shares vested in 2017	Vesting conditions	Date of availability
n° AAAG15280715 date: 28 July 2015	20,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2015 as set as part of the budgeting process in November 2014, subject to being employed by the Group in July 2017, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2016)	29 July 2019

(4.4) Free shares vested in 2017

(Table 7 of AMF Recommendation)

N° and date of plan	Number of shares that became available in 2017	Vesting conditions
n° AAAG12260713 date: 26 July 2013	26,868	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2013 as set as part of the budgeting process in November 2012, subject to being employed by the Group in July 2015, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2013) and the following year (2014)

(5) Other information

(Table 11 of AMF Recommendation)

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,679	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,391

Details of the maintenance of the employment contract, pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.2 Thomas Valentin, Vice-Chairman of the Executive Board

(1) Summary of remuneration and options and free shares granted

(Table 1 of AMF Recommendation)

	FY 2016	FY 2017
Remuneration due in respect of the year (2)	1,052,771	980,400
Value of options allocated during the year (4.1)	116,080	0
Value of performance-based shares allocated during the year and linked to multi-year performance (4.2)	435,300	376,400
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	1,604,151	1,356,800

(2) Summary of remuneration

(Table 2 of AMF Recommendation)

	FY 2016		FY 2017	
	Amounts paid (€)	Amounts due (€)	Amounts paid (€)	Amounts due (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	151,446	165,000	165,000	122,429
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	495,001	495,001	495,001	495,001
Variable remuneration	296,336	385,000	385,000	355,200
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
<i>Sub-total paid</i>	<i>942,783</i>	<i>1,045,001</i>	<i>1,045,001</i>	<i>972,630</i>
Benefits in kind	7,770	7,770	7,770	7,770
TOTAL	950,553	1,052,771	1,052,771	980,400

(3.1) Options to subscribe or purchase shares granted in 2017

(Table 4 of AMF Recommendation)

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2017	Exercise price	Period of exercise
-	-	-	-	-	-

(3.2) Options to subscribe or purchase shares exercised in 2017

(Table 5 of AMF Recommendation)

N° and date of plan	Number of options exercised in 2017	Exercise price
-	-	-

(4.1) Free shares granted in 2017 and 2016

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	% of financial year Value remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1628072016 date: 28 July 2016	8,000	14.51	116,080	11.8%	28 July 2018 Achievement by the Group of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, and achievement of an advertising market share in 2016 and 2017	28 July 2018

(4.2) Free shares granted in 2017 and 2016 and linked to a multi-year performance target

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	Value	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1728072016 date: 28 July 2016	30,000	14.51	435,300	41.3%	28 July 2018	Expected performance over 2014, 2015 and 2016 based on economic value creation	28 July 2018
n° AAAG1827072017 date: 27 July 2017	20,000	18.82	376,400	38.4%	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation	Q1 2020

(4.3) Free shares definitively allocated in 2017

N° and date of plan	Number of shares vested in 2017	Vesting conditions	Date of availability
n° AAAG15280715 date: 28 July 2015	10,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2015 as set as part of the budgeting process in November 2014, subject to being employed by the Group in July 2017, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2016)	29 July 2019

(4.4) Free shares vested in 2017

(Table 7 of AMF Recommendation)

N° and date of plan	Number of shares that became available in 2017	Vesting conditions
n° AAAG12260713 date: 26 July 2013	13,747	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2013 as set as part of the budgeting process in November 2012, subject to being employed by the Group in July 2015, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2013) and the following year (2014)

(5) Other information

(Table 11 of AMF Recommendation)

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,679	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,391

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.3 Jérôme Lefébure, Member of the Executive Board

(1) Summary of remuneration and options and free shares granted

(Table 1 of AMF Recommendation)

	FY 2016	FY 2017
Remuneration due in respect of the year (2)	578,273	642,970
Value of options allocated during the year (4.1)	104,472	0
Value of performance-based shares allocated during the year and linked to multi-year performance (4.2)	362,750	282,300
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	1,045,495	925,270

(2) Summary of remuneration

(Table 2 of AMF Recommendation)

	FY 2016		FY 2017	
	Amounts paid (€)	Amounts due (€)	Amounts paid (€)	Amounts due (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	47,362	51,600	51,600	38,287
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	399,997	399,997	410,007	410,007
Variable remuneration	85,027	120,400	120,400	188,400
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	100,000	0
Directors' fees	0	0	0	0
<i>Sub-total paid</i>	<i>532,386</i>	<i>571,997</i>	<i>682,007</i>	<i>636,694</i>
Benefits in kind	6,276	6,276	6,276	6,276
TOTAL	538,662	578,273	688,283	642,970

(3.1) Options to subscribe or purchase shares granted in 2017

(Table 4 of AMF Recommendation)

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2017	Exercise price	Period of exercise
-	-	-	-	-	-

(3.2) Options to subscribe or purchase shares exercised in 2017

(Table 5 of AMF Recommendation)

N° and date of plan	Number of options exercised in 2017	Exercise price
-	-	-

(4.1) Free shares granted in 2017 and 2016

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	% of financial year Value remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1628072016 date: 28 July 2016	7,200	14.51	104,472	16.2%	28 July 2018	Achievement by the Group of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, and achievement of an advertising market share in 2016 and 2017

(4.2) Free shares granted in 2017 and 2016 and linked to a multi-year performance target

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	Value	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1728072016 date: 28 July 2016	25,000	14.51	362,750	62.7%	28 July 2018	Expected performance over 2014, 2015 and 2016 based on economic value creation	28 July 2018
n° AAAG1827072017 date: 27 July 2017	15,000	18.82	282,300	43.9%	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation	Q1 2020

(4.3) Free shares definitively allocated in 2017

N° and date of plan	Number of shares vested in 2017	Vesting conditions	Date of availability
n° AAAG15280715 date: 28 July 2015	9,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2015 as set as part of the budgeting process in November 2014, subject to being employed by the Group in July 2017, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2016)	29 July 2019

(4.4) Free shares vested in 2017

(Table 7 of AMF Recommendation)

N° and date of plan	Number of shares that became available in 2017	Vesting conditions
n° AAAG12260713 date: 26 July 2013	10,622	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2013 as set as part of the budgeting process in November 2012, subject to being employed by the Group in July 2015, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2013) and the following year (2014)

(5) Other information

(Table 11 of AMF Recommendation)

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,679	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,391

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.4 David LARRAMENDY, Member of the Executive Board

(1) Summary of remuneration and options and free shares granted

(Table 1 of AMF Recommendation)

	FY 2016	FY 2017
Remuneration due in respect of the year (2)	554,684	554,684
Value of options allocated during the year (4.1)	87,060	0
Value of performance-based shares allocated during the year and linked to multi-year performance (4.2)	290,200	266,623
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	931,944	821,307

(2) Summary of remuneration

(Table 2 of AMF Recommendation)

	FY 2016		FY 2017	
	Amounts paid (€)	Amounts due (€)	Amounts paid (€)	Amounts due (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	30,897	50,000	50,000	50,000
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	300,001	300,001	300,001	300,001
Variable remuneration	186,302	200,000	200,000	200,000
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
<i>Sub-total paid</i>	<i>517,200</i>	<i>550,001</i>	<i>550,001</i>	<i>550,001</i>
Benefits in kind	4,683	4,683	4,683	4,683
TOTAL	521,883	554,684	554,684	554,684

(3.1) Options to subscribe or purchase shares granted in 2017

(Table 4 of AMF Recommendation)

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2017	Exercise price	Period of exercise
-	-	-	-	-	-

(3.2) Options to subscribe or purchase shares exercised in 2017

(Table 5 of AMF Recommendation)

N° and date of plan	Number of options exercised in 2017	Exercise price
-	-	-

(4.1) Free shares granted in 2017 and 2016

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	Value	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1628072016 date: 28 July 2016	6,000	14.51	87,060	15.7%	28 July 2018	Achievement by the Group of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, and achievement of an advertising market share in 2016 and 2017	28 July 2018

(4.2) Free shares granted in 2017 and 2016 and linked to a multi-year performance target

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	financial year Value	% of remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1728072016 date: 28 July 2016	20,000	14.51	290,200	52.3%	28 July 2018	Expected performance over 2014, 2015 and 2016 based on economic value creation	28 July 2018
n° AAAG1827072017 date: 27 July 2017	14,167	18.82	266,623	48.1%	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation	Q1 2020

(4.3) Free shares definitively allocated in 2017

N° and date of plan	Number of shares vested in 2017	Vesting conditions	Date of availability
n° AAAG15280715 date: 28 July 2015	7,500	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2015 as set as part of the budgeting process in November 2014, subject to being employed by the Group in July 2017, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2016)	29 July 2019

(4.4) Free shares vested in 2017

(Table 7 of AMF Recommendation)

N° and date of plan	Number of shares that became available in 2017	Vesting conditions
n° AAAG12260713 date: 26 July 2013	7,690	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2013 as set as part of the budgeting process in November 2012, subject to being employed by the Group in July 2015, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2013) and the following year (2014)

(5) Other information

(Table 11 of AMF Recommendation)

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		14,900	✓		✓	

(1) This amount was supplemented by a personal contribution of €8,924

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.5 Christopher BALDELLI, Vice-Chairman of the Executive Board

The remuneration of Christopher BALDELLI set out in this document is the remuneration he has received since 1 October 2017 and the integration of the Radio division into M6 Group. It does not include any remuneration for his role as a corporate officer which is only due as of 1 January 2018.

(1) Summary of remuneration and options and free shares granted

(Table 1 of AMF Recommendation)

	FY 2016	FY 2017
Remuneration due in respect of the year (2)	n/a	194,779
Value of options allocated during the year (4.1)	n/a	0
Value of performance-based shares allocated during the year and linked to multi-year performance (4.2)	n/a	78,423
Value of multi-year variable remuneration allocated during the year	n/a	0
TOTAL	n/a	273,202

(2) Summary of remuneration

(Table 2 of AMF Recommendation)

	FY 2016		FY 2017	
	Amounts paid (€)	Amounts due (€)	Amounts paid (€)	Amounts due (€)
Portion as corporate officer				
Fixed remuneration	-	-	0	0
Variable remuneration	-	-	0	0
Multi-year variable remuneration	-	-	0	0
Exceptional remuneration	-	-	0	0
Portion under the employment contract				
Fixed remuneration	-	-	110,000	110,000
Variable remuneration	-	-	0	83,423
Multi-year variable remuneration	-	-	0	0
Exceptional remuneration	-	-	0	0
Directors' fees	-	-	-	-
<i>Sub-total paid</i>	-	-	<i>110,000</i>	<i>193,423</i>
Benefits in kind	-	-	1,356	1,356
TOTAL	-	-	111,356	194,779

(3.1) Options to subscribe or purchase shares granted in 2017

(Table 4 of AMF Recommendation)

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2017	Exercise price	Period of exercise
-	-	-	-	-	-

(3.2) Options to subscribe or purchase shares exercised in 2017

(Table 5 of AMF Recommendation)

N° and date of plan	Number of options exercised in 2017	Exercise price
-	-	-

(4.1) Free shares granted in 2017 and 2016

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
-	-	-	-	-	-	-

(4.2) Free shares granted in 2017 and 2016 and linked to a multi-year performance target

(Table 6 of AMF Recommendation)

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	Value	% of financial year remuneration	Date of vesting	Performance conditions	Date of availability
n° AAAG1903102017	4,167	18.82	78,423	n/s	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation	Q1 2020

(4.3) Free shares definitively allocated in 2017

N° and date of plan	Number of shares vested in 2017	Vesting conditions	Date of availability
-	-	-	-

(4.4) Free shares vested in 2017

(Table 7 of AMF Recommendation)

N° and date of plan	Number of shares that became available in 2017	Vesting conditions
-	-	-

(5) Other information

(Table 11 of AMF Recommendation)

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓			✓		✓	

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.3 Supervisory Board attendance fees

The Board has set the apportion rules for attendance fees taking into account the nature of their duties (Chairman of the Board, Chairman or Committee members, member of the Board) and attendance of each member at Board and Committee meetings, as recommended by the AFEF-MEDEF corporate governance code. This amount is understood to be a maximum, whose payment in full is conditional on the attainment of a 100% attendance rate.

The total amount of attendance fees, set at €236,000 since 3 May 2012 (authorised by the General Meeting) was broken down as follows for 2017:

Breakdown of attendance fees:

Fixed part		2017	2016
Chairman and member of a Committee		€16,500	€16,500
Chairman of two committees		€14,000	€14,000
Chairman of a Committee and member of another Committee		€13,000	€13,000
Member of one Committee		€8,000	€8,000
Simple member		€6,000	€6,000
TOTAL FIXED PART		€100,500	€100,500
		43%	43%
Variable part		2017	2016
TOTAL VARIABLE PART		€135,000	€134,400
		57%	57%
TOTAL ATTENDANCE FEES PAID		€235,500	€234,900

The total variable part (€135,000) represents 57% of the total, in compliance with the AFEP-MEDEF Code which recommends that the variable portion of attendance fees is larger.

This variable portion is calculated based on attendance (€ 1,500 per Board meeting and Committee meeting).

The amounts awarded in respect of the fixed portion are settled on a pro rata temporis basis when the terms of office begin or end during a financial year.

Attendance fees of €235,500 were apportioned in 2017 (compared with €234,900 in 2016). Their individual allocation is set out in the following table:

Guillaume de POSCH, Chairman of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€14,500	€7,500	€22,000	€14,500	€9,600	€24,100
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	€2,000	€4,500	€6,500	€2,000	€4,800	€6,800
TOTAL	€16,500	€12,000	€28,500	€16,500	€14,400	€30,900 *

Delphine ARNAULT, Independent member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€3,000	€9,000	€6,000	€3,200	€9,200
Committee of Independent Directors	-	€0	€0	-	€1,600	€1,600
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€3,000	€9,000	€6,000	€4,800	€10,800

Christopher BALDELLI, Member of the Supervisory Board until 6 November 2017

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€5,096	€6,000	€11,096	€6,000	€9,600	€15,600
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€5,096	€6,000	€11,096	€6,000	€9,600	€15,600

Philippe DELUSINNE, Member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€8,000	€14,000
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€7,500	€13,500	€6,000	€8,000	€14,000 *

Vincent de DORLODOT, Member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€9,600	€15,600
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€7,500	€13,500	€6,000	€9,600	€15,600 *

Cécile FROT-COUTAZ, Member of the Supervisory Board until 7 November 2017

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€904	€1,500	€2,404	€0	€0	€0
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€904	€1,500	€2,404	€0	€0	€0

Elmar HEGGEN, Member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€6,000	€12,000	€6,000	€4,800	€10,800
Audit Committee	€2,000	€6,000	€8,000	€2,000	€3,200	€5,200
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€8,000	€12,000	€20,000	€8,000	€8,000	€16,000 *

Sylvie OUZIEL, Independent member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€6,400	€12,400
Committee of Independent Directors		€3,000	€3,000		€3,200	€3,200
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€10,500	€16,500	€6,000	€9,600	€15,600 *

Guy de PANAFIEU, Vice-Chairman of the Supervisory Board, Chairman of a Committee

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€4,500	€10,500	€6,000	€9,600	€15,600
Committee of Independent Directors		€4,500	€4,500		€3,200	€3,200
Audit Committee	€5,000	€7,500	€12,500	€5,000	€4,800	€9,800
Remuneration and Appointments Committee	€2,000	€4,500	€6,500	€2,000	€4,800	€6,800
TOTAL	€13,000	€21,000	€34,000	€13,000	€22,400	€35,400

Gilles SAMYN, Independent member of the Supervisory Board, Chairman of a Committee

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€9,600	€15,600
Committee of Independent Directors		€4,500	€4,500		€3,200	€3,200
Audit Committee	€2,000	€7,500	€9,500	€2,000	€4,800	€6,800
Remuneration and Appointments Committee	€5,000	€4,500	€9,500	€5,000	€4,800	€9,800
TOTAL	€13,000	€24,000	€37,000	€13,000	€22,400	€35,400 *

Anke SCHAEFERKORDT, Member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€6,000	€12,000	€6,000	€4,800	€10,800
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€6,000	€12,000	€6,000	€4,800	€10,800 *

Mouna SEPEHRI, Independent member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€6,400	€12,400
Committee of Independent Directors		€4,500	€4,500		€3,200	€3,200
Audit Committee	€2,000	€4,500	€6,500	€2,000	€3,200	€5,200
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€8,000	€16,500	€24,500	€8,000	€12,800	€20,800

Immobilière Bayard d'Antin, represented by Catherine LENOBLE, Member of the Supervisory Board

	Amounts paid in 2017			Amounts paid in 2016		
	Fixed	Variable	TOTAL	Fixed	Variable	TOTAL
Supervisory Board	€6,000	€7,500	€13,500	€6,000	€8,000	€14,000
Audit Committee	-	-	-	-	-	-
Remuneration and Appointments Committee	-	-	-	-	-	-
TOTAL	€6,000	€7,500	€13,500	€6,000	€8,000	€14,000

** before withholding tax of 30% in 2016 and 2017*

Since 1 January 2013, new taxation provisions relating to the attendance fees paid to members of M6 Group's Supervisory Board resident in France are applicable:

- Social security charges (CSG, CRDS, etc.), at the rate of 15.5% must now be retained at source by M6;
- An income tax prepayment, at the rate of 21%, must also be retained at source by M6.

As a result, the attendance fee amounts for French directors of M6 Group must be assigned an overall deduction of 36.5%. Members of the Supervisory Board do not receive any other form of remuneration from the Company or its subsidiaries.

2.3.4 Components of remuneration and any benefits in kind paid or allocated over the financial year just ended to corporate officers in relation to their terms of office (*ex-post Say on Pay*)

The components presented below will be submitted for the approval of the next Annual General Meeting (ex-post "say on pay" vote), in Resolutions 12 (for Nicolas de TAVERNOST), 14 (for Thomas VALENTIN), 15 (for Jérôme LEFEBURE) and 16 (for David LARRAMENDY).

Nicolas de TAVERNOST

Remuneration components paid or granted in respect of the year ended 31 December 2017	Amounts or accounting valuation put to the vote	Details
Fixed remuneration	€1,000,007 (amount paid)	Unchanged since 1 January 2016
Annual variable remuneration	€922,598 (amount payable after approval by the General Meeting)	Variable remuneration in 2017 comprised two components: - 70% calculated according to a Group EBITA target, - 30% calculated according to two audience targets, including 15% assessed on the cumulative audience share (4+ years target) of all Group channels, and 15% assessed on the audience share (WRP < 50 target) of the Group's free-to-air channels. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration decreased by 8% compared with 2016.
Multi-year variable remuneration payable in cash	€0	Nil
Exceptional remuneration	€0	No exceptional remuneration
Share options, performance-based shares or other long-term remuneration components	Options = €0	Nil
	Shares based on multi-year performance = €564,600	Number of shares allocated: 30,000 (or 0.02% of the share capital) The performance condition target for shares granted in 2017 (performance expected over 2017, 2018 and 2019 calculated based on economic value creation) was precisely determined but is not disclosed on the grounds of confidentiality. Subject to being employed by the Group in Q1 2020 Date authorised by the Annual General Meeting: 26 April 2016 – 14 th resolution Date of allocation decision: 27 July 2017
	Shares based on annual performance = €0	Nil
	Other items = NA	Nil
Directors' fees	€0	Executive corporate officers do not receive any directors' fees from the Group.
Valuation of benefits in kind	€9,903	Company car

Remuneration elements due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments	Amounts put to the vote	Details
Severance pay	€0	<p>Compensation for breach of contract is equal to the difference between (i) twenty four (24) months of gross monthly remuneration, calculated on the basis of the total gross remuneration, including fixed and variable items, received over the twelve (12) months preceding the termination of Nicolas de TAVERNOST's term of office as Chairman of the Executive Board, and (ii) the aggregate amount (x) of any legal and contractual compensation that may be payable in respect of the termination of the beneficiary's contract of employment, and the amount (y) of compensation due, where appropriate, in respect of the non-compete clause.</p> <p>At its meeting of 21 February 2017, the Supervisory Board specified that the compensation mechanism in the event of the termination of the duties of Nicolas de TAVERNOST, implemented in 2008, would apply to all instances of termination as of 21 February 2017.</p> <p>This change in mechanism is warranted by Nicolas de TAVERNOST's agreement to continue his term of office beyond its initial expiry in 2018 and the exceptional character of his contribution to the creation of the company in 1987, its continued growth and development and his strong performance, year after year. This undertaking was approved by the General Meeting of 26 April 2017 in its 5th resolution.</p>
Non-compete compensation	No payment made	<p>At its meeting of 21 February 2017, the Supervisory Board maintained Nicolas de TAVERNOST's non-compete agreement, which would apply in any case resulting in the termination of his duties and would trigger the payment, over 12 months, of compensation equating to 50% of the fixed and variable remuneration received during the previous twelve months.</p> <p>The Supervisory Board retains the option to release Nicolas de TAVERNOST from this commitment.</p>
Supplementary pension scheme	€0	<p>Supplementary and compulsory defined-contribution pension scheme, enabling the setting-up of an individual pension fund to finance the payment of a life annuity.</p> <p>The contributions paid by the Company amounted to €15,679, and were supplemented by a personal payment of €9,391.</p>

Thomas VALENTIN

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2017	Amounts or accounting valuation put to the vote	Details
Fixed remuneration	€ 0 (amount paid)	No payment for the term of office
Annual variable remuneration	€122,429 (amount payable after approval by the General Meeting)	<p>The variable component of Thomas VALENTIN's remuneration in respect of his role as a corporate officer is calculated according to two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid.</p> <p>Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's free-to-air channels.</p> <p>The portion of the maximum variable remuneration of Thomas VALENTIN for his role as a corporate officer in relation to his fixed remuneration is 33%.</p> <p>All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office decreased by 26% compared with 2016. The year 2017 was characterised by:</p> <ul style="list-style-type: none"> - A 0.3-point fall in the 4+ year olds' audience share of the Group's channels, resulting in a performance that was below target, - 0.1-point growth in the WRP<50 audience share, insufficient however to attain the target required for payment of the maximum amount.
Multi-year variable remuneration payable in cash	€0	No payment for the term of office
Exceptional remuneration	€0	No payment for the term of office
Share options, performance-based shares or other long-term remuneration components	Options = €0	No payment for the term of office
	Shares based on multi-year performance = €0	No payment for the term of office
	Shares based on annual performance = €0	No payment for the term of office
	Other items = NA	No payment for the term of office
Directors' fees	€0	Executive corporate officers do not receive any directors' fees from the Group.
Valuation of benefits in kind	€0	No payment for the term of office

Remuneration elements due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments	Amounts put to the vote	Details
Severance pay	€0	No payment for the term of office
Non-compete compensation	No payment made	No payment for the term of office
Supplementary pension scheme	€0	No payment for the term of office

Jérôme LEFEBURE

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2017	Amounts or accounting valuation put to the vote	Details
Fixed remuneration	€ 0 (amount paid)	No payment for the term of office
Annual variable remuneration	€38,287 (amount payable after approval by the General Meeting)	<p>The variable component of Jérôme LEFEBURE's remuneration in respect of his role as a corporate officer is calculated according to two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid.</p> <p>Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's free-to-air channels.</p> <p>The portion of the maximum variable remuneration of Jérôme LEFEBURE for his role as a corporate officer in relation to his fixed remuneration is 13%.</p> <p>All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office decreased by 26% compared with 2016. The year 2017 was characterised by:</p> <ul style="list-style-type: none"> - A 0.3-point fall in the 4+ year olds' audience share of the Group's channels, resulting in a performance that was below target, - 0.1-point growth in the WRP<50 audience share, insufficient however to attain the target required for payment of the maximum amount.
Multi-year variable remuneration payable in cash	€0	No payment for the term of office
Exceptional remuneration	€0	No payment for the term of office
Share options, performance-based shares or other long-term remuneration components	Options = €0	No payment for the term of office
	Shares based on multi-year performance = €0	No payment for the term of office
	Shares based on annual performance = €0	No payment for the term of office
	Other items = NA	No payment for the term of office
Directors' fees	€0	Executive corporate officers do not receive any directors' fees from the Group.
Valuation of benefits in kind	€0	No payment for the term of office

Remuneration elements due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments	Amounts put to the vote	Details
Severance pay	€0	No payment for the term of office
Non-compete compensation	No payment made	No payment for the term of office
Supplementary pension scheme	€0	No payment for the term of office

David LARRAMENDY

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2017	Amounts or accounting valuation put to the vote	Details
Fixed remuneration	€0 (amount paid)	No payment for the term of office
Annual variable remuneration	€50,000 (amount payable after approval by the General Meeting)	<p>The portion of the maximum variable remuneration of David LARRAMENDY for his role as a corporate officer in relation to his fixed remuneration is 14%.</p> <p>The portion of the maximum variable remuneration of David LARRAMENDY for his role as a corporate officer in relation to his fixed remuneration is 14%.</p> <p>All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office was stable in relation to 2016, with the EBITA target being exceeded in 2017 as it was in 2016.</p>
Multi-year variable remuneration payable in cash	€0	No payment for the term of office
Exceptional remuneration	€0	No payment for the term of office
Share options, performance-based shares or other long-term remuneration components	Options = €0	No payment for the term of office
	Shares based on multi-year performance = €0	No payment for the term of office
	Shares based on annual performance = €0	No payment for the term of office
	Other items = NA	No payment for the term of office
Directors' fees	€0	Executive corporate officers do not receive any directors' fees from the Group.
Valuation of benefits in kind	€0	No payment for the term of office

Remuneration elements due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments

	Amounts put to the vote	Details
Severance pay	€0	No payment for the term of office
Non-compete compensation	No payment made	No payment for the term of office
Supplementary pension scheme	€0	No payment for the term of office

Christopher BALDELLI

Inasmuch as no remuneration component is due or has been allocated by Métropole Télévision to Christopher Baldelli in respect of the 2017 financial year in relation to his term of office as member of the Executive Board, no items are therefore to be submitted to shareholders as part of an ex-post vote concerning him and therefore no resolution has been provided for in this regard.

The remuneration components due or allocated for the financial year ended 31 December 2017 to Guillaume de POSCH, Chairman of the Supervisory Board, are set out below:

Guillaume de POSCH, Chairman of the Supervisory Board

Remuneration elements due or granted in respect of the year ended 31 December 2017	Amounts or accounting valuation put to the vote	Details
Fixed remuneration	€0	Nil
Annual variable remuneration	€0	Nil
Multi-year variable remuneration payable in cash	€0	Nil
Exceptional remuneration	€0	Nil
Share options, performance-based shares or other long-term remuneration components	€0	Nil
Directors' fees	€28,500	Down €2,400 compared with 2016
Valuation of benefits in kind	€0	Nil

Remuneration elements due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments	Amounts put to the vote	Details
Severance pay	€0	Nil
Non-compete compensation	€0	Nil
Supplementary pension scheme	€0	Nil

2.3.5 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind payable to the corporate officers in relation to their terms of office (*ex-ante Say on pay*)

This section has been drafted pursuant to Articles L. 225-82-2 and R. 225-56-1 of the French Commercial Code.

In order to determine the total remuneration of executive corporate officers, the Supervisory Board, acting on a proposal from the Remuneration and Appointments Committee, has taken the following principles into account in keeping with the recommendations of §24-1 of the AFEP/MEDEF Corporate Governance of Listed Companies of November 2016:

- comprehensiveness: the remuneration determined must be comprehensive. All the components of remuneration must be taken into account when determining the overall remuneration level;
- Balance between the remuneration components: each component of remuneration must be clearly substantiated and correspond to the general interest of the company;
- comparability: the remuneration must be assessed within the context of a business sector and the reference market. If the market is taken as a reference, it must not be the only one since the remuneration of a corporate officer depends on the responsibilities assumed, the results achieved and the work performed. It may also depend on the nature of the tasks entrusted to the corporate officer or the specific situations (for example, turning around a company in difficulty);
- consistency: executive corporate officers' remuneration must be determined in a manner consistent with that of other officers and employees in the company;
- understandability of the rules: the rules should be simple, stable and transparent. The performance criteria used must correspond to the company's objectives, and be demanding, explicit, and, to the greatest extent possible, long-lasting;
- proportionality: the determination of the remuneration components must be well balanced and simultaneously take account of the company's general interest, market practices, the performance of executive officers and other stakeholders in the company.

2.3.5.1 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind payable to the Nicolas de TAVERNOST, Chairman of the Executive Board

These principles and criteria established by the Board, based on recommendations of the Remuneration and Appointments Committee are as follows:

FIXED REMUNERATION

It is comprised of the basic salary of Nicolas de TAVERNOST, paid over 12 months.
This remuneration component was unchanged compared with 2017.

ANNUAL VARIABLE REMUNERATION

It is made up of two components:

- 70% calculated based on a Group EBITA target,
- 30% calculated according to two audience targets, including 15% assessed on the cumulative audience share (4+ years target) of all Group channels, and 15% assessed on the audience share (WRP < 50 target) of the Group's free-to-air channels.

It is specified that this variable component relates exclusively to his role as corporate officer.

This remuneration component was unchanged compared with 2017. The maximum variable remuneration (that is to say where the maximum target is achieved) equates to 100% of his fixed remuneration.

The expected level of achievement for all criteria of variable remuneration, all of a quantitative nature, is established precisely every year based on budget targets but is not disclosed on the grounds of confidentiality.

BENEFITS IN KIND

Nicolas de TAVERNOST avails of a company car as a benefit in kind, it being specified that this is the only benefit in kind that he enjoys.

FREE SHARES

The policy relating to the allocation of free shares to members of the Executive Board and in particular Nicolas de TAVERNOST is described in Section 2.3.1.2 of this Document.

EXCEPTIONAL REMUNERATION

The Supervisory Board may decide, further to a proposal of the Remuneration and Appointments Committee, to grant exceptional remuneration to Nicolas de TAVERNOST in light of very specific circumstances. The payment of this type of remuneration must be justified by an event such as the completion of a major transaction for the Company, etc.

The payment of variable, and possibly exceptional, remuneration components allocated for the 2018 financial year is subject to the Ordinary General Meeting's approval of the components of Nicolas de TAVERNOST's remuneration paid or allocated for said financial year. (ex-post vote)

COMMITMENTS MADE FOR THE BENEFIT OF NICOLAS DE TAVERNOST

The commitments made for the benefit of Nicolas de TAVERNOST are described in Section 2.3.1 of this Document.

2.3.5.2 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind attributable to the Members of the Executive Board in relation to their terms of office

These principles and criteria established by the Board, based on recommendations of the Remuneration and Appointments Committee are as follows:

FIXED REMUNERATION

The other members of the Executive Board do not receive any fixed remuneration in respect of their roles as corporate officers.

ANNUAL VARIABLE REMUNERATION IN RESPECT OF THE TERM OF OFFICE

The variable part of the remuneration of each member of Executive Board (with the exception of David LARRAMENDY) in respect of their role as a corporate officer calculated based on two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid.

Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's free-to-air channels.

The criteria relating to David LARRAMENDY is EBITA.

The portion of the maximum variable remuneration of each member of the Executive Board for their term of office and in relation to their fixed remuneration is as follows:

- 33% for Thomas VALENTIN,
- 13% for Jérôme LEFEBURE,
- 14% for David LARRAMENDY,
- 10% for Christopher BALDELLI.

FREE SHARES

Members of the Executive Board do not benefit from any allocation of free shares in respect of their roles as corporate officers.

EXCEPTIONAL REMUNERATION

The other members of the Executive Board receive no exceptional remuneration in respect of their roles as corporate officers.

COMMITMENTS MADE FOR THE BENEFIT OF THE MEMBERS OF THE EXECUTIVE BOARD

No undertaking is made by Métropole Télévision or its subsidiaries for the benefit of other members of the Executive Board in respect of their roles as corporate officers.

2.3.5.3 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind attributable to the members of the Supervisory Board

The Board has set the apportion rules for attendance fees taking into account the nature of their duties (Chairman of the Board, Chairman or Committee members, member of the Board) and attendance of each member at Board and Committee meetings, as recommended by the AFEP-MEDEF corporate governance code and as set out in the 2017 Registration, Section 2.3.3. This amount is understood to be a maximum, whose payment in full is conditional on the attainment of a 100% attendance rate.

The total amount of attendance fees has been set at €236,000 since 3 May 2012 (authorised by the General Meeting).

The amounts awarded in respect of the fixed portion are settled on a pro rata temporis basis when the terms of office begin or end during a financial year.

Members of the Supervisory Board do not receive any other form of remuneration from the Company or its subsidiaries.

2.4 ADDITIONAL INFORMATION

2.4.1 Supplementary information on the composition of the Executive Board and Supervisory Board

To the best of the Company's knowledge, at the date of preparation of this document, no member of the Executive Board or Supervisory Board has been found guilty of fraud by a court, or been subjected to proceedings for bankruptcy, sequestration and/or liquidation, or found guilty of any offence and/or subjected to any official public sanction by any statutory or regulatory authority, or to any impediment to act as members of an administration, management or supervisory body or to be involved in managing or conducting the business of an issuer, in the course of the last five years.

In addition, to the best of the Company's knowledge, at the date of preparation of this document, there is:

- no family connection between any members of the Executive Board and of the Supervisory Board;
- no conflict of interest, as regards the issuer, between the duties of any member of the Executive Board or the Supervisory Board (in their capacity as corporate officers) and their own private interests and other duties;
- no arrangement or agreement concluded between any of the major shareholders, customers or suppliers and in relation to which a Member of the Executive Board or of the Supervisory Board has been selected in this capacity;
- no service contract between any member of the Executive Board or Supervisory Board with the Company and any of its subsidiaries and providing for benefits to be granted under the terms such a contract;
- no restriction accepted by the members of the Supervisory Board or the Executive Board concerning the sale of their stake in the share capital of the Company.

In relation to the restrictions in trading in Company securities by the members of the Executive Board and the Supervisory Board, the Supervisory Board has decided, on the recommendation of the Remuneration Committee, to prohibit trading in the Company's shares during periods to be defined annually by the Executive Board to prevent insider trading (blackout periods are listed in Paragraph 2.3.2.1 of this document).

Rules applicable to transactions performed on financial instruments by corporate officers:

The rules governing transactions on financial instruments by corporate officers are detailed in the Company's Ethics Charter.

These rules state that due to the nature of their position and their duties, the corporate officers of M6, namely the members of the Executive Board and the Supervisory Board, may have access to privileged information.

The rules prohibit corporate officers from using such information on the financial market, either for their own account or for any other, whether directly or through a third party, by buying or selling shares, or attempting to buy or sell shares or financial products linked to these shares. They must therefore abstain from communicating privileged information for any other purpose or activity than that for which it is held. They must also refrain from recommending that a third party trades in the securities. This also applies to privileged information concerning the ordinary business of the Company or the preparation or execution of any financial transaction.

Pursuant to current regulations, corporate officers are subject to the declaration requirements relating to transactions in shares and restrictions relating to trading periods.

2.4.2 Management Committee and Executive Committee

The Executive Board leads the management of the Group's senior executives, within the framework of meetings of both the Management Committee and the Executive Committee.

2.4.2.1 Management Committee

The Management Committee, comprising the main managers responsible for operational activities and functional services, is a framework for exchange on business management. In 2017, the Management Committee met 16 times. Detailed minutes of each meeting were kept and handed out to each member.

In addition to the members of the Executive Board, the Management Committee is currently comprised of another 33 members:

20 members from operational departments

- Guillaume ASTRUC, Managing Director of IP France;
- Aymeric BECKMANN, Managing Director of M6 Interactions;
- Philippe BONY, Deputy Managing Director of Programmes, responsible for drama, youth and sports programmes and Chairman of Paris Première;
- Guillaume CHARLES, Deputing Managing Director of M6 Publicité responsible for Marketing, Studies and Digital;

- Thierry DESMICHELLE, Managing Director of SND and M6 Films;
- Florence DUHAYOT, Managing Director of Studio 89;
- Jacques ESNOUS, News Director of RTL;
- Jacques EXPERT, Head of Programming of RTL;
- Jérôme FOUQUERAY, Managing Director of W9 and 6ter;
- Ronan de FRESSENEL, Managing Director of M6 Web and Managing Director of the Ventadis division (HSS, BOTV, MAP, etc.);
- Stéphane GENDARME, Head of News for the M6 channel;
- Tristan JURGENSEN, Managing Director of RTL2 and FUN Radio;
- Adrien LABASTIRE, Managing Director of Golden Network;
- Laurent de LORME, Head of Programming and Programme Marketing and Managing Director of sérieclub;
- Bernard MAJANI, Head of Acquisitions;
- Frédérique REFALO, Deputy Managing Director responsible for TV Sales (M6 Publicité);
- Vincent REGNIER, Managing Director of C. Productions;
- Laurence SOUVETON-VIEILLE, Head of Group Productions;
- Catherine SCHOFER, Managing Director of Paris Première and Téva;
- Frédéric de VINCELLES, Managing Director responsible for M6 programmes.

13 members from functional departments

- Mathias BEJANIN, Technical Director;
- Karine BLOUET, Company Secretary of M6 Group;
- Charles-Emmanuel BON, Head of Development and Technical Resources Radio Division;
- Christophe FOGLIO, Head of Human Resources;
- Thomas FOLLIN, Deputy Managing Director of M6 Web responsible for TV Channels' Distribution activities and Digital Innovation;
- Henri de FONTAINES, Head of Strategy and Development;
- Valéry GERFAUD, Chief Technology and Digital Innovation Officer;
- Thomas GOUSSET, Chief Financial Officer of the Radio division;
- Grégory LE FOULER, Deputy Chief Financial Officer;
- Nathalie-Camille MARTIN, Head of Legal Affairs;
- Emilie PIETRINI, Head of Group Communication;
- Michel QUINTON, Head of Broadcast Networks;
- Franck TARRAGNAT, Chief Information Officer.

2.4.2.2 Executive Committee

Certain members of the Management Committee are also members of the Executive Committee, which is composed of the most senior operational and functional executives. The Executive Committee is responsible for implementing the Executive Board's major operational and strategic decisions. In 2017, it met 22 times.

In addition to the members of the Executive Board, the Executive Committee is currently comprised of 16 members:

10 members from operational departments

- Philippe BONY;
- Guillaume CHARLES;
- Thierry DESMICHELLE;
- Jacques ESNOUS;
- Jérôme FOUQUERAY;
- Ronan de FRESSENEL;
- Tristan JURGENSEN;
- Bernard MAJANI;
- Laurence SOUVETON-VIEILLE;
- Frédéric de VINCELLES.

6 members from functional departments

- Karine BLOUET;
- Christophe FOGLIO;
- Valéry GERFAUD;
- Henri de FONTAINES;
- Nathalie-Camille MARTIN;
- Emilie PIETRINI.

2.4.3 Participation of shareholders in general meetings

The terms and conditions of participation of shareholders in General Meetings are described in Article 29 of the Bylaws and set out in section 1.6.1.2 of this document.

2.4.4 Factors likely to have an effect in the event of a public offering

It should be noted that within the framework of the provisions of Article 39 of the Law of 30 September 1986, no single private individual or entity, acting alone or in concert, may directly or indirectly hold more than 49% of the share capital or voting rights of a company holding a broadcasting licence for a national terrestrial free-to-air television service.

The Company cannot therefore be the subject of a public offering.

Nevertheless, in accordance with the provisions of Article L225-37-5 of the French Commercial Code, we note the following factors:

- the structure of the Company's share capital is detailed in Section 3.5 of this document;
- the statutory restrictions on the exercise of voting rights and on the transfer of shares, or provisions in the agreements of which the Company has been made aware pursuant to Article L. 233-11 of the Commercial Code, are detailed in Section 1.6.1.2 of this document;
- direct or indirect investments in the Company's share capital, of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the Commercial Code, are detailed in Section 3.5 of this document;
- a list of holders of any securities that confer special control rights and a description of these rights is not included as it is not applicable in this case;
- the control mechanisms provided for in any potential employee-shareholding scheme, where the control rights are not exercised by the employees, are detailed in Section 3.11.5 of this document;
- agreements between shareholders of which the Company is aware and that may result in restrictions on the transfer of shares and the exercise of voting rights are detailed in Section 3.5 of this document;
- the rules applicable to the appointment and replacement of the members of the Executive Board, as well as to the amendment of the Company's Bylaws, are detailed in Section 2.2 of this document;
- the powers of the Executive Board, specifically in terms of issuing or buying back shares, are detailed in Section 3.6.2 of this document;
- agreements entered into by the Company that would be altered or terminated in the event of a change in control of the Company, except where this disclosure would seriously jeopardise its interests, save in the event of a legal disclosure obligation, as they are not applicable in this case;
- agreements providing for severance payments for members of the Executive Board or employees, if they resign or are made redundant without a genuine or serious motive, or if their employment is terminated due to a public offering, are detailed in Section 2.3.1.7 of this document.

2.4.5 5 Agreement between a corporate officer and a shareholder, a subsidiary or a sub-subsidiary

Agreements between a corporate officer and a direct or indirect subsidiary are set out in the paragraphs of Section 2.3.1 of this Document outlining the remuneration policy relating to David LARRAMENDY, paid by M6 Publicité, and that relating to Christopher BALDELLI, paid by EDIRADIO.

2.4.6 Current delegations granted by the Annual General Meeting

The current delegations granted by the Annual General Meeting are set out in Section 3.11.3 of this Document.

2.5 OBSERVATIONS OF THE SUPERVISORY BOARD TO THE COMBINED GENERAL MEETING OF 19 APRIL 2018

To the Shareholders,

At this Combined General Meeting called in accordance with the law and the Bylaws, you have just received the reports of the Executive Board and the Statutory Auditors for the year ended 31 December 2017.

In accordance with Article L.225-68 of the Commercial Code, we bring to your attention our observations regarding the Report of the Executive Board and the financial statements for the year ended 31 December 2017.

Moreover, we draw to your attention the purpose of the Supervisory Board's work, as set out in Section 2.1.2.5 of the Registration Document.

The Report of the Executive Board to the General Meeting does not call for any specific comments by the Supervisory Board.

The Board has reviewed the proposed resolutions submitted to the General Meeting and invites you to approve them in order to provide the Executive Board with the necessary means by which to implement its strategy.

The financial statements for the year ended 31 December 2017, as presented to you, after review by the Audit Committee and certification by the Statutory Auditors, do not call for any comment by the Supervisory Board.

Neuilly sur Seine, 20 February 2018.

The Supervisory Board

3

SHARE CAPITAL

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3.1 SHARE LISTING

The Métropole Télévision share is listed under Eurolist Compartment A (companies whose average market capitalisation exceeds €1 billion). The Métropole Télévision share is a component of the CAC MID 60, SBF 120, CAC Mid & Small, CAC All-Tradable, CAC All-Share, CAC Media and CAC Consumer Service indices. The Métropole Télévision share is also eligible for SRD (deferred settlement service).

The ISIN code of the company is FR0000053225 and its ticker MMT.

On the Paris stock exchange, the share price opened 2017 at €17.765 on 2 January and closed the year at €21.535 on 29 December, reaching its lowest closing trading price of €17.785 on 2 January and its highest closing trading price of €22.1 on 30 November. The Company's share price increased by +21.9% over the year (movement based on the last prices quoted in 2016 and 2017).

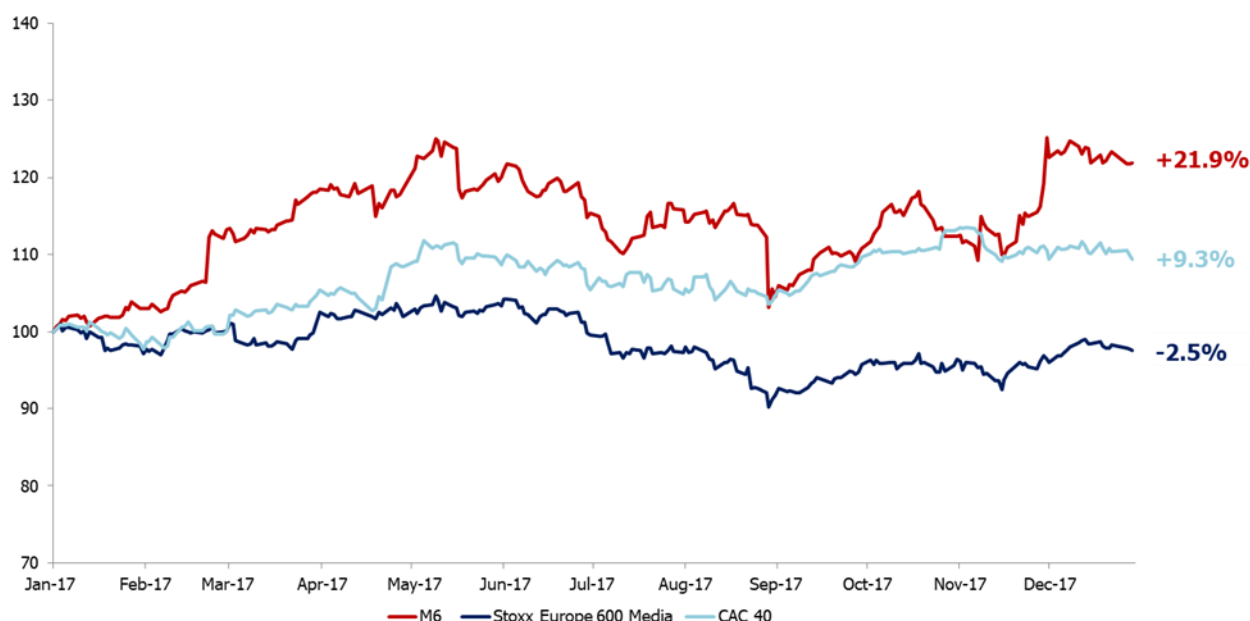
Over the same period, the CAC 40 grew by 9.3%, whilst the Stoxx Europe 600 Media, the benchmark index for European media industry securities, fell by 2.5%.

Like their reference index, media industry securities (the sample used includes: Atresmedia, ITV, M6, Mediaset España, Mediaset Spa, NRJ Group, ProSiebenSat.1, TF1, RTL Group, Vivendi) declined overall over the 2017 financial year. The share prices of ProSiebenSat.1 (-21.6%), Mediaset Spa (-21.4%), ITV (-19.8%), Atresmedia (-16.3%), Mediaset España (-16.1%), and RTL Group (-3.6%) all fell on the Stock Exchange. With the exception of NRJ Group (-4.5%), only French securities posted an increase by the year-end: TF1 (+30.0%), Vivendi (+24.2%) and M6 (+21.9%).

At 31 December 2017, the Company's market capitalisation was €2,722.3 million.

The average number of shares traded daily on Euronext in 2017 was 115,489 compared with 120,181 shares in 2016.

Comparative trends of M6 share and the CAC 40 and Stoxx 600 Media indices between 1 January and 31 December 2017:



Stock market performance since 2013*

	2013	2014	2015	2016	2017
Number of shares	125,965,449	126,262,437	126,414,248	126,414,248	126,414,248
High price (€)	18.035	17.115	19.96	17.8	22.1
Low price (€)	11.40	12.03	15.245	13.685	17.785
Closing price (€)	16.65	15.58	15.84	17.67	21.535

*Data based on closing price

Sources: Bloomberg & Euronext

3.2 INFORMATION POLICY AND DOCUMENTS AVAILABLE TO THE GENERAL PUBLIC

In order to establish and maintain frequent communication with shareholders and the overall financial community, a large number of meetings, in addition to the Annual General Meeting of 26 April were organised in 2017, including:

- a meeting to present the annual results;
- a conference call on the occasion of the publication of the half-year results.

In addition, the Group organised frequent meetings with the financial community in France and abroad during road shows and investor conferences. Lastly, numerous individual meetings with analysts, investors and managers took place in 2017.

The Group website dedicated to investors and shareholders is regularly updated in French and in English with our registration documents, latest publications, presentations, press releases, Bylaws, etc., and is accessible on www.groupeM6.fr.

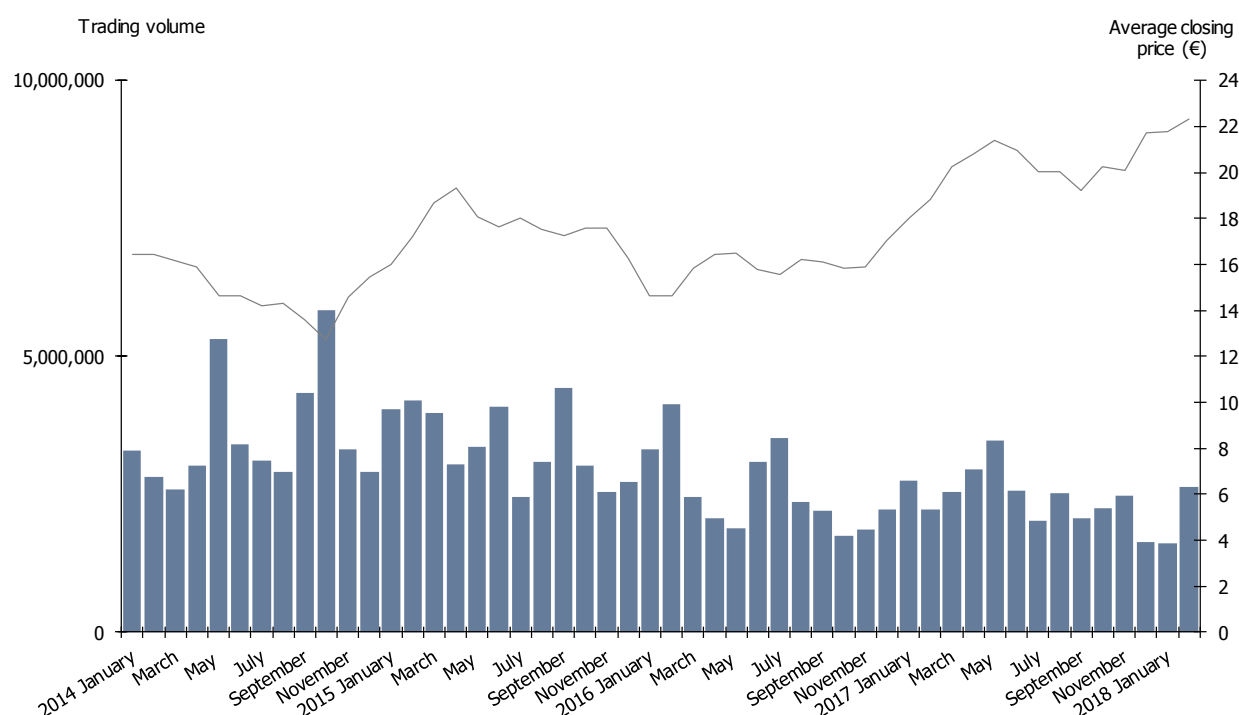
Shareholders may also contact the Company using the dedicated e-mail address: actionnaires@m6.fr.

In compliance with the Directive 2004/109/EC of the European Parliament and Council of 15 December 2004 (Transparency Directive), the website also features a section dedicated to regulatory information, which comprises all required publications. M6 Group calls on a professional publisher to ensure its effective and comprehensive publication. A notice of General Meeting is sent to all holders of registered shares on request.

The Group is also committed to developing balanced and transparent relationships with its shareholders. Measures taken to achieve this are described in section 7.3.4.3 of this document.

3.3 M6 SHARE PRICE AND TRADING VOLUME

Share price and trading volume on Euronext since January 2014:



Sources: Euronext

Date	Trading volume	Average closing price (€)	Monthly high (€)	Monthly low (€)	Trading value (€ millions)
2014 January	3,282,043	16.44	17.01	15.17	54.05
February	2,807,544	16.44	17.05	15.75	46.06
March	2,591,966	16.18	17.12	15.78	42.14
April	3,016,558	15.90	16.58	15.35	47.77
May	5,311,950	14.64	15.74	13.86	77.89
June	3,405,855	14.63	14.99	14.30	49.93
July	3,114,704	14.17	14.94	13.70	44.19
August	2,904,345	14.32	14.83	13.83	41.17
September	4,332,102	13.59	14.50	12.57	58.61
October	5,839,113	12.72	13.81	12.03	74.01
November	3,311,147	14.56	15.29	13.60	48.25
December	2,915,922	15.47	15.72	14.86	45.06
2015 January	4,050,367	16.01	16.82	15.25	64.66
February	4,203,959	17.22	18.06	16.53	73.89
March	3,980,821	18.68	19.00	18.12	74.06
April	3,051,466	19.34	19.96	18.38	58.80
May	3,356,087	18.09	18.68	17.36	60.54
June	4,093,571	17.61	18.15	17.31	71.85
July	2,458,877	17.99	18.67	16.92	44.45
August	3,093,067	17.55	18.51	16.39	53.70
September	4,435,411	17.24	17.60	16.94	76.39
October	3,029,915	17.59	18.04	16.95	53.24
November	2,536,617	17.58	17.80	17.23	44.52
December	2,731,403	16.29	17.64	15.55	44.92
2016 January	3,316,845	14.62	15.57	13.69	48.48
February	4,128,726	14.65	15.44	13.92	59.91
March	2,442,160	15.84	16.22	15.37	38.60
April	2,075,515	16.41	16.80	15.77	33.92
May	1,893,321	16.49	16.81	15.80	31.09
June	3,096,176	15.77	16.62	14.64	48.44
July	3,518,533	15.57	16.28	14.76	54.74
August	2,364,376	16.21	16.46	15.91	38.32
September	2,207,836	16.09	16.26	15.87	35.53
October	1,743,516	15.81	16.25	15.58	27.59
November	1,865,000	15.87	16.11	15.45	29.58
December	2,234,622	17.05	17.80	15.97	38.16
2017 January	2,747,289	18.01	18.34	17.79	49.96
February	2,228,988	18.82	19.99	18.12	42.30
March	2,532,838	20.23	20.92	19.72	51.20
April	2,954,224	20.82	21.06	20.30	61.45
May	3,463,006	21.40	22.08	20.74	74.12
June	2,568,335	20.96	21.49	20.27	53.82
July	2,013,580	20.02	20.59	19.45	40.32
August	2,519,759	20.02	20.59	18.23	49.50
September	2,061,579	19.21	19.61	18.61	39.54
October	2,250,985	20.25	20.89	19.73	45.86
November	2,472,343	20.08	22.10	19.30	50.25
December	1,636,721	21.72	22.03	21.49	35.59
2018 January	1,607,880	21.79	22.64	21.42	35.23
February	2,636,327	22.31	23.86	20.94	59.28

Sources: Euronext

3.4 DIVIDEND POLICY

Cash dividends paid over the last 5 financial years were as follows:

	2016	2015	2014	2013	2012
Ordinary dividends	€0.85	€0.85	€0.85	€0.85	€0.85
Extraordinary dividends	€ -	€ -	€ -	€ -	€1.00
Total dividend per share	€0.85	€0.85	€0.85	€0.85	€1.85
Yield *	4.8%	5.4%	5.5%	5.1%	15.7%
Pay-out ratio **	70.4%	93.4%	86.9%	95.6%	166.1%

* Calculated based on the closing price of the year and the total dividend per share

** Calculated based on the Group's share of net profit from continuing operations and the total dividend per share

In light of its financial and cash flow generation position and net profit, M6 Group proposed to the Annual General Meeting of 26 April 2017 the payment of an ordinary dividend of €0.85 per share for the 2016 financial year, corresponding to a pay-out ratio of 70.4% of the Group's share of consolidated net profit, and a yield of 4.8% (calculated based on the year-end closing price).

It will be proposed to the Annual General Meeting of 19 April 2018 to approve the payment of a dividend of €0.95 per share for the 2017 financial year, corresponding to a pay-out ratio of 76% of the Group's share of consolidated net profit, and a yield of 4.4% (calculated based on the 2015 closing price).

3.5 MAIN SHAREHOLDERS AT 31 DECEMBER 2017

at 1 January 2018

	Number of shares *	% share capital and theoretical voting rights	% voting rights **	Number of voting rights at General Meetings	% of voting rights at General Meetings
RTL Group	61,007,461	48.26%	48.42%	61,007,461	48.42%
Treasury shares	419,659	0.33%	-	-	-
FCPE M6 Employees	315,220	0.25%	0.25%	315,220	0.25%
Members of M6 Executive Board	751,221	0.59%	0.60%	751,221	0.60%
Member of M6 Supervisory Board	101,530	0.08%	0.08%	101,530	0.08%
Groupe Compagnie Nationale à Portefeuille	9,154,477	7.24%	7.27%	9,154,477	7.27%
Free float	54,664,680	43.24%	43.39%	54,664,680	43.39%
in France	15,216,093	12.04%	12.08%	15,216,093	12.08%
in other countries (depository)	39,448,587	31.21%	31.31%	39,448,587	31.31%
TOTAL	126,414,248	100.0%	100.0%	125,994,589	100.0%

* The number of theoretical voting rights, which is the basis used for calculating threshold crossings, is identical to the number of shares

** Percentage of voting rights relative to the number of theoretical voting rights

at 31 December 2016					at 31 December 2015				
Number of shares *	% share capital and theoretical voting rights	% voting rights **	Number of voting rights at General Meetings	% of voting rights at General Meetings	Number of shares *	% share capital and theoretical voting rights	% voting rights **	Number of voting rights at General Meetings	% of voting rights at General Meetings
61,007,371	48.26%	34.00%	42,838,725	39.73%	61,007,371	48.26%	34.00%	42,933,118	39.68%
417,999	0.33%	-	-	-	140,371	0.11%	-	-	-
203,913	0.16%	0.16%	203,913	0.19%	220,950	0.17%	0.18%	220,950	0.20%
707,893	0.56%	0.57%	707,893	0.66%	612,234	0.48%	0.49%	612,234	0.57%
116,867	0.09%	0.09%	116,867	0.11%	116,867	0.09%	0.09%	116,867	0.11%
9,154,477	7.24%	7.31%	9,154,477	8.49%	9,154,477	7.24%	7.31%	9,154,477	8.46%
54,805,728	43.35%	43.76%	54,805,728	50.83%	55,161,978	43.64%	44.05%	55,161,978	50.98%
16,754,367	13.25%	13.38%	16,754,367	15.54%	15,349,594	12.14%	12.26%	15,349,594	14.19%
38,051,361	30.10%	30.38%	38,051,361	35.29%	39,812,384	31.49%	31.79%	39,812,384	36.80%
126,414,248	100%	85.9%	107,827,603	100%	126,414,248	100%	86.12%	108,199,624	100%

At the end of 2017, 11,810 shareholders held shares in the Company, according to a Euroclear bearer share survey and the register of shares held in nominative form.

No legal threshold crossing (5%) was brought to the attention of the Company in 2017.

Silchester International Investors LLP, which declared on 10 November 2016 that it held more than 7% of capital, crossed the threshold of 6% downward on 26 April 2017.

The Company is not aware of any other investor from the "free float" category, whether institutional or from the general public, that directly or indirectly owned more than 5% of the Company's share capital or voting rights acting individually or in concert with other investors at 31 December 2016. The Company is not aware of any shareholder agreement currently in existence. No concerted action has been brought to the Company's attention.

In addition, at the date of preparation of this document, after taking account of declarations of upward and downward legal threshold crossing (1% of the Company's share capital) disclosed to the Company during 2018, 2017 and preceding years:

- three institutional shareholders held 2% or more of the Company's share capital;
- four institutional shareholders held between 1% and 2% of the Company's share capital.

RTL Group, the Group's key shareholder, was 75.1% owned by the German group Bertelsmann at 31 December 2017.

By virtue of its corporate purpose and status as an operator of a digital and analogue television broadcasting licence, the Company is governed by a specific legal and regulatory regime, which applies in addition to the ordinary provisions, as specified in section 1.6.2 of this document. The regime particularly specifies that:

- this legal framework applies in particular to provisions in terms of shareholders and shareholdings (Article 39 of Law no. 86-1067 of 30 September 1986 as amended);
- the Conseil Supérieur de l'Audiovisuel (CSA) ensures that conditions and data that motivated the granting of the broadcasting licence are complied with. The breakdown of the share capital and governing bodies of licence holders is such data pursuant to Article 42-3 of the Law of 30 September 1986 in whose light the licence was granted. Article 42-3 of the Law of 30 September 1986 does not block any change in the capital of a business as considered by the Conseil d'Etat. Where changes that occur do not call into question the initial decision of the CSA, they are permitted without the channel having to give up its licence. This licence states that the company must inform the CSA of any substantial change in the amount or distribution of the share capital and voting rights as well as the crossing of thresholds, and that no change liable to result in a change of controlling shareholder may occur without the prior consent of the CSA;
- At least one third of Supervisory Board members must be independent. A member of the Supervisory Board is deemed independent when he/she has no relationship of any kind with the Company, its Group or its management likely to compromise the exercise of his/her free judgement.

3.6 BUYBACK BY THE COMPANY OF ITS OWN SHARES

3.6.1 Report on the 2017 share buyback plan

During the year just ended, the company used the authorisations to purchase treasury shares that were granted to it by the General Meetings of 26 April 2016 and 26 April 2017.

These authorisations were mainly used as part of a liquidity contract complying with the AMAFI ethics charter of 20 September 2008, approved by the AMF on 1 October 2008, with implementation by the investment service provider Natixis since 2 January 2013.

At the date of implementation of the new liquidity contract with Natixis: 128,548 Métropole Télévision shares and €1,231,657.91 were allocated to the contract.

Movement in treasury shares held during the 2017 financial year and number of treasury shares held at 31 December 2017:

Number of treasury shares held at 31 December 2016	Movement in liquidity contract	Shares bought back with a view to cancel	Shares cancelled	Shares bought back to allocate free shares	Movement in respect of free shares allocated	Number of treasury shares held at 31 December 2017
	(2)	(3)	(3)	(4)	(5)	(1)
417,999	7,160	-	-	470,000	(475,500)	419,659

(1) At the 2017 year-end, the Company held 419,659 treasury shares, primarily through the liquidity contract and also to fulfil commitments given within the framework of free share allocation plans (see section 3.7).

(2) **In respect of the liquidity contract** during 2017:

- the number of shares purchased was 1,313,455 at an average price of €20.153;
- and the number of shares sold was 1,306,295 at an average price of €20.145;

resulting in 24,405 shares and €2,523,725.53 being held as part of the liquidity contract on 31 December 2017.

Note that at 31 December 2016, the number of shares effectively held under the liquidity contract was 17,245 and the cash balance was €2,678,297.05.

The increase in the number of treasury shares held in respect of the liquidity contract was therefore 7,160 in 2017.

(3) **In respect of the share buyback for cancellation programme**, no Métropole Télévision shares were cancelled in 2017.

(4) **In respect of the free share allocation plan**, 470,000 shares were purchased during the 2017 financial year. These shares were purchased via the intermediary CA-CIB at an average price of €15.8123 per share and delivered on 28 July 2017.

(5) Lastly, 475,500 shares were transferred to the beneficiaries of the free share allocation plan in 2017, including 32,500 in May and 443,000 in July.

Book value and market value of treasury shares held at 31 December 2017:

Number of treasury shares held at 31 December 2017	Net book value of treasury shares held at 31 December 2017 (€)	Market value of treasury shares held at 31 December 2017 (€)	Number of shares comprising the share capital at 31 December 2017	% share capital
419,659	6,774,348	9,037,357	126,414,248	0.33%

No treasury shares are held by any Métropole Télévision subsidiaries.

3.6.2 Report on the previous share buyback plan

The Combined General Meeting of 26 April 2017 decided in its 14th resolution to authorise the Company to implement a share buyback plan. A description of this share buyback plan is included in the Registration Document filed with the AMF under n° D.17-0142 on 9 March 2017.

This share buyback plan, authorised for a period of eighteen months, enables the Executive Board to purchase up to a maximum of 10% of the Company's share capital, in order to fulfil the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with the AMAFI Ethics Code approved by regulations,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- to cancel purchased shares, in accordance with the authorisation conferred or to be conferred by the Extraordinary General Meeting.

The maximum purchase price was set at €25 per share. The maximum amount to be committed to this buyback programme is €316,035,620.00.

Change in the number of treasury shares held as part of the 26 April 2017 share buyback programme and number of treasury shares held at 28 February 2018:

Number of treasury shares held at 26 April 2017	Movement in liquidity contract	Shares bought back with a view to cancel	Shares cancelled	Shares bought back to allocate free shares	Movement in respect of free shares allocated	Number of treasury shares held at 28 February 2018
	(2)	(3)	(3)	(4)	(5)	(1)
417,653	-2,105	-	-	470,000	-475,500	410,048

(1) At 28 February 2018, the company held 410,048 treasury shares through the liquidity contract and to cover commitments given as part of the free share allocation plans.

(2) **In respect of the liquidity contract** between 26 April 2017 and 28 February 2018:

- the number of shares purchased was 1,227,732 at an average price of €20.75;
- and the number of shares sold was 1,229,837 at an average price of €20.75;
- and resulting in 14,794 shares and €2,752,225.18 being held as part of the liquidity contract on 28 February.

(3) **The share buyback for cancellation programme** was not used during the financial year. Consequently, no shares were bought back to be cancelled.

(4) **In respect of the free share allocation plan**, 470,000 shares were purchased during the 2017 financial year. These shares were purchased via the intermediary CA-CIB at an average price of €15.8123 per share and delivered on 28 July 2017.

(5) Lastly, 475,500 shares were transferred to the beneficiaries of the free share allocation plan, including 32,500 in May and 443,000 in July.

At 28 February 2018, the Company held 410,048 of its own shares, representing 0.32% of the share capital, broken down as follows:

Book value and market value of treasury shares held at 28 February 2018:

Number of treasury shares held at 28 February 2018	Net book value of treasury shares held at 28 February 2018 (€)	Market value of treasury shares held at 28 February 2018 (€)	Number of shares comprising the share capital at 28 February 2018	% share capital
410,048	6,599,881	9,586,922	126,414,248	0.32%

3.6.3 Report on the current share buyback plan

A proposal will be submitted to the Combined General Meeting of 19 April 2018 to authorise a new share buyback plan according to the following conditions:

- shares involved: ordinary Métropole Télévision shares listed under Compartment A of Euronext Paris, ISIN code FR0000053225;
- maximum purchase price: €30 per share. The maximum amount of the transaction is thus set at €379,242,744;
- maximum buyback percentage permitted: 10% of the share capital, it being specified that this cap should be considered in light of the buyback dates to take account of the potential share capital increase or reduction transactions that may occur over the term of the programme. The number of shares used to calculate this cap corresponds to the number of shares purchased, after deducting the number of shares sold back over the term of the programme as part of the liquidity contract;
- maximum period: 18 months from the date of the General Meeting.

These shares may be purchased to fulfil the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with the AMAFI Ethics Code approved by regulations,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- to cancel purchased shares, in accordance with the authorisation conferred or to be conferred by the Extraordinary General Meeting.

Shares may be bought back by any means, including through the acquisition of blocks of shares, and at the times the Executive Board will deem fit.

The Company reserves the right to use option mechanisms or derivative instruments in accordance with applicable regulations.

3.7 TREASURY SHARES

At 31 December 2017, M6 held a total 419,659 of its own shares, amounting to 0.33% of the share capital, which was classified on the consolidated balance sheet of Métropole Télévision as a reduction of equity at their acquisition cost of €6.8 million. The number of treasury shares includes the 24,405 shares actually held by the liquidity contract at 31 December 2017.

The table below summarises the allocation of treasury shares held at 31 December 2016 and 31 December 2017 according to each objective.

Treasury shares allocated to the different objectives at 31 December 2016		Total treasury shares at 31 December 2016
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
400,754	17,245	417,999 shares
Changes over the 2017 financial year		Total changes over the financial year
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
(5,500)	7,160	1,660 shares
Treasury shares allocated to the different objectives at 31 December 2017		Total treasury shares at 31 December 2017
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
395,254	24,405	419,659 shares

3.8 SHARE SUBSCRIPTION OPTION PLANS

No allocation of share subscription options was decided in 2017.

Furthermore, there were no longer any existing share subscription plans in 2017.

3.9 SECURITIES TRANSACTIONS

During the financial year, the corporate officers and senior executives informed the Company of the following share capital transactions, carried out by themselves or related parties.

This table does not include transactions that are below the annual disclosure threshold of €5,000.

Name and position	Nature of transaction	Date	Number	Price per share	Total
Valéry GERFAUD Member of the Executive Committee	Sales of shares	22/02/2017	2,000	€19.56	€39,119.60
Bernard MAJANI Member of the Executive Committee	Sales of shares	13/10/2017	30,129	€20.47	€616,589.99
Nicolas de TAVERNOST Chairman of the Executive Board	Sales of shares	08/11/2017	18,509	€20.31	€375,865.96

3.10 FREE SHARE ALLOCATION PLANS

Seven free share allocation plans were in force in 2017, pursuant to the authorisation given by the Combined General Meetings of 5 May 2014 and 26 April 2016:

- one that matured on 11 May 2017;
- one that matured on 28 July 2017;
- two that were decided by the Executive Board on 27 July 2016;
- two that were decided by the Executive Board on 26 July 2017;
- one that was decided by the Executive Board on 2 October 2017.

The data in the table below details:

- for the plans dated 11 May and 28 July 2015, the shares effectively delivered;
- for the other plans, the shares not yet allocated, taking account of the restatement owing to the company potentially outperforming targets and individuals having left the company to date.

Table 10 of AMF recommendation on senior executives' remuneration

Date of General Meeting	05/05/2014			26/04/2016			Total	
Date of Executive Board meeting	11/05/2015	28/07/2015	27/07/2016	27/07/2016	26/07/2017	26/07/2017	02/10/2017	
Plan date	11/05/2015	28/07/2015	28/07/2016	28/07/2016	27/07/2017	27/07/2017	03/10/2017	
Maximum number of shares that can be allocated	32,500	480,400	361,000	440,600	307,200	217,667	8,917	1,848,284
<i>to corporate officers ⁽¹⁾</i>	-	46,500	130,000	37,200	-	79,167	4,167	297,034
- Nicolas de Tavernost	-	20,000	55,000	16,000	-	30,000	-	121,000
- Thomas Valentin	-	10,000	30,000	8,000	-	20,000	-	68,000
- Jérôme Lefébure	-	9,000	25,000	7,200	-	15,000	-	56,200
- David Larramendy	-	7,500	20,000	6,000	-	14,167	-	47,667
- Christopher Baldelli	-	-	-	-	-	-	4,167	4,167
- to other top ten salaried employees ⁽²⁾	32,500	63,200	162,000	52,360	38,200	138,500	8,917	495,677
Date of final vesting	11/05/2017	28/07/2017	28/07/2018	28/07/2018	28/07/2019	Q1 2020	Q1 2020	
Date retention period ends	12/07/2019	29/07/2019	28/07/2018	28/07/2018	28/07/2017	Q1 2020	Q1 2020	
Number of shares delivered during the financial year	32,500	443,000	-	-	-	-	-	475,500
Number of shares not yet allocated at 31/12/17 (based on performance levels projected and achieved and taking account of individuals having left the Company to date)	-	-	361,000	424,900	307,200	217,667	8,917	1,319,684
Allocated shares cancelled between 31/12/17 and 28/02/18 due to individuals leaving the Company	-	-	-	5,800	-	1,600	-	7,400

(1) Corporate officers at the allocation date

(2) Four beneficiaries for the plan of 11/05/2015

Each of these plans is subject to beneficiaries being effectively employed by the Group for the two years following the allocation.

As regards performance conditions:

- the plan of 11 May 2015 required the achievement of a profit from recurring operations objective by a Group subsidiary,
- the plans of 28 July 2015, 28 July 2016 and the first plan of 26 July 2017 require the achievement of a consolidated net profit objective for 2015, 2016 and 2017, respectively,
- the second plan of 28 July 2016 required the achievement of a value creation objective over the cumulative 2014, 2015 and 2016 period,
- the second plan of 26 July 2017 and the plan of 2 October 2017 require the achievement of a value creation objective over the cumulative 2017, 2018 and 2019 period.

The number of shares actually delivered on 11 May 2017 was 32,500 due to the performance achieved and to the fact that the financial targets attached to the plan were exceeded. The four employee beneficiaries received 32,500 shares. No member of the Executive Board is concerned by this plan.

The number of shares actually delivered on 28 July 2017 was 443,000 due to the performance achieved and to the fact that the financial targets attached to the plan were exceeded. The top ten employee beneficiaries (Executive Board members included) received 87,500 shares.

3.11 GENERAL INFORMATION ON THE SHARE CAPITAL

3.11.1 Bylaw provisions governing changes in the share capital and rights attached to shares

Any change to the share capital or rights conferred by securities that make it up must be made in accordance with the provisions of the Bylaws. Only an Extraordinary General Meeting may decide capital increases or delegate its authority to do so to the Executive Board, for a determined period and within a specific limit, based on a report by the Executive Board.

3.11.1.1 Paid-in capital, number and classes of shares

As was the case at 31 December 2016, the Company's fully paid-up share capital was €50,565,699.20 at 31 December 2017, represented by 126,414,248 shares of the same class with a par value of €0.40 each.

Date	Nature of transaction	Share capital increase/(reduction)	Number of shares issued/(cancelled)	Share capital after the transaction	Total number of shares comprising the share capital
15/09/86	Formation	FF 10,000,000.00	100,000	FF 10,000,000.00	100,000
16/05/87	Subscription	FF 190,000,000.00	1,900,000	FF 200,000,000.00	2,000,000
21/05/90	Capital reduction	FF (198,000,000.00)	(1,980,000)	FF 2,000,000.00	20,000
21/06/90	Share subscription	FF 200,000,000.00	2,000,000	FF 202,000,000.00	2,020,000
31/12/93	Exercise of subscription options by employees*	FF 6,900,000.00	69,000	FF 208,900,000.00	2,089,000
06/09/94	5 for 1 share split	-	-	FF 208,900,000.00	10,445,000
31/12/95	Exercise of subscription options by employees*	FF 4,337,000.00	216,850	FF 213,237,000.00	10,661,850
31/12/95	Conversion of bonds**	FF 50,387,700.00	2,519,385	FF 263,624,700.00	13,181,235
03/12/99	Conversion of share capital into €	€12,535,613.57	-	€52,724,940.00	13,181,235
30/12/99	Conversion of bonds	€30,536.00	7,634	€52,755,476.00	13,188,869
26/05/00	10 for 1 share split	-	-	-	131,888,690
04/07/07	Capital reduction	€(392,000.00)	(980,000)	€52,363,476.00	130,908,690
03/09/07	Capital reduction	€(392,000.00)	(980,000)	€51,971,476.00	129,928,690
03/09/07	Exercise of subscription options by employees	€2,400.00	6,000	€51,973,876.00	129,934,690
15/04/08	Capital reduction	€(392,000.00)	(980,000)	€51,581,876.00	128,954,690
19/05/10 to 04/10/10	Exercise of subscription options by employees	€1,299.60	3,249	€51,583,175.60	128,957,939
04/03/11 to 09/06/11	Exercise of subscription options by employees	€1,413.20	3,533	€51,584,588.80	128,961,472
19/09/11	Capital reduction	€(392,000.00)	(980,000)	€51,192,588.80	127,981,472
10/10/11	Capital reduction	€(392,000.00)	(980,000)	€50,800,588.80	127,001,472
22/12/11	Capital reduction	€(247,003.20)	(617,508)	€50,553,585.60	126,383,964
11/06/12	Capital reduction	€(200,000.00)	(500,000)	€50,353,585.60	125,883,964
10/09/13 to 24/12/13	Exercise of subscription options by employees	€32,594.00	81,485	€50,386,179.60	125,965,449
07/01/14 to 30/12/14	Exercise of subscription options by employees	€118,795.20	296,988	€50,504,974.80	126,262,437
21/01/15 to 04/05/15	Exercise of subscription options by employees	€60,724.40	151,811	€50,565,699.20	126,414,248

* Par value subscription

** Issue premium of FF 158,050,720

3.11.1.2 Shareholders' agreement

To the best of the Company's knowledge, no shareholder agreement exists.

3.11.1.3 Pledges of the issuers' shares

Nil.

3.11.1.4 Alienation of shares in order to regularise cross shareholdings

(Article R.233-19 of the Commercial Code)

Nil.

3.11.1.5 Ownership of own shares

(Article L.233-13 of the Commercial Code)

Controlled companies holding a portion of the capital of the Company: nil.

3.11.1.6 Capital increase reserved for employees

The General Meeting of 26 April 2017 approved a resolution authorising the Executive Board, if it deemed it appropriate and on its sole decision, to increase the share capital on one or more occasions by issuing ordinary shares or marketable securities granting access to the Company's capital for the benefit of the participants in one or more company or group savings plans established by the Company and/or affiliated French or foreign companies under the terms of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code. The period of validity of this delegation has been set at 26 months. The Executive Board did not use this resolution during the year.

3.11.2 Potential share capital

At 31 December 2017, there were no unexercised option plans. The potential dilution induced by the exercise of share subscription options is therefore nil.

In addition, non-issued authorised share capital and existing delegations (Article L. 225-100, sub-paragraph 7 of the Commercial Code) were as follows:

	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities	Term of authorisation	Remaining term ⁽¹⁾	Annual General Meeting	Resolution number
Share capital increase reserved for members of a company savings plan (authorisation given to the Executive Board)	1.5% of share capital	-	26 months	14	AGM 26/04/17	16

(1) The remaining term runs from the AGM called for 19 April 2018

3.11.3 Acquisition by Métropole Télévision of its own shares: current delegations, authorisations and their use

	Maximum nominal amount	Term of authorisation	Remaining term ⁽¹⁾	Annual General Meeting	Resolution number
Share buyback programme (2)	10% of share capital	18 months	6 months	AGM 26/04/17	14
Capital reduction (2)	10% of share capital	24 months	12 months	AGM 26/04/17	15
Allocation of free shares to members of staff and/or certain corporate officers	2,300,000 shares incl. 345,000 to the Executive Board	38 months	14 months	AGM 26/04/2016	14

(1) With effect from the AGM of 19 April 2018

(2) The Annual General Meeting called for 19 April 2018 will decide on a draft resolution proposing a new share buyback programme for a further period of 18 months and authorising the Executive Board to reduce the share capital by cancellation of the shares bought back by the Company for a further period of 24 months.

3.11.4 Form of shares and rights attached to shares

3.11.4.1 Rights attached to shares

All shares are part of the same class and hold equal rights to the Company's profits and assets on liquidation. Each share confers the right to a single vote at shareholders' meetings, without any shareholders exercising more than 34% of the total number of voting rights. There are no double voting rights. The right to distributed dividends and interim dividends lapses after 5 years for the benefit of the French state.

3.11.4.2 Trading in shares

Shares are freely traded on Euronext Paris.

3.11.4.3 Form of shares

Since the IPO, shares are held at the option of the holder:

- in pure registered form held in account maintained by CACEIS;
- in administered registered form;
- in identifiable bearer form held in account by an authorised intermediary.

Shares are approved for EUROCLEAR-FRANCE transactions.

3.11.4.4 Identification of shareholders

The Company is authorised to apply legal provisions to identify holders of shares giving immediate or eventual voting rights at its General Meetings.

3.11.4.5 Withholding tax on dividends

The tax treatment of dividends has been substantially amended for revenues collected from 1 January 2018. From this date, dividends collected by a natural person who is a French resident for tax purposes are automatically subject to a single fixed deduction (PFU) at the overall rate of 30% (12.8% for income tax and 17.2% for social contributions on investment income) applied to the gross amount of dividends collected.

However, taxpayers can opt for taxation of these dividends using the progressive scale for income tax, in particular after application of a 40% rebate. This annual, express and irrevocable option is universal (it applies to all income that may automatically benefit from PFU received for the year in question) and must be applied when filing the income tax return. If the progressive scale option is applied, it is theoretically possible for a taxpayer to deduct a portion of the CSG tax applied to dividends (up to 6.8%) from their total income.

Regardless of the application of PFU or of the progressive scale option for income tax, the fixed deduction, not acting as a discharge of income tax and levied by the paying establishment, is also maintained and now amounts to 12.8% of the gross amount of dividends. This deduction not acting as a discharge is deemed to be a prepayment deductible from the income tax due for the year during which the deduction was applied. If it exceeds the income tax liability, the overpayment is refunded.

This contribution does not apply to legal entities or non-resident shareholders, who remain taxed according to the specific conditions applicable to their specific situation. Likewise, theoretically this levy is not intended to apply in certain specific cases (e.g. if shares are owned in a PEA - French equity savings plan).

Furthermore, shareholders are exempt from contributions if they so request, provided they belong to a household (for tax purposes) whose average benchmark tax for the second last year was less than €50,000 for single, divorced or widowed taxpayers or €75,000 for jointly-assessed taxpayers. It is advised that shareholders contact the institution that holds their share account or their advisor, in order to discuss options and procedures regarding exemption from contribution, given that the exemption must, in principle, be requested before 30 November of the year preceding that in which the dividend was paid.

Lastly, the paying establishment will also levy a deduction at source for social contributions at the overall rate of 17.2%.

The dividend must be duly declared on the income tax return filed by taxpayers for the year of collection."

3.11.5 Employee shareholding

3.11.5.1 Métropole Télévision Group savings plan

Established in September 1994 as a Fonds commun de placement (collective investment scheme), the Group savings plan invests exclusively in Métropole Télévision shares. At 31 December 2017, the savings plan had 1,117 unit holders indirectly holding 315,220 shares. The fund thus represented 0.25% of the share capital.

3.11.5.2 Purchase of shares for allocation to employees under a profit sharing agreement

Articles L. 225-211 sub-paragraph 2 and L. 225-208 of the Commercial Code

Nil.

Néant.

4

RISK FACTORS AND THEIR MANAGEMENT

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Investors are invited to consider the risks described below, which may have an influence on the operations, financial position, financial performance and development of the Group.

4.1 INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

4.1.1 General organisation of internal control

4.1.1.1 Definition of internal control

In order to mitigate the risks the Group faces, M6's Executive Management set up an internal control system closely associated with operational management and which acts as a decision-making tool for Management.

This internal control is based on the benchmark of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the recommendations on corporate governance and internal control prepared by the AMF, which take into consideration legal and regulatory obligations as well as good professional practices.

The Métropole Télévision Group (Métropole Télévision SA and its consolidated subsidiaries) defines internal control as a process that consists of setting up and continuously revising appropriate management systems, with the aim of providing directors and senior executives with reasonable assurances that the financial information is reliable, that legal regulations and rules of procedure are complied with and that the principal business processes (IT systems, structures and procedures) operate in an effective and efficient manner. In addition, one of the objectives of an internal control system is to prevent and manage the risk of error or fraud.

As with all control systems, it cannot provide an absolute guarantee that these risks are fully eliminated or controlled. The mechanism implemented aims to reduce the probability of their occurrence by the implementation of appropriate action and prevention plans.

4.1.1.2 Risk mapping

Every year, the Group prepares and updates a summary of all the operational and functional risks incurred by its various teams. Risks related to the business, major operational risks, legal risks, counterparty risks, market risks and lastly industrial and environmental risks including financial risks related to the effects of climate change are specifically recorded.

This assessment determines events that may have an adverse effect on the achievement of the Group's objectives and specifies the causes and consequences of the latter in order to implement action plans to curtail their effects and provide for their close monitoring.

This work is carried out with the support of members of the Executive Committee of the Group and the senior operating and functional executives.

This risk mapping is presented once or twice annually to the Audit Committee.

These main risks with which the Group is faced are presented in this section of the Registration Document.

4.1.1.3 Accountability of operating and functional executives

Responsibility for the control of risks is entrusted to the member of the Executive Board in charge of management operations, with the assistance of the Audit and Risk Manager who coordinates the control assignments in line with the action plan approved by the Executive Board. This member ensures continuous monitoring of the internal control mechanism and, where appropriate, calls on external assistance.

The Métropole Télévision Group internal control system is based on all the policies and procedures defined by every functional department and by all operating units on the basis of the different risks identified:

- the internal control procedures in the area of cross-group activities are defined by functional management. They concern mainly the Finance, Human Resources, Communications, Strategy and Development, Legal and Technical Departments.
- the internal control procedures specific to operational departments are defined at their respective level. Thus:
 - the Programming Department monitors the costs and risks of content;
 - the sales house seeks quality in the channels' partners and standardisation of marketing depending on the programmes;
 - the management of the diversification subsidiaries (other than television) ensures the quality of their contractual partners and monitors the development of trademarks created by Group channels.

4.1.2 Description of internal control procedures

4.1.2.1 General organisation of internal control procedures

In order to attain its operational and financial goals, the Group has implemented organisational and internal controls as part of the general organisation described above.

Corporate governance: forms and procedures

Since 2000, Métropole Télévision has been a limited liability company with an Executive Board and Supervisory Board. This legal form facilitates the separation between company management, which is the responsibility of the Executive Board, and the supervision of that management, performed by the Supervisory Board. It therefore satisfies the regulatory constraints imposed by the agreement with the Conseil Supérieur de l'Audiovisuel (CSA), which governs the operation and broadcasting rules of the network.

The rules of corporate governance in the Métropole Télévision Group are set down in the Bylaws (Articles 14-19 for the Executive Board and Articles 20-24 for the Supervisory Board) in this report.

Operational control participants

Internal control is monitored at all levels within the Group. The Executive Board has delegated internal control powers to the following collegial organisations or functional departments:

- The Executive Committee ensures the effective implementation of the Group's internal control policy (both operational and functional), by monitoring and following up on the internal control work carried out across the Group.

It meets twice a month. It includes the main functional and operational departments of the Group: the Programming Department, managers of the diversification, audiovisual rights, distance selling and Internet divisions, as well as the Development, Finance, Strategy, Human resources, Legal, Corporate Secretary and Technical departments.

- The Management Committee is responsible for informing the Group on major decisions and communicating the internal control policy to the various entities.

It meets twice a month and comprises members of the Executive Committee as well as representatives of the main operations or departments: programming, M6 programmes, studies and digital channels.

- The Group's Finance Department

- coordinates and steers the weekly and monthly reporting of majority-held subsidiaries, thereby guaranteeing regular financial updates to the Group;
- coordinates certain financial transactions that are of importance to the Group;
- in consultation with the subsidiaries, manages the Group's cash flow and exchange risks by setting up financial indicators and hedge instruments as it considers appropriate;
- monitors the handling of direct and indirect taxation as part of tax planning;
- in collaboration with the subsidiaries, implements a network of management controllers suited to the needs of the Group's individual business units;
- strengthens the procedures covering the security of accounting information and the reporting of information for consolidation purposes.

- The Audit and Risk Management Department:

- centralises and coordinates all aspects of risk management (risk identification), internal control (definition of internal control procedures) and internal audit (implementation of an annual internal audit plan);
- reports its findings to the operational departments, the Executive Board and the Audit Committee.

- The Group's Legal Department

- issues legal opinions for all Group subsidiaries;
- liaises with the subsidiaries and other functional departments to prepare and negotiate contracts;
- implements a network of legal experts to monitor and manage the Group's legal risks.

- The Corporate Secretary ensures compliance with laws and provisions specific to the Group's operating activities and follows legal and regulatory developments that may have an impact on the various entities.

Company Internal References

In order to enable each of its employees to take part in reinforcing internal control within operations, the Company implemented the following:

- a Code of Ethics and Professional Conduct which has been communicated to, and which must be observed by all employees of the Métropole Télévision Group. This Code details the Company's ethical values and defines the professional principles which Group Directors and employees must adhere to in their own conduct and which must guide the steps they undertake;
- descriptive manuals specifying the operational and administrative processes applying to all its operations of whatever nature;
- an expense control procedure backed by a system for the delegation of signatory powers. These delegations of powers are updated and formalised on a regular basis as the roles and responsibilities of delegating individuals change. At the time of each modification to delegations of power, strict compliance in relation to segregation of duties between the

validation of an operating expense, its recognition and its payment is strictly ensured. The implementation of a new expense management monitoring tool in 2012 reinforced this process;

- procedure for artistic validation of programming content, ensuring it respects editorial and ethical values and current legislation. This procedure is enacted by preparing recommendations for the attention of Programme Management.
- a compliance programme regarding the competition rules and comprised of a Code of Conduct and practical training on the principles included in the Code.

The key Group documents are available on the Group's intranet. Functional managers are responsible for their circulation.

Rules governing the preparation of financial and accounting information

The internal control procedures relating to the preparation and processing of financial and accounting information are primarily implemented by the Accounting, Consolidation and Management Control divisions of the Group's Finance Department.

Most of these processes are also deployed within the subsidiaries to standardise the current *modus operandi* of the Group.

4.1.2.2 Principal internal control procedures established by the Company

The Métropole Télévision Group has a system of centralised internal control procedures with a high rate of hierarchical control based on a priori control of decisions and strict monitoring of individual objectives.

The Group's operational control procedures involve monitoring expenses, programming, content, quantity and compliance with regulations (CSA, CNC, etc.).

The main procedures applied within the Group include:

- integrated management systems, tailored to the audiovisual sector, which allow the simultaneous management of programme purchases and their broadcast, as well as the sale of advertising space;
- a financial reporting system with an expense monitoring tool added to it in 2012 to provide for closer internal control of purchasing. Besides the operational contribution of this tool, which is recognised as the benchmark in its market (numerous automated checks, strict rules for the segregation of tasks and security), the responsibilities assigned to the various internal control players and the main internal control procedures have been both updated and strengthened. The Company took this opportunity to set up a team dedicated to purchase management. Reporting to the Group Finance Department, this team is in charge of the management of this tool as well as central order processing and monitoring.
- centralisation of cash management transactions.

The Group's internal controls for the preparation and processing of financial information comprise a number of procedures:

Accounting procedures

The Accounts Department records all movements and gathers all accounting documentation throughout the accounting period using financial reporting systems controlled by system administrators which ensure such systems are correctly used and monitor updates in close collaboration with the publishers.

Document validation paths prioritise the Accounts Department and internal procedures, such as dual control, exist to ensure a posteriori control of the consistency in accounting entries. Detailed reviews are conducted at each balance sheet date to check the work carried out.

Lastly, specific procedures relative to monitoring customer risk are applied in every accounting department: they relate to all stages of the commercial relationship, from initial contact with the customer (completion of solvency check) to collection of the receivables (different terms of payment, application of late penalties and procedures for recovery of unpaid invoices).

Consolidation procedures

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 1 January 2005.

The Consolidation Department ensures that accounting standards are consistently applied throughout the Group and are in line with IFRS developments. It also collects and monitors non-accounting data included in financial communications.

The Group publishes quarterly reports on the consolidated revenue, consolidated EBITDA and financial position, and interim reports on the results. It also issues financial documentation annually, as required for a company listed on a regulated market.

Reporting procedures and budgetary control

The Reporting Department is part of the Management Control Department. It collects and analyses data on a weekly or monthly basis depending on the activity in question.

The first step in this process is the preparation of a three-year strategic plan, approved by the Executive Board. The second step consists of establishing an annual budget analysed by month.

Although the budgetary process is decentralised to the level of each entity, its organisation and coordination is carried out by the central management control. In addition, every entity or subsidiary presents its budget to the Executive Board and to the Finance Department. This budget is subject to a quarterly update to provide optimum management of Group forecasts.

Reporting is then reviewed monthly with operational staff who are in a position to monitor and explain progress towards their budget objectives.

To complete this monthly reporting, all operational entities are included on the weekly management report (revenue, programming costs, gross profit) or daily report (revenue statistics).

Monitoring off-balance sheet commitments

The Group has an integrated tool to manage the rights portfolios and programming of its television activities, which comprise most of the Group's off-balance sheet commitments. The other off-balance sheet commitments are summarised by the Finance Department in close collaboration with the Legal Department in a half-year report.

At the balance sheet date, the Finance Department obtains the information required to report consolidated off-balance sheet commitments from all Group departments.

Monitoring non-current assets

The Group's non-current assets are monitored using asset management software and a special application to manage audiovisual rights. At each balance sheet date, the information generated by this software is reconciled with the accounting records.

Regular physical inventories and asset reviews ensure that the operating assets exist and have been accurately valued.

4.1.3 Conclusions and outlook

During 2017, M6 Group focused on the continuous improvement of internal control processes by strengthening tools, procedures (notably those which protect the Group from possible fraud attempts) and its information systems security policy.

Furthermore, in 2017 the Audit and Risk Management Department carried out a campaign to assess the internal control procedures overseeing the main risks associated with the preparation of the Group's financial statements.

The internal audit assignments carried out in 2017 mainly related to the implementation of the provisions of the Sapin II Law, in particular the completion of risk mapping on corruption, improving the Code of Ethics and Professional Conduct, the review of key procedures of subsidiaries recently acquired by the Group, on the IT security measures and systems in place in the various subsidiaries, on the IT access to the main IT systems and the related hacking risks. These assignments did not bring to light any major shortcoming or inadequacy in the internal control process. Where applicable, the recommendations issued were subject to an action plan by operational structures and were followed up by the Audit and Risk Management Department.

As is the case every year, work has been carried out to update risk-mapping and action plans have been defined to cover the main issues associated with internal control.

The Audit Committee has received regular updates on all this work.

In 2018, M6 intends to continue this risk management and continuous procedure improvement process by continuing to improve the accountability and awareness of the operational entities in relation to internal control issues. The Group will also continue efforts initiated in to ensure compliance with the European Data Protection Regulation (GDPR) which comes into force in May 2018.

4.2 BUSINESS RISKS

4.2.1 Risks related to the Group's market structure

4.2.1.1 Television

M6 Group, via its broadcasting activities, operates in an audiovisual market undergoing strong change (as described in paragraph 1.5.1.2 on the structural changes affecting the TV market), due to the development of new DTT channels, as well as to changes in viewing habits related to the development of the Internet (video on demand, catch-up TV, new online channel networks, etc.), and more generally to all the recent technology developments leading to changes in viewing habits:

- The free-to-air channel offering increased from 19 channels at 31 December 2011 to 25 on 12 December 2012, following the launch on free DTT of 6 additional channels, and to 27 in 2016. This growth in content offering leads to audience dispersal, with a consequent fragmentation of the TV advertising market, the main source of revenue for the Group's free channels.

Since 2010, the competitive landscape of free channels has also changed in response to industry consolidation transactions:

- in 2010, TF1 Group acquired 40% of the channel TMC and 100% of the channel NT1 from AB Group;
- the acquisition by Canal+ Group of Bolloré Group's free TV channels (Direct 8 & Direct Star) was completed in September 2012;
- the merger of NextRadio TV (producer of such channels as BFMTV, BFM Business TV and RMC Découverte) with Altice Group took place in 2015, and the implementation of a large-scale strategy by Altice Group to purchase rights, as shown with the rights to the Champions League and Europa League in 2017;

A change was also noted in Canal+'s strategy in 2017, which has reviewed the price positioning of its channels and the way in which they are marketed, with their inclusion in the standard packages of telecoms operators (Free, Orange, etc.).

- The broadcasting activities of the pay channels operate in a highly competitive environment, with the development of free-to-air television and increased penetration of a multi-channel package distributed via satellite and broadband platforms.

In addition to advertising income, limited due to low audience figures, the Group's pay channels benefit from revenue from cable operators and distribution platforms. The calling into question of these distribution agreements, within the context described above, could have a significant impact on the profitability of the Group's pay channels. In this regard, the main distribution agreements, which ended in late 2017, were renewed in December 2017 and January 2018.

- New global players are currently entering the video market. In parallel with both the audience share gains of certain pay-TV operators (such as BeINSports), and the rise in streaming services, video distribution platforms like YouTube are becoming increasingly important to certain consumers, potentially leading to part of the TV advertising market transferring to digital, particularly as the new players are extremely powerful (Netflix, Google, Amazon, Apple).

Within this context, M6 Group initially undertook to strengthen its position by investing in the line-up of its M6 channel to consolidate its audiences, and by developing a family of channels with the W9 channel, launched in 2005, and 6ter, one of the 6 new channels launched on 12 December 2012.

Moreover, in 2017 M6 Group acquired the French radio division of RTL Group (RTL, RTL2 and Fun Radio), the leading private radio group in France, meaning it now has a very powerful multimedia offering.

As described in paragraph 1.5.1.2. of this document, M6 Group is also involved in the implementation of all new broadcasting technologies to support and anticipate the new viewing patterns, a necessary condition for the sustainability of its model. M6 Group has thus been one of the pioneers in catch-up TV with its platform M6Replay, launched in 2008 and which became 6play in 2015, and on which more than 110 million videos are viewed each month, and is also present in the Multi-Channel Networks market with Golden Moustache, launched in 2012, and now attached to the digital production company Golden Network, created in 2017.

Lastly, the inclusion in television audience ratings of viewing content that is being recorded daily on personal hard discs, of catch-up TV on a television screen, and in years to come via other mediums (tablets, smartphones, pc), helps to mitigate the risks related to fragmentation by taking into account new viewing patterns in tracking the consumption of the TV medium.

4.2.1.2 Other Group markets

Concerning other operations and revenue streams, M6 Group has developed a product and service offering mainly directed at the mass market. However these operations, although not dependent on advertising revenue, are sensitive to the economic situation (see paragraph 1.5.2) as well as the progressive digitisation of their industry, in particular music publishing (discs) and video editing.

The digitisation of media and the rollout of high speed internet access have generated significant growth in illegal downloading, leading to a destruction of value for these markets.

The “Hadopi” law on illegal downloading and the applicable interprofessional agreements designed to combat illegal downloading restrict the opportunities and the interest in illegal downloading.

4.2.2 Sensitivity to the economic situation

M6 Group, due to the nature of its operations, is highly sensitive to the economic situation and consumer spending. Accordingly:

- Advertising revenue depend on a level of investment in communication set by advertisers, who for the most part are major brands that operate in mass market products and services (food, health & beauty, cleaning products, finance and insurance, transport, telecommunications, publishing, etc.). This level is notably related to the growth prospects and the profitability of these businesses on the French market. Communication expenditure may represent a balancing item in the cost structure of these businesses against a deteriorated economic background. More generally-speaking, all changes that create uncertainty to the level of advertisers’ revenue, or which constitute an additional constraint on their costs, may have an influence on the level of their television advertising expenditure, and thus be reflected in a negative impact on the Group’s advertising revenue.

However:

- due to its presence in free-to-air DTT through the W9 and 6Ter channels, M6 Group benefits from stronger exposure to the advertising market of second generation channels, whose growth was higher in 2017 than that of the overall TV advertising market.
- The significant number of advertisers, the constant renewal of brands and the competitive environment significantly limit M6 Group’s risks connected with a possible concentration and to an excessive exposure to any given sector.
- Revenue stemming from diversification and production activities as well audiovisual rights (31% of consolidated revenue in 2017) limit the Group’s dependency on the advertising market. They are nonetheless dependent on the level of consumer spending and the portion dedicated to leisure - media (TV subscription, telephone, video purchase, cinema, CDs, etc.) or to household equipment purchases (distance-selling division).

4.2.3 Adapting the cost structure and increase in costs

The Group is primarily exposed to risks of upwards movements in the purchase cost of audiovisual rights.

The growth in the cost of programmes noted in recent years has affected all categories: retransmission rights for sports competitions, broadcasts, series, and feature films.

This was reinforced by the relative scarcity of powerful and attractive programmes in a market where buyers are more numerous than before, with an increase in the strength of DTT channels, and where the number of sellers is restricted. In addition, technological (transfer to HD reception for example), regulatory, legal and contractual changes (the collective production agreement for example) may also contribute to an inflation in production and purchase costs.

However, in order to respond to this risk, a number of years ago the Group set up an “industrial platform” to manage its content purchases, like many other industries. As such, a purchasing team is tasked with identifying the best programmes for Group channels at a very early stage in the purchasing process, to participate in screenings organised by studios and to negotiate the best possible prices by using their knowledge of the market and the sellers.

In addition, the Group has developed in-house production companies, thus improving its control of the audiovisual and film production value chain:

- C. Productions for news and current affairs programmes;
- Studio 89 for entertainment programmes;
- Golden Network for video content for online distribution;
- M6 Studio and SND Films for feature films.

The audiovisual rights acquisition and distribution subsidiary SND, as well as the film catalogue and cinema co-production activities all contribute to the Group’s strategic response aimed at making broadcasting rights procurement secure and to better control its cost.

Lastly, programme management has the objective of defining the programme policy for Group channels giving them each their own identity but also enabling the sharing of resources (technical resource, studies, programmes where appropriate). Throughout the year, programme management ensures strict cost control of programmes and monitors this, as much as possible, depending on advertising revenue growth.

The FC Girondins de Bordeaux (F.C.G.B.) is exposed to the risk of inflation in the salaries of professional players and the fees to be paid for the transfer to F.C.G.B. of players under contract with other clubs, due to the European scale of the transfer market. However, for several years, a sensible transfer policy has enabled the Club to implement a cautious salary policy. Furthermore, the efficiency of the club’s training centre ensures that part of the backbone of the team is made up

of players trained by the club. In addition, F.C.G.B has demonstrated in the past and more recently its ability to attract players whose qualities were revealed in Bordeaux, resulting in the upward revision of their transfer price.

For the other Group companies, the exposure to price risk, although real, is lower to the extent that costs are more variable in the diversification activities and the number of suppliers is significantly higher.

4.2.4 Payment terms risks

The provisions of the Law for Modernisation of the Economy in respect of terms of payment between customer and supplier came into force on 1 January 2009: since that date, the period agreed upon between parties to pay amounts owing may not exceed 60 days or, exceptionally, 45 days end of month.

Any company that fails to observe the new mandatory payment periods is subject to a certain number of financial risks including late payment penalties and administrative fines.

Given the nature of audiovisual activities, a substantial majority of the purchases of services are made on a contractual basis with payment schedules specific to each activity due to the content delivery cycles.

In order to meet its settlement terms and to ensure that it always complies with applicable laws, the Group implements specific and strict follow-up of each contractual relationship:

Supplier payment procedures

The Group has put into place a supplier payment procedure governed by numerous internal controls and an IT system to process invoices received. Moreover, every supplier's payment terms to the Group are checked frequently.

Follow-up of late payments

Two alert and monitoring tools are available to the Group's finance department to deal with payment terms: a summary of invoices that are due and not yet paid and a summary of every accounting department's payment terms.

Pursuant to Art. D. 441-4 of the Commercial Code, the breakdown of the Group's trade payables and receivables not paid by the year end are set out below:

(€ millions)	Article D.441 I.- 1°: Invoices received, unpaid and overdue at year end						Article D.441 I.- 2°: Invoices issued, unpaid and overdue at year end					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment ranges												
Number of invoices concerned	33					3,710	576					14,024
Total value of invoices concerned exc. VAT	0.2	3.2	2.7	0.6	2.6	9.1	0.9	83.8	18.2	2.6	10.1	114.7
Percentage of total value of purchases exc. VAT over the financial year	0.0%	0.7%	0.6%	0.1%	0.6%	2.0%						
Percentage of revenue exc. VAT over the financial year							0.1%	6.0%	1.3%	0.2%	0.7%	8.3%
(B) Invoices excluded from (A) relating to contested or unrecorded trade payables and receivables												
Number of invoices excluded				61						433		
Total value of invoices excluded exc. VAT				0.6						9.2		
(C) Standard payment terms used (contractual or statutory period - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used for calculating late payments	Statutory terms: 60 days						Contractual terms: 30 days from the end of the month by the 10 th day of the month (for invoices related to advertising)					

This data is consolidated and does not include liabilities relating to the purchase of audiovisual rights, since these liabilities primarily fall due on the basis of operational milestones (including "ready to broadcast", "first broadcast", etc.) and not on calendar dates.

4.3 MARKET RISKS

4.3.1 Foreign exchange risk

The foreign exchange risk management policy and related data are set out in Note 19.3 to the consolidated financial statements of this document.

4.3.2 Interest rate risk

The Group is naturally exposed to risks from movements in interest rates. This risk is detailed in Note 19.3 to the consolidated financial statements.

This risk is of little significance however as the Group has very little debt and short-term rates are negative.

4.3.3 Share risk

To the extent that the Group does not own any listed financial assets, share risk exposure only relates to treasury shares. In the consolidated financial statements, treasury shares are recorded at their acquisition cost as a reduction of equity. Therefore, M6 Group share price movements have no impact on the Group's consolidated financial statements.

In the parent company financial statements:

- the net value of treasury shares is aligned with the corresponding asset at the listed share price, except for treasury shares held with a view to funding free share allocation plans, the net value of which is written down to zero over the period of the plans, the provision being spread over the rights acquisition period;
- only shares held as part of the liquidity contract are therefore exposed to share risk. A provision for depreciation is recorded if the book value of treasury shares, equal to the average market price over the last month of the financial year, is lower than their purchase price. Their net value was €0.5 million at 31 December 2017 for 24,405 shares. A 10% movement in the M6 share price would have an impact of less than €0.1 million on the net value of treasury shares.

4.3.4 Raw material risk

The Group has only little and indirect exposure to the risk of fluctuations in raw material prices.

Only a number of providers and suppliers (logistics, diversification product sub-contractors) may experience a variation in their operating costs as a result of changes in raw material prices (primarily petrol and paper) and if necessary pass them on their selling prices.

The effect on the Group's financial statements that would result from such price adjustments is not significant.

4.4 CREDIT AND COUNTERPARTY RISK

The credit risk for the Group is the bankruptcy of a customer, a supplier or a banking counterparty.

4.4.1 Risk of customer default

Concerning customer risk, the Group applies a cautious prevention and monitoring procedure described in Note 19.1 to the consolidated financial statements.

It is pointed out in this note that, as regards revenue, no single customer risk is material enough to significantly impair the Group's profitability.

The Group's leading, top 5 and top 10 customers represent less than 5%, 15% and 20% of consolidated revenue, respectively.

4.4.2 Risk of supplier default

As part of the purchase and co-production of programmes, the Group has to pay advance payments which may be deemed significant over a full-year. The Group strives to pay advances or make prepayments as close to the delivery date of the programmes to be broadcast as possible. In all instances, the Group implements an active policy of selecting the most sound suppliers, or failing that, monitors the financial health of its suppliers.

4.4.3 Banking counterparties

Financial transactions are negotiated with carefully selected counterparties as described in this document in Note 19.3 to the consolidated financial statements, Market risk, in the section dedicated to the investment policy.

The Group pays particular attention to the quality of its banking counterparties, which are all "investment grade" rated.

Prudent diversification was thus undertaken for the institutions with which surplus cash is invested and from which the Group has borrowed over the course of the year.

4.5 LIQUIDITY RISK

The liquidity risk management policy is set out in Note 19.2 to the consolidated financial statements of this report.

The Group's liquidity must therefore be considered in the light of its cash position and its unused confirmed credit lines. At 31 December 2017, the Group's net financial debt was €28.3 million. At 31 December 2017, the line available to the Group with its main shareholder (Bayard d'Antin) for a maximum of €50 million was drawn for €24 million. In 2017, the Group took out €120 million in new confirmed lines of credit for a term of five years, as well as €50 million in private bond financing in the form of Euro Private Placement maturing in seven years.

4.6 LEGAL RISKS

4.6.1 Regulatory risks

4.6.1.1 Risks related to regulatory and contractual obligations

As part of its broadcasting authorisation, the main features of which are specified in section 1.6.2. of this document, M6 Group's channels and radio stations are subject to legal and regulatory authorisations provided by the Law n°86-1067 of 30 September 1986 and related application decrees.

The channels and radio stations are also bound to the regulatory body (CSA) in application of the Article 28 of the aforementioned Law of 30 September 1986.

These agreements set out the specific rules applicable to the channels and radio stations, due to the extent of the area serviced, of the channel's share of the advertising market, of the obligation of equal treatment between all TV networks and competitive conditions specific to each of them, as well as the development of digital terrestrial radio and television.

The Conseil Supérieur de l'Audiovisuel thus ensures that the channels and the radio stations meet all their obligations.

Sanctions incurred in the event of non-compliance with commitments are listed in Articles 42 and subsequent of the Law of 30 September 1986: summons, suspension, reduction of the broadcasting licence to a single year, monetary sanctions limited to 3% of its revenue or 5% in case of repeat offence, cancellation of the licence.

In order to minimise risks associated with production and broadcasting quotas, M6 Group put into place a precise regular monitoring of its programming and investments in programme production. In addition, one of these systems is exclusively focused on monitoring the network, ensuring daily that all programme contents are in accordance with regulations in force.

The Group considers that within an environment where TV and radio publishers face numerous challenges and need to adapt to a changing environment (increase in the number of DTT channels, increase in viewing media, insufficient revenue growth, competition from powerful new business players), the growing complexity of the audiovisual regulatory framework is liable to hamper the development and adaptation and innovation capacity of audiovisual groups.

4.6.1.2 Risks related to frequency management

The M6 channel had a licence to broadcast in high definition, effective from 31 October 2008 for a period of 10 years. On 19 October 2016, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of this authorisation without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channel thus appeared before the Conseil on 16 November 2016 which, in a decision dated 27 July 2017, decided to renew the authorisation until 5 May 2023.

Details of the expiries of the authorisations held by RTL, RTL 2 and Fun Radio are provided in Section 1.6.2.2. Authorisations to use frequencies.

No other regulations liable to have a significant impact on the Métropole Télévision Group have been adopted since the start of 2017.

4.6.2 Risks related to intellectual property, freedom of the press and personal privacy

M6 Group's broadcast of audiovisual programmes is susceptible to claims of various natures concerning the violation of provisions relating to laws on intellectual property rights, personal privacy rights and freedom of the press.

No contractual provision can provide the Métropole Télévision Group with total protection against legal recourse, particularly with regard to legal action matters based on the Law of 29 July 1881 related to the freedom of the press.

In addition, Métropole Télévision Group diversification activities may generate claims regarding the infringement of the aforementioned rights.

Nevertheless, procedures have been implemented within Métropole Télévision Group to protect it from this type of risk: contract mechanisms (guarantee clauses) and internal procedures, such as assignment of legal advisors to production in-charges, guidelines, etc., which enable this risk to be considerably reduced.

4.6.3 Risks related to non-observance of contractual commitments

Non-observance of contractual agreements by suppliers or partners is liable to affect Group operations on a once-off basis, more particularly when defaults relate to the delivery of audiovisual rights (poor quality or unavailable on the planned broadcasting date) or technical services of any kind (IT systems, technical facilities, etc.).

A break in broadcasting may thus cause the loss of advertising revenue relating to commercial breaks not or poorly broadcast.

However, the Group carries out a strict assessment of its providers and suppliers, from the point of view of technical and operational reliability and financial soundness before placing any order.

In addition, the Group ensures that it negotiates contractual provisions that guarantee compensation in case of obvious default by suppliers resulting in a loss of profit or the recognition of exceptional expenses.

In 2017 as in 2016, the Group did not record any major incident resulting from the non-observance of contractual agreements by suppliers and partners.

The only identified risk of non-observance of contractual commitments by customers relate to their solvency, as specified in the notes to the financial statements.

Lastly, the Group takes particular care to meet all its contractual commitments with third parties, considering that any failure to meet its obligations would have an adverse impact on its reputation, the proper running of its operations and the occurrence and magnitude of resulting litigations. Internal audit procedures are intended to circumscribe this risk in particular.

In 2017, as in 2016, the Group did not record any major incident resulting from its non-observance of contractual agreements with third parties.

4.6.4 Litigations and financial assessment

In compliance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision for litigations when it is considered probable or certain that a litigation will generate costs without an at least equivalent consideration and that a reliable estimate of the latter can be made.

At 31 December 2017, the Group thus recognised €21.2 million in provisions for litigations (€15.2 million at 31 December 2016).

These provisions pertain to litigations and proceedings with third parties, thus an individual and detailed presentation of them is not possible due to trade secrets.

On the other hand, no provision is recognised for litigations for which it is improbable that an outflow of resources will occur, or for which the financial impact cannot be reliably measured. In this case, the Group recognises a contingent liability.

By ensuring compliance with both its contractual and editorial obligations as regards its TV channels, the Group strives to reduce the occurrence of litigations to the best of its ability. However, such occurrences are inherent to any business activity and when litigation occurs, the Group will strive to minimise their impact by using the best advisors.

4.6.5 Legal and arbitration proceedings

Notification of complaint by the Competition Authority

On 7 January 2009, stakeholders to the CanalSat TPS merger transaction that created Canal + France received a notification of complaint from the French Competition Council, which has since become the Competition Authority, as the Committee's Reporting Secretary considered that certain clauses of the agreement entered into by the two parties could be criticised in light of Competition regulations. In its ruling of 16 November 2010, the French Competition Authority considered that it was not its role to call into question the exclusivity and non-compete clauses concluded between Canal + Distribution and M6 Group, which had been notified to the Ministry for the Economy and which was expressly authorised by the latter in its decision to authorise the merger between CanalSat and TPS.

The Authority claimed jurisdiction to examine, as part of the transfer to the examining judge, exclusivity clauses relative to optic fibre and catch-up TV services concluded between Canal + Distribution and M6 Group, which, in the Authority's opinion, were not included in the ruling of the Ministry for the Economy. This ruling by the Competition Authority was subject to an appeal before the Court of Appeal of Paris by France Telecom. M6 Group communicated with this court at its own initiative. France Telecom finally withdrew this last claim, which was acknowledged by the Court of Appeal of Paris in its ruling of 8 December 2011. The appeal procedure remains on-going.

In addition, M6 Group lodged a complaint with the French Competition Authority against TF1 for abuse of a dominant position in the television advertising market, which is still under investigation.

Lastly, Canal+ Group applied to the French Competition Authority, on the basis of Article L. 420-1 of the Commercial Code and Article 101 of the FEU Treaty, against practices employed by TF1, M6 and France Télévision Groups concerning rights acquisition of the EOF film catalogue. The latter are all accused of inserting pre-emptive rights into co-production contacts, which Canal+ Group considers as having a restrictive effect on competition. The appeal procedure before the Authority is on-going. M6 Group disputes the validity of this proceeding.

Other appeals before the Conseil d'Etat

In a decision dated 23 November 2016, the Conseil Supérieur de l'Audiovisuel issued a warning to the company SERC, provider of the Fun Radio service, for non-compliance with its obligation to broadcast French-language songs. The Conseil Supérieur de l'Audiovisuel subsequently published, on 25 November 2016, new rules for calculating the radio quotas in relation to French-language songs, following the enactment of the Law of 7 July 2016 relating to creative freedom, architecture and heritage. On 8 August 2017, Fun Radio lodged two appeals before the Conseil d'Etat firstly against the CAS's decision 23 November, and secondly, against the CSA's communication 25 November 2016. These two appeals are currently being considered by the Conseil d'Etat.

M6 Group lodged an appeal with the Conseil d'Etat against the Competition Authority's decision n° 17-DCC-92 of 22 June 2017 requesting a review of the injunctions issued in decision n° 12-DCC-100 of 23 July 2012 relating to the acquisition of sole control of TPS and CanalSatellite by Vivendi SA and Canal Plus Group.

M6 Group considers that the Competition Authority made an error of assessment, when it considered that it could lift the injunctions imposed on GCP in 2012, and that the obligations resulting from the decision in 2017 are insufficient to prevent the persistent anti-competitive effects of the transaction to take sole control of TPS and CanalSatellite.

M6 Group has also lodged an appeal with the Conseil d'Etat against the Competition Authority's decision n° 17-DCC-93 of 22 June 2017 requesting a review of the obligations of decision n° 14-DCC-50 of 2 April 2014 relating to the acquisition of sole control of the companies Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia by Vivendi SA and Canal Plus Group. M6 Group considers in particular that the Competition Authority has not demonstrated that the de jure and de facto circumstances taken into account in the 2014 decision have been significantly changed and that the purchasing power of GCP would have been structurally and permanently altered.

In a decision dated 14 June 2017, the Conseil Supérieur de l'Audiovisuel issued an injunction against the company CLT UFA, at that time provider of the RTL service, ordering it to comply with certain ethical obligations set out in the agreement concluded with the Conseil on 2 October 2012. On 2 February 2017, RTL is alleged to have broadcast a column by Eric Zemmour who presented a critical analysis about non-discrimination. On 11 January 2018, Métropole Télévision, which has taken the place of CLT-UFA following the purchase of the radio division of RTL, lodged an appeal against this decision before the Conseil d'Etat.

The Conseil d'Etat is currently hearing Canal Plus Group's appeal against the Conseil supérieur de l'audiovisuel's decision to renew the broadcasting licence of the M6 channel. CANAL PLUS Group considers that the Conseil Supérieur de l'Audiovisuel wrongly issued its decision without first carrying out an impact assessment while M6 Group had announced its decision to ask distributors for fees in respect of its taking over of the M6 channel. CANAL PLUS Group furthermore considers that the fact that M6 Group is asking distributors to pay fees constitutes a substantial change to the authorisation issued to Métropole Télévision which the CSA should have opposed.

The financial risks arising from all the matters in progress, with the most significant described above, have been estimated prudently and provided for where required in the financial statements of the Group (see Note 22 to the consolidated financial statements).

Over 2017 as a whole, there were no other governmental, legal or arbitration procedures (including any procedure known to Métropole Télévision and its subsidiaries, whether pending or threatened), which is likely to have or having had a significant effect in the last twelve months on the financial position or profitability of the Group.

All the risks related to the various proceedings against the station FUN Radio in respect of audience measurements are the responsibility of RTL Group and not M6 Group.

4.7 MAJOR OPERATING RISKS

4.7.1 Risks related to the broadcasting and transmission of the signals of the Group's free-to-air channels

For the Group's channels, the interruption of the broadcast of their programmes constitutes a major risk.

In order to protect itself from the occurrence of such a risk, the Group has taken a number of steps to ensure continuous broadcasting of the programmes of the Group's channels. These steps relate notably to securing the electricity supply to the units, the ongoing modernisation of the broadcasting installations and the selection of recognised and reliable suppliers for services to broadcast the signals.

The Group's methods of broadcasting are varied:

- M6 is broadcast free on the DTT network in digital mode (Digital Terrestrial Television) and high definition (HD); the M6 signal is also included in most packages of channels offered by the satellite, cable and broadband broadcast platforms.
- W9 is broadcast free in digital mode in high definition (HD) on the DTT network. The W9 signal is also included in non-free-to-air broadcast platforms (cable, satellite, broadband).
- 6ter is broadcast free in digital mode in high definition (HD) on the DTT network. The 6ter signal is also included in non-free-to-air broadcast platforms (cable, satellite, broadband).
- Other Group channels are pay channels offered by the various non-free-to-air platforms. Paris Première is nevertheless included in DTT pay-TV packages.

Concerning the broadcast of free-to-air digital (DTT), data compression in digital mode enables the broadcast of several DTT channels on the same frequency. As a result, the broadcast in DTT is shared by a group of five to six associated channels in common companies, called Multiplex or MUX, whose composition is decided by the Conseil Supérieur de l'Audiovisuel (CSA). Thus:

- M6, W9 and 6ter included with France 5 and Arte in the R4 Multiplex (the company Multi 4). In accordance with the law, the network that has been rolled out by the R4 Multiplex is supported by 1,626 broadcasting sites and provides nationwide coverage of 95% of the population of Mainland France, with a minimum of 91% per district;
- Paris Première is included with both the pay TV channels of Canal+ Group and with LCI in the R3 Multiplex (the company CNH).

This Multiplex composition was introduced after the technological developments and technical operations required for the full MPEG-4 transition were carried out on 5 April 2016.

For their broadcast, the channels thus depend on the quality of the services of their technical providers (free-to-air broadcast) and on the continuity of service provided by the operators of cable, satellite and broadband platforms.

- M6 Group operates the **top of the network** for Multi 4, which consists of compressing and multiplexing the signals. Canal+ Group provides this service on behalf of CNH.
- Multi 4 uses the company Globecast to ensure the **upload** to the Eutelsat 5 West A satellite that transmits the signal to a large number of transmission sites. This transmission via satellite is secured by terrestrial communication links operated by TDF. CNH appointed the companies Arqiva and TDF to ensure the upload to the Eutelsat 5 West A satellite.
- The companies TDF, Towercast (NRJ Group), and Itas Tim (TDF Group) operate the **transmission sites** of the R4 and R3 networks.

The damage that the channels, and first and foremost M6, may be subjected to in the event of a broadcast interruption is proportional to the viewing audience size served. For this reason, apart from the fact that the main transmission sites are secured due to the redundancy of broadcast transmitters and in certain cases the presence of generators, the Group negotiated very short intervention times from its service providers in the event of malfunction.

4.7.2 Risks related to the production, broadcasting and transmission of the signals of the Group's radio stations

For the Group's radio stations, the interruption of the production and broadcast of their programmes represents a major risk, notably due to the fact that the vast majority of programmes are broadcast live.

In order to protect itself from the occurrence of such a risk, the Group has taken a number of steps to ensure a continuous production and broadcasting capacity for the programmes of the radio stations. These steps relate notably to securing the

studios, the electricity supply to technical equipment, the ongoing modernisation of the production and broadcasting installations and the selection of recognised and reliable suppliers for services to broadcast the signals.

4.7.2.1 Risks of interruption to Production

In order to guard against any risk of interruption to the production of its programmes, the Group has a production infrastructure featuring significant levels of back-up:

- The Group's radio stations each have several studios in order to broadcast their programmes live and they can use these various studios to make all their shows.
- The production infrastructures are safeguarded with back-up equipment and power supply.
- Mobile resources are available to the Group's radio stations so that production can be relocated in the event of the main infrastructures being unavailable.

4.7.2.2 Signal broadcasting and transmission risks

The main broadcast mode of the Group's radio stations is the FM network, the main vehicle for the radio audience. This primary broadcast mode is supported by broadcast in IP mode via the Internet network and specifically for RTL, via transmission in Long Wave (LW).

FM transmission is guaranteed by a transmitter network serving areas of variable coverage, depending on the authorisations granted by the Conseil Supérieur de l'Audiovisuel. These transmitters are powered by a satellite signal. The company TDF provides an up-link to the AB3 satellite located 5° West. This satellite transmission is safeguarded by means of dual transmission to the principal and back-up broadcast stations.

- The broadcast sites are operated by the companies TDF and TowerCast on behalf of the Group's radio stations.
- Each FM broadcast site has its own back-up infrastructures, with varying levels of back-up depending on the size of population covered by the transmitter.
- Due to its importance, the Paris Eiffel Tower site has a specific infrastructure, notably through the direct supply of the site via microwave transmission link from Neuilly.

RTL is also broadcast in long wave (LW) from the Junglister site in Luxembourg. This site is safeguarded via the Beidweiler back-up site. These sites are operated by the company BCE on behalf of the Group.

The Group's radio stations are also broadcast in IP mode, available at no cost on the Internet network through the websites and applications operated by the Group as well as on a large number of third-party sites and applications. This broadcasting in IP mode is guaranteed by the Group from a back-up and relocated technical infrastructure in the third party datacenters.

Moreover, the vast majority of the Group's radio stations are included in the channel packages offered by satellite, cable and broadband broadcast platforms.

4.7.3 Internal control failure, fraud, IT systems, concentration of purchases, etc.

4.7.3.1 Risk of internal control failure

The Group has set up an internal control system closely associated with operational management and which acts as a decision-making tool for Management. It implements a cautious prevention and follow-up policy for the risk of internal control failure, as specified previously.

However, as with all control systems, the internal control system implemented by the Group cannot provide any absolute guarantee.

4.7.3.2 Risk of fraud

M6 Group bases its internal control system on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the recommendations prepared by the AMF. One of the targets set (see paragraph 4.1.1.1 of this section) is to "prevent and manage the risk of error or fraud".

In order to prevent, discourage and detect frauds, the Group has put into place:

- a Code of Ethics and Professional Conduct which has been communicated to, and which must be observed by all employees. This Code details the Company's ethical values and defines the professional principles which Group Directors and employees must adhere to in their own conduct and which must guide the steps they undertake;
- an audit plan incorporating specific assignments in at-risk areas;
- a multi-year testing programme that complement the internal control audit.
- standards governing rules and procedures, which include many key control points that directly or indirectly target the risk of fraud;

These anti-fraud measures cannot eliminate all risks but are intended to very significantly reduce their occurrence and magnitude.

4.7.3.3 IT systems risks

The Group depends on shared and interdependent IT applications for all its operations. The main risks relate to data confidentiality and integrity, as well as the discontinuation of IT services. Any failure affecting these applications or data communication networks may result in a cessation or slowdown in operations, delay or distort certain decision-making processes and generate primarily financial losses for the Group. Moreover, any accidental or intentional data loss, liable to be used by a third party, may have negative effects on the Group's activities and results.

This is the reason why all IT systems are notably made secure by:

- physical facilities protection (access control, fire detection);
- logical network access protection (firewalls, computer access controls, protection against intrusion and identity theft attempts);
- antivirus software (on computers, web servers and internet traffic);
- daily, weekly, monthly and annual data backup;
- duplication of broadcasting control room key systems (software and hardware);
- duplication of critical IT systems (software and hardware);
- 24/7 monitoring systems (availability, security);
- frequent audits of these various systems.

The Group's Information System Security Manager (ISSM) ensures the effectiveness of this security policy, which relies on an Information Security Management System based on the ISO 27001 standard. This is based on the definition of policies, rules or action plans aimed at controlling the risks, supporting their roll-out, and monitoring their effectiveness.

Moreover, from May 2018, the European Data Protection Regulation (GDPR) will come into force. The GDPR imposes a certain number of obligations on companies, which risk the prospect of heavy fines in the event of non-compliance. Within this context, in order to ensure it complies with this European regulation, M6 Group has appointed a DPO (Data Protection Officer) responsible for establishing a protection policy and a data governance structure, as well as introducing internal procedures that will ensure data is protected at all times.

4.7.3.4 Purchase concentration risk

The concentration of strategic purchases from a limited number of suppliers may result in a strong dependence on the latter, causing a procurement risk.

The Group is particularly attentive to spreading its risks and limiting reliance on too few suppliers, particularly for audiovisual rights purchases, which are deemed to be the most strategic. It keeps a permanent watch in this respect in order to identify new programme concepts and alternative suppliers:

- As regards programmes in inventory, the main suppliers are the major US studios. Even though distribution contracts (output deals) have been signed with certain producers, the most significant only represents less than one third of films, made-for-TV films and series purchases and pre-purchases. The top six US studios supplying M6 represent just over two thirds of these purchases.
- As concerns flow programmes, purchases are spread over many suppliers.

Overall, the share of the Group's 2017 purchases, excluding rights inventories, from the leading supplier and top five and top ten suppliers represented 4.1 %, 10.2 % and 15.3 %, respectively.

4.8 INDUSTRIAL AND ENVIRONMENTAL RISKS

The Métropole Télévision Group's operations do not structurally generate any significant environmental impacts, and as a result do not incur any industrial or environmental risks in light of existing regulations.

Since the publication of the decree implementing Article 225 of French Grenelle 2 Law in 2012, M6 Group has conducted an inventory every year of all its corporate, social and environmental data, which are then verified by an independent third party. This process enables a better grasp of the environmental risks that it may face.

Moreover, M6 Group firmly believes that this information enables the various stakeholders involved to better assess their overall performance in the medium- and long-term, and more generally, that corporate responsibility goes hand in hand with economic performance.

M6 Group thus pursues an active CSR policy and clearly signals its commitments to all its partners, including viewers, employees, customers, shareholders, suppliers, public authorities and the civil society. This desire for transparency with all of its stakeholders allows M6 Group to be reactive to potential sources of environmental, corporate and social risk. M6 Group can therefore better anticipate their development and thus mitigate the consequences.

In a context of transparency, M6 Group's commitments notably include curbing global warming using appropriate measures, which all staff members are made aware of (see section 7.4 Environmental Responsibility).

4.9 INSURANCE COVER

The Group has adopted a prudent risk analysis and prevention policy in order to limit the occurrence and magnitude of such risks.

In order to complement this policy, the Group has put into place an insurance policies plan focusing on the cover of major risks, thereby providing for adequate coverage according to risk assessment, its own capabilities and the insurance market conditions.

The Group ensures the appropriateness of its insurance policies in relation to its requirements.

The major insurance policies subscribed to by the Group are listed below, followed by category of major risks covered (information below is provided purely on an indicative basis), other than those concerning F.C.G.B. and Ventadis, which have their own insurance policies (information provided below is for information only).

Property damage insurance

Policy: Industrial and professional block policy

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Cover: damages to a maximum of €49,999,999 per loss per year of cover.

Policy: All risks for IT and technical equipment

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Cover: monetary damages arising from all direct material losses and all direct material damages caused to equipment to a maximum of €40,000,000 per loss per year of cover.

General public liability insurance

Policy: Operational and professional liability

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies, groups created by or for personnel, legal representatives and agents of the insured;

Cover: monetary damages arising from personal injury, property damage or moral prejudice caused to third parties by the Group's operations, up to a maximum of €16,000,000 per loss for all professional liability type damages and up to a maximum of €7,000,000 per loss per year for all civil liability type damages.

Corporate officers' general liability insurance

Insured parties: METROPOLE TELEVISION, its senior executives²⁹ and Board members of Métropole Télévision and its subsidiaries.

Cover: monetary damages arising from Board members and senior management civil liability up to a maximum of €200,000,000 per loss per insured period.

The annual cost of these insurance premiums for the year 2017, as well as all other contracts (particularly F.C.G.B's policies, as well as Ventadis' policies and production insurance) was approximately €1.3 million (excluding share of equity-accounted entities). All of M6 Group insurance contracts were renewed in 2018 on similar bases as those of 2017.

Furthermore, SCI du 107 subscribed to specific insurance policies from ALBINGIA for protection against the risks associated with the rebuilding programme of the property complex of which it is the owner. Damage to this complex, which was delivered on 23 July 2012, is insured for ten years.

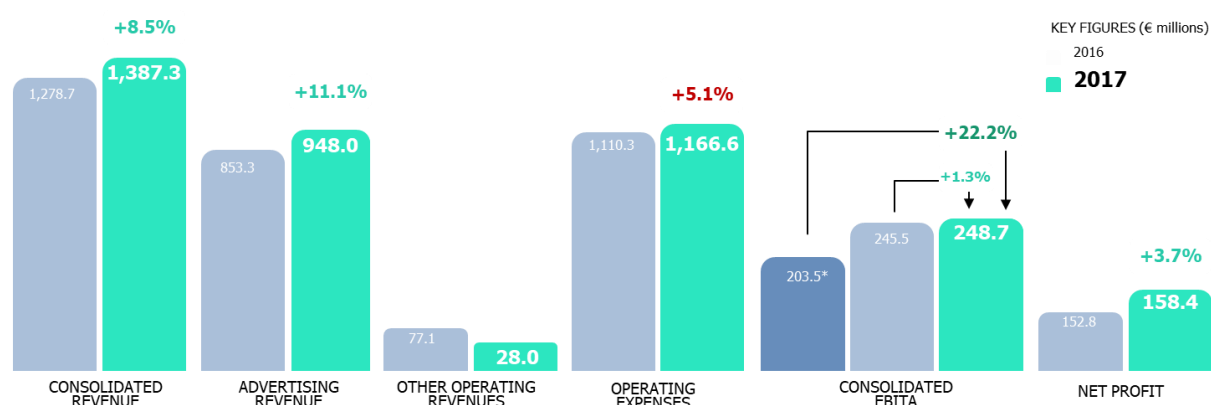
There are no captive insurance companies within the Group.

²⁹ Individuals, past, present or future, ordinarily invested with company powers pursuant to the laws or Bylaws.

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5.1 2017 RESULTS



* Recurring 2016 EBITA, excluding M6 mobile compensation

5.1.1 Presentation of the consolidated income statement

	31/12/2017	31/12/2016	2017/2016 change (€ millions)
REVENUE	1,387.3	1,278.7	108.6
Group advertising revenue	948.0	853.3	94.7
- of which M6 channel advertising revenue	829.5	792.9	36.6
- of which other advertising revenues	118.5	60.4	58.1
Group non-advertising revenues	439.3	425.4	13.9
Other operating revenues	28.0	77.1	(49.1)
TOTAL OPERATING REVENUES	1,415.4	1,355.8	59.5
Materials and other operating expenses	(708.5)	(647.8)	(60.7)
Personnel costs (including profit sharing plan contributions)	(277.6)	(261.7)	(15.9)
Taxes and duties	(46.1)	(60.2)	14.1
Net depreciation/amortisation/provision charges	(134.4)	(140.6)	6.2
PROFIT FROM RECURRING OPERATIONS [EBITA]³⁰	248.7	245.5	3.2
Operating income and expenses related to business combinations	(2.6)	(1.2)	(1.4)
OPERATING PROFIT [EBIT]	246.1	244.3	1.8
NET FINANCIAL INCOME/(EXPENSE)	(2.0)	0.8	(2.7)
Share of profit of joint ventures and associates	1.8	1.7	0.1
PROFIT BEFORE TAX	246.0	246.7	(0.7)
Income tax	(87.5)	(94.0)	6.4
NET PROFIT FROM CONTINUING OPERATIONS	158.4	152.8	5.7
Net profit/(loss) from operations held for sale / sold	-	-	-
NET PROFIT FOR THE YEAR	158.4	152.8	5.7
Attributable to the Group	158.4	152.7	5.7
Attributable to non-controlling interests	(0.0)	0.0	(0.0)

In 2017, M6 Group recorded consolidated revenue of €1,387.3 million, an increase of 8.5%, driven by growth in advertising revenue and the acquisition of the Radio division. Advertising revenue from the free-to-air channels notably increased by 4.6%.

Other operating revenues fell by €49.1 million (to €28.0 million). Note that 2016 had been characterised by the payment of a contractual compensation by Orange in connection with the end of the marketing of the M6 mobile by Orange service (€50.0 million).

Operating revenues totalled €1,415.4 million in 2017, compared with €1,355.8 million in 2016, an increase of €59.5 million (up 4.4%).

³⁰ EBITA, also termed profit from recurring operations, is defined as operating profit (EBIT) before operating income and expenses from business combinations and capital gains on the disposal of financial assets and subsidiaries.

Excluding operating expenses relating to business combinations, operating expenses increased by €56.3 million (up 5.1%) to €1,166.6 million.

This decline was due to the following main developments:

- the consolidation of the Radio France division during the 4th quarter, where the operating expenses amounted to €42.2 million over the period;
- operating expenses at the Television division increased by €3.3 million;
- expenses at the Production and Audiovisual Rights division increased by €6.1 million;
- expenditure at the Diversification division increased by €4.7 million.

Analysis of expenses by nature is as follows:

- purchases consumed and other operating expenses increased by €60.7 million (up 9.4%), €24.1 million of which was due to the consolidation of the Radio division, and €19.8 million of which was due to the free-to-air channels;
- personnel costs increased by €15.9 million (up 6.1%) in 2017, mainly due to the integration of the Radio division (€16.2 million);
- net amortisation, depreciation and provision charges amounted to €134.4 million, a decrease of €6.2 million.

Profit from recurring operations (EBITA) reached €248.7 million, a new historic high for the Group. The increase in EBITA continued thanks to the momentum of the Television division, and to the contribution of the Radio activities.

Excluding the one-off income in 2016 related to the compensation for the termination of the M6 mobile by Orange contract, significant growth of €45.3 million – or 22.2% – was reported.

As a result, the consolidated margin from recurring operations was 17.9%.

Operating income and expenses related to business combinations generated a net expense of 2.6 million and include the amortisation of intangible assets (brands and technologies) accounted for as part of the acquisitions of Oxygem (negative amounts of €0.9 million in 2017 and 2016) and Cyréalís (negative amount of €0.1 million in 2017 and 2016), as well as the impairment of the catalogue valued as part of the acquisition of Mandarin Cinéma and Fidélité Films (negative amounts of €1.5 million in 2017 compared with €0.2 million in 2016).

Net financial expense totalled €2.0 million (compared with net income of €0.8 million at 31 December 2016) and was primarily explained by the revaluation of financial assets and liabilities, the interest on the €50 million bond debt arranged for the acquisition of the Radio division in August 2017, and a decrease in the return on invested cash.

The income tax charge was €87.5 million, a decrease of €6.4 million due firstly to the recognition of a receivable from the State related to the Constitutional Council having ruled that the tax on dividends is unconstitutional, and secondly to the 2017 exceptional surcharge on large companies.

Net profit for the period was €158.4 million, compared with €152.8 million in 2016, representing net margin of 11.4%.

5.1.2 Analysis of the consolidated income statement by segment

5.1.2.1 Television

(€ millions)	31/12/2017			31/12/2016			2017/2016 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
TOTAL TV DIVISION	913.6	897.2	189.2	872.5	855.8	159.3	41.1	41.3	30.0

EBITA of the Television division may be analysed as follows based on the gross margin on programming of the Group's free-to-air channels:

(€ millions)	31/12/2017	31/12/2016	2017/2016 change	
			(€ millions)	(%)
External advertising revenue - Free-to-air TV	829.5	792.9	36.6	4.6%
Intra-Group advertising revenue - Free-to-air TV	4.4	4.7	(0.4)	-7.6%
Advertising agency costs, operating taxes and broadcasting costs	(166.2)	(178.3)	12.1	-6.8%
Free-to-air net revenue³¹	667.6	619.3	48.3	7.8%
Programming costs ³²	(461.2)	(451.9)	(9.3)	2.1%
GROSS MARGIN ON PROGRAMMING³³	206.4	167.5	38.9	23.3%
(%)	30.9%	27.0%		

The programming costs of free-to-air channels were €461.2 million, compared with €451.9 million in 2016. Accordingly, following a non-recurring investment in the Euro 2016 Football Competition, the Group chose to invest in its programme schedule, while continuing its policy of impairing its inventory of international television series due to the decline in their audiences.

The TV advertising market showed signs of slight growth over the second six months, after a downturn in the early part of the year. Thanks to its solid audience figures, M6 Group increased its market share in 2017. Advertising revenue from its free-to-air channels thus grew 4.6% (6.4% over the fourth quarter), again outperforming a TV market which was estimated to grow very slightly over the year as a whole.

TV operations thus contributed €189.2 million to EBITA, compared with €159.3 million in 2016, representing an operating margin of 21.1% for the Group's core business.

5.1.2.2 Radio

(€ millions)	31/12/2017			31/12/2016			2017/2016 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
TOTAL RADIO DIVISION	55.3	54.9	12.8	-	-	-	55.3	54.9	12.8

For its entry into the consolidation scope, the Radio division achieved fourth quarter revenue of €54.9 million and EBITA of €12.8 million. In this regard, it should be noted that each year, on average, the fourth quarter accounts for one third of annual revenue and a significant proportion of the operating profit.

5.1.2.3 Production and audiovisual rights

(€ millions)	31/12/2017			31/12/2016			2017/2016 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
TOTAL PRODUCTION & AUDIOVISUAL RIGHTS	111.5	101.7	8.0	111.8	97.6	8.4	(5.8)	(1.3)	(1.6)

Revenue from the Production and Audiovisual Rights division totalled €101.7 million, an increase of 4.2% in relation to 2016 thanks in particular to the growth in the international sales of SND, which in 2017 became the second largest exporter of French films.

SND signed several successes in 2017 with *Seven Sisters* of which it is both the producer and distributor in France and internationally, *La la Land*, *Lion* and *A bras ouverts*, recording more than 10.7 million cinema admissions in France, compared with 10.5 million in 2016.

³¹ Net advertising revenue consists of advertising revenue earned by the M6, W9 and 6ter channels, offset by the net cost of services provided by M6 Publicité (share of free-to-air channels), mandatory charges levied as a proportion of revenue and broadcasting costs.

³² Programming costs represent the cost of programmes broadcast on the M6, W9 and 6ter channels (purchased, produced or coproduced), including charges relating to rights that are invalid or unlikely to be broadcast.

³³ Gross margin on programming represents the difference between TV net revenue and programming costs.

2017 was also marked by the release of eight films financed by M6 Films, including *Epouse-moi mon pote*, *Rock'n Roll* and *Sahara*, together totalling admissions of 8.5 million (compared with a total of 9.7 million in 2016).

EBITA was €8.0 million, compared with €8.4 million in 2016.

5.1.2.4 Diversification

(€ millions)	31/12/2017			31/12/2016			2017/2016 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Interactions	18.4	16.2	5.1	13.3	11.5	4.7	5.1	4.7	0.4
Ventadis	150.2	145.0	10.7	165.1	158.7	14.3	(14.9)	(13.7)	(3.6)
M6 Web	111.6	109.3	33.5	99.0	96.9	79.3	(7.5)	(7.6)	(48.7)
F.C.G.B.	63.3	62.8	(4.9)	58.1	57.9	(8.9)	5.2	4.9	4.0
Intra-Group eliminations	(8.2)	-	-	(8.8)	-	-	0.6	-	-
Inter-segment revenue	2.0	-	-	1.8	-	-	0.2	-	-
TOTAL DIVERSIFICATION	335.3	333.3	44.4	326.7	325.0	89.3	(11.5)	(11.7)	(47.9)

In 2017, Diversification revenue totalled €333.3 million (compared with €325.0 million in 2016), with a contribution to EBITA of €44.4 million, representing operating profitability of 13.3%. EBITA therefore grew by €5.1 million compared with 2016 (excluding the compensation related to the termination of the M6 mobile by Orange contract). In 2017:

- Ventadis reported EBITA of €10.7 million, a decline of 24.9%. Within a challenging market, the division made the necessary adjustments to its business model in relation to its home shopping business and launched its digital transformation;
- F.C.G.B, which ended the 2016/2017 season in 6th place in the French Ligue 1 Championship (vs. 11th in 2015/2016), managed to reduce its losses, which totalled €4.9 million over 2017 as a whole;
- M6 Web recorded strong growth in its online video advertising revenues, driven by the platform 6play, which now has more than 20 million registered users and whose number of videos viewed reached 1.3 billion in 2017. M6 Web also developed its new cashback subsidiary, iGraal, acquired in November 2016, and benefited from the latter's contribution. Lastly, the contribution of M6 mobile by Orange stood at €18.0 million, as forecast.

Within this context, M6 Web's profit from recurring operations reached €33.5 million in 2017, compared with €29.3 million in 2016, an increase of 14.4%, restated for the one-off M6 mobile compensation received in 2016.

5.1.2.5 Unallocated items

Eliminations and unallocated income/expenses related to:

- the cost of share subscription options and cost of free share allocation plans, in accordance with IFRS 2 – Share-based payments;
- unallocated consolidation restatements primarily corresponding to the elimination of intra-Group gains on the disposal of non-current audiovisual assets or inventories;
- EBITA of property companies and dormant companies (€2.6 million in 2017 versus €3.1 million in 2016): the Group owns 20,000 m² of offices in Neuilly-sur-Seine, which are leased to Group companies; all leasing and sub-leasing agreements provide for transparent billings of rent and related charges to each tenant, under normal market conditions, in proportion to the space occupied.

The profitability of this business is equal to the difference between the rent charged and the operating expenses of these buildings (depreciation, utility and maintenance charges, etc.).

- In 2016, the non-recurring M6 mobile compensation had an automatic impact of €8.0 million on profit-sharing, bonuses and variable remuneration.

5.1.3 Significant contracts signed over the last 24 months

No significant contract was concluded outside the ordinary activities of M6 Group during the last 24 months.

5.1.4 Compliance with legal obligations and the agreement

The M6, W9, 6ter and Paris Première channels and the Group's three radio stations all benefit from a terrestrial broadcasting licence. They have all signed agreements with the CSA and are subject to regulatory obligations and obligations arising from these agreements.

On an annual basis, the channels and stations report on the implementation of their obligations and commitments during the previous financial year to the CSA.

According to the Group's calculations, and subject to their approval by the CSA, M6, 6ter and Paris Première fulfilled their broadcasting obligations in 2017.

Meanwhile, in the case of W9, where the licensing agreement requires offering mostly musical programming, the channel sent the French Media Regulatory Authority (CSA) a request for a change in its licensing agreement. The channels also fulfilled their obligations in terms of the amounts invested in the production of audiovisual works and films.

The Group's radio stations complied with their broadcasting commitments in 2017, subject to approval by the CSA.

Details of the M6, W9 and 6ter channels' commitments as well as those of the RTL, RTL2, and Fun Radio stations are provided in Paragraph 1.6. Regulatory environment of this document.

5.2 GROUP FINANCIAL POSITION AND CASH FLOW STATEMENT

5.2.1 Financial position

	31/12/2017	31/12/2016	2017/2016 change (€ millions)
Goodwill	235.6	101.5	134.1
Non-current assets	405.3	304.7	100.6
Current assets	822.0	680.6	141.3
Cash and cash equivalents	54.3	174.4	(120.2)
TOTAL ASSETS	1,517.1	1,261.3	255.8
Group equity	662.3	616.3	46.0
Non-controlling interests	(0.1)	(0.1)	0.0
Non-current liabilities	146.0	52.4	93.6
Current liabilities	708.9	592.7	116.2
TOTAL EQUITY AND LIABILITIES	1,517.1	1,261.3	255.8

At 31 December 2017, total assets were €1,517.1 million, a decrease of €255.8 million (up 20.3%) compared with 31 December 2016.

Non-current assets (including goodwill) totalled €640.9 million, an increase of €234.7million (up 57.8%) compared with the 2016 year-end.

This sharp increase reflects the acquisition of the RTL Group's French Radio division, where the main impact was as follows:

- goodwill amounting to €132.7 million;
- RTL France Radio licences amounting to €55.6 million;
- financial assets available for sale of €13.5 million.

The increase in the asset represented by Football Club des Girondins de Bordeaux players (€30.2 million) largely explains the balance of the change.

Current assets, excluding cash and cash equivalents, amounted to €822.0 million, an increase of €141.3 million (up 20.8%) compared with 31 December 2016.

This change primarily reflects:

- the consolidation of the French Radio Division in the Group's consolidated financial statements (up €82.9 million);
- the increase in inventories (up €15.1 million);
- the increase in trade receivables (up €15.4 million);
- the €32.7 million increase in the current tax receivable, primarily as the result of the tax credit due in connection with the repayment of the additional corporate income tax contribution of 3% on dividend payments for the years between 2013 and 2017 (up €19.8 million).

Cash and cash equivalents amounted to €54.3 million, down €120.2 million compared with 31 December 2016 (see comments on the consolidated cash flow statement).

The Group share of consolidated equity totalled €662.3 million. This €46.0 million increase was due to:

- the payment of dividends of €108.6 million;
- and the Group share of net profit for the year of €158.4 million.

Non-current liabilities totalled €146.0 million, an increase of €93.6 million compared with the 2016 year-end.

This significant increase was primarily due to:

- the subscription to a debenture loan in order to finance the French Radio division (up €49.7 million);
- the Radio division's pension provision (up €28.9 million);
- the liability relating to forward treasury share purchase agreements (up €9.2 million).

Current liabilities totalled €708.9 million, an increase of €116.2 million compared with the 2016 year-end.

This 19.6% increase is primarily explained by the inclusion of the French Radio division in the Group's financial statements (up €70.7 million) and by the increase in financial debt (up €34.0 million).

5.2.2 Cash flow statement

	31/12/2017	31/12/2016	Change (€ millions)
Self-financing capacity from operations	363.5	373.2	(9.7)
Operating WCR movements	(31.9)	(21.0)	(10.9)
Income tax	(111.4)	(83.7)	(27.7)
Cash flow from operating activities	220.2	268.5	(48.4)
Cash flow from investment activities	(307.1)	(145.8)	(161.3)
<i>Recurring items</i>	<i>(110.2)</i>	<i>(130.4)</i>	<i>20.3</i>
<i>Non-recurring items</i>	<i>(197.0)</i>	<i>(15.4)</i>	<i>(181.6)</i>
Cash flow from financing activities	(33.0)	(124.1)	91.0
<i>Dividend payments</i>	<i>(108.6)</i>	<i>(107.7)</i>	<i>(0.9)</i>
<i>Equity transactions</i>	<i>(7.7)</i>	<i>(14.9)</i>	<i>7.2</i>
<i>Radio division financing</i>	<i>83.7</i>	<i>-</i>	<i>83.7</i>
<i>Other</i>	<i>(0.4)</i>	<i>(1.5)</i>	<i>1.0</i>
Translation effect on cash and cash equivalents	(0.2)	0.1	(0.2)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(120.2)	(1.4)	
Cash and cash equivalents - opening balance	174.4	175.8	(1.4)
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	54.3	174.4	(120.2)
<i>Net cash and cash equivalents -closing balance</i>	<i>(28.3)</i>	<i>176.4</i>	<i>(204.7)</i>

Cash flow from operating activities was €220.2 million in 2017, lower than the level of €268.5 million achieved in 2016.

This decrease of €48.4 million (down 18.0%) was due to the following developments:

- the pre-tax self-financing capacity generated by the Group decreased by €9.7 million to €363.5 million as the result of depreciation and amortisation charges, net of writebacks, and to provisions that were lower than those in the previous financial year (a decline of €12.8 million);
- a deterioration in the change in working capital (down €10.9 million), primarily due to the consolidation of the Radio division over the last quarter (down €12.5 million);
- the increase in the income tax paid (down €27.7 million) in view of the exceptional 15% contribution on corporate income tax, and the higher level of the prepayments made in 2017.

In 2017, cash flow applied to investments used cash resources of €307.1 million, compared with €145.8 million in 2016.

The sharp increase primarily reflects the increase in net outflows relating to acquisitions and disposals of companies in 2017 (up €181.6 million).

Cash flow resulting from financing activities used cash resources of €33.0 million compared with €124.1 million in 2016.

This change of €91.0 million is mainly explained by the arrangement of the debenture loan and the use of credit facilities as part of financing the acquisition of the French Radio division.

The 2017 financial year thus resulted in a €120.2 million decrease in cash and cash equivalents.

Cash and cash equivalents totalled €54.3 million at 31 December 2017, compared with €174.4 million at 31 December 2016.

Taking the debt position into consideration, the Group has a negative net cash position which went from net cash of €176.4 million at the 2016 year-end to net debt of €28.3 million at 31 December 2017 (the net cash position is defined as cash and cash equivalents, plus current account balances and loans granted, less bank overdrafts and financial debt).

5.2.3 Cash management policy

The cash management policy is detailed in this document in the section dedicated to the investment policy included in Note 19.3 to the consolidated financial statements.

5.2.4 Investment policy

A highly significant element of M6 Group's business is the acquisition of rights and the production of programmes. These "investments" in programmes are treated as operating expenses. They are therefore not capitalised but recognised as off-balance sheet commitments before the rights are opened, and then in inventory after the rights are opened.

M6's capital expenditure policy is driven by the following:

- the concern to provide the Group with the necessary resources to develop future growth drivers that meet the challenges resulting from new broadcasting modes and media viewing patterns;
- the strategic necessity to supply existing operations with the best content and products possible in order to confirm their positioning and attractiveness;
- the importance of providing the Group with a safe and efficient working environment, both in terms of infrastructure and equipment (offices, production resources, etc.) and information and broadcasting systems;
- TV network obligations and contractual commitment obligations, as well as regulations that govern these activities.

As part of its contractual and regulatory obligations, M6 Group's obligations in terms of the production of audiovisual works amounted to €114.0 million in 2017.

5.2.5 Contingent assets and liabilities

A description, a summary table and an analysis of changes in contingent assets and liabilities are included in Note 23 to the consolidated financial statements set out in this document.

5.3 FINANCIAL POSITION OF THE PARENT COMPANY AND AGREEMENTS BETWEEN M6 AND ITS SUBSIDIARIES

5.3.1 Financial position of the parent company

At 31 December 2017, Métropole Télévision (M6) had total assets of €1,296.8 million, an increase of €34.0 million (up 2.7%) compared with 31 December 2016.

Non-current assets increased by €177.2 million to €420.3 million. Most of this change related to equity investments (up €175.3 million), mainly due to the acquisition of shares in RTL Group's French radio division and the write-off of TCM-DA shares following the dissolution of the company.

Current assets decreased by €143.6 million to €876.1 million. The decrease in trade receivables (down €17.1 million), in cash and cash equivalents (down €131.8 million), and in prepaid expenses (down €9.6 million), partly offset by the increase in broadcasting rights inventories (up €14.0 million), explain most of this change.

On the liabilities side, debt amounted to €737.4 million, an increase of €14.4 million due to the combined effect of the increase in borrowings (up €60.3 million), offset by the reduction in other liabilities (down €42.7 million). The latter primarily include Group subsidiaries' current funding transactions.

Shareholders' equity totalled €502.2 million, an increase of €26.8 million. This change was primarily due to:

- the payment of dividends of €107.1 million;
- and net profit for the year of €134.9 million.

At 31 December 2017, cash and cash equivalents (cash and marketable securities less bank overdrafts) were €36.3 million, down €129.2 million compared with 31 December 2016.

5.3.2 Shareholders' agreements

Métropole Télévision and its subsidiaries have entered into shareholders' agreements, in addition to the Bylaws, with a view to organising relationships with joint shareholders in jointly-controlled companies. At 31 December 2017, the companies concerned were Extension TV (Série Club), CNH, Multi 4, R8 (undergoing liquidation), Panora Services, Quicksign, Audience Square, iGraal, Elephorm, Best of TV, HSS Belgique, Victor & Charles, GLHF, 6&7, Life TV, Alliance Gravity Data Media, Music Nancy FM, Fun Radio Belgique, 2CED and Job Digital Networks.

5.3.3 Direct shareholding interests over 5%, 10%, 20%, 33% or 50% of capital and controlling interests (Article L 233-6 of the Commercial Code) acquired during the 2017 financial year

In accordance with legal provisions, in particular Article L. 233-6 of the Commercial Code, the table below shows the direct shareholding interests acquired by Métropole Télévision or any one of its subsidiaries during the 2017 financial year.

Company name	Legal form	2017 equity investments	% shareholding		Company	Total
			Direct M6	Indirect M6		
6&7	SAS	49%	-	49%	M6 Interactions	49%
YouMiam	SAS	8.8%	-	8.8%	M6 Web	8.8%
Victor & Charles	SAS	4.5%	-	4.5%	M6 Web	4.5%
Fidélité Films	SAS	100%	100%	-	-	100%
GLHF	SAS	17.5%	-	17.5%	M6 Web	17.5%
Life TV	SA	33.3%	33.3%	-	-	33.3%
Allianz Gravity Data Media	SAS	11.1%	11.1%	-	-	11.1%
RTL France Radio	SAS	100%	100%	-	-	100%
EDIRADIO	SA	100%	100%	-	-	100%
Information & Diffusion	SARL	100%	2%	98%	EDIRADIO	100%
SODERA	SA	100%	100%	-	-	100%
Média Stratégie	SARL	100%	-	100%	SODERA	100%
FM Graffiti	SARL	100%	-	100%	SODERA	100%
Radio Golfe	SARL	100%	-	100%	SODERA	100%
Radio Porte Sud	SARL	100%	-	100%	SODERA	100%
SERC	SA	100%	100%	-	-	100%
Music Nancy FM	SARL	51%	-	51%	SERC	51%
Canal Star	SARL	100%	-	100%	SERC	100%
GigaSud	SARL	99%	-	99%	SERC	99%
SPRGB	SARL	100%	-	100%	SERC	100%
A2B Com	SARL	100%	-	100%	SERC	100%
Fun Radio Belgique	SA	25%	-	25%	SERC	25%
SCP	SARL	100%	-	100%	M6 Publicité	100%
IP France	SA	100%	-	100%	M6 Publicité	100%
2CED	SAS	18%	-	18%	IP France	18%
Job Digital Networks	SAS	2.0%	-	2.0%	Ip France	2.1%
IP Régions	SA	100%	-	100%	M6 Publicité	100%
Médiapanel	SARL	100%	-	100%	M6 Publicité	100%
RTL Spécial Marketing	SARL	100%	-	100%	M6 Interactions	100%
RTL Net	SAS	100%	-	100%	M6 Web	100%
ParisonAir	SARL	100%	-	100%	M6 Evénements	100%
Audience Square	SAS	10%	10%	10%	IP France	20%
Médiamétrie	SA	2.7%	2.7%	-	-	2.7%

On 28 March 2017, M6 Group announced that it had acquired a 49% stake in the share capital of 6&7, a new record label, via its subsidiary M6 Interactions.

On 13 April 2017, M6 Web participated in the share capital increase of YouMiam SAS, a recipe-based social platform. It has an 8.8% stake.

On 31 May 2017, M6 Web participated in the share capital increase of Victor & Charles SAS, a data platform aimed at hotel managers. It has an 4.5% stake.

On 20 July 2017, M6 Group finalised the acquisition of Fidélité Films, a company that holds a catalogue of 42 feature films, including *Astérix and Obélix: God Save Britannia*, *Le petit Nicolas*, *Les Vacances du petit Nicolas* and *De l'autre côté du lit*.

On 2 October 2017 M6 Group finalised the acquisition of the entire share capital of the companies making up the French Radio division of its shareholder RTL Group: the radio stations RTL, RTL2 and FUN Radio, their sales house IP France, RTL net, and RTL Spécial Marketing, and all their subsidiaries.

On 24 November 2017, M6 Group acquired a 17.5% interest in GLHF.

M6 Group acquired an 11.1% interest in Alliance Gravity Data Media SAS, a data-marketing platform, on 30 November 2017. This platform will enable all types of advertisers and agencies to benefit from a broad range of data segments in order to conduct programmatic digital campaigns on all formats and all terminals, with the guarantee of a premium, secure, and transparent media environment.

On 15 December 2017, M6 Group announced that it had taken part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name. This company operates the Life TV DTT channel, which will be launched during 2018 in the context of deregulation of the television market in the Ivory Coast.

5.3.4 Parent company/subsidiaries relationships

Métropole Télévision has its own business activities and also defines the strategic objectives for the Group in its capacity as Parent Company.

It sets and defines the framework for oversight of the activities of Group entities, as follows:

- through the strategic objectives defined for Group activities;
- through the specific features of its four core business lines: Television, Radio, Production & Audiovisual Rights, and Diversification;
- through the existing business-wide functional departments (Finance, Corporate Services, Human Resources, Legal Affairs, Information Systems, Internal Communications, etc.) which operate as shared services across the Group. These functional responsibilities are held by specialists from each of the business lines. The provision of these resources is formalised in Technical Assistance Agreements and is invoiced to each subsidiary.

From a financial point of view:

- the cash pooling agreement with subsidiaries enables M6 to manage and consolidate the cash resources of most Group subsidiaries to optimise its use;
- Métropole Télévision is the parent company of a tax consolidation group pursuant to the provisions of Article 223 A of the General Tax Code.

At 31 December 2017, the Métropole Télévision Group had 103 subsidiaries and affiliates as follows:

- 25 significant consolidated subsidiaries;
- 49 insignificant consolidated subsidiaries;
- 29 non-consolidated subsidiaries.

Significant consolidated subsidiaries are as follows:

Significant consolidated subsidiaries (21)	Country	Financial transactions with Métropole Télévision		% interest (rounded up)
		Member of cash pooling agreement	Various significant transactions*	
TELEVISION				
M6 Publicité	France	yes	Advertising agency payment	100%
M6 Génération - 6TER	France	yes	Technical services, rebilling of personnel costs	100%
Paris Première	France	yes	Technical services, rebilling of personnel costs	100%
EDI TV – W9	France	yes	Sales of broadcasting rights, technical services, rebilling of personnel costs	100%
M6 Communication - M6 Music Black - Hit - Club	France	yes	Technical services	100%
SediTV - Téva	France	yes	Technical services, rebilling of personnel costs	100%
SNDA	France	yes	Purchase and sale of broadcasting rights	100%
C. Productions	France	yes	Purchase of broadcasting rights	100%
Studio 89 Productions	France	yes	Purchase of broadcasting rights	100%
GM6	France	yes	Technical services, rebilling of personnel costs	100%
RADIO DIVISION				
Ediradio	France	yes	Misc. re-invoicing	100%
IP France	France	no	NS	100%
PRODUCTION AND AUDIOVISUAL RIGHTS				
M6 Créations	France	yes	Advertising	100%
Société Nouvelle de Distribution	France	yes	Purchase of broadcasting rights	100%
Mandarin Cinéma	France	yes	Purchase of broadcasting rights	100%
Société Nouvelle de Cinématographie	France	yes	NS	100%
DIVERSIFICATION				
Football Club des Girondins de Bordeaux	France	no	NS	100%
Home Shopping Service	France	yes	Rebilling of personnel costs	100%
Best of TV	France	no	NS	51%
MonAlbumPhoto	France	no	Advertising	100%
M6 Interactions	France	yes	Technical services, rebilling of personnel costs	100%
M6 Web	France	yes	Advertising, technical services, rebilling of personnel costs	100%
PROPERTY				
Immobilière M6	France	yes	Rent re-invoicing	100%
Immobilière 46D	France	yes	Rent re-invoicing	100%
SCI 107	France	yes	Rent re-invoicing	100%

* Transactions valued in excess of €500 K

In view of the size of their individual business activities, the transactions between other companies and Métropole Télévision are insignificant.

The duties performed by its executives in the subsidiaries are set out in Section 2.2 of this Document.

The contributions of major Group companies in terms of non-current assets, financial debt, balance sheet cash and cash equivalents, cash flow from operations and dividends paid by subsidiaries to the parent company during the financial year are presented below, to disclose the respective scale of each company within the Group and more specifically the relative size of the parent company compared to the direct and indirect subsidiaries.

The Group's financial liabilities totalled €78.6 million and mainly included bank debt and associates' current accounts.

Parent company - subsidiary relationships

(€ millions)	31/12/2017	31/12/2016
Non-current assets	597.8	368.8
Ediradio SA	76.1	-
M6 Web *	74.5	71.0
F.C.G.B	58.6	28.1
RTL France Radio SAS	55.6	-
Sodera SA	34.1	-
SCI du 107	34.0	35.8
Immobilière M6	29.8	28.8
E-Commerce **	27.6	28.7
SERC SA	25.5	-
Immobilière 46D	24.6	26.3
SNDA	22.3	21.8
Teleshopping ***	18.2	18.4
Métropole Télévision	17.0	13.8
SND	12.1	37.1
M6 Publicité	11.8	13.5
IP FRANCE S.A.	11.1	-
iGraal	11.0	11.6
M6 Studio	9.4	7.0
Mandarin Cinéma	7.8	8.9
Fidélité Films SAS	7.2	-
RTL Special Marketing SARL	6.2	-
Stephane Plaza Franchise	4.2	3.0
Life TV SA	3.5	0.0
Eléphorm	2.7	2.8
IP Régions SA	2.4	-
RTL Net SAS	2.3	-
Série Club	2.0	2.2
SNC	1.9	5.1
<i>Other</i>	<i>4.4</i>	<i>4.8</i>
Balance sheet cash and cash equivalents	54.3	174.4
Métropole Télévision	26.2	152.8
iGraal	11.3	9.2
SND	7.1	6.3
M6 Publicité SAS	3.8	(1.2)
Teleshopping ***	1.8	2.2
Sodera SA	1.5	-
FCGB	1.5	1.4
SND USA	1.1	1.2
<i>Other</i>	<i>0.0</i>	<i>2.5</i>
Cash flow from operating activities	220.2	268.5
SNDA	45.1	55.9
M6 Publicité	44.8	38.7
SND	38.7	42.0
M6 Web *	37.4	86.2
Métropole Télévision	21.2	19.8
M6 Génération / 6Ter	11.2	0.2
Sedi - Teva	10.9	9.9
RTL France Radio SAS	9.6	-
Teleshopping ***	7.7	10.2
E-Commerce **	5.0	3.2
SERC SA	3.8	-
Sodera SA	3.6	-
Immobilière M6	3.2	2.9
M6 Interactions SAS	3.0	3.4

Igraal SAS	2.4	(0.4)
M6 Créations SAS	2.1	0.5
SCI du 107	2.0	1.8
M6 Studio	1.9	1.1
M6 Communication	1.6	0.7
Immobilière 46D	1.6	1.5
Mandarin Cinéma	1.6	2.3
SCP Saràl	1.5	-
M6 Films	1.3	1.3
SNC	1.1	3.6
Ediradio SA	1.1	-
Paris Première	1.0	3.4
Fidélité Films SAS	(1.6)	-
Studio 89 Productions	(3.6)	4.7
GM6	(4.6)	(0.8)
Edi - W9 Tv	(5.2)	(12.7)
FCGB	(8.4)	(12.0)
IP FRANCE S.A.	(20.7)	-
<i>Other</i>	(0.2)	1.0
Dividends paid to Métropole Télévision	40.4	56.2
M6 Publicité SAS	24.5	24.6
M6 Interactions SAS	6.5	25.5
M6 Thématique SA	5.8	-
M6 Web SAS	3.0	-
Capital Productions S.A.	0.4	-
TCM Droits Audiovisuels SNC	0.2	-
SND	0.1	0.1
Immobilière M6	-	6.0

* M6 Web's 2016 figures include Oxygem data

** E-Commerce includes Mon Album Photo, Printic, Luxview and Optilens data

*** Teleshopping includes HSS, HSS Belgique, Best of TV and Best of TV Benelux data.

5.3.5 Tax consolidation

On 1 January 1988, Métropole Télévision declared itself as the parent company of a tax consolidation group pursuant to the provisions of Article 223 A and subsequent of the General Tax Code.

All French-registered Group companies that are subject to income tax and are more than 95% continuously owned directly or indirectly by Métropole Télévision are members of the tax consolidation group.

5.4 OUTLOOK AND STRATEGIC DIRECTION



M6 Group, which has always made content the focal point of its strategy, will pursue its development in 2018 by relying on its multimedia TV, Radio, Digital strength.

In fact, the Group has a unique ability to reach the French population on powerful, innovative, and leading mass media thanks to its in-house creative resources.

The Group's three free-to-air TV channels, which achieved a historic audience on the target market, and also enjoyed an unprecedented success in their non-linear viewing on the 6Play platform, are now supplemented by the reinforcement provided by the three RTL, RTL2, and Fun Radio radio stations. These combined powers should enable the Group to boost its overall positions on the French media and advertising markets.

Accordingly, the Group hopes to enable talent to shine in a multi-media ecosystem that is unique in France. This advantage is expected to prove decisive in an increasingly competitive environment in terms of identifying and retaining talented individuals, regardless of whether they are contractors, employees, or entertainers. Likewise, the Group now has a unique power to attract any external creative partners (authors, journalists, production companies, and entertainers, etc.).

Furthermore, this scale effect enables the Group to invest in technologies and platforms that benefit all of the channels, by significantly boosting their audiences. This increase in content and therefore of the audiences will directly benefit advertiser customers, who find in M6 Group a powerful media partner that has extremely wide coverage, and premium and secure broadcast platforms.

Aside from its core businesses as a publisher of audiovisual content, M6 Group will continue to develop its non-advertising revenues, in order to achieve a balanced revenue model via these diversification measures, and to innovate in fast-growing sectors. To do so, the Group specifically owns a unique portfolio of brands and know-how, which enables it to investigate new territories, such as the remarkable success encountered by the Stéphane Plaza Immobilier estate agency franchise, which has opened 300 agencies in less than three years.

The economic environment is expected to be mildly favourable in 2018, thanks to the return of a certain amount of confidence in customers' behaviour, and the introduction of reforms that may stimulate consumption.

However, in keeping with its financial discipline, the Group intends to pursue its strict cost controls, and will pay particular attention to generating synergies with the Radio Division, in order to further improve its profitability.

5.4.1 Significant post-balance sheet events

In January 2018, which marked the expiry of all distribution agreements for M6 Group's channels and their related services, virtually all of these agreements were renewed.

In this regard, M6 Group can take pride in having achieved its objectives: first, the remuneration levels for the digital channels were maintained, and second, M6 Group was able to obtain a value-share from distributors relating to the inclusion of M6, W9, and 6TER in their television offerings. This value had been entirely retained by the distributors up until now.

Furthermore, on 24 January 2018 M6 Group announced that it would broadcast the France national football team's matches for the next four seasons. This new partnership with UEFA includes live and exclusive broadcasting by M6 of:

- half of the France national football team's qualification matches for the UEFA Euro 2020 and the FIFA 2022 World Cup;
- half of the France national football team's friendly and preparation matches during this period;
- half of the France national football team's matches for the first two events of the new UEFA Nations League competition (2018 and 2020).

As part of this agreement, M6 Group will also have exclusive live broadcasting rights to half of the 44 best fixtures that do not involve the France national football team during the various competitions listed above.

To the best of the Company's knowledge, no other significant event that occurred since 1 January 2018 is likely to have, or to have had in the recent past, a significant impact on the Company and the Group's financial position, financial performance, activities and assets.

5.4.2 Television

The successes of M6 Group's three free-to-air channels in 2017 enabled it to achieve its best year ever in terms of its commercial target, including a 22.3% audience share among women responsible for purchases aged under 50.

The Group intends to continue in 2018 its strategy to bolster its audience ratings at key time slots of the day.

- M6, whose varied access prime-time (magazines, entertainment and series) and prime-time (series, films, entertainment and magazines) programmes met with great success, is aiming to retain its status as the 3rd largest nationwide television channel among all audiences and the 2nd for WRPs<50.
- W9 performed particularly well in 2017, by confirming its status as the leading DTT channel among the highly-prized audience of television viewers aged under 50. The channel will continue in the future to invest in programmes that are specifically designed for on-demand viewing. Accordingly, it already recorded 99 of the hundred highest audiences for the year on Internet screens in 2017.
- 6ter, which posted outstanding performances in 2017, increasing its audience share and maintaining its leadership on the commercial target for the 5th consecutive year, should continue to grow in 2018.

Furthermore, the Group will continue to boost its output of event-based and local content, in order to meet television viewers' increasingly strong demand for this type of programmes.

Regulatory developments introduced in 2017 and having an impact on 2018 are set out in paragraph 1.4.3.

2018 will be determined by the state of the advertising market, which is difficult to predict, but on which M6 Group will seek to turn its increased audiences into market share.

5.4.3 Other activities

M6 Group's historical policy, which consists in developing a large number of non-TV growth drivers, enable it to boost the momentum of its traditional business activities.

In the case of the Radio division, Fun Radio and RTL2 will see their performance boosted in 2018 by the synergies generated with M6 Group's Music business. More generally, the generation of synergies between the Radio division and the remainder of M6 Group will enable the profitability of this division to be improved as from 2018 via measures focusing on both costs and revenues.

Furthermore, the audiovisual rights business will continue its development initiated over the past few years to strengthen the Group's access to more secure and diversified premium content, while at the same time generating revenue that does not depend on the advertising market: particularly in the production business, which complements distribution, a strategy that allows for a more upstream positioning in the value chain (greater ownership of the negative - share, duration and geographic regions).

Accordingly, 2017 specifically saw the grouping of the production and publishing activities intended for "Millennials" within a new entity, Golden Network, where the activities will expand during 2018 via the launch of new verticals, and the production of exclusive content for telecoms operators.

In addition, in 2018 M6 Group will continue its ambitious development in new media:

- After reaching around 20 million registered users by the end of 2017, 6play will continue to develop its activities thanks to an enhanced content offering and greater attractiveness for advertisers.

- In the case of the portfolio of Internet activities that are unrelated to the channels, the aim is to continue diversifying the sources of revenue, especially by boosting the e-commerce intermediation service offering (couponing, cashback, marketplace, and price comparison).
- M6 Group created a new Digital Innovation and Technology Department in late 2017, the aim of which will be to drive developments in the digital technology and data area, and encourage innovation, so as to serve all of the Group's television channels and radio stations.

In 2018, M6 Web and M6 Digital Advertising will continue to be successful and will extend their lead in the internet advertising market, not only by increasing in size but above all by strengthening their data expertise and power which are unique on the market.

Moreover, Ventadis will pursue its expansion strategy based on its home shopping activities and its online retail sites, in order to continue increasing the profitability of the division.

2017 FINANCIAL STATEMENTS AND RELATED NOTES

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6.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2017

6.1.1 Consolidated statement of financial position

ASSETS

(€ millions)	Note n°	31/12/2017	31/12/2016 ⁽¹⁾
Goodwill	13 and 14	235.6	101.5
Audiovisual rights	13	56.0	76.1
Other intangible assets	13	145.8	62.1
INTANGIBLE ASSETS		437.4	239.8
Land	15	19.3	19.3
Buildings	15	68.2	72.7
Other property, facilities and equipment	15	39.8	23.2
PROPERTY, FACILITIES AND EQUIPMENT		127.2	115.2
Financial assets available for sale	18.1	13.9	0.4
Other non-current financial assets	18.1	5.4	4.3
Equity investments in joint ventures and associates	17	13.8	9.1
FINANCIAL ASSETS		33.2	13.8
Other non-current assets	18.1	17.6	18.2
Deferred tax assets	10	25.5	19.2
TOTAL NON-CURRENT ASSETS		640.9	406.2
Broadcasting rights inventory	16	251.3	237.6
Other inventories	16	14.1	12.7
Trade receivables	18.1	330.7	241.5
Current tax		33.9	1.2
Derivative financial instruments	19.3	-	0.4
Other current financial assets	18.1	0.2	0.4
Other current assets	18.1	191.6	186.7
Cash and cash equivalents	18.1	54.3	174.4
TOTAL CURRENT ASSETS		876.2	855.1
TOTAL ASSETS		1,517.1	1,261.3

⁽¹⁾ The difference compared with the financial statements published at 31 December 2016 represents the reclassification of co-productions and of advances and prepayments made on co-productions, which amounted to €33.0 million, as well as other intangible audiovisual rights assets.

EQUITY AND LIABILITIES

(€ millions)	Note n°	31/12/2017	31/12/2016
Share capital		50.6	50.6
Share premium		7.6	7.6
Treasury shares		(6.8)	(7.3)
Consolidated reserves		464.4	418.4
Other reserves		(11.9)	(5.8)
Net profit for the year (Group share)		158.4	152.7
GROUP EQUITY		662.3	616.3
Non-controlling interests		(0.1)	(0.1)
SHAREHOLDERS' EQUITY	20	662.2	616.2
Provisions	21 and 22	42.3	13.4
Financial debt	18.2	52.0	1.3
Other financial liabilities	18.2	43.2	32.7
Other liabilities	18.2	2.8	0.7
Deferred tax liabilities	10	5.6	4.3
TOTAL NON-CURRENT LIABILITIES		146.0	52.4
Provisions	22	77.6	77.9
Financial debt	18.2	36.3	0.6
Derivative financial instruments	19.3	0.1	-
Other financial liabilities	18.2	15.0	9.3
Trade payables	18.2	389.3	364.4
Other operating liabilities	18.2	29.0	23.5
Current tax		3.3	6.0
Tax and social security payable	18.2	120.5	93.5
Liabilities relating to non-current assets	18.2	37.9	17.4
TOTAL CURRENT LIABILITIES		708.9	592.7
TOTAL EQUITY AND LIABILITIES		1,517.1	1,261.3

6.1.2 Consolidated statement of comprehensive income

CONSOLIDATED INCOME STATEMENT

(€ millions)	Note n°	31/12/2017	31/12/2016
Revenue	6	1,387.3	1,278.7
Other operating revenues	7.1	28.0	77.1
Total operating revenues		1,415.4	1,355.8
Materials and other operating expenses	7.2	(708.5)	(647.8)
Personnel costs (including profit sharing plan contributions)	7.3	(277.6)	(261.7)
Taxes and duties		(46.1)	(60.2)
Net depreciation/amortisation/provision charges	7.4	(137.0)	(140.3)
Impairment of unamortised intangible assets	7.4 / 14	-	(1.5)
Total operating expenses		(1,169.2)	(1,111.5)
Operating profit		246.1	244.3
Income from cash and cash equivalents		0.5	0.8
Cost of debt		(0.4)	-
Revaluation of derivative financial instruments		(0.3)	(0.1)
Proceeds from the disposal of financial assets available for sale		-	-
Other financial expenses		(1.7)	0.1
Net financial income	9	(2.0)	0.8
Share of profit of joint ventures and associates	17	1.8	1.7
Profit before tax		246.0	246.7
Income tax	10	(87.5)	(94.0)
Net profit from continuing operations		158.4	152.8
Net profit/(loss) from operations held for sale / sold		-	-
NET PROFIT FOR THE YEAR		158.4	152.8
attributable to the Group	11	158.4	152.7
attributable to non-controlling interests		(0.0)	0.0
Earnings per share - basic (€) - Group share	11	1.257	1.210
Earnings per share from continuing operations - basic (€) - Group share	11	1.257	1.210
Earnings per share - diluted (€) - Group share	11	1.249	1.204
Earnings per share from continuing operations - diluted (€) - Group share	11	1.249	1.204

CONSOLIDATED COMPREHENSIVE INCOME

(€ millions)	Note n°	31/12/2017	31/12/2016
CONSOLIDATED NET PROFIT		158.4	152.8
<i>Other items of comprehensive income transferable to the income statement:</i>			
Change in value of derivative instruments		(8.7)	10.2
Change in value of translation adjustment		(0.2)	0.1
Tax on transferable items	10	2.8	(3.5)
<i>Other items of comprehensive income non-transferable to the income statement:</i>			
Actuarial gains and losses		(2.6)	(1.3)
Tax on non-transferable items	10	0.6	0.4
Other items of comprehensive income	20.3	(8.0)	5.9
COMPREHENSIVE INCOME FOR THE YEAR		150.4	158.7
attributable to the Group		150.4	158.7
attributable to non-controlling interests		(0.0)	0.0

6.1.3 Consolidated statement of cash flows

(€ millions)	Note n°	31/12/2017	31/12/2016
Operating profit from continuing operations		246.1	244.3
Non-current asset depreciation and amortisation		125.8	138.6
Capital gains (losses) on disposals		(17.3)	(18.5)
Other non-cash items		8.9	7.3
Operating profit after restatement for non-cash items		363.5	371.6
Income from cash and cash equivalents		0.5	1.7
Interest paid		(0.5)	(0.1)
SELF-FINANCING CAPACITY BEFORE TAX		363.5	373.2
Movements in inventories	16	(15.1)	(26.3)
Movements in trade receivables	18	(18.7)	5.1
Movements in operating liabilities	18	1.9	0.1
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS		(31.9)	(21.0)
Income tax paid		(111.4)	(83.7)
CASH FLOW FROM OPERATING ACTIVITIES		220.2	268.5
Investment activities			
Intangible assets acquisitions	13	(110.6)	(134.0)
Property, facilities and equipment acquisitions	15	(16.6)	(10.2)
Investments acquisitions	18	(4.5)	(2.9)
Cash and cash equivalents arising from subsidiary acquisitions		(195.9)	(12.8)
Cash and cash equivalents arising from subsidiary disposals		-	-
Disposals of intangible assets and property, facilities and equipment	13/15	18.8	12.5
Disposals of investments	18	0.1	0.2
Dividends received		1.6	1.3
CASH FLOW FROM INVESTMENT ACTIVITIES		(307.1)	(145.8)
Financing activities			
Share capital increases		-	-
Financial assets	18	(1.4)	0.0
Financial liabilities	18	84.6	(1.5)
Purchase and sale of treasury shares	20	(7.7)	(14.9)
Dividends paid	12	(108.6)	(107.7)
CASH FLOW FROM FINANCING ACTIVITIES		(33.0)	(124.1)
Translation effect on cash and cash equivalents		(0.2)	0.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	18	(120.2)	(1.4)
Cash and cash equivalents - start of year	18	174.4	175.8
CASH AND CASH EQUIVALENTS - END OF YEAR		54.3	174.4

6.1.4 Consolidated statement of changes in equity

(€ millions)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Consolidated reserves Group net profit	Fair value movements Foreign exchange difference	Equity Group controlling share	Non- Group controlling interests	Shareholders' equity
BALANCE AT 1 JANUARY 2016	126,414.2	50.6	7.6	(2.2)	540.6	(12.6)	583.9	(0.3)	583.7
Change in value of derivative instruments						6.7	6.7	-	6.7
Change in value of assets available for sale						-	-		-
Actuarial gains and losses					(0.9)		(0.9)		(0.9)
Foreign exchange difference						0.1	0.1		0.1
Other items of comprehensive income		-	-	-	(0.9)	6.6	5.5	-	5.5
Net profit for the year					152.7		152.7	0.0	152.8
Total comprehensive income for the year		-	-	-	151.9	6.8	158.7	0.0	158.7
Dividends paid					(107.7)		(107.7)		(107.7)
Changes in consolidating company's equity							-		-
Purchases/sales of treasury shares				(5.1)	(6.4)		(11.5)		(11.5)
Total shareholder transactions		-	-	(5.1)	(114.2)	-	(119.2)	-	(119.2)
Cost of stock options and free shares (IFRS 2)					7.2		7.2		7.2
Free shares allocation hedging instruments					0.2		0.2		0.2
Other movements ⁽²⁾					(14.5)		(14.5)	0.2	(14.3)
BALANCE AT 31 DECEMBER 2016	126,414.2	50.6	7.6	(7.3)	571.2	(5.8)	616.3	(0.1)	616.2
BALANCE AT 1 JANUARY 2017	126,414.2	50.6	7.6	(7.3)	571.2	(5.8)	616.3	(0.1)	616.2
Change in value of derivative instruments						(5.9)	(5.9)		(5.9)
Change in value of assets available for sale						-	-		-
Actuarial gains and losses					(1.9)		(1.9)	(0.0)	(1.9)
Foreign exchange difference						(0.2)	(0.2)		(0.2)
Other items of comprehensive income		-	-	-	(1.9)	(6.1)	(8.0)	(0.0)	(8.0)
Net profit for the year					158.4		158.4	(0.0)	158.4
Total comprehensive income for the year		-	-	-	156.5	(6.1)	150.4	(0.0)	150.4
Dividends paid					(108.6)		(108.6)		(108.6)
Changes in consolidating company's equity							-		-
Purchases/sales of treasury shares				0.5	(5.3)		(4.9)		(4.9)
Total shareholder transactions		-	-	0.5	(113.9)	-	(113.4)	-	(113.4)
Cost of stock options and free shares (IFRS 2)					8.9		8.9		8.9
Free shares allocation hedging instruments					0.2		0.2		0.2
Other movements					(0.1)		(0.1)	0.0	(0.0)
BALANCE AT 31 DECEMBER 2017	126,414.2	50.6	7.6	(6.8)	622.8	(11.9)	662.3	(0.1)	662.2

⁽²⁾ Pursuant to IFRS 10 – Consolidated Financial Statements, the option on the outstanding 49% interest in iGraal has been recognised under equity at the fair value at the acquisition date, namely €15.0 million. Of the €15.0 million, €0.7 million has been allocated to non-controlling interests (to neutralise their share of iGraal's shareholders' equity at the acquisition date) and €14.3 million to the Group's consolidated reserves).

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, all amounts presented in the notes are expressed in millions of Euros.

1. Financial year significant events

- On 28 March 2017, M6 Group, through its entertainment-dedicated subsidiary M6 Interactions, acquired a 49% interest in the company 6&7, a new music production and publishing company.
- On 20 July 2017, M6 Group, through its subsidiary Métropole Télévision, acquired 100% of the capital of the company Fidélité Films, which holds a catalogue of 42 feature films, including *Astérix and Obélix: God Save Britannia*, *Le petit Nicolas*, *Les Vacances du petit Nicolas* and *De l'autre côté du lit*.

- The renewal of the broadcasting licence for the M6 channel for a period of 5 years from 6 May 2018 was published in the *Journal Officiel* on 30 July 2017. A new agreement was also signed on 27 July 2017 between the CSA and Métropole Télévision, which will come into force on 1 January 2018.

As part of this new agreement, the CSA has removed the upper limit of 34% of voting rights for any shareholder or group of shareholders acting in concert in the share capital of Métropole Télévision. In accordance with Article 35 of the Bylaws of Métropole Télévision, RTL Group will be able to fully exercise the entirety of its voting rights, namely 48.26% at 31 December 2017, at any general meeting that may take place as from 1 January 2018 without prior statutory amendment.

- On 1 September 2017, RTL Group and M6 Group signed the acquisition contract for RTL Group's French Radio Division (structured around the stations RTL, RTL2 and FUN, their advertising agencies IP France and IP Régions, RTL net and RTL Spécial Marketing), having secured both the approval of the CSA and the Luxembourg Government in relation to the terms and conditions for carrying out the transaction, and the favourable opinions of the employee representative bodies of the companies concerned.

M6 Group finalised the acquisition of 100% of the capital of these companies on 1 October 2017. The Radio Division's financial performance has been consolidated in M6 Group's financial statements with effect from this date (see Note 5.1).

This external growth transaction enables the Group to broaden its multi-media offering, and to consolidate its ties with the audiences of each of its television channels and radio stations, thereby strengthening its relationships and partnerships with its advertiser customers.

- On 15 December 2017, M6 Group took part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name. This company operates the DTT channel Life TV, which will be launched during 2018 in the context of deregulation of the television market in the Ivory Coast.

The Group is using this equity investment to make its debut in Africa, in the Ivory Coast market, which has strong growth potential, and thus confirming its position as a major player in French-language television. This agreement is in keeping with M6 Group's proactive policy, which has been based on risk-taking and innovation since the Group's foundation.

- In a ruling dated 17 May 2017, the European Union Court of Justice ruled that the additional 3% corporate income tax payment on distributed income breached Directive 2011/96/EU issued by the Council on 30 November 2011 (the "Parent-Subsidiary Directive").

On 6 October 2017, the French Constitutional Council also ruled that this payment breached the French constitution. This ruling of unconstitutionality applies to all contentious cases that had not been ruled upon at that date.

Article 37 of the French 2018 Finance Act therefore cancelled this 3% payment on distributed income, for income paid out as from 1 January 2018.

A tax receivable of €19.8 million was therefore recognised on 31 December 2017. This receivable corresponds to the expected reimbursement of all payments made in relation to the period between 2013 and 2017, which are disputed by the Group.

- To offset the additional charge that the reimbursement of the 3% payment represents for the French national budget, the first Amending 2017 Finance Act created an exceptional corporate income tax payment for companies that generate revenues of over €1 billion for the financial years ending between 31 December 2017 and 30 December 2018. This exceptional contribution is equivalent to 15% of the corporate income tax amount, as determined before the deduction of any allowances and tax credits, and tax receivables of any kind. It therefore resulted in an additional corporate income tax charge of €10.4 million at 31 December 2017.

2. Company information

The consolidated financial statements at 31 December 2017 of the Group of which Métropole Télévision is the parent company (the Group) were approved by the Executive Board on 19 February 2018 and reviewed by the Supervisory Board on 20 February 2018. They will be submitted for approval to the next Annual General Meeting on 19 April 2018.

Métropole Télévision is a public limited company governed by an Executive Board and a Supervisory Board, registered at 89, avenue Charles-de-Gaulle, Neuilly sur Seine in France. Its shares trade on compartment A of the Euronext Paris Stock Exchange (ISIN Code: FR0000053225). The Company is fully consolidated into RTL Group, which is listed on the Brussels, Luxembourg and Frankfurt stock exchanges.

3. Preparation and presentation of the consolidated financial statements

3.1 Accounting framework

The consolidated financial statements at 31 December 2017 have been prepared in accordance with the IFRS (International Financial Reporting Standards) in force within the European Union at that date. They are presented with comparative figures for 2016 prepared under the same framework.

The IFRS standards adopted by the European Union at 31 December 2017 are available in the section IAS/IFRS, SIC and IFRIC standards and interpretations adopted by the Commission on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

In relation to texts having an impact on M6 Group's consolidated financial statements, there were no differences between the texts approved by the European Union and the standards and interpretations published by the IASB.

Principles applied

The principles applied for the establishment of these financial statements result from the application of:

- all standards and interpretations adopted by the European Union, the application of which is mandatory for financial years starting on or after 1 January 2017;
- options retained and exemptions used.

New accounting standards, amendments and interpretations in force in the European Union, the application of which is mandatory for financial years starting on or after 1 January 2017

The adoption of the following texts had no impact on the information disclosed by the Group:

- Amendments to IAS 7 – *Disclosure Initiative*, applicable to financial years starting on or after 1 January 2017;
- Amendments to IAS 12 – *Recognition of Deferred Tax Assets for Unrealised Losses*, applicable to financial years starting on or after 1 January 2017.

Application of new standards prior to the date on which their application becomes mandatory

The Group has chosen not to apply in advance the following texts, the application of which is not mandatory until after 1 January 2017:

- IFRS 9 – *Financial Instruments*, applicable to financial years starting on or after 1 January 2018;
- IFRS 15 – *Revenue from Contracts with Customers*, applicable to financial years starting on or after 1 January 2018;
- Clarifications to IFRS 15 – *Revenue from Contracts with Customers*, applicable to financial years starting on or after 1 January 2018;
- IFRS 16 – *Leases*, applicable to financial years starting on or after 1 January 2019.

The consequences of the first-time application of these standards for the Group are currently being analysed.

- In the specific case of IFRS 15 – *Revenue from Contracts with Customers*, the new standard was approved by Commission Regulation (EU) 2016/1905 of 22 September 2016. This standard replaces IAS 11 - *Construction Contracts* and IAS 18 - *Revenue*, as well as the corresponding IFRIC 13 - *Customer Loyalty Programmes*, IFRIC 15 - *Agreements for the Construction of Real Estate*, IFRIC 18 - *Transfers of Assets from Customers*, and SIC 31 - *Barter Transactions Involving Advertising Services* interpretations.

The aim of the standard is to establish the principles that an entity shall apply in order to present useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Accordingly, it establishes the core principle that an entity must recognise revenue in such a way as to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new standard identifies five steps for the recognition of revenue:

- identify the contract(s) with a customer;
- identify the various separate performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the various performance obligations in the contract;
- recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes a consistent series of disclosure obligations, which represents a significant increase in the current disclosure obligations relating to the recognition of revenue.

The main change introduced by the new standard in the case of the Group's businesses concerns the sale of content, and specifically the income relating to licences. The issue here is to determine whether this income consists in granting customers rights to access the intellectual property as it exists throughout the period covered by the licenses, or rather rights to use the intellectual property as it exists at the exact time when the licences are granted. In the first case, the revenues are spread over the term of the licences granted (recognition over time), whereas in the second case, the revenues are recognised in full at the date when the licences are granted (recognition at a point in time).

However, the Group is not expecting the application of IFRS 15 to have any material impact on the measurement of its financial performance.

It has furthermore chosen to apply the new standard retrospectively only to contracts that have not been completed at 1 January 2018, and to recognise the cumulative effect of the initial application at the first application date as an adjustment to the opening balance of retained reserves at 1 January 2018.

- With the exception of IFRS 16, the Group does not expect any material impact either from the initial application of other texts on its financial position or performance.

Standards published by the IASB but not yet approved by the European Union

The Group may be affected by:

- Amendments to IFRS 2 - *Classification and Measurement of Share-Based Payment Transactions*, applicable to financial years starting on or after 1 January 2018;
- Annual improvements to IFRS (cycle 2014-2016), applicable to financial years starting on or after 1 January 2018;

- Amendments to IFRS 9 – *Prepayment Features with Negative Compensation*, applicable to financial years starting on or after 1 January 2019;
- Amendments to IAS 28 – *Investments in Associates and Joint Ventures*, applicable as from financial years beginning on 1 January 2019 at the latest;
- Annual improvements to IFRS (cycle 2015-2017), applicable to financial years starting on or after 1 January 2019;
- IFRS 17 – *Insurance Contracts*, applicable to financial years starting on or after 1 January 2021;
- IFRIC 22 – *Foreign Currency Transactions*, applicable to financial years starting on or after 1 January 2018;
- IFRIC 23 – *Uncertainty over Income Tax Treatments*, applicable to financial years starting on or after 1 January 2019.

The consequences of the first-time application of these standards for the Group are also currently being analysed. The latter is not expected to have any material impact on the Group's financial position or performance.

Options available and applied by the Group in relation to the accounting framework

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities. The options utilised by the Group are detailed in Note 3.5.

3.2 Preparation principles

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for derivative instruments, financial assets available for sale and assets measured at fair value through the income statement, which have been measured at fair value. Other financial assets have been measured at amortised cost.

Except for derivatives measured at fair value, financial liabilities have been valued in accordance with the amortised cost principle. The book value of assets and liabilities recognised in the balance sheet and subject to a fair value hedge has been restated to reflect the movements in the fair value of the risks hedged against.

3.3 Use of estimates and assumptions

In order to prepare the consolidated financial statements in compliance with IFRS, Group Management makes estimates and formulates assumptions which affect the amounts presented as assets and liabilities on the consolidated balance sheet, the information provided on contingent assets and liabilities at the time of preparing this financial information, as well as the income and expenditure recognised in the income statement.

Management continually reviews its estimates and assumptions of the book value of asset and liability items, taking into account past experience as well as various other factors that it deems reasonable (such as the prevailing economic climate of the year).

The estimates and assumptions established during the finalisation of the consolidated financial statements are liable to be substantially called into question over future financial years, both as a result of changes in the Group's operations and performance and exogenous factors affecting the Group's development.

The main estimates and assumptions relate to:

- the valuation and recoverable value of goodwill and intangible assets such as audiovisual rights and the acquisition cost of sports club players; the estimation of the recoverable value of these assets effectively rests on the determination of cash flows resulting from their use (goodwill and audiovisual rights) or the known market value of the assets (notably the transfer fees of football players). It could turn out that the cash flows actually realised from these assets differ significantly from initial projections. In the same manner, the market value of assets, particularly sports club players, can change and differ from previously recognised values;
- the measurement, methods of usage and recoverable value of audiovisual rights recognised in inventories;
- the valuation of retirement benefits, the measurement methods of which are detailed in Note 4.14;
- the valuation of commercial discounts (Note 4.17);
- the determination of the amounts recognised as provisions for liabilities and charges given the uncertainties likely to affect the occurrence and cost of the events underlying the provisions.

Lastly, in the absence of standards or interpretations applicable to specific transactions, Group management uses its own judgement in defining and applying accounting policies which would provide relevant and reliable information, so that financial statements:

- provide a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the economic substance of transactions;
- and are complete in all material aspects.

3.4 Preparation principles

Presentation of the income statement

The Group presents the income statement based on the nature of expenses, as permitted by IAS 1 - *Presentation of Financial Statements*.

Operating profit is equal to consolidated net profit before taking into account:

- finance income;
- finance costs;
- income tax;
- share of profit of joint ventures and associates;
- net profit of operations held for sale.

Presentation of the statement of financial position

In compliance with IAS 1 - *Presentation of Financial Statements*, the Group presents current and non-current assets and liabilities separately on the balance sheet. Considering the nature of the Group's activities, this classification is based upon the timescale in which the asset will be realised or the liability settled: "current" when this is within the operating cycle (12 months) or less than one year, and "non-current" if longer.

Pursuant to IFRS 5 - *Non-Current Assets Held for Sale and Discontinued Operations*, assets and liabilities of operations held for sale are presented separately in the balance sheet.

Presentation of contingent assets and liabilities

Commitments given in respect of purchases of rights are stated net of advances and prepayments made in this regard for the corresponding rights not yet recognised in inventories.

3.5 Options retained in relation to measurement and recognition of assets and liabilities

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities.

Within this framework, the Group has opted for the valuation at historical cost of property, facilities and equipment and intangible assets, without revaluation at each balance sheet date.

4. Accounting principles, rules and methods

4.1 Preparation principles

Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the entity's financial and operating policies in order to derive benefits from its operations. Potential voting rights currently exercisable are taken into consideration to evidence the existence of control.

Companies exclusively controlled by Métropole Télévision are fully consolidated. Acquisitions or disposals of companies during an accounting period are taken into account in the consolidated financial statements from the date of taking control and until the date of effective loss of control. The full consolidation method implemented is that under which the assets, liabilities, income and expenses are entirely consolidated.

The proportion of net assets and net profit attributable to minority shareholders is presented separately as non-controlling interest in shareholders' equity in the consolidated balance sheet and in the consolidated income statement.

Joint ventures and associates

Joint ventures are jointly controlled entities (joint control is the shared control of a single entity operated jointly by a limited number of associates or shareholders, from whose agreement financial and operational decisions are made). They are accounted for under the equity method, in compliance with IFRS 11 - *Joint Arrangements*.

Associates are entities in which the Group has significant influence over the financial and operating policies, but does not control these policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights of an entity but a third party has exclusive control of this entity. They are accounted for under the equity method.

Joint ventures and associates are initially recognised at acquisition cost. The Group's shareholding includes goodwill identified upon the acquisition, net of cumulative impairment charges.

Under this method, the Group accounts for its share of net assets of the joint venture or associate in the balance sheet and records in the consolidated income statement, under a specific line item entitled "Share of profit/(loss) of joint ventures and associates", its share of the net income of the entity consolidated using the equity method.

Consolidated financial statements include the Group's share of total profit and loss and equity movements recognised by equity accounted companies, taking account of restatements necessary for accounting policies to comply with those of the Group, from the date on which joint control or significant influence is exercised and until joint control or significant influence ceases.

Pursuant to the provisions of IAS 39, the Group determines whether it is necessary to recognise any impairment loss with respect to its investment in a joint venture or an associate. Where necessary, the entire book value of the investment (including goodwill) is tested for impairment as a single asset, in accordance with IAS 36, by comparing its recoverable value (higher of value in use and fair value less cost of disposal) with its book value. Any impairment loss recognised forms part of the book value of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable value of the investment subsequently increases.

If the Group's share of losses exceeds the value of its shareholding in the equity-accounted company, the book value of equity-accounted shares (including any long-term investment) is brought down to zero and the Group ceases to recognise its share of subsequent losses, unless the Group is under the obligation of sharing in the losses or to make payments in the name of the company.

The existence and effect of potential voting rights exercisable or convertible at year end are taken into consideration when assessing whether the Group has control or significant influence over the entity.

Transactions eliminated on consolidation

All inter-company transactions and balances between the Group's consolidated companies have been eliminated.

Discontinued operations

An operation is qualified as discontinued or held for sale when it represents a separate major line of business for the Group and the criteria for classification as an asset held for sale have been met, or when the Group has sold the asset. Discontinued operations or operations held for sale are reported on a single line of the income statement for the periods reported, comprising the net profit of discontinued operations or operations held for sale until disposal and the gain or loss after tax on disposal or fair value measurement less the selling costs of the assets and liabilities of the discontinued operations or operations held for sale. In addition, cash flows generated by discontinued operations or operations held for sale are reported on a separate line of the consolidated statement of cash flows for the relevant periods.

Financial year end

All consolidated companies have a 31 December year-end.

4.2 Translation of financial statements of consolidated foreign entities

The presentation currency of the consolidated financial statements is the Euro.

The financial statements of foreign operations are translated into Euros, the Group's financial statement reporting currency. All assets and liabilities of the entities are translated at the closing exchange rate of the financial year and income and expenses are translated at the average rate of the year just ended, corresponding to the approximate rate at the transaction date in the absence of significant fluctuations. Translation adjustments resulting from this treatment and those resulting from the translation at the year-end rate of subsidiaries' opening equity are posted to "Other reserves" under consolidated equity and to "Change in value of translation adjustment" under other items of comprehensive income.

4.3 Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency (Euro) using the exchange rate prevailing at the date of the transaction, in application of IAS 21 – *Effects of Changes in Foreign Exchange Rates*.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. All differences are recorded in the income statement. Non-monetary items in foreign currencies which are valued at historical cost are translated at the exchange rate at the initial date of the transaction.

Exchange differences resulting from the conversion of assets and liabilities denominated in foreign currency arising from commercial transactions are accounted for in operating profit. For financial transactions, these same differences are accounted for in finance income and expense.

The treatment of foreign exchange hedges is detailed in Note 4.16.

4.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method on the acquisition date, which is the date control is transferred to the Group.

In relation to acquisitions carried out since 1 January 2010, the Group applied revised IFRS 3 – *Business Combinations*, as well as revised IAS 27 – *Consolidated and Separate Financial Statements*.

- Business combinations are now accounted for as follows:
 - The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date,
 - Investments that do not result in control over the company acquired (non-controlling interests) are measured either at fair value or at the non-controlling interests' proportionate share of the acquired company's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis;
 - Acquisition-related costs are recognised in profit or loss as incurred;
 - Potential restatements of the price of business combinations are measured at fair value on the acquisition date. After the acquisition date, the price restatement is measured at fair value at each balance sheet date;
 - At any time after the first year following the acquisition date, any fair value change is recognised in profit or loss. Within this first-year timeframe, fair value changes explicitly related to events occurring after the acquisition date are also recognised in profit or loss. Other changes are offset against goodwill.
- In the case of business combinations under joint control, the Group has chosen the acquisition method in accordance with IFRS 3. This accounting method will be applied to all future business combinations under joint control in a consistent manner.

On the acquisition date, goodwill is measured as the excess of:

The fair value of the consideration transferred, increased by the value of non-controlling interests in the entity acquired and, within the framework of a staged business combination, the fair value on the acquisition date of the equity interest previously held by the acquirer in the entity acquired, thus restated through profit or loss, and

Over the net value of the identifiable assets acquired, and the liabilities assumed on the acquisition date.

- Commitments to repurchase non-controlling interests, granted by the Group to minority shareholders, are recognised at their fair value under other financial liabilities and offset under equity. Under equity, these are deducted from non-controlling interests at the book value of the securities subject to the commitment, with the balance being deducted from the Group share of equity, pursuant to the provisions of IFRS 10. Any subsequent change in fair value is recognised in the income statement.
- When additional securities are acquired in an entity over which exclusive control is already being exercised, the excess of the acquisition price of the securities over the additional proportion of consolidated equity acquired is recognised under consolidated equity attributable to equity owners of the Group's parent company, with the consolidated value of identifiable assets and liabilities of the subsidiary, including goodwill, remaining unchanged.
- Pursuant to revised IAS 27 – *Consolidated and Separate Financial Statements*, acquisitions of non-controlling equity interests are accounted for as transactions with the owners of the entity, acting in this capacity, and consequently no goodwill is recognised following this type of transaction. Restatements of the value of non-controlling interests are measured based on the share of ownership of the subsidiary's net assets.

Business combinations carried out between 1 January 2004 and 1 January 2010 remain accounted for in accordance with IFRS 3 – *Business Combinations*:

- Within this framework, goodwill represents the difference between the acquisition price, plus related expenses, of the shares of consolidated entities and the Group share of the fair value of their net assets, less any contingent liabilities at the date of investment. The evaluation period for this fair value may be up to 12 months following the acquisition. When the acquisition price, together with related expenses, is less than the fair value of the identified assets and liabilities and contingent liabilities acquired, the difference is immediately recognised in the income statement.

In the specific case of the acquisition of non-controlling interests in an already fully-consolidated subsidiary and in the absence of any specific IFRS provision, the Group elected not to recognise additional goodwill and to record under equity the difference between the acquisition cost of the shares and the non-controlling interests acquired.

Once allocated to each of the Cash Generating Units, goodwill is not amortised. It is subject to impairment tests from the point of indication of impairment, and as a minimum, once a year (see Note 4.7).

In connection with its transition to IFRS in 2005, the Group adopted the option provided by IFRS 1 – *First-Time Adoption of IFRS* not to restate business combinations prior to 1 January 2004 which did not comply with the recommendations of IFRS 3 – *Business Combinations*.

Goodwill recorded prior to 1 January 2004 has been frozen at its book value at this date and will no longer be amortised as from this date.

Goodwill is valued at cost (on allocation of the price of the business combination), less cumulative impairment.

As for equity-accounted companies, the book value of the goodwill is included in the book value of the shareholding. In case impairment is recognised, the full investment is written down, not only goodwill. This type of goodwill impairment may be reversed.

4.5 Other intangible assets

Intangible assets principally comprise:

- advances and prepayments for non-current assets;
- audiovisual rights held for commercialisation by companies with such a mandate;
- production and co-production share of drama and feature films and other programmes;
- acquisition costs of sports club players;
- computer software and e-business websites;
- licences;
- brands.

Advances and prepayments for non-current assets

Advances and prepayments comprise:

- audiovisual rights not yet open held with a view to their commercialisation,
- co-production rights awaiting receipt of technical acceptance or commercialisation visa.

Audiovisual rights

Audiovisual rights, comprising rights to films for cinema distribution, as well as television and videographic rights, purchased with or without a minimum guarantee, in view of their commercialisation (distribution, trading), produced or co-produced, are classified as an intangible asset in compliance with IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation*.

The amortisation method of an asset should reflect the pattern according to which the benefits generated by the asset are used. The presumption that an amortisation method which depends on the income generated by an asset is not appropriate is refuted in the case of audiovisual and co-production rights, given the very close correlation between revenue and the usage of the economic benefits of these rights.

That is why audiovisual rights:

- are amortised to match the net revenue generated as a percentage of total estimated net revenue, with the amortisation periods being consistent with industry practices and corresponding to the timeframe during which audiovisual rights are most likely to generate revenue and cash flow;
- are subject, in accordance with IAS 36 - *Impairment of Assets* (see Note 4.7), to an impairment test, which could lead to the recognition of impairment should the book value of the right exceed its recoverable value.

Co-production of feature films, drama and other

From now on, co-producers' shares will be recorded as audiovisual rights (see the consolidated statement of financial position), and amortised when payment is received. In the case that revenue is insufficient in light of the book value of the production, the full shortfall is immediately amortised.

In application of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the Centre National du Cinéma et de l'Image Animée (CNC) are accounted for as a reduction in the acquisition cost of financed co-production assets, and are consequently accounted for in the income statement according to the pattern of consumption of the expected economic benefits of the co-productions as previously defined.

Acquisition costs of sports club players

In application of IAS 38 - *Intangible Assets*, transfer fees of sports club players are capitalised as intangible assets at their acquisition cost and are amortised on a straight-line basis over the length of their contracts. The term of these contracts may vary but it is generally from 1 to 5 years.

The recoverable value is also assessed in compliance with IAS 36 - *Impairment of Assets* (see Note 4.7).

Computer software and e-business websites

Computer software purchased or internally developed is reported at acquisition or production cost and amortised on a straight-line basis over its period of use, which does not exceed seven years.

Under IAS 38 - *Intangible Assets*, development costs of websites must be capitalised as intangible assets from the time the Company can demonstrate the following:

- its intention and financial and technical capacity to complete the development project;
- the likelihood that future economic benefits attributable to the development costs will flow to the company;
- and the cost of this asset can be reliably measured.

Licences

Licences are recognised at acquisition cost. With the exception of the licences contributed by RTL France Radio at the time of the acquisition of the RTL Group's Radio Division, the licences have a finite useful life, and are therefore amortised.

The licences contributed by RTL France Radio correspond to rights relating to authorisation to use the radio-electric frequencies for France that relate to RTL Radio, which are issued by the *Conseil Supérieur de*

l'Audiovisuel. These licences have an indefinite useful life to the extent that there is no foreseeable limit to the period during which they will generate net cash inflows for the company that holds them. Accordingly, these licences are not amortised, and their book value will be measured every year in accordance with IAS 36 – *Impairment of Assets*. Their book value at 31 December 2017 was €55.6 million.

Brands

Only the brands that are separable and well known are recognised as assets in the case of business combinations and the resulting allocation of the acquisition price.

Acquired brands are initially recognised at their fair value, which is estimated on the basis of the methods normally used to measure brands.

When such brands have a finite useful life, i.e. they are expected to be no longer usable at the end of a determined period, they are amortised on a straight-line basis over their useful lives.

Brands are tested for impairment in accordance with IAS 36 – *Impairment of Assets*.

4.6 Property, facilities and equipment

Property, facilities and equipment are recorded at their acquisition cost, reduced by accumulated depreciation and impairment provisions, according to the treatment specified by IAS 16 – *Property, Plant & Equipment*. This cost includes costs directly attributable to the transfer of the asset to its place of operation and its adaptation to operate in the manner anticipated by Management.

Depreciation

Depreciation is calculated in line with the pattern of consumption of the expected economic benefits of each individual asset, based on its acquisition cost, less its residual value.

The straight-line method is applied over the following useful lives:

Buildings	10 to 25 years
General purpose facilities, office furniture	10 years
Computer hardware	3 - 4 years
Office and technical equipment	3 - 6 years

Residual value

The residual value of an asset is the estimated amount that the Group would obtain from disposal of the asset at the end of its useful life, after deducting the estimated costs of disposal.

The residual value of an asset may increase to an amount equal to or greater than the asset's book value. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's book value.

Impairment losses

Property, facilities and equipment are subject to impairment tests when indications of a loss of value are identified. Should this be the case, an impairment loss is recorded in the income statement under the caption "Net depreciation, amortisation and provision charges".

Finance leases

Assets acquired through finance leases are capitalised when virtually all risks and rewards of ownership of these assets have effectively been transferred to the Group. On their initial recognition in the balance sheet, they are recorded at the lower of their fair value and the discounted value of minimum lease payments. At year-end, they are recognised at their initial value reduced by accumulated depreciation and impairment.

These assets are depreciated over the shorter of the duration of the lease and their estimated useful lives.

Leases for which the risks and rewards are not transferred to the Group are classified as operating leases. Operating lease payments are accounted for as expenses on a straight-line basis over the duration of the lease.

4.7 Impairment of assets

According to IAS 36 - Impairment of Assets, the recoverable value of intangible assets and property, facilities and equipment is tested at the appearance of indications of impairment.

The recoverable value of unamortised intangible assets is tested at the appearance of indications of impairment, and at least once a year.

The recoverable value is determined on an asset by asset basis, unless the asset in question does not generate cash flows that are largely independent of those generated by other assets or groups of assets. These assets connected at operational and cash flow generation levels constitute a Cash Generating Unit ("CGU").

A CGU is the smallest group of assets, which includes the asset and which generates cash flows that are largely independent of other assets or groups of assets.

In this case, the recoverable value of the CGU is subject to an impairment test.

- For sports club players more particularly, the recoverable value of these intangible assets is tested separately, player by player.
- Similarly, audiovisual rights recognised as intangible assets are monitored on an individual basis.
- Goodwill and intangible assets to which it is not possible to directly match independent cash flows are grouped together, at the time they are first recorded, into the Cash Generating Unit to which they belong.

Impairment is recognised when, as a result of specific events or circumstances arising during the period (internal or external criteria), the recoverable value of the asset or group of assets falls below its net book value.

The recoverable value is the higher of fair value, net of disposal costs, and value in use.

The value in use retained by the Group corresponds to the discounted cash flows of the CGU, including goodwill, and is determined within the framework of the economic assumptions and operating conditions, as provisionally established by the Management of Métropole Télévision, in the following manner:

- future cash flows stem from the medium-term business plan (5 years) drawn up by the Management;
- beyond this timescale, the cash flows are extrapolated by application of a perpetual growth rate appropriate to the potential development of the markets in which the entity concerned operates, as well as the competitive position held by the entity within these markets;
- the discount rate applied to the cash flows is determined using the rates which are most appropriate to the nature of the operations and the country. It takes into account the time value of money and risks specific to the CGU for which cash flows have not been adjusted.

Impairment recognised in respect of a cash generating unit (or group of units) is allocated firstly to reducing the book value of any goodwill associated with the cash generating unit, and subsequently to the book value of other assets of the unit (or group of units), proportionally to the book value of each asset of the unit (or group of units). Where the book value of goodwill and other non-current assets of the cash generating unit is insufficient, a provision may be recognised for the amount of unallocated loss.

Impairment recognised in respect of goodwill may not be reversed. As for other assets, the Group assesses at each balance sheet date if there is any indication that impairment recognised in previous financial years has decreased or no longer exists. Impairment is reversed if a change has occurred in estimates used to measure the recoverable value.

The book value of an asset, increased by an impairment reversal, may not exceed the book value which would have been measured, net of amortisation and depreciation charges, if no impairment had been recognised.

4.8 Financial assets available for sale, other financial assets and financial liabilities

Fair value

The fair value is determined by reference to a quoted price in an active market where such a market price exists. Failing that, it is calculated using a recognised valuation technique such as the fair value of a similar and recent transaction or the discounting of future cash flows, based on market data. However, the fair value of short-term financial assets and liabilities can be deemed to be similar to their balance sheet value due to the short maturity of these instruments.

Financial assets

- In accordance with the recommendations of IAS 39 - *Financial Instruments: Recognition and Measurement*, the shares of non-consolidated (either via full consolidation or using the equity method) companies belong

to the asset category “financial assets available for sale”. They are initially recognised at fair value, corresponding to their original acquisition cost, and are then revalued at fair value through items of other comprehensive income at each balance sheet date. Loans and receivables, as well as assets held until maturity are measured at fair value and then revalued at their amortised cost.

- Financial assets at fair value through profit or loss comprise:
 - assets that are regarded as held for trading, which comprise assets that the company intends to sell in the short term in order to realise a capital gain, which are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking (mainly cash and cash equivalents and other cash management financial assets);
 - assets explicitly designated by the Group upon initial recognition as financial instruments, the changes in fair value of which are recognised in profit or loss. This designation is used when such use results in the provision of better quality financial information and enhances the consistency of the financial statements.
- The following assets are tested for impairment at each period end:
 - loans and receivables issued by the entity and held-to-maturity assets: when there is an objective indication of impairment, the amount of the impairment loss is recognised in profit or loss;
 - assets available for sale: unrealised gains and losses on financial assets held for sale are recognised as other items of comprehensive income until the sale, collection or exit of the financial asset on any other ground or where there is an objective indication that all or part of the value of the financial asset has been impaired. The cumulative gain or loss, which had so far been recognised under other items of comprehensive income, is transferred to the income statement on that date.
- Impairment is evidenced in the case the following conditions are met simultaneously:
 - the Group share of equity or an objective estimate (i.e. from experts or resulting from a transaction or planned transaction) results in a value which is less than the value of the securities;
 - a business plan or other objective information demonstrates the inability of the entity in which the Group holds an equity investment to create value through the generation of cash inflows.

Financial liabilities

Financial debt is measured at amortised cost in accordance with the effective interest rate method, and primarily consists of a bond issue and similar debt, including revolving credit facilities arranged with banks.

Financial liabilities valued at fair value through the income statement result in the realisation of profit due to short-term variations in price.

Other financial liabilities are valued at amortised cost, with the exception of derivative financial instruments which are valued at fair value.

Derivative instruments relating to cash flow hedges are valued at fair value at each balance sheet date, and the change in the fair value of the ineffective portion of the hedge is recognised in the income statement and the change in the fair value of the effective portion of the hedge in other items of comprehensive income.

4.9 Income tax

Income tax includes current tax and deferred tax charges. Tax is recognised against profit and loss except where it relates to items directly recognised as other items of comprehensive income or under equity, in which case it is recognised under equity as other items of comprehensive income or under equity.

Current tax is the estimated amount of income tax payable in respect of the taxable income of a period, measured using taxation rates adopted or virtually adopted at the balance sheet date, before any adjustment of current tax payable in respect of previous periods.

Since the 2010 financial year, pursuant to the provisions of IAS 12 - *Income Taxes*, the Group has reclassified the CVAE tax as income tax.

Deferred tax is measured and recognised according to the liability method balance sheet approach for all temporary differences between the book value of assets and liabilities and their tax base.

As such, a deferred tax asset is recognised when the tax base value is greater than the book value (expected future tax saving); a deferred tax liability is recognised when the tax base value is lower than the book value (expected future tax charge).

However, the following items do not give rise to the recognition of deferred tax:

- the initial recognition of an asset or liability as part of a transaction that is not a business combination and that affects neither book profit nor taxable profit;
- temporary differences, to the extent that they may not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset. Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset.

Recognised deferred tax assets reflect the best estimate of the schedule of taxable temporary difference reversal and realisation of future taxable profits in the tax jurisdictions concerned. These future taxable profit forecasts are consistent with business and profitability assumptions used in budgets and plans and other forecast data used to value other balance sheet items.

Furthermore, deferred tax is not recognised in case of a taxable temporary difference generated by the initial recognition of goodwill.

Deferred tax assets and liabilities are valued at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax regulations that have been adopted or virtually adopted at the balance sheet date.

In accordance with IAS 12 - *Income Taxes*, deferred tax assets and liabilities are not discounted and are offset if a legally enforceable right to offset current tax assets and liabilities exists and if it concerns income tax collected by the same tax authority, either from the same taxable entity or from different taxable entities, which intend to settle current tax assets and liabilities based on their net value or to realise the assets and pay the tax liabilities at the same time.

4.10 Inventories

Inventories consist of programmes, broadcasting rights and merchandise inventories.

Programmes and broadcasting rights

In compliance with IAS 2 - *Inventories*, programmes and broadcasting rights are recorded in inventory at the date the rights are open.

Rights which are not open and not yet billed are classified as off-balance sheet commitments.

The billed portion of rights not open is recognised in advances and prepayments.

Programmes and broadcasting rights are valued at their acquisition costs, reduced at each year end by the amount consumed, as calculated according to the following methods.

Métropole Télévision programmes, which constitute the predominant part of the Group's broadcasting rights inventories, are considered to be utilised when broadcast, in accordance with the following rules:

- rights acquired for a single broadcast and various rights (documentaries, concerts, sporting events, etc.): 100% expensed on first broadcast;
- rights acquired for multi-broadcasts:
 - 1st broadcast 66%;
 - 2nd broadcast 34%

Different amortisation schedules may be considered in highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

On the other hand, a writedown provision is established for broadcasting rights relating to programmes that are not likely to be broadcast or whose unit cost turns out to be higher than the revenue expected to be generated within the broadcasting window, on the basis of a review, title by title, of the portfolio of broadcasting rights.

Other inventories

Other inventories comprise products and goods relating to the brand diversification activities of the Group. These inventories are valued at the lower of their acquisition cost and their net realisable value, which corresponds to the estimated sales price, net of estimated costs necessary to realise their sale.

A writedown provision is established whenever their net realisable value is less than their acquisition cost, measured on a case by case basis (slow rotation, inventories for reimbursement, returns, etc.).

4.11 Operating receivables

If the maturity date is less than one year and the effects of discounting are not significant, receivables are measured at cost (nominal amount of the receivable). Conversely, receivables are measured at amortised cost, using the effective rate of interest, when their maturity date exceeds one year and the effects of discounting are significant.

A writedown provision is calculated for each receivable as soon as circumstances indicate the possibility that the customer may not pay the total of the receivable within the contracted terms. The amount of the provision equates to the difference between the discounted value at the initial effective interest rate (should the case arise) of estimated future cash flows, and the book value.

4.12 Treasury shares

Treasury shares are recorded as a reduction to shareholders' equity at their purchase cost.

When future contracts are entered into to purchase treasury shares at a given price and on a given date, the commitment is reflected by the recognition of a financial liability representative of the discounted buyback value and offset against equity. Subsequent variations in the value of this financial liability are recognised under finance income and expense.

On the disposal of treasury shares, gains and losses are recorded in consolidated reserves, net of tax.

4.13 Share-based payments

Since 2009, M6 Group has been implementing free share allocation plans for the benefit of its personnel (see Note 8). In compliance with IFRS 2 - *Share-Based Payments*, personnel remuneration items paid in equity instruments are recognised as personnel costs in the income statement and offset against equity.

The total initial cost is estimated to be the market value of the M6 share on the date of allocation less dividends expected during the vesting period. This cost is posted to the income statement and spread over the same vesting period.

4.14 Retirement benefits and other employee benefits

Retirement benefits

The Group has retirement benefit commitments under defined benefit plans.

A defined benefit plan is a post-employment benefit plan under which payments made to a distinct entity do not discharge the employer from its obligation to pay additional contributions.

The Group's net obligation in respect of defined benefit plans is measured using the value of future benefits acquired by personnel in exchange of services rendered during the current and previous periods. This amount is discounted to measure its present value. The discount rate is equal to the interest rate, at the balance sheet date, of top-rated bonds with a maturity date close to that of the Group's commitments and denominated in the same currency as that used to pay out benefits.

Calculations are carried out every year by a qualified actuary using the projected unit credit method.

The Group immediately recognises against other items of comprehensive income all actuarial differences arising in respect of defined benefit plans.

Severance pay

Severance pay is recognised as an expense when the Group is obviously committed, with no real possibility to retract and as part of individually-negotiated terms, to a formal and detailed redundancy plan before the normal retirement age.

Short-term benefits

Obligations arising from short-term benefits are measured on a non-discounted basis and recognised as corresponding services are rendered.

A liability is recognised for the amount the Group expects to pay in respect of employee profit-sharing plans and for bonuses paid in short-term cash when the Group has an actual obligation, legal or constructive, to make these payments as consideration for past services rendered by personnel and this obligation may be reliably assessed.

4.15 Provisions

In compliance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources embodying economic benefits will be required, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised under provisions is the best estimate of the cash outflow necessary to settle the present obligation at the balance sheet date.

In the event this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

Provisions are predominantly intended to cover probable costs of trials or litigation in process, of which the trigger event existed at the balance sheet date.

4.16 Derivative financial instruments

M6 Group is principally exposed to foreign exchange rate risk when purchasing broadcasting rights in a foreign currency. In order to protect itself from foreign currency exchange risk, the Group uses simple derivative instruments guaranteeing it a hedged amount and a maximum exchange rate for this hedged amount.

The Group's use of derivative instruments is with the sole aim of hedging commitments arising from its activity and never for a speculative purpose.

Determination of fair value

In accordance with IFRS 7 - *Financial Instruments: Disclosures*, and IAS 39 - *Financial Instruments: Recognition and Measurement*, derivative financial instruments are measured at fair value, based on a valuation carried out by a third party derived from observable market data. The fair value of foreign currency purchase contracts is therefore calculated with reference to a standard forward exchange rate for contracts with similar maturity profiles. The fair value of interest rate swaps is determined with reference to the market values of similar instruments.

Financial instruments qualifying as hedges

The Group has decided to apply hedge accounting to the majority of its derivative instruments in order to reduce the impact on profit of hedges implemented.

The main hedge instruments authorised within the framework of the Group hedging policy are as follows: pure time, first generation options and swaps (currency or interest rate).

The hedging policies adopted by the Group are mainly of two types:

- Hedging the exposure to movements in the fair value of an asset or liability

All gains or losses from the revaluation of the hedging instrument to fair value are immediately recognised in the income statement.

All gains and losses on the hedged item attributable to the hedged risk adjust the book value of the hedged item and are recognised in the income statement.

This results in symmetric recognition of movements in fair value of the hedged item and the hedging instrument for the effective part of the hedge in EBITA. The ineffective part of the hedge is recorded in finance income/expense.

- Hedging future cash flows

This involves hedging the exposure to movements in cash flow that is attributable either to a forecast transaction or to a firm commitment.

Movements in the fair value of the financial instrument, as regards the effective portion, are recognised under other items of comprehensive income until the balance sheet recognition of the asset or liability. When the hedged item is recorded and leads to the recognition of an asset or a liability, the amount recorded in equity

is transferred and included in the initial value of the cost of acquisition of the asset or liability. As regards the ineffective portion, movements in value are included in finance income/expense.

For all other cash flow hedges, the amounts taken directly to other items of comprehensive income are transferred to the income statement for the year in which the forecast transaction or firm commitment affects the income statement.

Financial instruments not qualifying as hedges

Certain financial instruments are not treated as hedges according to the definition of IAS 39 - *Financial Instruments, Recognition and Measurement*, despite effectively being hedge instruments used to manage economic risks. Gains and losses resulting from the revaluation of financial instruments which may not be accounted for as hedges are recognised in the income statement of the period.

4.17 Other revenues

In compliance with IAS 18 - *Revenue*, realised by the various Group entities is recognised when:

- it is probable that the economic benefits of the transaction will flow to the Group;
- the amount of revenue can be measured reliably;
- at the transaction date, it is probable that the amount of the sale will be recovered.

More specifically, the revenue recognition principles per activity are as follows:

- advertising revenues are recorded at the time of the broadcast of the advertisements and commercials that are the subject of the sale; revenue is recognised net of commercial rebates granted, in accordance with the general and special terms and conditions, which results in the issuance of current and year-end credit notes;
- remuneration of digital channels granted by cable and satellite broadcast operators that broadcast them are calculated on a per subscription basis or at an annual set price;
- diversification activities revenues are recognised on the provision of the service or delivery of the products; they are recognised net of provisions for returns. Where the Group acts as an agent instead of a principal in a transaction, recognised revenue corresponds to the net value of commissions received by the Group;
- sales of audiovisual rights are recognised at the opening date of the rights, essentially within the framework of television sales; other sales (cinema, video) are recognised on admission or on delivery of the material;
- sports revenues, such as broadcasting rights paid by the organisers of competitions, are recognised as the sports season progresses, with the exception of premiums relating to future ranking which are recognised at the date on which the ranking is acquired;
- telephony revenue related to managing both the subscriber base and the brand licence are recognised on a straight-line basis.

4.18 Earnings per share

In accordance with the recommendations of IAS 33 - *Earnings Per Share*, basic earnings per share is determined by dividing the net profit attributable to Group shareholders by the weighted average number of ordinary shares outstanding during the period.

The dilutive effect of non-vested stock option plans and free share allocation plans to be settled by the delivery of shares and in the process of being acquired is reflected in the calculation of diluted earnings per share.

Diluted earnings per share is calculated using net profit attributable to equity holders of the parent company and the weighted average number of outstanding shares, restated for the effects of all potentially dilutive ordinary shares.

The number of shares having a dilutive effect is determined on a plan by plan basis. This number is calculated by comparing the issue price of options or shares granted and the market value of the share during the period. The issue price corresponds, in the case of free shares, to the fair value of services still to be provided, and, in the case of subscription options, to the exercise price of options increased by the fair value of services still to be provided.

4.19 Cash and cash equivalents

Cash comprises cash in hand in the bank current account and demand deposits.

Cash equivalents are liquid investments, readily convertible into a known amount of cash, subject to an insignificant risk of change in value, with a maturity of less than 3 months.

In this respect, the FCP mutual funds held by the Group are exposed to a very limited rate risk and their volatility over 12 months is very close to that of EONIA. They are therefore recognised as cash equivalents.

4.20 Cash flow statement

The table presents actual cash flows relating to the operations of the entities within the scope of consolidation at the year end. It has been established in compliance with IAS 7 - *Statement of Cash Flows*.

Cash flow from operating activities

Movements in inventories and receivables are calculated net of movements in provisions against current assets.

In addition, in order to highlight the effect of taxation on the movement in cash, the tax expense is removed from the self-financing capacity, and the movement in the tax liability is removed from the change in working capital requirements (WCR). The disbursement for taxation is thus isolated as a specific line item.

Cash flow from investment activities

The effects on cash of adjustments to the consolidation scope resulting from acquisitions and disposals of entities (other than discontinuing operations) are identified on the lines "Cash and cash equivalents arising from subsidiary acquisitions" and "Cash and cash equivalents arising from subsidiary disposals".

Operations held for sale

The effects on the Group's cash of operations held for sale are shown on a separate line in the cash flow statement, "Cash flow linked to operations held for sale".

5. Business combinations / Changes in the scope of consolidation

5.1 Acquisitions during the financial year

Fidélité Films



On 20 July 2017, the Group, through its subsidiary Métropole Télévision, acquired 100% of the capital of Fidélité Films, a company that owns a catalogue of 42 feature films.

This acquisition was treated as a business combination within the meaning of IFRS 3 (Revised), and generated provisional goodwill of €2.0 million after allocating the price to the catalogue (€3.8 million, net of tax) and to the support fund (€4.0 million, net of tax).

Over the 2017 financial year, Fidélité Films contribution to Group consolidated revenue was €0.3 million. Its contribution to Group profit from recurring operations (EBITA) was €0.1 million.

RTL's French Radio Division



On 1 October 2017, M6 Group finalised the acquisition via its Métropole Télévision subsidiary of 100% of the capital of the companies RTL France Radio, Ediradio, Information et Diffusion, SCP RTL, SERC, SODERA, IP France, IP Régions, RTL net and RTL Spécial Marketing, together with their subsidiaries, which make up the RTL Group's French Radio Division. As part of the transaction, Métropole Télévision also purchased the shares in Médiamétrie held by Bayard d'Antin (which represent a 2.7% interest).

The final acquisition price will be determined before the end of the first quarter of 2018, following a review performed by the independent expert appraiser appointed by the parties. The provisional acquisition price used to prepare the Group's consolidated financial statements for the year ended 31 December 2017 was €196.7 million. The acquisition costs amounted to €0.4 million for the 2017 financial year.

This jointly controlled acquisition has been treated as a business combination in accordance with IFRS 3 (Revised). It was financed via a €50.0 million bond issue and the arrangement of revolving credit facilities.

The revenues and profit from recurring operations generated by the Radio Division in 2017 amounted to €166.9 million and €19.4 million respectively.

The Radio Division's contribution to consolidated net profit for the 2017 financial year is as follows:

	31/12/2017
Revenue	54.9
Other operating revenues	0.1
TOTAL OPERATING REVENUES	55.0
Materials and other operating expenses	(24.1)
Personnel costs (including profit sharing plan contributions)	(16.2)
Taxes and duties	(0.2)
Net depreciation/amortisation/provision charges	(1.6)
PROFIT FROM RECURRING OPERATIONS [EBITA]	12.8
Operating income and expenses related to business combinations	(0.0)
OPERATING PROFIT [EBIT]	12.8
NET FINANCIAL INCOME/(EXPENSE)	(0.1)
Share of profit of joint ventures and associates	-
PROFIT BEFORE TAX	12.7
Income tax	(4.8)
NET PROFIT FOR THE YEAR	7.9

The statement of financial position for the Radio Division acquired on 1 October 2017 is as follows:

	01/10/2017
Non-current assets	86.7
Current assets	55.9
Cash and cash equivalents	1.5
TOTAL ASSETS	144.1
Shareholders' equity	60.1
Non-current liabilities	33.0
Current liabilities	51.1
TOTAL EQUITY AND LIABILITIES	144.1

The provisional allocation of the acquisition cost of companies in the Radio division is analysed as follows:

Provisional acquisition cost	196.7
Of which financial assets available for sale	1.0
Restated net book value of assets acquired	60.1
Fair value adjustment of assets acquired and liabilities assumed	3.0
PROVISIONAL GOODWILL	132.7

The final allocation work on the acquisition price will be performed during the first half of 2018.

5.2 Other changes in the scope of consolidation

In addition, the Group's consolidation scope changed over the 2017 financial year as follows:

- Merger of Oxygem into M6 Web on 1 January 2017;
- Acquisition on 28 March 2017 of a 49% interest in 6&7, a new music production and publishing company, by the entertainment-dedicated subsidiary M6 Interactions (see Note 17.2);
- acquisition of a 33% interest in Life TV by Métropole Télévision on 15 December 2017 (see Note 17.2).

The Group had acquired 100% of the capital of Mandarin Cinéma and a 51% interest in iGraal during the 2016 financial year. The final goodwill amounts were €2.4 million and €10.3 million respectively at 31 December 2017.

6. Segment reporting

The Group has applied IFRS 8 - *Operating Segments* since 1 January 2009 in order to present its net profit, balance sheet and investments by relevant operating segment.

The internal management reporting prepared on a monthly basis and communicated to the principal operational decision-maker, i.e. the Executive Board, as well as to other operational decision makers is based on these segments.

Revenue and EBITA, defined as operating profit before income and expenses relating to business combinations and proceeds from the disposal of subsidiaries and investments, are the most closely monitored performance indicators. Capital employed and investments made by each segment are also analysed on a regular basis in order to assess the profitability of resources allocated to each segment and make decisions about the future investment policy.

Over recent years, M6 Group has adapted its operational structure according to the markets in which it carries out its different activities:

- TV broadcasting, through increased cooperation between the Group's various channels (acquisitions, technical, broadcast, etc.);
- The production and distribution of audiovisual rights, to strengthen the Group's access to content;

- Diversification, through which the Group innovates and develops complementary activities that make use of the TV media.

Furthermore, the acquisition of the RTL Group's French Radio Division during the 2017 financial year has led the Group to reorganise its operating structure, and to add a new operating segment to its segment reporting. The operating segments presented are therefore as follows:

Television

The sector includes free-to-air channels (M6, W9 and 6TER) whose business model is entirely financed by advertising and pay channels (Paris Première, Téva, etc.) whose business model is based on mixed funding (advertising and payments from platforms that distribute these channels as part of packages broadcast via broadband, cable or satellite).

This sector also includes all primarily related activities, such as the advertising agency.

Radio

The segment includes the radio stations (RTL, RTL2 and Fun Radio), where the business model is entirely funded by advertising.

This sector also includes all primarily related activities, such as the advertising agency.

Production and Audiovisual Rights

Apart from production and co-production activities, this operational sector includes operations relating to the distribution of audiovisual film rights throughout their consumer-based (cinema, sale of physical and digital videos), and subsequently their professional-based (distribution of the rights portfolio to national free-to-air and pay-TV channels and international distribution) operating cycles.

Diversification

This segment includes all activities considered independent, in part or in full, from the TV channel broadcasting business. Their main features notably include the distribution of physical or intangible goods to consumers, merchandise inventory building, buying and reselling and event organisation.

Revenues primarily originate from sales to consumers and admissions. The contribution of advertising revenue from the Group's websites, although remaining marginal for this segment, is growing rapidly.

Eliminations and unallocated items relate to the cost of the share purchase and subscription plans, the cost of the free share allocation plans, the net profit of property companies and dormant companies, as well as unallocated consolidation restatements primarily corresponding to the elimination of intra-Group gains on the disposal of non-current assets or inventories.

Furthermore, the Group made a few minor adjustments to the composition of its operating segments during the 2017 financial year:

- the development of GM6's Multi Channel Network business (the first digital studio dedicated entirely to the creation of content for Millennials) led the Group to reclassify this company (which was renamed "Golden Network") from the "Diversification" segment to the "Television" segment;
- M6 Editions was reclassified from the "Production and Audiovisual Rights" segment to the "Diversification" segment;
- M6 Créations' Talent business (commercial exploitation of the images of the Group's celebrities) is now presented in the "Diversification" segment, and no longer in the "Production and Audiovisual Rights" segment.

The activities for each segment in the 2016 financial year, as set out below, have not been restated, in view of the immaterial financial impact.

Income statement

The contribution of each business segment to the income statement is detailed below:

In 2016:

	Television	Production & Audiovisual Rights	Diversification	Eliminations and unallocated items	Total 31/12/2016
External revenue	855.8	97.6	325.0	0.3	1,278.7
Inter-segment revenue	16.6	14.2	1.8	(32.6)	-
Revenue *	872.5	111.8	326.7	(32.3)	1,278.7
Profit from recurring operations (EBITA) of continuing operations	159.3	8.4	89.3	(11.5)	245.5
Operating income and expenses relating to business combinations		(0.2)	(1.1)		(1.2)
Income from disposal of subsidiaries and investments					-
Operating profit (EBIT) from continuing operations					244.3
Net financial income					0.8
Share of profit of joint ventures and associates					1.7
Profit before tax (EBT) from continuing operations					246.7
Income tax					(94.0)
Net profit from continuing operations					152.8
Net profit from operations held for sale / sold					-
Net profit for the year					152.8
attributable to the Group					152.7
attributable to non-controlling interests					0.0

* including advertising revenue of €853.3 million

In 2017:

	Television	Radio	Production and Audiovisual Rights	Diversification	Eliminations and unallocated items	Total 31/12/2017
External revenue	897.2	54.9	101.7	333.3	0.3	1,387.3
Inter-segment revenue	16.4	0.4	9.9	2.0	(28.7)	-
Revenue *	913.6	55.3	111.5	335.3	(28.4)	1,387.3
Profit from recurring operations (EBITA) of continuing operations	189.2	12.8	8.0	44.4	(5.8)	248.7
Operating income and expenses relating to business combinations			(1.6)	(1.1)		(2.6)
Income from disposal of subsidiaries and investments	(0.0)					(0.0)
Operating profit (EBIT) from continuing operations						246.1
Net financial income						(2.0)
Share of profit of joint ventures and associates						1.8
Profit before tax (EBT) from continuing operations						246.0
Income tax						(87.5)
Net profit from continuing operations						158.4
Net profit from operations held for sale / sold						-
Net profit for the year						158.4
attributable to the Group						158.4
attributable to non-controlling interests						(0.0)

* including advertising revenue of €948.0 million

Statement of financial position

The contribution of each business segment to the financial position is detailed below:

In 2016:

	Television	Production & Audiovisual Rights	Diversification	Eliminations	Total 31/12/2016
Segment assets	605.1	119.0	294.7	(63.0)	955.8
Equity investments in joint ventures and associates	2.2	3.1	3.8		9.1
Unallocated assets					296.4
TOTAL ASSETS	607.3	122.1	298.5	(63.0)	1,261.3
Segment liabilities	410.7	80.5	194.1	(63.0)	622.4
Unallocated liabilities					22.7
TOTAL EQUITY AND LIABILITIES	410.7	80.5	194.1	(63.0)	645.1
NET ASSETS/(LIABILITIES)	196.5	41.5	104.4	(0.0)	616.2
Other segment information					
Non-current asset acquisitions	64.0	54.6	31.4		149.9
Depreciation and amortisation	(60.4)	(40.2)	(19.1)		(119.7)
Writedowns	(5.5)	(9.4)	(1.1)		(16.0)
Other unallocated segment reporting items					(2.6)

In 2017:

	Television	Radio	Production and Audiovisual Rights	Diversification	Eliminations	Total 31/12/2017
Segment assets	608.1	295.6	102.2	330.7	(46.2)	1,290.4
Equity investments in joint ventures and associates	2.0	-	4.2	7.6	-	13.8
Unallocated assets						212.9
TOTAL ASSETS	610.1	295.6	106.4	338.3	(46.2)	1,517.1
Segment liabilities	437.6	96.3	68.9	198.3	(46.2)	754.9
Unallocated liabilities						100.0
TOTAL EQUITY AND LIABILITIES	437.6	96.3	68.9	198.3	(46.2)	854.9
NET ASSETS/(LIABILITIES)	172.5	199.3	37.5	140.0	-	662.2
Other segment information						
Non-current asset acquisitions	56.9	5.4	22.0	62.6		146.9
Depreciation and amortisation	(53.4)	(0.7)	(57.4)	(25.0)		(136.5)
Writedowns	(2.2)	(0.5)	8.6	0.3		6.2
Other unallocated segment reporting items						(2.8)

Unallocated assets mainly correspond to assets of the property division, cash and cash equivalents, other financial assets and tax receivables.

Unallocated liabilities relate to debt and other Group financial liabilities, as well as tax liabilities.

The Group does not present any segmental information by geographical segment as it has no significant operations outside of mainland France.

7. Other operating income and expenses

7.1 Other operating revenues

Other operating revenues totalled €28.0 million (compared with €77.1 million in 2016), and primarily comprised:

- Capital gains on the sale of football players of €19.0 million, compared with €15.6 million in 2016;
- Operating grants received of €3.4 million, compared with €4.1 million in 2016;

- CICE (tax credit aimed at encouraging business competitiveness and employment) and research tax credits of €3.7 million, compared with €2.1 million in 2016.

Other operating revenues at 31 December 2016 also included capital gains on the disposal of business goodwill amounting to €3.3 million, and a contractual compensation payment of €50.0 million paid by Orange in relation to the end of marketing of the 'M6 mobile by Orange' offering.

7.2 Materials and other operating expenses

	31/12/2017	31/12/2016
Broadcasting rights consumption and programme flows (including writedown of broadcasting rights inventory)	(263.2)	(229.2)
Cost of sales	(56.6)	(62.7)
Other external services	(386.3)	(355.1)
Operating foreign exchange losses	(0.2)	-
Other expenses	(2.2)	(0.9)
MATERIALS AND OTHER OPERATING EXPENSES	(708.5)	(647.8)

7.3 Employee and workforce expenses

	31/12/2017	31/12/2016
Wages and salaries	(165.7)	(154.4)
Social security charges	(68.9)	(65.1)
Profit sharing plan contributions	(13.3)	(18.0)
Other employee costs	(29.8)	(24.3)
EMPLOYEE COSTS	(277.6)	(261.7)

"Full Time Equivalent" (FTE) workforce is broken down as follows:

	31/12/2017	31/12/2016
Fully-consolidated companies	2,929	2,332
Joint ventures*	2	2

* relates to the interest in Panora Services. The corresponding staff costs are included in the income of the related joint ventures and associates (see Note 17).

The "full time equivalent" (FTE) workforce by category can be analysed as follows:

	31/12/2017	31/12/2016
Employees	28%	30%
Managers	44%	45%
Senior executives	3%	3%
Journalists	9%	6%
Event contract workers	16%	16%
Total	100%	100%

Other employee costs include provision charges and reversals for retirement, provisions for employee litigations, as well as the cost of the IFRS 2 charge.

7.4 Amortisation, depreciation and impairment charges

	31/12/2017	31/12/2016
Amortisation and net provisions - audiovisual rights	(76.7)	(99.7)
Amortisation and net provisions - production costs	(18.3)	(6.8)
Amortisation and net provisions - other intangible assets	(25.3)	(21.0)
Depreciation - property, facilities and equipment	(14.5)	(12.8)
Other	(2.2)	(0.1)
Impairment of unamortised intangible assets	-	(1.5)
TOTAL AMORTISATION AND DEPRECIATION (NET)	(137.0)	(141.8)

8. Share-based payments

Plans allocated in 2017

Pursuant to the authorisation granted by the Combined General Meeting of 26 April 2016, three allocations of free shares were decided by the Executive Board on 26 July 2017, following approval by the Supervisory Board on 25 July 2017:

- One plan involves 168 beneficiaries and covers 307,200 shares, subject to beneficiaries remaining employed by the Group at 27 July 2019 and the achievement of consolidated net profit objectives in 2017;
- Another plan involves 24 beneficiaries and covers 217,667 shares. It is allocated annually based on performance and employment conditions over the 2017-2018-2019 period;
- The last plan involves 4 beneficiaries and covers 8,917 shares, subject to beneficiaries remaining employed by the Group at 20 March 2020 and a cumulative performance requirement over a period of three years.

Valuation at fair value of benefits granted to employees

The fair value of free shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability.

Features of plans and fair value of benefits granted

The principal features of option plans for the purchase, the subscription or the allocation of free shares outstanding at 31 December 2017, or which expired during the year, and for which a valuation of the fair value of the benefit granted to employees was carried out pursuant to IFRS 1 - *First-Time Adoption of IFRS*, are as follows:

	Reference price	Exercise price	Historic volatility	Risk-free rate (*)	Expected yield	Fair value
Plans granting free shares						
14/04/2014	16.05	N/A	N/A	0.53%	5.60%	12.53
13/10/2014	12.03	N/A	N/A	0.23%	7.60%	8.37
11/05/2015	18.62	N/A	N/A	0.16%	4.80%	13.89
28/07/2015	18.38	N/A	N/A	0.22%	4.90%	13.97
28/07/2016	16.24	N/A	N/A	-0.10%	5.50%	14.51
27/07/2017	20.59	N/A	N/A	-0.17%	4.31%	18.82
02/10/2017	20.59	N/A	N/A	-0.17%	4.31%	18.82

(*) Risk-free rate: specified term after 2 years

The maturity used corresponds to the vesting period (2 years) for all plans granting free shares. In addition, it is assumed, based on historical observations, that 10% of the shares will not be delivered due to the departure of beneficiaries during the vesting period.

During the financial year, the balance of shares granted changed as follows:

	Allocation at plan date	Maximum allocation	Balance at 31/12/2016	Change based on performance	Allocated	Delivered	Cancelled	Balance at 31/12/2017
Plans granting free shares	1,848,284	1,848,284	1,284,000	-	533,784	(475,500)	(22,600)	1,319,684
11/05/2015	32,500	32,500	32,500	-	-	(32,500)	-	-
28/07/2015	480,400	480,400	453,200	-	-	(443,000)	(10,200)	-
28/07/2016	440,600	440,600	437,300	-	-	-	(12,400)	424,900
28/07/2016	361,000	361,000	361,000	-	-	-	-	361,000
27/07/2017	217,667	217,667	-	-	217,667	-	-	217,667
27/07/2017	307,200	307,200	-	-	307,200	-	-	307,200
02/10/2017	8,917	8,917	-	-	8,917	-	-	8,917

The cancellations recorded during the financial year are due to beneficiaries leaving before the exercise period of their rights began. They may also be due to non-achievement of financial performance targets set on allocating the plans.

Data relating to the free share allocation plans are reference data corresponding to the achievement of performance objectives set within the context of the 2015, 2016 and 2017 plans.

Charges recognised in 2017

In light of the data set out above and the assessment of the charge resulting from the free share allocation plans based on the number of shares likely to be granted, this resulted in the following impact to the line "Personnel costs" in the income statement:

Plans granting free shares	Employee costs	
	31/12/2017	31/12/2016
14/04/2014	-	(0.2)
13/10/2014	-	(1.5)
11/05/2015	(0.1)	(0.2)
28/07/2015	(1.9)	(3.0)
28/07/2016	(5.2)	(2.2)
27/07/2017	(1.7)	-
02/10/2017	(0.0)	-
TOTAL COST	(8.9)	(7.2)

9. Net financial income

	31/12/2017	31/12/2016
Investment income	0.4	0.7
Other interest income	0.1	0.1
Revaluation of derivative financial instruments	0.1	0.2
Other financial income	0.5	1.0
Interest on loans from banks and associates	(0.4)	(0.0)
Capitalised interest on pension	(0.3)	(0.2)
Revaluation of derivative financial instruments	(0.4)	(0.3)
Financial expense	(1.1)	(0.6)
Other financial expenses	(1.4)	0.3
NET FINANCIAL INCOME	(2.0)	0.8

- Investment income declined in the 2017 financial year due to lower average returns on deposits and a lower average amount invested (€121 million over 2017, versus €136 million over 2016). The EONIA benchmark rate remained negative throughout the year at an average -0.35% (compared with -0.32 % in 2016).

The Group generated financial income of €0.4 million in 2017, compared with €0.7 million in 2016.

- The interest on loans from banks and associates amounted to -€0.4 million at 31 December 2017, and primarily corresponded to the interest on the bond issue arranged in order to finance the purchase of the RTL Group's Radio Division.
- The other financial expenses primarily comprised the revaluation of other financial assets and liabilities (minority interests, commitments to purchase securities held by the minority shareholders, forward purchases of treasury shares, pension commitments, and foreign currency accounts).

10. Income tax

The components of income tax are as follows:

	31/12/2017	31/12/2016
Current income tax:		
Tax charge for the year	(82.3)	(93.1)
Deferred tax:		
Creation and reversal of temporary differences	(5.2)	(0.9)
TOTAL	(87.5)	(94.0)

Deferred tax directly taken to items of other comprehensive income was as follows:

	31/12/2017	Change	31/12/2016
Fair value revaluation of foreign exchange contracts (cash flow hedges)	0.0	0.1	(0.1)
Actuarial gains and losses	2.0	1.6	0.4
Treasury shares forward purchase	5.1	2.7	2.5
TOTAL	7.1	4.3	2.8

The reconciliation between the income tax charge calculated by applying the applicable rate to profit before tax and the charge calculated by applying the Group's actual tax rate is as follows:

	31/12/2017	31/12/2016
Net profit - Group share	158.4	152.7
Non-controlling interests	0.0	0.0
Income tax	(87.5)	(94.0)
Share of profit of joint ventures and associates	1.8	1.7
Income and expenses related to business combinations	(0.4)	(0.4)
Goodwill impairment	-	(1.5)
Cost of free shares (IFRS 2)	(8.9)	(7.2)
Profit from continuing operations before restated income tax	253.5	254.2
Theoretical standard tax rate	34.43%	34.43%
2017 exceptional contribution	5.0%	-
Theoretical tax charge	(100.0)	(87.5)
Reconciling items:		
C.V.A.E. tax ⁽¹⁾	(7.4)	(6.1)
3% tax on dividends	16.6	(3.2)
Other differences	3.3	2.9
EFFECTIVE TAX CHARGE	(87.5)	(94.0)
Effective tax rate	34.53%	36.97%

⁽¹⁾ In 2010, the Group decided to reclassify CVAE (value added business tax) as income tax. This amounted to €12.2 million (€7.4 million after tax) at 31 December 2017, compared with €9.4 million (€6.1 million after tax) at 31 December 2016.

To offset the additional charge that the reimbursement of the 3% payment on distributed income represents for the French national budget, the first Amending 2017 Finance Act created an exceptional corporate income tax payment for companies that generate revenues of over €1 billion for the financial years ending between 31 December 2017 and 30 December 2018. This exceptional contribution is equivalent to 15% of the corporate income tax amount, as determined before the deduction of any allowances and tax credits and tax receivables of any kind. It therefore resulted in an increase in the corporate tax rate from 34.43% for the 2016 financial year to 39.43% for the 2017 financial year, thereby generating an additional corporate income tax charge of €10.4 million for the Group at 31 December 2017.

Since the 2013 financial year, the Group had been subject to an additional income tax contribution of 3% on dividends paid. This payment was ruled to be in breach of the French Constitution by the French Constitutional Council on 6 October 2017. A tax receivable of €19.8 million was therefore recognised on 31.12.2017. This receivable corresponds to the expected reimbursement of all of the payments made for the period between 2013 and 2017, which are disputed by the Group. After taking into account the €3.2 million payment made by

the Group in respect of the dividends paid in May 2017, the net impact for the 2017 financial year, as set out in the table below, is €16.6 million.

The sources of deferred tax were as follows:

	31/12/2017	31/12/2016
Deferred tax assets		
Intangible assets	0.3	0.3
Other assets	5.2	5.8
Retirement provisions (non-deductible)	11.3	4.6
Non-deductible provisions	18.6	19.4
Expenses payable non-deductible	4.3	4.1
Financial instruments	5.2	2.4
Losses brought forward	3.3	3.4
Other	1.7	1.0
Impact of offsetting deferred tax assets and liabilities on the balance sheet	(24.4)	(21.7)
TOTAL	25.5	19.2
Deferred tax liabilities		
Catalogues	(8.9)	(7.3)
Brands	(1.9)	(2.3)
Accelerated depreciation and amortisation	(7.6)	(9.3)
Writedown of treasury shares	(3.0)	(2.7)
Other	(8.5)	(4.4)
Impact of offsetting deferred tax assets and liabilities on the balance sheet	24.4	21.7
TOTAL	(5.6)	(4.3)

The deferred tax assets and liabilities of companies included in the tax consolidation were offset.

The cumulative losses brought forward of Group companies were €49.6 million at 31 December 2017.

The losses that were capitalised as deferred tax assets amounted to €9.8 million at 31 December 2017.

At 31 December 2017, no deferred tax liability was recognised for taxes which may be due on the undistributed profits of certain Group subsidiaries, associated companies or joint ventures.

11. Earnings per share

	31/12/2017	31/12/2016
Net profit attributable to shareholders	158.4	152.7
Profit / (loss) from operations held for sale attributable to shareholders	-	-
Net profit from continuing operations attributable to shareholders	158.4	152.7
Average weighted number of shares (excluding treasury shares) for basic earnings per share	125,997,253	126,197,775
Potential dilutive effect of share-based payments	805,468	653,578
Average weighted number of shares (excluding treasury shares) adjusted for dilutive effect*	126,802,721	126,851,353
Net earnings per share (€)	1.257	1.210
Net earnings per share from continuing operations (€)	1.257	1.210
Diluted earnings per share (€)	1.249	1.204
Diluted earnings per share from continuing operations (€)	1.249	1.204

* Only includes dilutive shares (with regard to prevailing market conditions at year-end).

The calculation of diluted earnings per ordinary share takes into account the free shares granted by the plans of 28 July 2016, 27 July 2017 and 2 October 2017.

The number of shares with a potential dilutive impact was 805,468 at December 31, 2017, with a dilutive effect on EPS of 0.8 euro cent per share.

12. Dividends

Métropole Télévision	31/12/2017	31/12/2016
Declared and paid during the year	107.1	107.4
Number of outstanding shares (thousands)	126,020	126,345
Dividend paid per ordinary share (€)	0.85	0.85
Proposed for approval at AGM	119.7	107.1
Number of outstanding <i>shares</i> (thousands)	125,994	125,996
Dividend paid per ordinary share (€)	0.95	0.85

13. Intangible assets

	Audiovisual rights (distribution and trading)	Co- production	Advances and prepayments	Total audiovisual rights⁽¹⁾	Other intangible assets⁽¹⁾	Goodwill	Total 31/12/2016
At 1 January 2016, net of amortisation and writedowns	34.5	9.0	21.8	65.3	53.9	89.7	208.9
Acquisitions	51.9	3.5	55.2	110.6	31.0	-	141.5
Change in Group structure (gross amounts)	7.0	-	-	7.0	0.4	13.3	20.7
Disposals	(44.6)	-	0.0	(44.6)	(17.1)	-	(61.8)
Other movements	0.0	0.0	-	0.0	-	-	0.0
Reclassifications	49.4	2.3	(52.0)	(0.2)	0.2	-	(0.0)
Writedowns	(13.3)	(1.7)	(0.1)	(15.1)	(1.0)	(1.5)	(17.6)
2016 amortisation charge	(86.4)	(5.0)	-	(91.4)	(20.0)	-	(111.3)
Change in Group structure - accumulated amortisation charge	0.0	(0.0)	-	0.0	(0.4)	-	(0.4)
Reversal of amortisation on disposals	44.6	-	-	44.6	15.1	-	59.7
At 31 December 2016, net of amortisation and writedowns	43.2	8.1	24.9	76.1	62.1	101.5	239.8
At 1 January 2016							
Gross value	865.6	601.1	22.5	1,489.2	170.2	122.9	1,782.4
Accumulated amortisation and writedowns	(831.1)	(592.1)	(0.7)	(1,424.0)	(116.3)	(33.2)	(1,573.5)
NET AMOUNT AT 1 JANUARY 2016	34.5	9.0	21.8	65.3	53.9	89.7	208.9
At 31 December 2016							
Gross value	930.0	627.0	25.7	1,582.7	184.7	136.2	1,903.6
Accumulated amortisation and writedowns	(886.8)	(618.9)	(0.8)	(1,506.5)	(122.6)	(34.7)	(1,663.8)
NET TOTAL AT 31 DECEMBER 2016	43.2	8.1	24.9	76.1	62.1	101.5	239.8

⁽¹⁾ The difference compared with the financial statements published at 31 December 2016 represents the reclassification of co-productions and of Advances and prepayments made on co-productions, which amount to €33.0 million, as well as other intangible audiovisual rights assets.

	Audiovisual rights (distribution and trading)	Co- production	Advances and prepayments	Total audiovisual rights	Other intangible assets	Goodwill	Total 31/12/2017
At 1 January 2017, net of amortisation and writedowns	43.2	8.1	24.9	76.1	62.1	101.5	239.8
Acquisitions	48.6	0.5	19.2	68.3	62.3	-	130.6
Change in Group structure (gross amounts)	5.7	-	-	5.7	65.9	134.1	205.7
Disposals	(73.3)	-	(1.4)	(74.6)	(27.8)	-	(102.4)
Other movements	(0.0)	-	-	(0.0)	(0.0)	-	(0.0)
Reclassifications	21.9	11.6	(30.9)	2.5	(2.5)	-	(0.0)
Writedowns	5.3	1.9	(0.9)	6.3	0.3	-	6.6
2017 amortisation charge	(82.0)	(19.3)	-	(101.4)	(25.5)	-	(126.9)
Change in Group structure - accumulated amortisation charge	0.0	-	-	0.0	(8.8)	-	(8.8)
Reversal of amortisation on disposals	73.1	-	-	73.1	19.9	-	92.9
At 31 December 2017, net of amortisation and writedowns	42.4	2.8	10.8	56.0	145.8	235.6	437.4
At 1 January 2017							
Gross value	930.0	627.0	25.7	1,582.7	184.7	136.2	1,903.6
Accumulated amortisation and writedowns	(886.8)	(618.9)	(0.8)	(1,506.5)	(122.6)	(34.7)	(1,663.7)
NET AMOUNT AT 1 JANUARY 2017	43.2	8.1	24.9	76.1	62.1	101.5	239.8
At 31 December 2017							
Gross value	930.7	660.3	13.8	1,604.7	281.9	267.9	2,154.6
Accumulated amortisation and writedowns	(888.3)	(657.4)	(3.0)	(1,548.7)	(136.1)	(32.3)	(1,717.1)
NET TOTAL AT 31 DECEMBER 2017	42.4	2.8	10.8	56.0	145.8	235.6	437.4

Audiovisual rights include cinematographic, television and videographic rights acquired within the framework of productions, as well as in application of distribution agreements for which a fixed amount (guaranteed minimum) was paid to the producer (see Note 4.5).

Producers and co-producers' shares in feature films, television series, and other programmes are now presented under the "Co-production" heading.

In application of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the CNC are recognised as a reduction in the value of the co-production assets.

The main items recognised as advances and prepayments include advances paid on unopened audiovisual rights held for marketing. Amounts paid are reclassified as audiovisual rights when rights are opened.

Other intangible assets consist of licences, computer software, co-productions and assets related to the transfer fees of football players.

Excluding the licences contributed by RTL France Radio, which correspond to rights relating to authorisation to use the radio-electric frequencies for France that relate to RTL Radio, and are issued by the *Conseil Supérieur de l'Audiovisuel*, all of the other intangible assets are subject to amortisation.

14. Goodwill impairment tests and intangible assets with an indeterminable life

Movements

Goodwill evolved as follows:

	31/12/2017	31/12/2016
Opening balance net of impairment	101.5	89.7
Acquisitions	134.1	13.3
Other movements	-	-
Impairment losses	-	(1.5)
Closing balance	235.6	101.5
Opening balance		
Gross values	136.2	122.9
Accumulated impairment	(34.7)	(33.2)
NET AMOUNT	101.5	89.7
Closing balance		
Gross values	267.9	136.2
Accumulated impairment	(32.4)	(34.7)
NET AMOUNT	235.6	101.5

The increase in goodwill during the 2017 financial year mainly reflects the acquisitions of RTL Group's French Radio division and Fidélité Films (see Note 5).

Movements during the 2016 financial year reflected the acquisitions of Mandarin Cinéma and iGraal.

No impairment was recognised during the 2017 financial year on goodwill from continuing operations (see impairment tests hereafter).

Analysis

Goodwill is analysed by Cash Generating Unit as follows:

Net value	31/12/2017	31/12/2016
Television	-	-
Radio	132.7	-
Production and Audiovisual Rights		
Audiovisual rights	5.2	3.2
Diversification		
Internet	64.7	65.4
E-Commerce	20.5	20.5
Teleshopping	12.5	12.5
TOTAL	235.6	101.5

- The Internet CGU includes M6 Web and iGraal as a result of the similarities in their business models;
- The E-Commerce CGU includes Mon Album Photo and Printic;
- The Home Shopping CGU includes the entities Home Shopping Services, Best of TV and Best of TV Benelux;
- The Audiovisual Rights CGU includes SND and the audiovisual rights catalogue companies;
- The Radio CGU includes RTL Group's entire French Radio Division acquired in 2017.

Impairment tests

During the last quarter of 2017, the Internet, Teleshopping and E-Commerce CGUs were subject to an impairment test, in accordance with IAS 36.

The Radio CGU was not tested, in view of the fact that the acquisition date for the French Radio Division was 1 October 2017.

The discounted cash flow method (DCF) used to measure the value in use is based on cash flow forecasts established at the end of the year based on the following key assumptions: EBITA, capital expenditure, WCR, competitive environment, upgrade of IT systems and level of marketing expenditure.

• Assumptions specific to the Internet CGU:

- The discount rate used stood at 10.4% representing the average WACC recorded at French brokers for companies with the same risk profile as the Internet CGU's operations;
- The infinite growth rate was 2%.

• Assumptions specific to the Teleshopping CGU:

- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, i.e. 8.1%;
- A cautious approach to infinite growth was also selected (1.5%).

• Assumptions specific to the E-Commerce CGU:

- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 9.1%;
- The infinite growth rate was 1%.

An analysis of the sensitivity of the value in use to testing factors has been conducted, as shown by the tables below:

		Discount rate				
Internet		9.4%	9.9%	10.4%	10.9%	11.4%
Growth rate	1.0%	160.2	153.9	148.2	143.1	138.5
	1.5%	167.3	160.2	153.9	148.2	143.1
	2.0%	175.4	167.3	160.2	153.9	148.2
	2.5%	184.7	175.4	167.3	160.2	153.9
	3.0%	195.4	184.7	175.4	167.3	160.2

Net book value of CGU recognised in Group financial statements = €59.4 million

		Discount rate				
Teleshopping		7.1%	7.6%	8.1%	8.6%	9.1%
Growth rate	0.5%	142.2	132.1	123.4	115.8	109.0
	1.0%	151.0	139.5	129.7	121.2	113.7
	1.5%	161.3	148.1	136.9	127.3	119.0
	2.0%	173.7	158.3	145.4	134.4	125.0
	2.5%	188.9	170.5	155.3	142.7	132.0

Net book value of CGU recognised in Group financial statements = €37.1 million

		Discount rate				
E-commerce		8.1%	8.6%	9.1%	9.6%	10.1%
Growth rate	0.0%	25.8	24.4	23.1	22.0	21.0
	0.5%	26.9	25.4	24.0	22.8	21.6
	1.0%	28.2	26.5	24.9	23.6	22.4
	1.5%	29.7	27.7	26.0	24.5	23.2
	2.0%	31.4	29.2	27.2	25.6	24.1

Net book value of CGU recognised in Group financial statements = €22.5 million

Following this analysis, the Group concluded that the recoverable values of the Internet, Teleshopping and E-Commerce CGUs exceeded their net book value in the Group's financial statements at 31 December 2017.

15. Property, facilities and equipment

	Land	Buildings	Technical facilities	Other intangible assets	Assets under construction	Total 31/12/2016
At 1 January 2016, net of depreciation and writedowns	19.3	76.6	12.7	8.6	0.6	117.7
Acquisitions	-	0.2	4.4	3.1	2.6	10.3
Change in Group structure (gross amounts)	-	-	0.1	0.2	-	0.3
Disposals	-	(0.0)	(0.8)	(1.0)	-	(1.8)
Other movements	-	-	1.5	0.0	-	1.5
Reclassifications	-	0.6	0.5	0.1	(1.2)	-
Writedowns	-	0.1	0.0	0.0	-	0.1
2016 depreciation charge	-	(4.8)	(4.7)	(3.3)	-	(12.8)
Change in Group structure - accumulated depreciation charge	-	-	(1.5)	(0.1)	-	(1.6)
Reversal of depreciation on disposals	-	0.0	0.7	0.9	-	1.6
At 31 December 2016, net of depreciation and writedowns	19.3	72.7	12.8	8.4	2.0	115.2
At 1 January 2016						
Gross value	19.3	130.7	63.0	31.7	0.6	245.3
Accumulated depreciation and writedowns	-	(54.1)	(50.3)	(23.1)	-	(127.5)
NET AMOUNT AT 1 JANUARY 2016	19.3	76.6	12.7	8.6	0.6	117.7
At 31 December 2016						
Gross value	19.3	131.6	67.2	34.0	2.0	254.0
Accumulated depreciation and writedowns	-	(58.9)	(54.4)	(25.6)	-	(138.8)
NET TOTAL AT 31 DECEMBER 2016	19.3	72.7	12.8	8.4	2.0	115.2

	Land	Buildings	Technical facilities	Other intangible assets	Assets under construction	Total 31/12/2017
At 1 January 2017, net of depreciation and writedowns	19.3	72.7	12.8	8.4	2.0	115.2
Acquisitions	-	0.1	6.5	4.6	6.8	18.0
Change in Group structure (gross amounts)	-	0.0	26.6	27.7	5.9	60.3
Disposals	-	(0.0)	(7.4)	(20.4)	-	(27.8)
Other movements	-	-	-	-	-	-
Reclassifications	-	0.0	0.5	0.3	(0.9)	-
Writedowns	-	0.1	(0.1)	(0.4)	-	(0.4)
2017 depreciation charge	-	(4.7)	(5.1)	(4.3)	-	(14.1)
Change in Group structure - accumulated depreciation charge	-	(0.0)	(25.7)	(26.0)	-	(51.6)
Reversal of depreciation on disposals	-	0.0	7.4	20.3	-	27.7
At 31 December 2017, net of depreciation and writedowns	19.3	68.2	15.6	10.3	13.8	127.2
At 1 January 2017						
Gross value	19.3	131.6	67.2	34.0	2.0	254.0
Accumulated depreciation and writedowns	-	(58.9)	(54.4)	(25.6)	-	(138.8)
NET AMOUNT AT 1 JANUARY 2017	19.3	72.7	12.8	8.4	2.0	115.2
At 31 December 2017						
Gross value	19.3	131.7	93.5	46.3	13.8	304.5
Accumulated depreciation and writedowns	-	(63.5)	(77.9)	(36.0)	-	(177.3)
NET TOTAL AT 31 DECEMBER 2017	19.3	68.2	15.6	10.3	13.8	127.2

16. Inventories

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2016
At 1 January 2016, net of writedowns	206.6	17.4	224.0
Acquisitions	329.9	59.8	389.8
Acquisition of subsidiaries	-	-	-
Disposal of subsidiaries	-	-	-
Expensed	(292.0)	(65.6)	(357.6)
(Charge)/reversal 2016	(6.9)	1.1	(5.8)
At 31 December 2016, net of writedowns	237.6	12.7	250.3
At 1 January 2016			
Cost or fair value	318.2	22.1	340.3
Accumulated writedowns	(111.6)	(4.7)	(116.3)
NET AMOUNT AT 1 JANUARY 2016	206.6	17.4	224.0
At 31 December 2016			
Cost or fair value	356.1	16.4	372.4
Accumulated writedowns	(118.5)	(3.6)	(122.1)
NET TOTAL AT 31 DECEMBER 2016	237.6	12.7	250.3

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2017
At 1 January 2017, net of writedowns	237.6	12.7	250.3
Acquisitions	335.2	60.2	395.5
Acquisition of subsidiaries	-	-	-
Disposal of subsidiaries	-	-	-
Expensed	(276.2)	(58.9)	(335.1)
(Charge)/reversal 2017	(45.2)	0.0	(45.2)
At 31 December 2017, net of writedowns	251.3	14.1	265.4
At 1 January 2017			
Cost or fair value	356.1	16.4	372.4
Accumulated writedowns	(118.5)	(3.6)	(122.1)
Net amount at 1 January 2017	237.6	12.7	250.3
At 31 December 2017			
Cost or fair value	415.0	17.7	432.8
Accumulated writedowns	(163.7)	(3.6)	(167.3)
NET TOTAL AT 31 DECEMBER 2017	251.3	14.1	265.4

17. Investments in joint ventures and associates

The contributions of joint ventures and associates to the Group's consolidated statement of financial position were as follows:

	% held	31/12/2017	31/12/2016
Investments in joint ventures		2.7	3.0
Série Club	50%	2.0	2.2
HSS Belgique	50%	0.3	0.4
Panora Services	50%	0.4	0.4
Investments in associates		11.1	6.1
Quicksign	24%	0.2	0.3
Stéphane Plaza France	49%	4.2	3.0
Société des agences parisiennes	-	-	0.1
Elephorm	34%	2.7	2.8
6&7	49%	0.5	-
Life TV	33%	3.5	-
EQUITY INVESTMENTS IN JOINT VENTURES AND ASSOCIATES		13.8	9.1

17.1 Joint ventures

The contributions of joint ventures to Group consolidated revenue and net profit would have been / are as follows:

	31/12/2017	31/12/2016
Revenue	12.8	12.9
Net profit	1.3	1.6
Contribution by company:		
Revenue		
Série Club	6.8	6.9
HSS Belgique	3.7	4.3
Panora Services	2.3	1.7
	12.8	12.9
Net profit		
Série Club	1.1	1.3
HSS Belgique	0.3	0.3
Panora Services	(0.0)	-
	1.3	1.6

17.2 Associates



SIX&SEPT

On 28 March 2017, M6 Group, through its M6 Interactions subsidiary, acquired a 49% interest in the company 6&7, a new music production and publishing company.

This acquisition is treated as an interest in an associate and is therefore recognised in accordance with IAS 28 - *Investments in Associates and Joint Ventures*.

At 31 December 2017, the Group's interest in 6&7 was valued at €0.5 million.



On 15 December 2017, M6 Group took part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name. This company operates the DTT channel Life TV, which will be launched during 2018 in the context of deregulation of the television market in the Ivory Coast.

This acquisition is treated as an interest in an associate and is therefore recognised in accordance with IAS 28 - *Investments in Associates and Joint Ventures*.

The Group's equity investment in Life TV amounted to €3.5 million at 31 December 2017. The Group sold its investment in Société des Agences Parisiennes, in which it held a 24.5% interest, on 31 December 2017.

The contribution of associates to the Group's consolidated net profit for the year to 31 December 2017 was €0.5 million.

At 31 December 2017, investments in joint ventures and associates did not give rise to the recognition of any impairment in the Group's consolidated financial statements.

18. Financial instruments

18.1 Financial assets

The various categories of financial assets at 31 December 2016 and 31 December 2017 are presented by balance sheet item in the table below:

	31/12/2016			Analysis by category of instruments					
	Gross value	Writedowns	Book value	Fair value	Fair value through profit and loss	Assets held for sale	Investments held until maturity	Loans and receivables	Derivative instruments
Financial assets available for sale	0.4	-	0.4	0.4	-	0.4	-	-	-
Other non-current financial assets	4.3	-	4.3	4.3	-	-	0.9	3.4	-
Other non-current assets	18.2	-	18.2	18.2	-	-	-	18.2	-
Trade receivables	258.4	(16.9)	241.5	241.5	-	-	-	241.5	-
Derivative financial instruments	0.4	-	0.4	0.4	-	-	-	-	0.4
Other current financial assets	0.7	(0.3)	0.4	0.4	-	-	-	0.4	-
Other current assets	191.7	(4.9)	186.7	186.7	-	-	-	186.7	-
Cash and cash equivalents	174.4	-	174.4	174.4	151.8	-	-	22.6	-
ASSETS	648.6	(22.1)	626.5	626.5	151.8	0.4	0.9	472.9	0.4

	31/12/2017			Analysis by category of instruments					
	Gross value	Writedowns	Book value	Fair value	Fair value through profit and loss	Assets held for sale	Investments held until maturity	Loans and receivables	Derivative instruments
Financial assets available for sale	13.9	-	13.9	13.9	-	13.9	-	-	-
Other non-current financial assets	5.4	-	5.4	5.4	-	-	1.3	4.1	-
Other non-current assets	17.6	-	17.6	17.6	-	-	-	17.6	-
Trade receivables	348.7	(18.0)	330.7	330.7	-	-	-	330.7	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Other current financial assets	0.5	(0.3)	0.2	0.2	-	-	-	0.2	-
Other current assets	199.5	(7.9)	191.6	191.6	-	-	-	191.6	-
Cash and cash equivalents	54.3	-	54.3	54.3	34.0	-	-	20.2	-
ASSETS	639.9	(26.2)	613.8	613.8	34.0	13.9	1.3	564.5	-

Other non-current assets comprise the advance made by the Girondins de Bordeaux Football Club to the city of Bordeaux under the 30-year occupancy agreement for the new stadium. This advance resumes each year under the terms of the operating lease.

Financial assets available for sale

Financial assets held for sale comprise equity securities held by the Group in non-consolidated companies and receivables which are directly related to them.

The balance sheet position was as follows:

31/12/2017						
				Gain / loss in value recognised through the income statement	Fair value at 31 December	% held
	Reference currency	Fair value at 1 January	Acquisitions / Disposals			
Canal Star	Euro (€)	-	4.5	-	4.5	100.0%
2CED	Euro (€)	-	1.8	-	1.8	18.0%
Job Digital Networks	Euro (€)	-	1.5	-	1.5	2.0%
SPRGB	Euro (€)	-	1.3	-	1.3	100.0%
Médiamétrie	Euro (€)	-	1.0	-	1.0	2.7%
Média Stratégie	Euro (€)	-	0.8	-	0.8	100.0%
FM Graffiti	Euro (€)	-	0.7	-	0.7	100.0%
Youmiam	Euro (€)	-	0.5	-	0.5	8.8%
GLHF	Euro (€)	-	0.5	-	0.5	17.5%
Alliance Gravity Data Média	Euro (€)	-	0.4	-	0.4	11.1%
Radio Golfe	Euro (€)	-	0.3	-	0.3	98.0%
A2B Communication	Euro (€)	-	0.1	-	0.1	100.0%
European News Exchange	Euro (€)	0.1	-	-	0.1	20.0%
Victor et Charles	Euro (€)	-	0.1	-	0.1	4.5%
Fun Radio Belgique	Euro (€)	-	0.1	-	0.1	25.0%
Audiance Square	Euro (€)	0.0	0.0	-	0.1	20.0%
Other	Euro (€)	0.2	0.0	(0.1)	0.1	-
TOTAL NON-CURRENT		0.4	13.6	(0.1)	13.9	

Other financial assets

The balance sheet position was as follows:

	31/12/2017	31/12/2016
Current accounts with joint ventures and associates	0.6	0.4
Security deposits	3.0	2.0
Other financial assets	1.8	2.0
OTHER NON-CURRENT FINANCIAL ASSETS	5.4	4.3
Other financial assets	0.2	0.4
OTHER CURRENT FINANCIAL ASSETS	0.2	0.4

Cash and cash equivalents

Cash and cash equivalents totalled €54.3 million at 31 December 2017, compared with €174.4 million at 31 December 2016. The sharp decrease reflects the cash and cash equivalents used for the acquisition of the RTL Group's Radio Division.

Bank accounts, term deposits and marketable securities are financial assets held for trading and as such are measured at fair value (fair value through income statement). The FCP and SICAV mutual funds do not contain any unrealised capital gains, as these were realised at 31 December 2017.

In application of the deposit policy described in Note 19.3, virtually all cash is invested, with an average term of less than 90 days, in interest-bearing current accounts, mutual funds and term deposits with investment grade counterparts.

18.2 Financial liabilities

The various categories of financial liabilities at 31 December 2016 and 31 December 2017 are presented in the table below by balance sheet item:

	31/12/2016		Analysis by category of instruments		
	Book value	Fair value	Fair value through profit and loss	Debt at amortised cost	Derivative instruments
Non-current financial debt	1.3	1.3	-	1.3	-
Other non-current financial liabilities	32.7	32.7	32.5	0.1	-
Other non-current debt	0.7	0.7	-	0.7	-
Current financial debt	0.6	0.6	-	0.6	-
Derivative financial instruments	-	-	-	-	-
Other current financial liabilities	9.3	9.3	-	9.3	-
Trade payables	364.4	364.4	-	364.4	-
Other operating liabilities	23.5	23.5	-	23.5	-
Tax and social security payable	93.5	93.5	-	93.5	-
Other current financial liabilities	17.4	17.4	-	17.4	-
LIABILITIES	543.4	543.4	32.5	510.8	-

	31/12/2017		Analysis by category of instruments		
	Book value	Fair value	Fair value through profit and loss	Debt at amortised cost	Derivative instruments
Non-current financial debt	52.0	52.0	-	52.0	-
Other non-current financial liabilities	43.2	43.2	33.0	10.2	-
Other non-current debt	2.8	2.8	-	2.8	-
Current financial debt	36.3	36.3	-	36.3	-
Derivative financial instruments	0.1	0.1	-	-	0.1
Other current financial liabilities	15.0	15.0	-	15.0	-
Trade payables	389.3	389.3	-	389.3	-
Other operating liabilities	29.0	29.0	-	29.0	-
Tax and social security payable	120.5	120.5	-	120.5	-
Other current financial liabilities	37.9	37.9	-	37.9	-
LIABILITIES	726.1	726.1	33.0	693.0	0.1

Financial debt

Financial debt positions were as follows:

	31/12/2017	31/12/2016
Bank loans	50.6	0.2
Leases	-	-
Other	1.4	1.1
TOTAL NON-CURRENT FINANCIAL DEBT	52.0	1.3
Bank debt and credit facilities	36.3	0.6
Leases	-	-
TOTAL CURRENT FINANCIAL DEBT	36.3	0.6

- On 28 July 2017, the Group carried out a €50.0 million bond issue, in order to finance the acquisition of the French Radio Division.

These bonds bear interest at an annual rate of 1.5%, with bullet redemption at maturity after 7 years (1 August 2024).

- Furthermore, three revolving medium-term (5-year) bank credit facilities were arranged amounting to €120.0 million, in order to protect the Group against liquidity risk, as described in Note 19.2.

The conditions for drawdown of the Group's credit facilities are primarily governed by a change of control clause.

As at 31 December 2017, €10.0 million had been drawn down on these facilities, and the maximum drawdown amount of €100.0 million was used during the financial year.

- Lastly, the Group also set up a credit facility from its principal shareholder (Bayard d'Antin), under which a maximum of €50.0 million may be drawn down. €24.0 million had been drawn down on this facility at 31 December 2017.

Other financial liabilities

Other current financial liabilities of €15.0 million include:

- the liabilities relating to acquisitions and to the estimated earn-outs for the acquisition of the RTL Group's French Radio Division, Life TV, Fidélité Films (portion due within one year), and Mandarin Cinéma;
- the debt relating to the forward purchase agreement for 400,000 treasury shares, expiring on 26 July 2018 (see Note 20.1).

Other non-current financial liabilities of €43.2 million include:

- the debt relating to the earn-out for Fidélité Films (portion due in more than one year);
- the liabilities relating to commitments to buy shares held by minority shareholders in Best of TV and iGraal;
- the liability relating to the forward purchase agreements for 300,000 and 220,000 treasury shares, expiring on 25 July 2019 and 31 March 2020 respectively.

These financial debts are measured at fair value through profit and loss (level 3 in the hierarchy for determining fair value pursuant to IFRS 7).

18.3 Analysis of financial assets and liabilities under the fair value hierarchy

The disclosures required by IFRS 7 are classified in accordance with a fair value hierarchy which reflects the materiality of data used in valuations. This fair value hierarchy is as follows:

- Level 1: prices (unadjusted) quoted in active markets for identical assets or liabilities;
- Level 2: inputs, other than the quoted prices included under Level 1, that are observable for assets and liabilities, either directly (prices for example), or indirectly (for example, elements derived from prices);
- Level 3: inputs on assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
	Listed prices	Observable inputs	Unobservable inputs
31/12/2016			
Financial assets available for sale	-	-	0.4
Derivative financial instruments	-	0.4	-
Cash and cash equivalents:			
Mutual funds, money market funds	88.3	-	-
Term deposits	-	63.6	-
ASSETS	88.3	63.9	0.4
Other non-current financial liabilities	-	-	32.5
LIABILITIES	-	-	32.5

	Level 1	Level 2	Level 3
	Listed prices	Observable inputs	Unobservable inputs
31/12/2017			
Financial assets available for sale	-	-	13.9
Cash and cash equivalents:			
Mutual funds, money market funds	-	-	-
Term deposits	-	34.0	-
ASSETS	-	34.0	13.9
Other non-current financial liabilities	-	-	33.0
Derivative financial instruments	-	0.1	-
LIABILITIES	-	0.1	33.0

18.4 Effect of financial instruments on the income statement

The effects of financial instruments on the income statement were as follows:

31/12/2016	Analysis by category of instruments						
	Effect on income statement	Fair value through profit and loss	Assets held for sale	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME	1.0						
Total interest income	0.8	-	-	-	0.8	-	-
Total interest expense	(0.0)	-	-	-	-	(0.0)	-
Revaluations	(0.5)	(0.4)	-	-	-	-	(0.1)
Net gains/(losses)	0.8	0.8	-	-	-	-	-
Income/(loss) on disposals	-	-	-	-	-	-	-
IMPACT ON EBIT	(1.3)						
Net gains/(losses)	(0.1)	-	-	-	(0.1)	-	-
Impairment	(1.2)	-	-	-	(1.2)	-	-
NET INCOME/(LOSS)	(0.3)	0.3	-	-	(0.6)	(0.0)	(0.1)

31/12/2017	Analysis by category of instruments						
	Effect on income statement	Fair value through profit and loss	Assets held for sale	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME	(1.5)						
Total interest income	0.5	-	-	-	0.5	-	-
Total interest expense	(0.4)	-	-	-	-	(0.4)	-
Revaluations	(0.7)	(0.4)	-	-	-	-	(0.3)
Net gains/(losses)	(0.3)	(0.3)	-	-	-	-	-
Income/(loss) on disposals	(0.4)	-	-	-	(0.4)	-	-
IMPACT ON EBIT	(2.3)						
Net gains/(losses)	0.0	-	-	-	0.0	-	-
Impairment	(2.4)	-	-	-	(2.4)	-	-
NET INCOME/(LOSS)	(3.8)	(0.8)	-	-	(2.3)	(0.4)	(0.3)

19. Risks associated with financial instruments

This note presents information on the Group's exposure to each of the following risks, as well as its objectives, policy and risk assessment and management procedures.

The net book value of financial assets represents the maximum exposure to the credit risk.

19.1 Credit risk

The credit risk represents the risk of financial loss for the Group in the event a customer was to fail to meet its contractual commitments.

Trade receivables

Risk assessment differs across Group operations.

Advertising revenues

The main step taken by the M6 Publicité, IP France et IP Régions advertising agencies to secure their advertising revenues is to conduct credit inquiries. These are systematically carried out with the support of specialised external companies on new customers and on an on-going basis on recurring customers.

The latter represent the large majority of advertisers. The advertiser base thus appears relatively stable, with more than 90% of revenue being generated from the same customers from one year to the next. Furthermore, it comprises a majority of quoted French companies and French subsidiaries of major international corporations.

Based on the results of credit enquiries and the amounts incurred in relation to the campaign, different payment terms are granted to customers. In particular, M6 demands that advertisers who do not meet its solvency criteria pay their campaigns in advance. These provisions are included in the terms and conditions of sale of the M6 Publicité advertising agency.

Due to this prudent policy, the risk of non-payment of advertising campaigns remained less than 0.5% of revenue (equal to the year to 31 December 2016).

In order to further curtail this risk, the Group's advertising agencies impose late payment penalties on unpaid invoices and have internal teams dedicated to recovering trade receivables.

Non-advertising revenues

As regards non-advertising revenue, no single customer risk is material enough to significantly impair the Group's profitability.

Nonetheless, the team dedicated to collecting trade receivables guarantee throughout the year that everything is done to reduce bad debts. In addition to follow-up by this dedicated team, the Group may call upon the services of specialised debt collectors.

Banking counterparts

The Group neither securitises, nor assigns nor factors trade receivables.

The Group pays particular attention to the quality of its banking counterparties. The Group strives to diversify its mutual fund depositories, in which excess cash is invested in accordance with the cash management policy described in Note 19.3.

The Group works with leading European banks that benefit from an investment grade rating.

Maturity of financial assets

The maturity dates of financial assets were as follows at the balance sheet date:

	Year end		Neither written down nor due		<= 1 month		2 - 3 months	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other financial assets	5.9	5.1	5.7	4.8	-	-	-	-
Trade receivables - gross	348.7	258.4	170.5	134.2	108.5	76.9	29.3	17.6
Other receivables - gross	217.1	210.3	211.5	205.2	0.5	1.7	-	0.0
TOTAL	571.8	473.8	387.6	344.2	109.0	78.6	29.3	17.6

	3 - 6 months		6 - 12 months		> 1 year		Gross writedowns*	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other financial assets	-	-	-	-	-	-	0.3	0.3
Trade receivables - gross	14.2	7.7	5.4	3.2	1.9	2.3	18.9	16.6
Other receivables - gross	-	-	-	-	-	-	5.1	3.4
TOTAL	14.2	7.7	5.4	3.2	1.9	2.3	24.2	20.3

* "Gross writedowns" include trade receivables (inclusive of VAT) for which writedowns are established on an individual basis. Writedowns of receivables (inclusive of VAT) calculated based on a statistical model are broken down by age.

Trade and other receivables comprise commercial receivables and other receivables linked to operations, such as advances and deposits.

19.2 Liquidity risk

The liquidity risk is the risk that the Group may find it difficult to meet its liabilities when they fall due. In order to manage the liquidity risk, the Group has implemented a policy of forecast cash position and financing needs monitoring, so that it always has sufficient cash to meet its current liabilities. Cash management is centralised in a cash pooling, in order to optimise financial resources.

The book value of financial liabilities posted to the balance sheet represents the maximum exposure to the credit risk at year-end.

Group debt may be analysed as follows by maturity date (excluding current tax liabilities):

	< 1 year		1 - 5 years		> 5 years		Total	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Financial debt	36.3	0.6	2.3	1.3	49.7	-	88.3	1.9
Derivative financial instruments	0.1	0.0	-	-	-	-	0.1	0.0
Other financial liabilities	15.0	9.3	43.2	32.7	-	-	58.2	42.0
Trade payables	389.3	364.4	-	-	-	-	389.3	364.4
Other liabilities	29.0	23.5	1.0	0.7	0.0	-	30.0	24.2
Tax and social security payable	120.5	93.5	1.8	-	-	-	122.3	93.5
Liabilities relating to non-current assets	37.9	17.4	-	-	-	-	37.9	17.4
TOTAL	627.9	508.8	48.4	34.7	49.7	-	726.1	543.5

19.3 Market risk

Market risk is the risk that movements in market prices, such as foreign exchange rates, interest rates and equity instrument prices may adversely affect the Group's financial performance or the value of its financial instruments. The objective of market risk management is to define a strategy that limits the Group's exposure to the market risk, while at the same time ensuring that this strategy does not come at a significant cost.

Foreign exchange risk

The Group is exposed to foreign exchange risk through a number of audiovisual rights purchase contracts, particularly through its cinema distribution activity, as well as through a fraction of purchases of goods by the distance-selling division.

These purchases are primarily denominated in US dollars.

In order to protect itself from random currency market movements that could adversely impact its financial income and the value of its assets, the Group decided to hedge all its purchases. The coverage is undertaken at the signing of supplier contracts and is weighted as a function of the underlying due date. Commitments to purchase rights are fully hedged.

Purchases of goods are hedged on a statistical basis and adjusted regularly based on orders placed.

The Group only uses simple financial products that guarantee the amount covered and a set rate of coverage. These are forward purchases, for the most part.

Foreign currency purchase flows represented approximately 3.1% of 2017 total purchases, compared with 8.3% over 2016.

Foreign currency-denominated sales are not hedged as they are not significant (less than 0.4% of revenue).

Analysis of exposure to foreign exchange risk at 31 December 2017

	USD (€ millions) ⁽¹⁾	
	31/12/2017	31/12/2016
Assets	7.3	5.3
Liabilities	(1.9)	(0.3)
Off-balance sheet	(10.2)	(7.5)
Gross foreign exchange exposure	(4.8)	(2.5)
Forex hedges	7.2	7.3
NET FOREIGN EXCHANGE EXPOSURE	2.4	4.8

⁽¹⁾ at closing rate:

1.1749

1.0414

In order to hedge against market risks, the Group put into place 43 new foreign exchange hedges during the year in relation to its USD-denominated liabilities, for a total value of €22.1 million.

The Group's gross exposure in US dollars was €4.8 million, including €10.2 million relating to off-balance sheet commitments. At the same date, hedging totalled €7.2 million (*cash-flow hedges*). Accordingly, the €2.4 million excess hedge (long position) primarily reflects receivables invoiced in US dollars for which no consideration had been received at 31 December 2017.

The risk of loss on the overall net exposed position would yield a €0.2 million loss in the event of an unfavourable and consistent 10% movement of the Euro against the US dollar.

Derivative financial instruments

They are classified as other current financial assets when the market value of the instruments is positive and classified as current financial liabilities when their market value is negative.

IFRS 13 – *Fair Value Measurement*, which was applied for the first time to assets and liabilities in 2013, had no significant impact on the fair value of derivative financial instruments at 31 December 2017, unchanged from 31 December 2016.

Fair value

Net balance sheet positions of derivatives were as follows:

	31/12/2017	31/12/2016
Forward call contracts	Fair value	Fair value
Métropole Télévision	(0.0)	0.0
SND	0.0	0.2
HSS	(0.0)	0.2
TOTAL	(0.0)	0.4

The fair value of derivative financial instruments was not material at 31 December 2016 and reflected the very small difference between the year-end rate used for the valuation (USD 1.1749) and the average rate of hedges in inventory (USD 1.1731) at the end of December 2017 (a 1.6% uplift).

The €0.4 million fair value of derivative financial instruments at 31 December 2016 reflected the favourable difference between year-end rate used for the valuation (USD 1.0414) and the average rate of hedges in inventory (USD 1.1041) at the end of December 2016 (a 6% uplift).

Maturities

The maturity of hedge instruments (nominal value of the hedge expressed in euro at the year-end forward hedge rate) was as follows:

	31/12/2017			31/12/2016		
	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years
Métropole Télévision	0.8	0.8	-	0.5	0.2	0.2
SND	2.2	2.2	-	3.7	3.7	-
HSS	4.2	4.2	-	2.7	2.7	-
TOTAL	7.2	7.2	-	6.8	6.6	0.2

Interest rate risk

The Group has little exposure to risks pertaining to interest rate movements, mainly in relation to its returns on financial assets. Interest rate risk management relating to the Group's net cash position is established based on the consolidated position and market conditions.

The main objective of the interest risk management policy is to optimise the cost of Group financing and maximise cash management income.

The main features of financial assets and financial liabilities are as follows:

Maturity schedule of financial debt and financial assets at 31 December 2017

(€ millions)	< 1 year	1 to 5 years	> 5 years	Total
Variable rate financial assets	54.5	3.6	-	58.1
Other fixed-rate financial assets	0	1.8	-	1.8
TOTAL FINANCIAL ASSETS	54.5	5.4	-	59.9
Variable rate financial debt	(36.0)	(1.4)	-	(37.4)
Other fixed-rate financial debt	(0.3)	(0.9)	(49.7)	(50.9)
TOTAL FINANCIAL DEBT	(36.3)	(2.3)	(49.7)	(88.2)

The Group had net financial debt of €28.3 million at 31 December 2017. This position was primarily comprised of interest-bearing accounts and term deposits, with bank borrowings and bonds on the liability side.

The financing provided by the Group to its jointly controlled subsidiaries is treated as a financial asset.

Cash management policy

The Group's cash management policy is designed to ensure that cash resources can be mobilised rapidly while limiting capital risk. The Group's approach is absolutely prudent and non-speculative.

All investments made by the Group meet the criteria of IAS 7 - *Statement of Cash Flows*.

The corresponding deposits are thus considered as cash equivalents, since they are liquid, can easily be converted into a known amount of cash and are subject to a negligible risk of change in value.

The matter of counterparty risk remains topical and the Group pays particular attention to the selection process of instruments and to diversifying counterparties, depositaries and management companies.

All securities in which the Group's cash holdings are invested, as well as a list of securities in which the Group would consider investing is monitored daily. On this basis, the Group arbitrates in favour of both the most regular and the most profitable funds.

Investment yields are regularly measured and reported to management every month. A detailed analysis of the various risks of these deposits is also produced quarterly.

20. Shareholders' equity

20.1 Share capital management policy

Management of the Group's shareholders' equity primarily refers to the dividend distribution policy and more generally to the remuneration of Métropole Télévision shareholders.

Despite the loans taken out at the time of the acquisition of the RTL Group's Radio Division, the Group maintains a substantial borrowing capacity, in terms of borrowings from banks as well as from its majority shareholder, providing it with significant potential for investments.

As regards remuneration of the shareholders, the Group has for many years paid out a dividend of approximately 80% of net earnings (from continuing operations, Group share) per share, equating to an ordinary dividend of €0.85 per share for the 2017 financial year.

Furthermore, the Executive Board of Métropole Télévision was granted an authorisation to buy back its own shares by the Combined General Meeting of 26 April 2016, with the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with the AMAFI Ethics Charter approved by the AMF;
- to retain the shares purchased and ultimately use them via exchange or payment within the framework of potential acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's share capital;
- to provide adequate coverage for share option plans and other forms of share allocations to Group employees and/or corporate officers within the conditions and according to the methods permitted by law, notably in order to share the profits of the Company, through a company savings plan or by the granting of free shares;
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;

- to potentially cancel the purchased shares.

During the financial year ended 31 December 2017 and pursuant to this authorisation:

- Daily market transactions were carried out by Métropole Télévision as part of the liquidity contract;
- Métropole Télévision bought and delivered shares to cover its free share allocation plans.

In addition, ahead of the next delivery of free shares in 2018, 2019 and 2020, Métropole Télévision has entered into three forward purchase contracts for 400,000, 300,000 and 220,000 treasury shares respectively, which will mature on 26 July 2018, 25 July 2019 and 31 March 2020.

Furthermore, the Company comes within the scope of Article 39 of the Law no 86-1067 of 30 September 1986 as amended, as well as Law no 2001-624 of 17 July 2001, which state that an individual or entity, acting alone or in concert, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a nationwide television service by terrestrial transmission. Therefore, any decision liable to have a dilutive or enhancing effect on existing shareholders must be assessed in the light of this specific legal requirement.

20.2 Shares comprising Métropole Télévision's capital

(thousands of shares)	Ordinary shares issued	Treasury shares held	Shares outstanding
NUMBER OF SHARES AT 1 JANUARY 2016	126,414	140	126,274
Exercised stock options			
Movement in treasury shares:			
- held for the purpose of allocating free shares		351	
- held as part of the liquidity contract		(74)	
Implementation of the share buyback programme for cancellation			
NUMBER OF SHARES AT 31 DECEMBER 2016	126,414	418	125,996
Exercised stock options			
Movement in treasury shares:			
- held for the purpose of allocating free shares		(6)	
- held as part of the liquidity contract		7	
Implementation of the share buyback programme for cancellation			
NUMBER OF SHARES AT 31 DECEMBER 2017	126,414	420	125,994

The shares making up the capital of Métropole Télévision are all ordinary shares with one vote each. All shares are fully paid up.

Five free share allocation plans for the benefit of certain members of management and senior executives of the Group were in place at 31 December 2017 (see Note 8).

20.3 Movements in equity not recorded in the income statement

Movements in the fair value of derivative financial instruments, actuarial gains and losses and foreign exchange differences are recorded in other items of comprehensive income and added to the "other reserves" caption of equity.

Movements in actuarial gains and losses are accounted for as other items of comprehensive income and are added to the "consolidated reserves" caption.

The net impact on equity, under other reserves and consolidated reserves, was as follows:

BALANCE AT 1 JANUARY 2016	(12.5)
New hedges	0.2
Previous hedge variations	0.0
Maturity of hedges	6.5
Change in value of translation adjustment	0.1
Movement in pension commitments	(0.9)
Total movements of the year	5.9
BALANCE AT 31 DECEMBER 2016	(6.5)
New hedges	(10.4)
Previous hedge variations	(0.0)
Maturity of hedges	4.6
Change in value of translation adjustment	(0.2)
Movement in pension commitments	(4.4)
Total movements of the year	(10.5)
BALANCE AT 31 DECEMBER 2017	(17.0)

21. Retirement benefits

Commitments undertaken in respect of retirement benefits severance pay are not covered by any dedicated insurance contract or assets.

Main actuarial assumptions

	31/12/2017	31/12/2016
Discount rate	1.50	1.50
Future salary increases *	3.04	2.69
Inflation rate	2.00	2.00

** median measured on the basis of age and position*

The discount rate is determined at the year-end date based on market rates for high-quality corporate bonds that are rated AA, and depending on the term and characteristics of the scheme.

Income statement expenses

	31/12/2017	31/12/2016
Current service cost	(2.2)	(0.9)
Interest expense	(0.3)	(0.2)
Decreases	0.3	-
Amortisation of past service costs	(0.1)	-
NET EXPENSE	(2.3)	(1.1)

Provision and present value of obligation

	31/12/2017	31/12/2016
Value of obligation - opening balance	13.4	11.1
Current service cost, reductions/termination	2.2	0.9
Interest expense	0.3	0.2
Decreases	(0.3)	-
Benefits paid	(3.2)	(0.2)
Plan change	0.1	-
Actuarial gain or loss - Changes in financial assumptions	2.0	1.1
Actuarial gain or loss - Changes in demographic assumptions	0.6	-
Actuarial gain or loss - Experience effect	(0.1)	0.2
Change in Group structure	27.3	0.1
VALUE OF OBLIGATION - CLOSING BALANCE	42.3	13.4

The €27.3 million increase in the obligation in 2017 as the result of changes in the consolidation scope exclusively reflects the acquisition of the RTL Group's French Radio Division.

The cumulative actuarial losses recognised in other items of comprehensive income were €7.1 million at 31 December 2017.

Sensitivity to assumptions

Sensitivity analyses carried out on pension commitments gave the following results:

	+ 0.5%	- 0.5 %
Sensitivity of obligation at year end:		
to a change in the discount rate	39.8	45.1
to a change in the rate of salary increase	45.1	39.9

22. Provisions

Provision movements between 1 January 2016 and 31 December 2017 were as follows:

	Provisions for retirement benefits	Provisions for restructuring	Provisions for litigations	Provisions for off- balance sheet rights	Other provisions for charges	Total
At 1 January 2016	11.1	-	17.0	41.0	20.6	89.7
Acquisition of subsidiaries	0.1	-	0.2	-	2.9	3.2
Disposal of subsidiaries	-	-	-	-	-	-
Charge for the period	1.1	2.2	4.6	27.7	4.9	40.4
Use	(0.2)	-	(1.8)	(25.9)	(5.7)	(33.5)
Unused reversals	-	-	(4.8)	(0.6)	(4.5)	(9.9)
Other	1.3	-	(0.0)	-	0.0	1.3
At 31 December 2016	13.4	2.2	15.2	42.2	18.2	91.2
Acquisition of subsidiaries	27.3	-	5.8	-	0.3	33.4
Disposal of subsidiaries	-	-	-	-	-	-
Charge for the period	2.3	1.5	6.2	23.3	9.7	43.0
Use	(3.2)	(1.2)	(1.7)	(32.7)	(5.6)	(44.4)
Unused reversals	-	-	(4.2)	(0.1)	(1.5)	(5.8)
Other	2.6	-	-	-	-	2.6
At 31 December 2017	42.3	2.6	21.2	32.7	21.2	120.0
Current at 31 December 2016	-	2.2	15.2	42.2	18.2	77.9
Non-current at 31 December 2016	13.4	-	-	-	-	13.4
TOTAL	13.4	2.2	15.2	42.2	18.2	91.2
Current at 31 December 2017	-	2.6	21.2	32.7	21.2	77.6
Non-current at 31 December 2017	42.3	-	-	-	-	42.3
TOTAL	42.3	2.6	21.2	32.7	21.2	120.0

Provisions at 31 December 2017 and 2016 are analysed by business segment as follows:

	31/12/2017	31/12/2016
Television	62.3	67.0
Radio	32.5	-
Production and Audiovisual Rights	2.2	1.8
Diversification	22.8	22.3
Other	0.1	0.1
TOTAL	120.0	91.2

- Litigations included in the “provisions for litigations” caption relate to all legal proceedings instituted against one or several Group companies, for which it is probable that the outcome will be unfavourable for the Group. In the large majority of cases, such litigations have gone beyond the pre-litigation stage and are currently being considered or are undergoing judgement or appeal by competent courts (Commercial Court, Industrial Court, Court of First Instance, Criminal Court or Supreme Court of Appeal).

Additional information in respect of litigations in progress has not been included individually as disclosure of such information could be prejudicial to the Group.

- Provisions for off-balance sheet rights relate to the loss in value of broadcasting rights the Group is committed to purchase but are not yet included in balance sheet inventories.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) will not be broadcast during the anticipated programming slot may not be accounted for by writing down a balance sheet asset, and therefore was recognised through a provision for liabilities and charges.

The writedown of an unopened right is consistent with the operation of the audiovisual rights market, since TV channels have generally entered into sourcing agreements with producers in relation to future productions, without having the certainty that the quality of the latter will be consistent and may be broadcast given their editorial policy and target audiences.

Furthermore, the channels may be committed to broadcasting a flow programme or an event whose audience or image potential will not generate sufficient advertising revenue to offset the total cost of the programme.

A writedown of the value of a right may reflect:

- the case where a broadcast is unlikely: the programme will not be broadcast for lack of audience potential;
- the case where net revenue generated during the window rights of the programme will be insufficient.

In all cases, writedowns are assessed as part of an individual review of all portfolio items, in light of the ratings and revenue targets of each programme, as defined by the management of programming of each Group channel.

- “Other provisions for charges” relate to costs Métropole Télévision would have to incur to implement a contract or settle its regulatory or tax obligations, without the amounts in question being due or having been due, in particular within the framework of dispute settlement or legal proceedings.
- The amounts reported for all these types of provisions are the best possible estimate of the future outflow of Company resources, taking account of plaintiffs’ claims, judgments already passed, if applicable, or the management’s appraisal of similar instances and/or calculations made by the finance department.

The Group considers that the disbursement terms attached to these provisions come within the framework of its normal operating cycle, which justifies the classification of these provisions as current provisions.

23. Off balance sheet commitments / contingent assets and liabilities

Purchase of rights and co-production commitments (net)

These commitments mainly comprise:

- purchase commitments relating to rights not yet produced or completed;
- contractual commitments relating to co-productions awaiting receipt of technical acceptance or exploitation visa, net of prepayments made;

They are expressed net of advances and deposits paid in that respect for rights that are not yet recognised as inventories.

Image and signal transmission, satellite and transponders rental

These commitments relate to the supply of broadcasting services and the rental of satellite and transponder capabilities from private companies for digital broadcasting.

These commitments were measured using amounts remaining due up to the end date of each contract.

Non-cancellable leases

This item includes minimum future payments due in respect of non-cancellable operating leases on-going at the balance sheet date, which primarily comprise property leasing (leasing of the Bordeaux Stadium included).

Responsibility for partnership liabilities

To the extent that the partners in a Partnership (Société en Nom Collectif - SNC) are liable in full and indefinitely for the liabilities of the partnership, the Group presents in full the liabilities of partnerships in which it is a partner, net of accruals and partners' current account balances, as an off-balance sheet commitment given, and presents the other partners' share of these liabilities as an off-balance sheet commitment received.

Sale of rights

These commitments comprise sales contracts of broadcasting rights that are not yet available at 31 December 2017.

Broadcasting contracts

These commitments relate to Group channel broadcasting contracts with Canal+ France and other distributors. They were measured using amounts remaining due for each contract, up to the certain or probable contract end date.

None of the Group's non-current assets have been pledged or mortgaged.

Off-balance sheet commitments are analysed as follows:

	< 1 year	1 - 5 years	> 5 years	Total 31/12/2017	Total 31/12/2016	Terms and conditions of implementation
Commitments given						
Purchase of audiovisual and radio rights and co-production commitments (gross) ⁽¹⁾	293.8	188.9	111.2	593.9	724.8	Contracts signed
Advances paid for the purchase of rights and co-production commitments	(17.8)	(15.3)	(35.0)	(68.0)	(80.5)	
<i>Purchase of audiovisual and radio rights and co-production commitments (net)</i>	<i>276.1</i>	<i>173.6</i>	<i>76.2</i>	<i>525.9</i>	<i>644.3</i>	
Image and signal transmission, satellite and transponders rental	31.0	65.0	-	96.0	65.0	Contracts signed
Non-cancellable leases	13.1	49.6	121.9	184.6	163.6	Leases
Liability for debts	-	0.3	0.3	0.5	-	
Other	9.3	17.3	-	26.7	10.7	
TOTAL COMMITMENTS GIVEN	329.5	305.8	198.4	833.7	883.6	
Commitments received						
Sale of rights	24.0	6.5	-	30.5	50.0	Annual maturities
Broadcasting contracts	18.7	9.4	-	28.1	89.8	Contracts signed
Other	4.1	0.0	-	4.1	2.4	
TOTAL COMMITMENTS RECEIVED	46.8	15.8	-	62.7	142.2	

(1) The amount of the commitments given on the channels' broadcasting rights was €466.4 million at 31 December 2017.

At 31 December 2017, commitments given by the Group totalled €833.7 million, compared with €883.6 million at 31 December 2016.

This €49.9 million fall in commitments given primarily originated from the following movements:

- Purchases of rights and co-production commitments net of advances paid fell €118.4 million in comparison with 31 December 2016; the total value of rights no longer recorded under commitments since they are now recorded in the balance sheet under inventories was greater than the value of new commitments concluded over the course of the financial year;
- Commitments linked to the image transmission and broadcast contracts of the TV channels and radio stations increased by €31.0 million compared with the year to 31 December 2016, to €96.0 million, including €47.4 million for the transmission of radio signals.
- A €21.0 million increase in non-cancellable lease commitments.

At 31 December 2017, commitments received by the Group totalled €62.7 million, compared with €142.2 million at 31 December 2016.

This €79.5 million fall in commitments received primarily resulted from the following movements:

- A €19.6 million fall in commitments to sell rights;
- An €18.7 million reduction in the commitment received from Orange in respect of managing the "M6 Mobile" subscriber base and brand licence;
- A €43.0 million decrease in commitments related to the distribution of Group channels as contracts are executed.

24. Related parties

24.1 Identification of related parties

Related parties to the Group comprise joint ventures and associates, RTL Group – 48.26% Group shareholder, Bertelsmann AG – RTL shareholder, corporate officers and members of the Supervisory Board.

24.2 Transactions with shareholders

Borrowings from shareholders

At 31 December 2017, €24.0 million was borrowed from Bayard d'Antin.

In fact, under the terms of a framework cash pooling agreement signed between Bayard d'Antin SA and Métropole Télévision, the first implementation of which dates back to 1 December 2005, Métropole Télévision has the option of borrowing funds from Bayard d'Antin, as long as the amount borrowed does not exceed 48% of that borrowed from banking institutions for periods ranging from 1 week to 3 months; the terms and conditions being consistent with those of the market. The Group still has the option of depositing surplus cash with Bayard d'Antin, either on a day to day basis or by depositing part of it for a period not exceeding 3 months. The remuneration provided by this agreement is in line with the market.

The renewal of this agreement for a further period of 12 months was authorised by the Supervisory Board on 15 November 2017.

In order to adhere to the cash depositing policy of Métropole Télévision (described in Note 19.3), the deposit with Bayard d'Antin may not exceed a given ratio of the cash resources of the Métropole Télévision Group.

Current transactions

	31/12/2017		31/12/2016	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Sales of goods and services	7.5	0.4	5.6	0.4
Purchases of goods and services	(27.4)	(1.1)	(16.8)	(0.8)

Day-to-day transactions with shareholders have been conducted at arms' length, it being specified that purchases primarily include the purchase of programmes from production companies owned by RTL Group.

The outstanding balances arising from these sales and purchases are the following:

	31/12/2017		31/12/2016	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Receivables	3.8	0.3	6.1	0.1
Liabilities	15.2	0.1	8.0	0.1

Specific transactions

M6 Group purchased the French radio division (RTL, RTL2 and Fun Radio) of RTL Group, its leading shareholder.

Following this acquisition, two new contracts were concluded by the Group with its shareholders during the 2017 financial year. One contract relates to the royalty fee for the RTL brand, while the second relates to the use of the long-wave licence.

24.3 Transactions with shareholders

The following transactions have taken place between Group subsidiaries and joint ventures:

	31/12/2017	31/12/2016
Sales of goods and services	8.3	7.9
Purchases of goods and services	(0.1)	(0.1)

Sales and purchase transactions with joint ventures have been conducted at arms' length.

The net balance sheet positions were as follows:

	31/12/2017	31/12/2016
Receivables	2.2	2.6
<i>relating to financing</i>	0.3	0.3
Liabilities	4.3	7.6
<i>relating to financing</i>	4.1	7.5

Receivables relating to financing comprise profit of partnerships due to be transferred to the parent company.

Over the course of the 2017 financial year, dividends received from joint ventures totalled €1.6 million.

24.4 Transactions with associates

The following transactions have taken place between Group subsidiaries and associates:

At 100 %	31/12/2017	31/12/2016
Sales of goods and services	0.5	0.6
Purchases of goods and services	-	-

Sales and purchase transactions with associates have been conducted at arms' length.

The net balance sheet positions were as follows:

	31/12/2017	31/12/2016
Receivables	0.4	0.1
<i>relating to financing</i>	0.4	0.1
Liabilities	0.6	0.9
<i>relating to financing</i>	-	-

24.5 Transactions with corporate officers

The remuneration paid in 2017 to the members of the Executive Board amounted to €4,417,004, of which €2,345,004 was fixed and €2,072,000 variable.

83,334 free shares were allocated to members of the Executive Board in July and October 2017.

46,500 free shares were transferred over the same period to Executive Board members as part of the plans of 11 May 2015 and 28 July 2015 (members at the allocation date).

In addition, in this respect and in accordance with the same conditions as Group employees, the members of the Executive Board are entitled to a legally binding end of career payment (see Note 4.14).

Members of the Supervisory Board were paid attendance fees amounting to €235,500. Moreover, private individual members of the Supervisory Board or representing a legal entity member of the Supervisory Board held 101,530 Group shares at 31 December 2017.

Total remuneration paid to the main corporate officers in respect of their duties within the Group, as referred to by IAS 24.17, was as follows:

	31/12/2017	31/12/2016
Short-term benefits		
Remuneration items	4.3	4.2
Other short-term benefits	0.0	0.0
Share-based payments	1.5	2.4
Directors' fees	-	-
TOTAL	5.8	6.6

Furthermore, detailed disclosure of remuneration is provided in Note 2.3 of the Registration Document.

25. Statutory Auditors' fees

Statutory Auditors fees for the 2016 and 2017 financial years were as follows:

	EY				PWC				TOTAL			
	2017	2016	% 2017	% 2016	2017	2016	% 2017	% 2016	2017	2016	% 2017	% 2016
Audit												
Statutory Audit, Certification of parent company and consolidated financial statements	0.3	0.2	79%	97%	0.4	0.5	69%	98%	0.7	0.7	72%	98%
<i>Métropole Télévision</i>	0.1	0.1	27%	41%	0.1	0.1	14%	21%	0.2	0.2	19%	28%
<i>Fully-consolidated subsidiaries</i>	0.2	0.2	52%	69%	0.4	0.4	55%	76%	0.5	0.5	54%	74%
Other services	0.1	0.0	21%	3%	0.2	0.0	31%	2%	0.3	0.0	28%	2%
<i>Métropole Télévision</i>	0.1	-	21%	-	0.2	-	-	-	0.2	0.0	23%	0%
<i>Fully-consolidated subsidiaries</i>	-	0	0%	3%	0.1	0.0	8%	2%	0.1	0.0	5%	2%
TOTAL	0.4	0.2	100%	100%	0.6	0.5	100%	100%	1.0	0.7	100%	100%
TOTAL IN %	36%	34%			64%	66%						

In the case of EY, the other services relate to the IFRS 15 assessment, and in the case of PwC, they relate to opinions and agreed upon procedures on the opening balance sheets of companies acquired during the period and the internal control of a subsidiary.

26. Subsequent events

- In January 2018, which marked the expiry of all distribution agreements for M6 Group's channels and their related services, virtually all of these agreements were renewed.

In this regard, M6 Group can take pride in having achieved its objectives: first, the remuneration levels for the digital channels were maintained, and second, M6 Group was able to obtain a value-share from distributors relating to the inclusion of M6, W9, and 6TER in their television offerings. This value had been entirely retained by the distributors up until now.

- Furthermore, on 24 January 2018 M6 Group announced that it would broadcast the France national football team's matches for the next four seasons. This new partnership with UEFA includes live and exclusive broadcasting by M6 of:
 - half of the France national football team's qualification matches for the UEFA Euro 2020 and the FIFA 2022 World Cup;

- half of the France national football team's friendly and preparation matches during this period;
- half of the France national football team's matches for the first two events of the new UEFA Nations League competition (2018 and 2020).

As part of this agreement, M6 Group will also have exclusive live broadcasting rights to half of the 44 best fixtures that do not involve the France national football team during the various competitions listed above.

- No other event that occurred since 1 January 2018 is likely to have a significant impact on the Group's financial position, financial performance, activities and assets.

27. Consolidation scope

			31/12/2017	31/12/2016		
Company	Legal form	Nature of operations	% share capital	Consolidation method	% share capital	Consolidation method
TELEVISION						
Métropole Télévision - M6 89 avenue Charles de Gaulle - 92575 Neuilly-sur-Seine cedex	SA	Parent company	-	FC	-	FC
M6 Publicité	SAS	Advertising agency	100.00%	FC	100.00%	FC
M6 Bordeaux	SAS	Local TV station	100.00%	FC	100.00%	FC
M6 Thématique		Holding company of free-to-air and pay DTT channels	100.00%	FC	100.00%	FC
	SAS					
Edi TV - W9	SAS	W9 free-to-air channel	100.00%	FC	100.00%	FC
M6 Génération - 6Ter	SAS	6TER free-to-air channel	100.00%	FC	100.00%	FC
M6 Communication - M6 Music	SAS	M6 Music pay channel	100.00%	FC	100.00%	FC
Paris Première	SAS	Paris Première pay channel	100.00%	FC	100.00%	FC
Sedi TV - Téva	SAS	Téva pay channel	100.00%	FC	100.00%	FC
Extension TV - Série Club	SAS	Série Club pay channel	50.00%	EA	50.00%	EA
SNDA	SAS	Audiovisual rights distribution	100.00%	FC	100.00%	FC
C. Productions	SA	Programme production	100.00%	FC	100.00%	FC
Studio 89 Productions	SAS	Production of audiovisual programmes	100.00%	FC	100.00%	FC
GM6 - Golden Network	SAS	Digital production and publishing	100.00%	FC	100.00%	FC
RADIO DIVISION						
Ediradio	SA	Production company	100.00%	FC	-	-
ID (Information et Diffusion)	SARL	Production company	100.00%	FC	-	-
IP France	SA	Advertising agency	100.00%	FC	-	-
IP Régions	SA	Advertising agency	100.00%	FC	-	-
RTL Net	SAS	Internet company	100.00%	FC	-	-
RTL Special Marketing	SARL	Exploitation of merchandising rights and production of shows	100.00%	FC	-	-
SCP	SARL	Advertising agency	100.00%	FC	-	-
SERC	SA	Fun Radio music radio station	100.00%	FC	-	-
Sodera	SA	RTL2 music radio station	100.00%	FC	-	-
RTL France Radio	SAS	Radio RTL	100.00%	FC	-	-
PRODUCTION AND AUDIOVISUAL RIGHTS						
M6 Films	SA	Co-production of films	100.00%	FC	100.00%	FC
M6 Créations	SAS	Production of audiovisual works	100.00%	FC	100.00%	FC
Stéphane Plaza France	SAS	Property development	49.00%	EA	49.00 %	EA
Société des Agences Parisiennes	SAS	Property development	-	-	24.50%	EA
M6 Studio	SAS	Production of animated feature films	100.00%	FC	100.00%	FC
TCM DA	SNC	Broadcasting rights portfolio	-	M	100.00%	FC
Société Nouvelle de Cinématographie (formerly Diem 2)	SA	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC
Société Nouvelle de Distribution	SA	Distribution of films to movie theatres	100.00%	FC	100.00%	FC
Les Films de la Suane	SARL	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC
Mandarin Cinéma	SAS	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC
Fidélité Films	SAS	Audiovisual rights production/distribution	100.00%	FC	-	-
DIVERSIFICATION						
M6 Foot	SAS	Holding company - Sports	100.00%	FC	100.00%	FC
FC Girondins de Bordeaux	SA	Football club	100.00%	FC	100.00%	FC
33 FM	SAS	Radio programmes editing and broadcasting	95.00%	FC	95.00%	FC
Girondins Expressions	SAS	24/7 channel dedicated to FCGB	100.00%	FC	100.00%	FC
Girondins Horizons	SAS	Travel agency	100.00%	FC	100.00%	FC
M6 Interactions	SAS	Entertainment and exploitation of merchandising rights	100.00%	FC	100.00%	FC
6&7	SAS	Music production and publishing company	49.00%	EA	-	-
M6 Evénements	SA	Event production	100.00%	FC	100.00%	FC
M6 Web		Internet content and access provider	100.00%	FC	100.00%	FC
	SAS					
Elephorm	SAS	Internet company	34.00%	EA	34.00%	EA
iGraal	SAS	Internet company	51.00%	FC	51.00%	FC
Oxygem sub-group: Oxygem	SAS	Internet company	-	M	100.00%	FC
QuickSign	SAS	Various specialised, scientific and technical activities	24.14%	EA	24.90%	EA
Panora Services	SAS	Online bank comparison engine	50.00%	EA	50.00%	EA
M6 Editions	SA	Print publications	100.00%	FC	100.00%	FC
HSS sub-group						
Home Shopping Service	SA	Teleshopping programmes	100.00%	FC	100.00%	FC
HSS Belgique	SA	Teleshopping programmes	50.00%	EA	50.00%	EA
HSS Honarie	SA	Teleshopping programmes	100.00%	FC	100.00%	FC

SETV Belgique	SCRL	Teleshopping management office	100.00%	FC	100.00%	FC
Unité 15 Belgique	SA	Customer service	100.00%	FC	100.00%	FC
MonAlbumPhoto	SAS	Distance selling with specialised catalogue	100.00%	FC	100.00%	FC
Printic	SAS	Photographic activities	100.00%	FC	86.67%	FC
M6 Divertissement	SAS	Dormant	100.00%	FC	100.00%	FC
M6 Shop	SAS	Dormant	100.00%	FC	100.00%	FC
Luxview	SAS	E-commerce	95.56%	FC	95.56%	FC
Optilens	SPRL	E-commerce	100.00%	FC	100.00%	FC
Best of TV	SAS	Wholesale trade	51.00%	FC	51.00%	FC
Best of TV Benelux	SPRL	Wholesale trade	100.00%	FC	100.00%	FC
PROPERTY - DORMANT COMPANIES						
Immobilière 46D	SAS	Neuilly building	100.00%	FC	100.00%	FC
Immobilière M6	SAS	Neuilly building	100.00%	FC	100.00%	FC
SCI du 107	SCI	Neuilly building	100.00%	FC	100.00%	FC
Life TV	SA	DTT channel	33.33%	EA	-	-
M6 Diffusions	SA	Holding company - digital operations	100.00%	FC	100.00%	FC
M6 Développement	SASU	Training organisation	100.00%	FC	100.00%	FC
M6 Talents	SAS	Dormant	100.00%	FC	100.00%	FC
SND SA	INC	Holding Company - audiovisual rights	100.00%	FC	100.00%	FC
SND Films	LLC	Development of cinematographic works	100.00%	FC	100.00%	FC

FC: Full consolidation

EA: Equity accounted

M: Merged

The Group is not a shareholder or participating stakeholder in any special purpose entities.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris-La Défense Cedex
Simplified joint stock company with variable capital

Statutory Auditors' report on the consolidated financial statements

To the Shareholders' General Meeting,

Métropole Télévision

89, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine, France

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Métropole Télévision for the year ended 31 December 2017.

In our opinion, the consolidated financial statements provide a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2017 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 herein in the section "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2017 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.

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 relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, 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. Accordingly, we do not provide any opinions on specific items of the consolidated financial statements.

Recognition of revenue, and measurement of receivables linked to advertising revenues

Risk identified

Advertising revenues were €948 million in the Group's consolidated financial statements. Their recognition is based on the broadcasting of advertisements. Commercial discounts are granted to advertisers according to general and special terms and conditions, which are reflected in the award of credit notes during the year and at year-end, and depending on whether a contractually agreed audience level is reached.

We considered that the recognition of revenue and the determination of the level of receivables are key points of the audit in view of their material amount in the Group's financial statements, and the diversity and number of agreements existing between the Group and its customers, as well as of the judgement required to estimate the credit notes and the recoverable nature of trade receivables at the year-end.

Our response to the identified risk

Our audit approach to the recognition of revenue and the valuation of receivables and customer credit notes includes both tests on internal control, and substantive controls on the financial statements.

Our work on internal control primarily covered the contractualisation, invoicing, recovery, and estimation of the credit notes, and the recognition of revenue. We have reviewed and tested the processes implemented by the Group relating to these various aspects. Our work also included an assessment by our IT specialists of the effective nature of certain application controls on data integrated in the system used as the basis for recognising revenue.

Our substantive controls relating to revenue and to the measurement of the receivables and credit notes specifically consisted in:

- analysing the revenue depending on the trend in the advertising market and external data;
- analysing the correlation between full-year revenue and the changes in cash and trade receivables;
- assessing the contractual clauses in a sample of contracts in order to validate the correct measurement of revenue and year-end credit notes;
- reviewing the processes for estimating provisions for impairment of trade receivables

Lastly, we verified that Note 4.17 "Revenue" in the notes to the consolidated financial statements provides appropriate information regarding the recognition of the Group's revenue.

Measurement of goodwill

Risk identified

At 31 December 2017, the Group had goodwill valued at €235 million. This goodwill has been recognised under business combinations in accordance with IFRS 3, revised.

Notes 4.7 "Impairment of assets", and 14 "Goodwill impairment tests and intangible assets with an indeterminable life" in the notes to the consolidated financial statements describe the processes for performing the impairment tests.

We considered that the measurement of these goodwill amounts is one of the key points of the audit due to (i) their material amount in the Group's financial statements, and (ii) the estimates and assumptions used to determine their recoverable value, which is based on discounted cash flow forecasts, the achievement of which is by nature uncertain.

Our response to the identified risk

We reviewed the processes for performing impairment tests, and especially the determination of cash generating units, and the methods for estimating recoverable value. We paid particular attention to cash generating units where the book value is close to their estimated recoverable value, and to those where the performance track record is limited.

Furthermore, we assessed the reasonable nature of the main estimates used by Management to draw up the cash flow forecasts based on the information available, including the market outlook, and past performance. We also assessed the relevance of the discount rates used, and performed sensitivity tests.

Lastly, we verified that Note 14. "Goodwill impairment tests and intangible assets with an indeterminable life" in the notes to the consolidated financial statements provides appropriate information.

Valuation of broadcasting rights inventories and off-balance sheet commitments

Risk identified

M6 Group buys programme in order to broadcast them on all of the Group's channels. The purchase commitments are recognised as off-balance sheet commitments until the period when the rights become available. Once the rights are available, they are recognised in the broadcasting rights inventory.

A provision is recorded if Management believes that the broadcasting of a programme is unlikely, or that its purchase cost is higher than the net advertising revenues expected during the broadcast window, based on a review of the broadcast rights portfolio on a title-by-title basis.

We considered this issue as a key point of the audit due to the material amount of the rights portfolio in the Group's financial statements, and because any provisions arising from that portfolio are dependent by nature on assumptions regarding the broadcast window expected by Management, and on the estimated net revenue expected in these various windows.

Balances at 31/12/17	(€ millions)	<i>Note to the consolidated financial statements</i>
<i>Gross value of inventory</i>	415	16
<i>Accumulated amortisation</i>	(164)	16
Net value of inventory	251	
Off-balance sheet rights purchase commitments	466	23
Provision for off-balance sheet rights	(33)	22

Our response to the identified risk

We performed the following in order to enable us to confirm the reliability of Management's assumptions:

- we assessed the consistency of the broadcast forecasts with the historical broadcast track record for films, television series, cartoons, and telefilms, as well as with the expected trend in the audiovisual market;
- we compared the actual broadcast windows with the broadcast windows anticipated by Management on a test basis;
- we performed a critical analysis on the amounts of net revenue expected on the basis of the average advertising time for each window.

We also verified that the calculation of the provisions was compliant with the accounting rules and methods set out in Note 4.10 to the consolidated financial statements.

Acquisition of RTL France

Risk identified

On 1 October 2017, the Group assumed control of the French entities of RTL Group radio division, i.e. RTL France Radio, Ediradio, Information et Diffusion, SCP RTL, SERC, SODERA, IP France, IP Régions, RTL Net and RTL Spécial Marketing, as well as their subsidiaries. The provisional acquisition price used to prepare the consolidated financial statements was €196.7 million. The Group has chosen the purchase method to recognise this business combination, in line with IFRS 3, revised, and has recognised provisional goodwill of €132.7 million, calculated on the basis of all of the net assets acquired.

Net assets acquired include €56 million of rights relating to authorisation to use the frequencies for France that relate to RTL Radio, which are issued by the Conseil Supérieur de l'Audiovisuel. These broadcast authorisations are recognised in other non-amortisable intangible assets.

We considered this issue as a key point of the audit due to the material nature of this acquisition for the Group, and the judgement inherent to identifying and valuing the assets and liabilities acquired.

Our response to the identified risk

We have familiarised ourselves with the purchase agreement entered into by the Group and the vendors, as well as with the system organised by Management to assess and recognise the takeover of these companies.

Our work consisted in:

- ascertaining that the use of IFRS 3, revised is appropriate for recognising this business combination;
- familiarising ourselves with the process implemented by Management to identify and measure the assets and liabilities of the companies acquired, on a provisional basis;
- carrying out audit processes on the opening balance sheets of the entities acquired at 1 October 2017;
- verifying the accounting reflection of this business combination, including the provisional calculation of goodwill, the identification of the rights relating to the frequency usage authorisations for France relating to the RTL radio station, and the non-amortisable nature of these rights;
- assessing Management's analysis of the impact of the acquisition on segment information;
- verifying the appropriate nature of the information set out in the notes to the consolidated financial statements, and especially Notes 5, 6, and 13.

Verification of information pertaining to the Group included in the Management Report

As required by law, we have also verified, in accordance with professional standards applicable in France, the information on the Group provided in the Executive Board's 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 Métropole Télévision by the General Meetings of 3 May 2002 for Ernst & Young et Autres and 6 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2017, Ernst & Young et Autres was in the 15th year of uninterrupted engagement and PricewaterhouseCoopers Audit was in the 9th year of uninterrupted engagement.

Management and individuals responsible for corporate governance in relation to 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 that it will cease to operate.

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 have been prepared by the Executive Board.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Audit objectives and 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 that users take on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management 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.

Furthermore, the Statutory Auditor:

- 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 programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the procedures relating to the preparation and processing of accounting and financial information 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) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 21 February 2018

The Statutory Auditors
PricewaterhouseCoopers Audit

Anne-Claire Ferrié

Ernst & Young et Autres

Bruno Bizet

6.4 PARENT COMPANY FINANCIAL STATEMENTS AT 31/12/2017

Balance Sheet - Assets

(€ millions)	Note n°	31/12/2017			31/12/2016
		Gross	Am., Dep. & Prov.	Net	
Intangible assets	3.1	221.3	218.5	2.8	3.8
Technical facilities, equipment & tools	3.2	42.0	37.0	5.0	3.5
Other property, facilities & equipment	3.2	19.7	15.9	3.8	3.4
PFE under construction	3.2	1.0	-	1.0	1.1
Equity investments	3.3	478.2	74.1	404.1	228.8
Loans	3.3/3.5	0.2	-	0.2	0.5
Other investments	3.3/3.5	3.5	-	3.5	2.2
TOTAL NON-CURRENT ASSETS		765.9	345.5	420.3	243.1
Broadcasting rights inventories	3.4	325.5	140.3	185.2	171.2
Advances & prepayments on orders		70.9	-	70.9	86.4
Trade receivables	3.5	290.0	3.6	286.3	303.4
Other receivables	3.5	288.5	4.3	284.3	268.0
Marketable securities	3.6	34.3	-	34.3	148.2
Bank and cash	3.6	2.5	-	2.5	20.4
Prepaid expenses	3.7	12.6	-	12.6	22.2
TOTAL CURRENT ASSETS		1,024.3	148.2	876.1	1,019.7
Loan issue costs to be spread		0.1	-	0.1	-
Bond issue premium		0.2	-	0.2	-
TOTAL EQUITY AND LIABILITIES		1,790.4	493.7	1,296.8	1,262.8

Balance Sheet – Equity and Liabilities

(€ millions)	Note n°	31/12/2017	31/12/2016
Share capital	3.8	50.6	50.6
Share premium	3.8	7.6	7.6
Legal reserve	3.8	5.3	5.3
Retained earnings	3.8	302.1	306.8
Financial year net profit	3.8	134.9	102.5
Regulated provisions	3.8	1.8	3.0
TOTAL EQUITY		502.2	475.7
Provisions for liabilities	3.9	14.2	14.3
Provisions for charges	3.9	42.9	49.9
PROVISIONS FOR LIABILITIES AND CHARGES		57.1	64.2
Bonds and other bank borrowings	3.10	60.3	-
Bank overdrafts	3.10	0.5	3.1
Trade payables	3.10	232.4	238.0
Advances and prepayments on orders	3.10	0.1	-
Income tax and social security liabilities	3.10	71.2	70.7
Liabilities on non-current assets	3.10	0.1	0.1
Other liabilities	3.10	365.4	408.1
Deferred revenues		7.4	3.0
TOTAL LIABILITIES		737.4	723.0
Deferred translation loss		-	-
TOTAL EQUITY AND LIABILITIES		1,296.8	1,262.8

Income Statement

(€ millions)	Note n°	31/12/2017	31/12/2016
Revenue	4.1	679.6	658.6
Own work capitalised		2.8	2.6
Amortisation, depreciation & provision reversals		70.8	70.7
Other operating revenues		58.7	75.5
OPERATING REVENUES		811.9	807.5
Merchandise purchases and movements in inventories	4.2	312.0	342.8
Other purchases and external charges	4.3	114.7	114.6
Tax and duties	4.4	38.9	52.1
Payroll & employment benefits	4.6	81.5	87.2
Non-current asset depreciation and amortisation	3.1/3.2	7.7	6.8
Non-current asset investment writedowns	3.1	5.1	4.6
Current asset provisions charges	3.4/3.5	74.2	53.6
Provisions for liabilities and charges		24.5	26.1
Other expenses	4.5	30.1	29.2
OPERATING EXPENSES		688.9	717.0
OPERATING PROFIT		123.0	90.5
Investments financial income (excluding current account interests)		40.4	56.2
Interest and other financial income		2.2	1.3
Financial provision reversals		4.6	0.8
Foreign exchange gains		0.0	0.0
Net income from disposal of marketable securities		0.1	0.1
FINANCIAL INCOME		47.3	58.4
Interest and financial expenses		1.3	0.7
Financial depreciation, amortisation and provision charges		6.0	12.9
Foreign exchange losses		0.0	0.0
Net expense on disposal of marketable securities		-	-
FINANCIAL EXPENSES		7.4	13.6
NET FINANCIAL INCOME	4.7	40.0	44.8
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		163.0	135.3
Exceptional income - investment & financing activities		24.4	4.2
Exceptional depreciation, amortisation and provision reversals		15.4	17.9
EXCEPTIONAL INCOME		39.8	22.1
Exceptional expenses - investment & financing activities		28.7	9.9
Exceptional depreciation, amortisation and provision charges		10.0	10.6
EXCEPTIONAL EXPENSES		38.6	20.5
NET EXCEPTIONAL INCOME/(EXPENSE)	4.8	1.2	1.5
Employee profit sharing plan contributions		3.6	3.7
Income tax	4.9/4.10	25.7	30.7
NET PROFIT		134.9	102.5

6.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Métropole Télévision reported a net profit of €134.9 million with total assets of €1,296.8 million for the 12-month financial year ended 31 December 2017.

These annual financial statements were approved by the Executive Board on 19 February 2018 and reviewed by the Supervisory Board on 20 February 2018.

Unless otherwise stated, the amounts presented in the notes are expressed in millions of Euros.

1. Financial year highlights

The 2017 financial year was marked by a large number of acquisitions:

- On 20 July 2017, Métropole Télévision acquired 100% of the capital of Fidélité Films, which holds a catalogue of 42 feature films, including *Astérix and Obélix: God Save Britannia*, *Le petit Nicolas*, *Les Vacances du petit Nicolas* and *De l'autre côté du lit*.
- On 1 October 2017 Métropole Télévision finalised the acquisition of 100% of the capital of RTL France Radio, Ediradio, Information et Diffusion, SCP RTL, SERC, SODERA, IP France, IP Régions, RTL net and RTL Spécial Marketing, together with their subsidiaries, which make up the RTL Group's French Radio Division. As part of the transaction, Métropole Télévision also purchased the shares in Médiamétrie held by Bayard d'Antin. Furthermore, some of the newly acquired companies were transferred to other companies in the Group conducting the same business activities, as part of a merger of the Group's activities in December 2017. Accordingly, IP France and IP Régions were transferred to M6 Publicité, while RTL Net was transferred to M6 Web. These transfers had no impact on Métropole Télévision's income statement since Métropole Télévision transferred the equity interests at their acquisition price.
- On 15 December 2017, M6 Group took part in the creation of the Life TV channel in the Ivory Coast, via the purchase of a 33% interest in the Ivory Coast company of the same name. This company operates the DTT channel Life TV, which will be launched during 2018 in the context of the deregulation of the television market in the Ivory Coast.
- The winding-up of TCM DA became effective on 31 December 2017, and resulted in the transfer of all its assets and liabilities to Métropole Télévision. This transfer of all assets and liabilities generated a net income of €0.9 million in the financial statements of Métropole Télévision.
- On 30 July 2017 the CSA renewed M6 channel's broadcasting licence, for a period of five years as from 6 May 2018.

2. Accounting rules and methods

The financial statements for the financial year are presented in the general accounting rules, principles and methods defined by the French Chart of Accounts as presented by Regulation n°2014-03 of the *Autorité des Normes Comptables* (ANC) of 5 June 2014, supplemented by subsequent regulations.

Generally-accepted accounting practices were applied in compliance with the principles of prudence, true and fair presentation and consistency, in accordance with the following basic assumptions:

- going concern,
- consistency of accounting policies,
- independence of the accounting periods,

and according to the general rules of preparation and presentation of annual financial statements.

2.1 Intangible assets

Intangible assets principally comprise computer software and co-production rights.

COMPUTER SOFTWARE

Computer software is amortised on a straight-line basis over a period of between 1 to 5 years. Software packages purchased before 31 December 2016, and where the useful life is estimated to be greater than one year, are amortised on an accelerated basis over one year for tax purposes.

CO-PRODUCTION OF DRAMA, DOCUMENTARIES, CONCERTS, PROGRAMMES AND MUSIC VIDEOS

Once contracts have been signed, co-productions are disclosed as off-balance sheet commitments with regard to outstanding net payments.

The payments made for co-productions awaiting technical approval or whose broadcasting licence is pending are recorded as advances and prepayments upon receipt of corresponding invoices.

Co-productions are recognised as intangible assets upon receipt and technical acceptance.

Co-production costs are amortised on a straight-line basis over 3 years and may be written-off, based on future revenue forecasts.

2.2 Property, facilities and equipment

Property, facilities and equipment are recorded at their acquisition cost. This cost includes expenses directly attributable to the transfer of the assets to their operational location and the commissioning costs incurred to enable assets to be operated in the manner intended by Management.

They are depreciated on a straight-line or reducing balance basis. The key periods of depreciation are as follows:

- Mobile technical equipment: 3 years
- Other mobile equipment: 4 or 5 years
- Technical equipment: 3 or 4 years
- Computer hardware - PCs: 3 or 4 years
- Office equipment: 5 years
- Video equipment: 6 years
- General facilities: 10 years
- Office furniture: 10 years

2.3 Investments

Assets defined as investments are:

- equity securities,
- deposits and guarantees,
- loans granted to Group companies.
- FCPR (mutual fund) shares the Company will hold over the long term.

Financial investments are valued at their purchase cost, and may be impaired if their carrying value justifies it. The carrying value of the subsidiaries is determined by comparing the net book value of equity investments with their share of net assets, and by taking their future prospects into account.

The acquisition cost of investments acquired with effect from 2007 comprises the purchase cost and the acquisition costs (transfer tax, fees, commissions and legal costs). These acquisition costs are subject to an accelerated amortisation over 5 years.

In the case that the equity of the company whose securities are being written down is negative, and in the absence of any future prospects, a provision for writedown of the current accounts potentially owed by this subsidiary is recognised for an amount not exceeding the negative equity. In the case that the negative equity of this subsidiary exceeds the value of the current accounts, an additional provision for liabilities and charges is recognised.

2.4 Broadcasting rights inventories

Broadcasting rights are classified as inventory with effect from their opening date, which is when the channel is contractually authorised to broadcast the corresponding programmes.

The contracted but not yet invoiced value of broadcasting rights that are not open is reported under off-balance sheet commitments. Rights invoiced but not open are recorded as prepayments to suppliers.

Purchases are recorded at their purchase cost, net of any discounts and rebates earned but excluding the effect of any possible settlement discounts.

Broadcasting rights are charged to cost of sales according to the number of broadcasts, in the following manner:

- Rights acquired for a single broadcast: 100% of the contract value;
- Rights acquired for multiple broadcasts:
 - The first broadcast is valued at 66% of the contract value;
 - The second broadcast is valued at 34% of the contract value.

Different amortisation schedules may be considered in the highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

Conversely, a writedown provision is recorded when:

- the value in use of a right, assessed in the light of the revenue expected to be generated during the broadcast window of the programme, is lower than its acquisition cost;
- its broadcast is considered unlikely.

2.5 Receivables and liabilities

Receivables and liabilities are recorded at their nominal value.

A provision for writedowns is established where the recoverable value of the receivables is lower than the book value.

Foreign currency denominated receivables and liabilities which are not the subject of a financial hedge are translated at the exchange rate at the balance sheet date. Only unrealised exchange losses are recognised in the income statement.

2.6 Marketable securities

Marketable securities are recorded at their gross value.

A provision for writedown is established whenever the market value is less than the acquisition cost.

Treasury shares

Pursuant to the authorisation granted at the General Meeting of 26 April 2016, Métropole Télévision holds treasury shares:

- as part of a liquidity contract,
- to cover the exercise of plans to allocate free shares granted to employee beneficiaries.

These treasury shares are recorded at their gross value as marketable securities.

As regards treasury shares held as part of a liquidity contract, a provision for writedown is established when the book value of these treasury shares, corresponding to the average price of the last month of the financial year, is lower than their acquisition cost.

For treasury shares to be used to service plans to allocate free shares, a provision for liabilities and charges equal to the gross value of these shares is recognised (see Note 2.11).

2.7 Regulated provisions

Regulated provisions comprise accelerated amortisation in respect of computer software and acquisition costs of investments.

2.8 Provisions for liabilities and charges

Métropole Télévision recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources with no compensation at least equivalent will be required, and where a reliable estimate can be made of the amount of the loss or liability.

The amount recognised under provisions is the best estimate of the cash outflow necessary to settle the present obligation at the balance sheet date.

In the case this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

2.9 Provision for retirement benefits

Pension commitments have been calculated in accordance with the same method as IAS 19R, namely using an actuarial method that takes into account the vested rights of employees, their most recent salary and their average probable residual service period. Actuarial gains and losses and past service costs are recognised through profit and loss immediately and in full.

2.10 Provision for plans granting free shares

In application of *Conseil National de la Comptabilité* opinion n° 2008-17 of 6 November 2008, a provision for liability and charges corresponding to the outflow of resources liable to be caused by the obligation to transfer shares to employees is recognised in the financial statements.

This provision was measured based on the number of shares that should be allocated due to the terms and conditions of the allocation plans, valued at the year-end date and at cost, i.e.:

- for shares held by the company, their net book value;
- for shares acquired as part of a forward purchase transaction, their future price;
- for shares that had not been acquired at year end, their year-end share price.

The final vesting of the shares is subject to the beneficiary remaining employed by the Company for the entire acquisition period. This provision is spread over the entire rights acquisition period.

2.11 Bonds and other bank borrowings

Bonds are recorded at the total amount received on the payment date, which is the trigger event. The issue premium is recorded in a deferred expense account under assets.

The bank charges invoiced as part of the bond issue are recognised as an expense, and then reclassified under assets (in a deferred expense account) via an expense reclassification account.

The issue premium and bank charges recognised as assets are amortised over the term of the bonds.

Other bank borrowings correspond to credit facilities. These credit facilities are recognised as bank debt at their gross amount at the date when they are received. The non-utilisation fees for these credit facilities are recognised under financial expenses.

2.12 Advertising revenues

Advertising revenues are recorded net of commercial discounts, at the time of broadcast of the relevant advertising.

2.13 CICE tax credit

In accordance with the ANC Circular of 28 February 2013, accrued income from the CICE (tax credit aimed at encouraging business competitiveness and employment) has been recognised as a reduction of payroll costs.

2.14 Off-balance sheet commitments

Off-balance sheet commitments essentially comprise:

- acquisitions of broadcasting rights that are not open and uninvoiced;

- co-production costs for which technical approval has not yet been granted;
- technical broadcasting costs invoiced but not yet executed (image transmission) on the basis of contracts with technical broadcasters.

2.15 Financial instruments

The application of ANC Regulation 2015-05 dated 2 July 2015 had no material impact during the financial year. The only financial instruments implemented by Métropole Télévision concern foreign exchange and share risk hedging.

Métropole Télévision hedges against the main foreign currency-denominated transactions, using simple financial instruments, primarily forward purchases. Hedged transactions are accounted for at their agreed exchange rate.

3. Notes to the parent company balance sheet

3.1 Intangible assets

Intangible assets essentially comprise shares of co-production programmes.

The movements in intangible assets were as follows:

	Other intangible assets
Amount net of writedowns and amortisation at 31/12/2016	3.8
Acquisitions during the year	3.6
Reclassification to intangible assets	-
Disposals during the year	-
Depreciation charge for the year	(4.1)
Reversal of amortisation on disposals	-
Charges to provisions for writedowns	(5.1)
Reversal of provisions for writedowns	4.6
Amount net of writedowns and amortisation at 31/12/2017	2.8
Gross value at 31/12/2016	217.7
Accumulated depreciation and writedowns	(213.9)
Net value at 31/12/2016	3.8
Gross value at 31/12/2017	221.2
Accumulated depreciation and writedowns	(218.5)
Net value at 31/12/2017	2.8

Increases noted in "Intangible assets" were mainly due to:

- co-production shares in the new *Turbo* programme formats in an amount of €2.8 million;
- software packages, in an amount of €0.7 million.

Charges to and reversal of provisions for writedowns relate to co-production shares with no future prospects of generating revenues.

3.2 Property, facilities and equipment

The movements in property, facilities and equipment during the year were as follows:

	Technical facilities	Other property, facilities & equipment	Assets under construction	Total
Amount net of writedowns and depreciation at 31/12/2016	3.5	3.4	1.1	8.0
Acquisitions during the year	2.7	1.8	1.0	5.5
Reclassification to property, facilities and equipment	0.8	0.3	(1.1)	-
Disposals during the year	(0.7)	(0.2)	-	(0.9)
Depreciation charge for the year	(2.0)	(1.7)	-	(3.7)
Reversal of amortisation on disposals	0.7	0.2	-	0.9
Charges to provisions for writedowns	-	-	-	-
Reversal of provisions for writedowns	-	-	-	-
Amount net of writedowns and depreciation at 31/12/2017	5.0	3.8	1.0	9.8
Gross value at 31/12/2016	39.2	17.8	1.1	58.1
Accumulated depreciation and writedowns	(35.8)	(14.4)	-	(50.2)
Net value at 31/12/2016	3.5	3.4	1.1	8.0
Gross value at 31/12/2017	42.0	19.7	1.0	62.7
Accumulated depreciation and writedowns	(37.0)	(15.9)	-	(52.9)
Net value at 31/12/2017	5.0	3.8	1.0	9.8

Acquisitions during the financial year include €1.4 million for fittings relating to recording studios, and €1.0 million in investments relating to broadcasting.

3.3 Investments

The movements in the various investments were as follows:

	Equity investments	Loans	Other investments	Total
Amount net of writedowns at 31/12/2016	228.8	0.5	2.2	231.5
Acquisitions during the year	202.1	-	1.2	203.3
Disposals during the year	(21.3)	(0.3)	-	(21.6)
Charges to provisions for writedowns	(6.0)	-	-	(6.0)
Reversal of provisions for writedowns	0.6	-	-	0.6
Amount net of writedowns at 31/12/2017	404.1	0.2	3.4	407.8
Gross value at 31/12/2016	297.4	0.5	2.2	300.0
Accumulated writedowns	(68.6)	-	-	(68.6)
Net value at 31/12/2016	228.9	0.5	2.2	231.5
Gross value at 31/12/2017	478.2	0.2	3.4	481.8
Accumulated writedowns	(74.1)	-	-	(74.1)
Net value at 31/12/2017	404.1	0.2	3.4	407.8

- Acquisitions of equity investments primarily comprise the acquisition of 100% of the shares in Fidélité, 100% of the companies that make up the RTL Group's Radio Division, and a 33% interest in Life TV.
- €20.5 million of the disposals of equity investments correspond to the internal transfer of certain recently acquired Radio Division subsidiaries, and to the cancellation of the shares in TCM DA and Multiplex R5, following the winding-up of those companies.
- The reversal of a €0.6 million provision for impairment of Studio 89 shares was also recognised in the 2017 financial statements.
- In addition, in relation to other equity investments held by Métropole Télévision, provisions for impairment have been updated taking into account the share of net assets in the entities concerned. An additional charge of €5.9 million was therefore recognised in relation to M6 Foot securities.
- Regarding the other financial investments, "acquisitions" are explained as follows:
 - the payment of a €1.0 million guarantee deposit for new lease agreements;
 - a further call to subscribe in venture capital funds amounting to €0.3 million.

3.4 Inventory and work in progress

This comprises broadcasting rights that are open and not consumed, as well as in-production programmes. The movements in the year were as follows:

	Balance at start of year	Acquisitions	Decreases/ transfers to inventories	Invalid rights / rights sold	Balance at end of year
Inventories	268.8	251.5	(182.8)	(14.1)	323.3
In-progress	1.8	73.9	(73.6)	-	2.1
TOTAL	270.6	325.4	(256.4)	(14.1)	325.4

Rights for which there is a risk of no broadcast and rights, where the value in use is lower than their book value, were the subject of a provision of €140.3 million at 31 December 2017.

This provision can be analysed as follows:

	Balance at start of year	Increases	Reversals	Balance at end of year
Provision for inventory writedowns	98.8	71.1	(30.4)	139.5
Provision to writedown work-in-progress	0.7	0.2	(0.1)	0.8
TOTAL	99.5	71.3	(30.5)	140.3

3.5 Receivables

The change in other receivables primarily reflects the day-to-day financing transactions of the Group's subsidiaries.

The maturity of all receivables is as follows:

	Gross value	Due within 1 year	Due after 1 year
Non-current assets			
Loans	0.2	-	0.2
Other investments	3.5	-	3.5
Total	3.7	-	3.7
Current assets			
Trade receivables	290.0	287.9	2.1
Other receivables (1)	288.5	288.5	-
Total	578.5	576.4	2.1
TOTAL RECEIVABLES	582.2	576.4	5.8

(1) Other receivables include the debit current accounts of Group subsidiaries of €242.8 million.

Accrued income relating to trade receivables was €125.7 million at 31 December 2016, compared with €139.1 million at 31 December 2016.

Trade and other receivables in current assets were the subject of writedown provisions as follows:

	Balance at start of year	Increases	Reversals (used)	Reversals (unused)	Balance at end of year
Provision for writedown of trade receivables	3.3	2.9	-	(2.5)	3.6
Provision for writedown of other receivables	8.3	-	-	(4.1)	4.3
TOTAL	11.6	2.9	-	(6.6)	7.9

The provision to writedown other receivables relates to a €4.3 million writedown of current account with M6 Studio.

3.6 Cash and marketable securities

They are broken down as follows:

	31/12/2017	31/12/2016
Treasury shares	6.3	6.9
Liquidity contracts (treasury shares and other marketable securities)	3.0	3.0
Investment funds, SICAV	25.0	138.3
Bank and cash	2.5	20.4
Cash and marketable securities	36.8	168.6
Writedown of treasury shares	-	-
Net cash and marketable securities	36.8	168.6

475,500 shares were delivered in 2017 as part of the free share plan set up in 2015, 234,400 of which were granted to individuals employed by subsidiaries.

At 31 December 2017, Métropole Télévision directly held 395,254 treasury shares acquired for €6.2 million. These shares will be granted when the subsequent plans granting free shares mature.

Marketable securities do not include any unrealised gains, as these were realised at 31 December 2017.

3.7 Prepaid expenses

Prepaid expenses primarily include sports programmes and rights billed in 2017 to be broadcast at a later stage.

3.8 Equity

The movements in the year were as follows:

	31/12/2016	Dividends paid	Other movements		31/12/2017
			Additions	Reductions	
Share capital	50.6	-	-	-	50.6
Share premium	7.6	-	-	-	7.6
Legal reserve	5.3	-	-	-	5.3
Retained earnings	306.8	(107.1)	102.5	-	302.1
Financial year net profit	102.5	-	134.9	(102.5)	134.9
Equity excluding regulated provisions	472.7	(107.1)	237.4	(102.5)	500.4
Regulated provisions	3.0	-	0.1	(1.3)	1.8
TOTAL EQUITY	475.7	(107.1)	135.0	(1.3)	502.2

At 31 December 2017, the share capital comprised 126,414,248 ordinary shares of €0.40 each.

Regulated provisions relate to accelerated amortisation of licences and acquisition costs of equity securities in SNC.

3.9 Provisions for liabilities and charges

The movements in provisions during 2017 were:

	Balance at start of year	Increases	Reversals (used)	Reversals (unused)	Balance at end of year
Provisions for liabilities:					
Provisions for litigation	5.4	0.8	(0.2)	(2.2)	3.8
Provisions for plans granting free shares	8.9	9.8	(8.4)	-	10.4
Provisions for charges:					
Provisions for retirement benefits	5.4	0.4	(0.1)	-	5.7
Other provisions for charges	44.5	23.2	(30.4)	(0.1)	37.2
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	64.2	34.3	(39.1)	(2.3)	57.1

- Litigations included in the “provisions for litigation” caption relate to all legal proceedings instituted against Métropole Télévision, for which it is probable that the outcome will be unfavourable for the Company. In the vast majority of cases, such litigations have gone beyond the pre-litigation stage and are currently being considered or are undergoing judgement or appeal by competent courts (Commercial Court, Industrial Court, Court of First Instance, Criminal Court or Supreme Court of Appeal).

Additional information in respect of litigations in progress has not been included individually as disclosure of such information could be prejudicial to the Group.

- The “provisions for plans granting free shares” are intended to cover the probable outflow of resources corresponding to the obligation to transfer shares to employees. In accordance with CNC opinion n°2008-17, they are spread over the vesting period of the entitlements and totalled €9.1 million at 31 December 2017 for the plans maturing in 2018, €0.6 million for the plans maturing in 2019 and €0.7 million for the plan maturing in 2020.
- €27.2 million of “other provisions for charges” relate to the writedown of audiovisual rights, that Métropole Télévision is committed to buy but which have not yet been posted to inventories.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) in the schedule slot that was initially planned will not be broadcast may not be accounted for by writing down a balance sheet asset, and is therefore recognised through a provision for liabilities and charges.

The writedown of an unopened right is consistent with the operation of the audiovisual rights market, since TV channels have generally entered into sourcing agreements with producers in relation to future productions, without having the certainty that the quality of the latter will be consistent and may be broadcast given their editorial policy and target audiences.

Furthermore, the channels may be committed to broadcasting a flow programme or an event whose audience or image potential will not generate sufficient advertising revenue to offset the total cost of the programme.

A writedown of the value of a right may reflect:

- the case where a broadcast is unlikely: the programme will not be broadcast for lack of audience potential;
- the case where net revenue generated during the window rights of the programme will be insufficient.

In all cases, writedowns are assessed as part of an individual review of all portfolio items, in light of the audience ratings and revenue targets of each programme, as defined by the management of programming of each Group channel.

“Other provisions for charges” also relate to costs Métropole Télévision would have to incur to implement a contract or settle its regulatory or tax obligations, without the amounts in question being due or having been due, in particular within the framework of dispute settlement or legal proceedings.

- The amounts reported for all these types of provisions are the best possible estimate of the future outflow of Company resources, taking account of plaintiffs’ claims, judgments already passed, if applicable, or the management’s appraisal of similar instances and/or calculations made by the finance department.

3.10 Liabilities

The change in other liabilities reflects the day-to-day financing of the Group’s subsidiaries.

Métropole Télévision arranged the following in order to finance the acquisition of the RTL Group’s Radio Division:

- on 1 August 2017, a €50.0 million bond issue maturing on 1 August 2024;
- on 22 September 2017, 3 credit facilities amounting to €40.0 million each, available for a period of 5 years. €10 million had been drawn down from the credit facilities at 31 December 2017.

The bond issue includes an issue premium of €0.2 million, and an arrangement fee of €0.1 million. These items are recorded in deferred expenses, and amortised over 7 years.

Liabilities may be analysed as follows, by maturity date:

	Gross value	Due within 1 year	Due within 1 to 5 years	Due after 5 years
Bonds	50.3	0.3	-	50.0
Other borrowings	10.0	10.0	-	-
Bank overdrafts	0.5	0.5	-	-
Trade payables	232.4	232.4	-	-
Income tax and social security liabilities	71.2	71.2	-	-
Liabilities on non-current assets	0.1	0.1	-	-
Other liabilities (1)	365.4	365.4	-	-
TOTAL	729.9	679.9	-	50.0
Accrued expenses included within the above:			-	-
- trade payables	59.3	59.3		
- income tax and social security	29.1	29.1		
- liabilities on non-current assets	-	-		

(1) Other liabilities include credit current accounts of Group subsidiaries of €232.6 million.

4. Notes to the parent company income statement

4.1 Revenue analysis

Advertising revenues are recorded net of commercial discounts and are analysed thus:

	2017	2016
TV advertising and sponsorship revenue	673.4	650.3
Other revenue	6.2	8.3
TOTAL REVENUE	679.6	658.6

Analysis by geographic region(**)

France	87.30%
Europe	11.80%
Other countries	0.90%

*on the basis of invoicing

4.2 Merchandise purchases and movements in inventories

These rights relate to the purchase of rights to so-called "flow" programmes, primarily comprising sports programmes and events, the value of which is derived from a single broadcast.

The inventory movement corresponds to the use of broadcasting rights that are recorded as inventory, as disclosed in Note 3.4.

4.3 Other purchases and external costs

This mainly comprises services of digital broadcast of the channel as well as remuneration of the advertising service.

4.4 Taxes and duties

Business taxes paid by the channel are notably recorded under this heading of the income statement. In 2017, €37.7 million was specifically paid in connection with the contribution to the support fund for the Centre National du Cinéma et de l'Image Animée (CNC), compared with €35.3 million in 2016.

4.5 Other expenses

This comprises payments to various copyright companies for a total of €29.6 million in 2017, compared with €27.7 million in 2016.

4.6 Payroll costs

The CICE tax credit is recognised in 2017 as a €0.7 million reduction of payroll costs. This receivable was not pre-financed.

Furthermore, the CICE tax credit receivable related to 2016 was collected in 2017; it amounted to €0.6 million and was used in particular to finance investment for the works performed inside Métropole Télévision's various buildings in order to house the three RTL radio channels' teams and their studios.

4.7 Financial income

Net financial income can be analysed as follows:

	2017	2016
Dividends from equity investments	40.4	56.2
Net income/(expense) on cash pooling	0.1	0.1
Net interest and income from marketable securities	0.4	0.7
Interest on bonds and other borrowings	(0.4)	-
Net losses on exchange differences	-	-
Net merger-related income/(loss)	0.9	(0.2)
Net provision for writedown of investments	(5.5)	(9.9)
Net provision for writedown of current accounts	4.1	(2.2)
TOTAL FINANCIAL INCOME	40.0	44.8

The winding up of TCM-DA via a merger of assets and liabilities generated net proceeds of €0.9 million, which consist of:

- a merger loss of €0.4 million;
- financial income of €1.2 million linked to the cancellation of a current-account debt payable to TCM-DA.

Net provisions for writedown of investments were €5.5 million and are analysed in Note 3.3.

The net provisions for writedown of current accounts correspond to the reversal of the Studio 89 provision, as detailed in Note 3.5.

4.8 Net exceptional income/(expense)

Net exceptional income/(expense) may be analysed as follows:

	2017	2016
Provision charges net of reversals (including accelerated depreciation and amortisation) and transfer of charges	5.5	7.2
Capital gains and losses on disposal of non-current assets	0.0	0.1
Writedown of treasury shares	(8.1)	(9.8)
Reinvoicing to subsidiaries of cost of free shares allocated to their employees	3.8	4.1
TOTAL NET EXCEPTIONAL INCOME/(EXPENSE)	1.2	1.5

4.9 Income tax

Since 1 January 1988, Métropole Télévision has declared itself as the parent company of a tax consolidation scheme pursuant to the provisions of Articles 223A of the General Tax Code. Métropole Télévision is solely liable for income tax due by its subsidiaries in order to determine the Group's overall performance, in accordance with the provisions of Article 223A of the General Tax Code.

GM6 and Mandarin Cinéma were added to the Group's tax consolidation scope as from 1 January 2017.

Following the mergers of TCM DA into Métropole Télévision and Oxygem into M6 Web, TCM DA and Oxygem both exited the tax consolidation scope during the financial year.

The tax consolidation arrangement adopted by the Group is based on non-discriminatory tax treatment. Each subsidiary therefore pays its own tax charge as if it was independent for tax purposes.

Following the decree issued by the French Constitutional Council on 6 October 2017, which ruled that the additional 3% corporate income tax payment relating to distributed income was in breach of the French Constitution, a receivable of €19.8 million was recorded at 31 December 2017. This receivable corresponds to all of the payments made in respect of the years between 2013 and 2017, which the company is disputing. After taking into account the €3.2 million payment made by the company in respect of the dividends paid in May 2017, the net impact for the 2017 financial year, as set out in the table below, is therefore €16.6 million. Furthermore, an additional tax charge of €10.4 million was recorded in the financial statements for the year. This charge relates to the exceptional corporate income tax charge of 15% created by the first Amending 2017 Finance Act, in order to offset the additional charge that the reimbursement of the 3% payment represents for the French national budget.

Income tax can therefore be analysed as follows:

	2017	2016
Income tax	31.9	27.4
Exceptional contribution of 15%	10.4	-
Supplementary income tax on dividends	(16.6)	3.2
TOTAL CORPORATE INCOME TAX	25.7	30.7

The theoretical income tax charge (excluding the 15% contribution) was €39.0 million in the 2017 financial statements. After taking into account a tax consolidation surplus of €6.2 million, a tax credit of €0.8 million related to sponsorship, the correction of errors in previous tax years having generated an income of €0.1 million, corporate income tax totalled €31.9 million.

Furthermore, the Company is liable for a Group tax payment of €81.3 million for 2017 (including the exceptional contribution of 15%).

Income tax can be analysed as follows:

	Profit before tax	Income tax
Profit from ordinary activities	163.0	31.5
Net exceptional income/(expense)	1.2	0.4
Profit before tax and employee profit-sharing	164.2	-
Company income tax		31.9

4.10 Future tax liability at the end of the year

	Deferred tax assets	Deferred tax liability	Net deferred tax liability at 31/12/2017
Description of temporary differences			
Regulated provisions	-	(0.6)	(0.6)
Tax on non-deductible provisions	16.6	-	16.6
Tax on long-term capital losses	-	-	-

5. Other notes

5.1 Balance sheet items arising from transactions with related and associated companies

	Related companies	Associates
Equity investments	473.2	4.0
Loans	-	-
Advances and prepayments	-	-
Trade receivables	46.4	0.3
Other receivables (1)	261.9	-
Trade payables	48.0	-
Liabilities relating to non-current assets	-	-
Other liabilities (2)	220.6	2.3
Finance expenses	0.6	-
Finance income	0.7	-
(1) including subsidiaries' current accounts	258.3	-
(2) including subsidiaries' current accounts	220.6	2.3

Related companies are entities in which the Company owns an equity holding in excess of 50%.

Associates are entities in which the Company owns an equity holding of between 10% and 50%.

5.2 Related party disclosures

All transactions carried out between related parties are intra-group transactions and have been carried out at arm's length.

5.3 Off-balance sheet commitments

At 31 December 2017, off-balance sheet commitments, by description and maturity, were as follows:

	Commitments at 31/12/2017	Due within 1 year	Due after 1 year	Commitments at 31/12/2016	Terms and conditions of implementation
Commitments given	701.7	282.0	419.7	796.7	
Purchase of broadcasting rights	392.9	151.8	241.0	534.0	Contracts signed
Co-production commitments	109.3	109.3	-	90.9	Contracts signed
Contracts for broadcast	15.0	4.8	10.2	19.7	Contracts signed
Contracts for future purchases of shares	16.0	6.5	9.5	7.4	Contract terms
Commercial commitments	42.3	5.3	36.9	14.1	Contracts signed
Donations to the corporate foundation	0.5	0.2	0.3	0.7	Bylaws signed
Commitment to subscribe to shares in a mutual fund	0.8	-	0.8	1.2	Contracts signed
Commitments given on behalf of subsidiaries	124.9	3.9	120.9	128.8	Contracts signed
Commitments received	29.3	22.9	6.5	41.2	
Sales commitments	29.3	22.9	6.5	38.7	Contracts signed
Distribution commitments	-	-	-	2.5	Contracts signed

Broadcasting contracts relate to image transfer and broadcasting services. The commitments have been measured by taking account of the balance remaining due until the maturity of each contract.

Commercial commitments relate mainly to contracts for the rental of premises.

Métropole Télévision has received audiovisual rights purchase commitments from other television services.

5.4 Directors' remuneration

Amount in €

Directors' remuneration	3,752,322
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In addition, in this respect and under the same conditions as Company employees, members of the Executive Board may benefit from legal compensation at the end of their career. No loans or advances were granted to any Director.

5.5 Average workforce

The average workforce of Métropole Télévision was made up as follows:

	2017 salaried employees	2016 salaried employees
Permanent workforce	686	689
Employees	53	57
Supervisors	160	164
Managers	369	362
Reporters	104	106
Temporary workforce (full-time equivalent)	76	82
TOTAL	762	771

5.6 Provision for plans granting free shares

Plans granting free shares are serviced using outstanding shares.

The main features of stock option plans, plans granting free shares and share subscription plans in force at 31 December 2017, or which lapsed during the year are as follows:

	Number of shares granted at plan date	Maximum allocation	Balance at 31/12/2016	Performance-based allocation	Granted	Delivered	Cancelled	Balance at 31/12/2017
Plans granting free shares	1,848,284	1,848,284	1,284,000	-	533,784	(475,500)	(22,600)	1,319,684
11/05/2015	32,500	32,500	32,500	-	-	(32,500)	-	-
28/07/2015	480,400	480,400	453,200	-	-	(443,000)	(10,200)	-
28/07/2016	440,600	440,600	437,300	-	-	-	(12,400)	424,900
28/07/2016	361,000	361,000	361,000	-	-	-	-	361,000
27/07/2017	217,667	217,667	-	-	217,667	-	-	217,667
27/07/2017	307,200	307,200	-	-	307,200	-	-	307,200
02/10/2017	8,917	8,917	-	-	8,917	-	-	8,917

Cancellations recorded during the year resulted either from beneficiaries leaving the Group before the end of the vesting period or from plans expiring due to market conditions preventing all rights from being exercised. They may also be due to non-achievement of financial performance targets set on allocating the plans.

Data relating to the free share allocation plans are reference data corresponding to the achievement of performance objectives set within the context of the 2015, 2016 and 2017 plans.

A total of 32,500 and 443,000 shares were vested respectively under the plans of 11 May 2015 and 28 July 2015 at a total cost of €8.1 million, compared with €9.8 million in 2016. After rebilling of the shares delivered to employees of subsidiaries, Métropole Télévision incurred a charge of €5.8 million in 2017 and €5.5 million in 2016.

Taking account of the financial performances achieved or estimated and the employee departures already noted and projected, the number of shares to be permanently vested under the various outstanding plans is currently estimated as follows:

- Plans of 28 July 2016: 785,900 shares;
- Plans of 27 July 2017: 524,867 shares;
- Plan of 2 October 2017: 8,917 shares.

5.7 Attendance fees

The amount of attendance fees paid in 2017 was €235,501.

5.8 Earnings per share (€)

	2017	2016
Profit after tax, employee profit sharing, before amortisation, depreciation and provisions	1.40	0.97
Profit after tax, employee profit sharing, amortisation, depreciation and provisions	1.07	0.81
Ordinary dividend per share	0.95	0.85

5.9 Note on the consolidation of accounts

Métropole Télévision is the parent company of a consolidated group. Its financial statements are fully consolidated into the financial statements of RTL Group, a Luxembourg-registered company, itself consolidated into the financial statements of Bertelsman Group, registered in Gütersloh, Germany.

5.10 Significant post-balance sheet events

No significant events have occurred since 1 January 2018 that are likely to have or have had a significant impact on the financial position, financial performance, activities and assets of the Group.

5.11 Subsidiaries and associates

(€ K)	Siren No.	Share capital	Reserves Retained earnings	Share capital & ownership	Gross
SUBSIDIARIES					
M6 PUBLICITE sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	340949031	50	4,111	99.99	38
M6 FILMS sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	380727404	60	517	99.98	6,646
C. PRODUCTIONS sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	407908656	50	122	99.98	1,038
M6 INTERACTIONS sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	388909459	34,271	49,584	100.00	34,007
M6 THEMATIQUE sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	403105109	57,615	8,260	100.00	113,988
IMMOBILIERE M6 sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	399476357	9,600	4,578	100.00	9,147
M6 FOOT sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	423133784	38,360	(21,248)	100.00	76,485
SCI 107 sci 89, Avenue Charles de Gaulle - 92200 NEUILLY	421699133	5,002	(1,628)	99.90	5,002
M6 DEVELOPPEMENT sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428115224	40	(73)	99.99	140
M6 STUDIO sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428115299	45	(8,384)	99.99	45
IMMOBILIERE 46 D sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	493897516	26,040	(5,695)	100.00	26,040
M6 BORDEAUX sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	433503364	40	15	100.00	40
M6 TALENTS sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	493869002	40	(16)	100.00	100
SNC sa (formerly DIEM2) 89, Avenue Charles de Gaulle - 92200 NEUILLY	400372512	3,330	171	100.00	3,383
STUDIO 89 sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428895122	1,040	468	100.00	4,583
MANDARIN CINEMA 89, Avenue Charles de Gaulle - 92200 NEUILLY	444977995	115	4,745	100.00	14,857
FIDELITE FILMS 89, Avenue Charles de Gaulle - 92200 NEUILLY	480039718	50	(1,821)	100.00	5,174
EDIRADIO 89, Avenue Charles de Gaulle - 92200 NEUILLY	775670599	414	42	100.00	48,670
INFORMATION ET DIFFUSION 89, Avenue Charles de Gaulle - 92200 NEUILLY	562135566	32	3	100.00	166
RTL France RADIO 89, Avenue Charles de Gaulle - 92200 NEUILLY	830320461	55,623	-	100.00	55,623
SERC 89, Avenue Charles de Gaulle - 92200 NEUILLY	341103117	38	10,094	100.00	27,342
SODERA 89, Avenue Charles de Gaulle - 92200 NEUILLY	343224556	3,323	334	100.00	39,026
EQUITY INVESTMENTS					
SOCIETE NOUVELLE DE DISTRIBUTION sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	414857227	18,271	11,975	7.12	1,650
M6 WEB sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	414549469	740	31,588	6.75	50
EUROPEAN NEWS EXCHANGE sa 45 bld Pierre Frieden 1543 LUXEMBOURG-KIRCHBERG		496	NC	20.00	100
MULTIPLEX R4 (MULTI 4) sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	449753979	52	11	16.75	10
MULTIPLEX R5 sas 1, quai Point du Jour - 92100 BOULOGNE	505128777	38	(34)	33.33	13
MEDIAMETRIE 70 rue Rivay 92300 LEVALLOIS PERRET	333344000	930	nc	2.70	1,000
ALLIANCE GRAVITY 10 boulevard de grenelle ,- 75015 PARIS	830408803	90	nc	11.11	375
LIFE TV Riviera Bonoumin - 1589 ABIDJAN	N/A	459	nc	33.34	3,500

Book value of shares owned Net	Loans and advances granted and outstanding	Guarantees and sureties given by the Company	Revenue 2016	Revenue 2017	Net profit 2016	Net profit 2017	Dividends received during the financial year
38	-	-	257,620	277,983	24,422	39,765	-
455	1,261	-	1,199	1,732	(566)	(122)	-
1,038	-	-	17,942	17,492	501	476	-
34,007	36,792	-	9,985	13,619	7,112	45,313	42,491
113,988	49,629	-	440	371	9,801	7,950	7,867
9,147	391	-	6,106	6,097	930	831	-
11,356	56,482	-	-	-	(9,986)	(5,766)	-
5,002	31,313	-	3,357	3,345	607	156	-
-	47	-	794	1,056	(61)	2	-
-	14,873	-	1,756	2,876	(2,384)	4,071	-
26,040	4,696	-	2,297	2,244	(372)	(181)	-
40	138	-	365	360	(7)	17	-
16	-	-	-	-	(8)	(8)	-
3,383	-	-	4,857	2,827	(730)	(2,167)	-
2,073	14,145	-	35,637	42,386	1,023	636	-
14,857	-	-	140	4,317	(8)	(1,016)	-
5,174	2,394	-	nc	153	nc	(57)	-
48,670	5,964	-	73,925	74,025	695	(2,735)	-
166	-	-	22,412	21,976	154	164	-
55,623	8,555	-	nc	27,105	nc	2,568	-
27,342	640	-	27,013	29,933	2,581	2,794	-
39,026	241	-	25,952	27,793	5,393	7,039	-
1,650	-	-	82,492	84,018	1,140	3,259	-
50	-	-	72,747	82,493	49,338	18,288	-
100	-	-	nc	nc	nc	nc	-
10	-	-	56	nc	0	nc	-
13	-	-	53	nc	(9)	nc	-
1,000	-	-	88,529	nc	3,649	nc	-
375	-	-	-	nc	-	nc	-
3,500	-	-	-	-	-	(101)	-

6.6 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris-La Défense Cedex
Simplified joint stock company with variable capital

Statutory Auditors' report on the parent company financial statements

(Financial year ended 31 December 2017)

To the Shareholders' General Meeting,
Métropole Télévision
89, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine, France

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying parent company financial statements of Métropole Télévision for the year ended 31 December 2017.

In our opinion, the parent company financial statements provide a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2017 and of the results of its operations for the year then ended in accordance with French accounting principles and methods.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We have performed our audit in accordance with professional standards applicable in France. We believe our audit provides a reasonable basis for our opinion.

Our responsibilities under those standards are further described herein in the section "Statutory Auditors' responsibilities for the audit of the parent company financial statements" of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2017 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.

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 relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the parent company 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 parent company financial statements as a whole, and in forming our opinion thereon. Accordingly, we do not provide any opinions on specific items of the parent company financial statements.

Recognition of revenue, and measurement of receivables linked to advertising revenues

Risk identified

Advertising revenues were €673.4 million in the Group's parent company financial statements. Their recognition is based on the broadcasting of advertisements. Commercial discounts are granted to advertisers according to general and special

terms and conditions, which are reflected in the award of credit notes during the year and at year-end, and depending on whether a contractually agreed audience level is reached.

We considered that the recognition of revenue and the determination of the level of receivables are key points of the audit in view of their material amount in the Company's financial statements, and the diversity and number of agreements existing between the Company and its customers, as well as of the judgement required to estimate the credit notes and the recoverable nature of trade receivables at the year-end.

Our response to the identified risk

Our audit approach to the recognition of revenue and the valuation of receivables and customer credit notes includes both tests on internal control, and substantive controls on the financial statements.

Our work on internal control primarily covered the contractualisation, invoicing, recovery, and estimation of the credit notes, and the recognition of revenue. We have reviewed and tested the processes implemented by the Company relating to these various aspects. Our work also included an assessment by our IT specialists of the effective nature of certain application controls on data integrated in the system used as the basis for recognising revenue.

Our substantive controls relating to revenue and to the measurement of the receivables and credit notes specifically consisted in:

- analysing the revenue depending on the trend in the advertising market and external data;
- analysing the correlation between full-year revenue and the changes in cash and trade receivables;
- assessing the contractual clauses in a sample of contracts in order to validate the correct measurement of revenue and year-end credit notes;
- reviewing the processes for estimating provisions for impairment of trade receivables

Lastly, we verified that Note 2.12 "Advertising revenue" in the notes to the parent company financial statements provides appropriate information regarding the recognition of the Company's revenue.

Valuation of broadcasting rights inventories and off-balance sheet commitments

Risk identified

Métropole Télévision buys programme in order to broadcast them on all of the M6 channel. The purchase commitments are recognised as off-balance sheet commitments until the period when the rights become available. Once the rights are available, they are recognised in the broadcasting rights inventory.

A provision is recorded if Management believes that the broadcasting of a programme is unlikely, or that its purchase cost is higher than the net advertising revenues expected during the broadcast window, based on a review of the broadcast rights portfolio on a title-by-title basis.

We considered this issue as a key point of the audit due to the material amount of the rights portfolio in the Company's financial statements, and because any provisions arising from that portfolio are dependent by nature on assumptions regarding the broadcast window expected by Management, and on the estimated net revenue expected in these various windows.

Balances at 31/12/17		<i>Note to the parent company financial statements</i>	
	(€ millions)		
<i>Gross value of inventory</i>	323		3.4
<i>Accumulated amortisation</i>	-140		3.4
Net value of inventory	183		
Off-balance sheet rights purchase commitments	393		5.3
Provision for off-balance sheet rights	-27		3.9

Our response to the identified risk

We performed the following in order to enable us to confirm the reliability of Management's assumptions:

- we assessed the consistency of the broadcast forecasts with the historical broadcast track record for films, television series, cartoons, and telefilms, as well as with the expected trend in the audiovisual market;
- we compared the actual broadcast windows with the broadcast windows anticipated by Management on a test basis;

- we performed a critical analysis on the amounts of net revenue expected on the basis of the average advertising time for each window.

We also verified that the calculation of the provisions was compliant with the accounting rules and methods set out in Note 2.4 to the parent company financial statements.

Measurement of equity investments

Risk identified

The net amount of the equity investments shown on the balance sheet was €405 million at 31 December 2017. These investments are recognised at the purchase cost on the date when they are booked, and impaired if their carrying value justifies an impairment.

As specified in Note 2.3 to the parent company financial statements, the carrying value of the securities is determined by comparing their net book value with the share of net assets, and by taking the development prospects for each company into account.

In this context, and in view of the uncertainty inherent to achieving the forecasts included when measuring the carrying value, we considered that the valuation of the equity investments, and of the related provisions for contingencies, where applicable, was a key point of the audit.

Our response to the identified risk

To assess the reasonable nature of the estimated carrying value of the equity investments on the basis of the information disclosed to us, our work primarily consisted in verifying that the values estimated by Management are based on an appropriate justification for the measurement method and the quantified information used, and in verifying that the shareholders' equity selected matched entities' financial statements and that any adjustments made to this shareholders' equity were based on supporting documentation, where applicable.

Our work also consisted in verifying the recognition of a provision for liabilities in cases where the Company has committed to bearing the losses of an equity investment where the shareholders' equity is negative.

Verification of the management report and of other documents sent to the shareholders

We have also performed the specific verifications required by French law, in accordance with professional standards applicable in France.

Information provided regarding the financial position and the annual financial statements in the management report and in the other documents sent to shareholders

We have no observations to make concerning the fairness and consistency with the parent company financial statements of the information given in the management report and in the other documents sent to the shareholders concerning the financial situation and the parent company financial statements.

Report on corporate governance

We hereby certify that the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code is included in the Executive Board's report on corporate governance.

Concerning the information provided in accordance with provisions of Article L. 225-37-3 of the Commercial Code on remuneration and benefits paid to Directors as well as commitments given in their favour, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and if necessary, with data collected by your company from its parent company or subsidiaries. On the basis of this work, we confirm the accuracy and the fairness of this information.

In the case of the information relating to the factors that your Company has considered as likely to have an impact in the event of a public tender or exchange offer, and provided pursuant to the provisions of Article L. 225-37-5 the French Commercial Code, we checked the consistency of this information with the documents from which it was derived, and which were disclosed to us. On the basis of this work, we have no observation to make on this information.

Other information

As required by law, we ensured that the information concerning equity investments, controlling interests and the identity of holders of the share capital and voting rights was provided to you in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Métropole Télévision by the General Meetings of 3 May 2002 for Ernst & Young et Autres and 6 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2017, Ernst & Young et Autres was in the 15th year of uninterrupted engagement and PricewaterhouseCoopers Audit was in the 9th year of uninterrupted engagement.

Management and individuals responsible for corporate governance in relation to the parent company financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with French accounting principles and methods, and for such internal control as Management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company 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 that it will cease to operate.

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 parent company financial statements have been prepared by the Executive Board.

Statutory Auditors' responsibilities for the audit of the parent company financial statements

Audit objectives and approach

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company 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 that users take on the basis of these parent company financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management 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.

Furthermore, the Statutory Auditor:

- Identifies and assesses the risks of material misstatement of the parent company 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 parent company 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 parent company financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the parent company 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 programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the procedures relating to the preparation and processing of accounting and financial information 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 parent company 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)

N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 21 February 2018

The Statutory Auditors**PricewaterhouseCoopers Audit**

Anne-Claire Ferrié

Ernst & Young et Autres

Bruno Bizet

6.7 SUMMARY OF FINANCIAL RESULTS FOR THE LAST 5 YEARS

Five-year financial results summary

FINANCIAL YEAR END	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
NUMBER OF MONTHS	12 months	12 months	12 months	12 months	12 months
Closing financial year capital (€)					
Share capital	50,565,699	50,565,699	50,565,699	50,504,975	50,386,179
Number of shares:					
- Number of ordinary shares outstanding	126,414,248	126,414,248	126,414,248	126,262,437	125,965,449
Revenue and results (€ millions)					
Revenue (ex-VAT)	679.6	658.6	643.6	641.6	653.9
Profit before tax, employee profit sharing and amortisation, depreciation and provision charges	206.8	156.6	181.9	188.4	181.2
Income tax	25.7	30.7	33.7	32.5	40.2
Employee profit sharing plan	3.6	3.7	3.5	3.2	5.0
Basic earnings per share – after tax, employee profit sharing and amortisation, depreciation and provision charges	42.6	19.7	108.5	132.8	114.6
Dividends paid	119.7	102.5	107.4	107.3	106.6
Earnings per share (€)					
Basic earnings per share – after tax, employee profit sharing, before amortisation, depreciation and provision charges	1.40	0.97	1.15	1.21	1.08
Basic earnings per share – after tax, employee profit sharing and amortisation, depreciation and provision charges	1.07	0.81	0.86	1.05	0.91
Ordinary dividend per share	0.95	0.85	0.85	0.85	0.85
Exceptional dividend per share	-	-	-	-	-
Workforce					
Average workforce size	762	771	744	725	718
Total amount of payroll*	51.6	57.8	53.0	48.7	47.0
Total employment benefits costs (social security, social welfare, etc.)**	29.9	29.4	29.8	27.8	26.5

* (€ millions)

6.8 PARENT COMPANY CASH FLOW STATEMENT

Cash flow statement

	31/12/2017	31/12/2016
. Financial year net profit	134.9	102.5
. Depreciation, amortisation & provision charges	42.6	30.8
. Gains & losses from non-current assets disposal	-	(0.1)
. Other non-cash items	-	0.2
CASH FLOW FROM OPERATIONS	177.4	133.4
Movements in working capital requirements		
. Inventories	(54.9)	(22.4)
. Operating receivables	29.4	(71.2)
. Operating liabilities	(43.3)	98.2
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	(68.8)	4.7
CASH FLOW FROM OPERATING ACTIVITIES	108.7	138.1
INVESTMENT ACTIVITIES		
. Intangible assets acquisitions	(3.6)	(5.9)
. Property, facilities & equipment acquisitions	(5.6)	(2.7)
. Investment acquisitions	(203.4)	(14.4)
. Intangible assets and property, facilities & equipment disposals	0.1	0.1
. Investments disposals/writedowns	21.6	0.0
NET CASH USED IN INVESTMENT ACTIVITIES	(191.0)	(22.9)
FINANCING ACTIVITIES		
. Share capital increase	-	-
. Other equity reductions	-	-
. Costs to be amortised over several financial years	-	-
. Proceeds from new borrowings	210.3	-
. Financial debt repayments	(150.0)	-
. Dividends paid	(107.1)	(107.4)
NET CASH USED IN FINANCING ACTIVITIES	(46.8)	(107.4)
Net change in cash and cash equivalents	(129.1)	7.8
Cash and cash equivalents - start of year	165.5	157.7
CASH AND CASH EQUIVALENTS - END OF YEAR	36.3	165.5

6.9 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444
92037 Paris-La Défense Cedex
Simplified joint stock company
with variable capital

Statutory Auditors' special report on regulated agreements and commitments

General Meeting to approve the financial statements for the year ended 31 December 2017

To the General Meeting of Métropole Télévision,

As Statutory Auditors of your Company, we hereby present our report on the regulated agreements and commitments.

Our role is to provide you, on the basis of the information given to us, with the characteristics, the essential terms and conditions of, and justification for the agreements and commitments brought to our attention, without having to issue an opinion on whether or not these agreements or commitments are useful or warranted. Pursuant to the provisions of Article R. 225-58 of the Commercial Code, it is your role to assess the interest in concluding these agreements and commitments, with a view to approving them.

It is also our role, if applicable, to inform you of disclosures required by Article R. 225-58 of the Commercial Code relative to the implementation during the year just ended of agreements and commitments approved by the General Meeting in prior years.

We have performed the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment. Such due diligence consisted in verifying that the information we were given was consistent with the information disclosed in their source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING

In application of Article L. 225-88 of the French Commercial Code, we have been notified of the following agreements and commitments that received prior approval from your Supervisory Board.

1. With the company RTL Group, a shareholder of your company, to buy back shares to a maximum of 48.26%, acting on behalf of the company Immobilière Bayard d'Antin S.A.

Persons concerned:

Guillaume de Posch, Co-CEO of RTL Group, Elmar Heggen, Director of RTL Group, Philippe Delusinne, Chief Executive Officer of RTL Belgium, Vincent de Dorlodot, Corporate Secretary of RTL Group, Christopher Baldelli, Chairman of the Executive Board of RTL Radio and subsequently Member of the Executive Board of your Company from 7 November 2017, Anke Schäferkordt, Co-CEO of RTL Group, Cécile Frot-Coutaz, Chief Executive Officer of Fremantle Media and Catherine Lenoble, representing Immobilière Bayard d'Antin S.A.

Nature and purpose

Agreement to buy back shares in your company

Your Company concluded an agreement with RTL Group, acting on behalf of Immobilière Bayard d'Antin S.A., in respect of the acquisition of blocks of shares in your Company, up to 10% of the share capital, in particular with a view to cancelling them.

Terms and conditions

This agreement, which was signed on 26 April 2017 following authorisation by the Supervisory Board at its meeting of 26 April 2017, is part of the share buyback programme pursuant to Article L. 225-209 of the Commercial Code of up to 10% of its share capital, authorised by the Combined General Meeting of 26 April 2017, and according to which the Executive Board may proceed with the acquisition of blocks of shares in your Company using an investment services provider, on and off the market, from RTL Group.

In 2017, no shares in your Company were bought back under this agreement.
This agreement expires on 26 April 2018.

Reason the agreement is in the Company's interest:

Your Supervisory Board justified this agreement as follows: this agreement is intended to maintain RTL Group's equity investment below 49% of the share capital of the Company, in accordance with the provisions of Article 39 of the law of 30 September 1986 on the freedom of communication.

2. With Immobilière Bayard d'Antin S.A.

Persons concerned:

Guillaume de Posch, Elmar Heggen, Philippe Delusinne, Vincent de Dorlodot, Christopher Baldelli, Anke Schäferkordt, Cécile Frot-Coutaz and Catherine Lenoble.

Nature and purpose

Cash management agreement

Your Company entered into a cash management agreement on 19 February 2010, which was renewed on 15 November 2011, 2012, 2013, 2014, 13 November 2015, 14 November 2016 and 15 November 2017.

Terms and conditions

Your Company may loan its surplus cash to Bayard d'Antin S.A. and borrow a maximum of €50,000,000 from Bayard d'Antin, providing this amount does not exceed 48% of amounts borrowed from banking institutions. In order to comply with your Company's cash management policy, the aggregate amount that may be invested by your Company with Bayard d'Antin S.A. shall never exceed more than 20% of the cash resources of Métropole Télévision Group.

Your Company may make deposits or borrow funds for periods of 1, 2 or 3 weeks or of 1, 2 or 3 months. The amount deposited or borrowed shall be a multiple of €1,000,000, with a minimum of €5,000,000 for each loan. The remuneration provided by this agreement is in line with market conditions.

During the year ended 31 December 2017, €24,000,000 was deposited under this agreement.

The renewal of the agreement dated 15 November 2017 and relative to the 2016 financial year was authorised by the Supervisory Board on 7 November 2017.

This agreement will expire on 15 December 2018 if it is not renewed.

Reason the agreement is in the Company's interest:

Your Board has given the following justification for this agreement: taking into account the financial terms and conditions appended to this agreement which are in strict compliance with what your Company practises with its subsidiaries and the limitations attached thereto, the Supervisory Board considers the agreement to be consistent with the corporate interest of your Company.

3. With Christopher Baldelli, member of the Executive Board

a) Nature, purpose and terms and conditions

Non-compete covenant of Christopher Baldelli in the event of the termination of his term of office

At its meeting on 7 November 2017, your Supervisory Board authorised the arrangement of a system in the event that Christopher Baldelli's office is terminated.

The compensation for the termination of Christopher Baldelli's employment contract is now equal to the difference between twenty-four months of gross monthly remuneration calculated on the basis of the total of his individual remuneration, including fixed and variable items, received over the last twelve months preceding the termination of his employment contract and the cumulative legal and statutory compensation potentially due to him in respect of the termination of his employment contract and, if applicable, the amount due as consideration for his non-compete commitment.

Reasons the agreement is in the Company's interest:

The reason given by your Board was the need for your Company to retain members of the Executive Board, including Christopher Baldelli.

b) Nature, purpose and terms and conditions

Commitment given to Christopher Baldelli regarding his supplementary pension scheme

At its meeting of 7 March 2006, your Supervisory Board approved the implementation of a defined contributions pension scheme intended for the benefit of a group of executives, including Executive Board members, co-financed by the Group

and by each of the beneficiaries. This scheme, established in July 2007, provides for the setting-up of an individual pension fund to finance the payment of a life annuity.

Reasons the agreement is in the Company's interest:

Your Board provided the following reasons for this agreement: your Company needs to retain the members of the Executive Board, including Christopher Baldelli.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS

In addition, we were informed of the following agreement or commitment already approved by the General Meeting in previous years, which was not implemented during the financial year.

With Nicolas de Tavernost, Thomas Valentin, Jérôme Lefébure and David Larramendy

Nature, purpose and terms and conditions

Supplementary pension scheme of the members of your Executive Board

At its meeting of 7 March 2006, your Supervisory Board approved the implementation of a defined contributions pension scheme intended for the benefit of a group of executives, including Executive Board members, co-financed by your Group and by each of the beneficiaries. This scheme, established in July 2007, provides for the setting-up of an individual pension fund to finance the payment of a life annuity.

AGREEMENTS AND COMMITMENTS APPROVED DURING THE FINANCIAL YEAR JUST ENDED

We have also been informed of the execution of the following agreements and commitments during the year just ended, which were already approved by the General Meeting of 26 April 2017, based on the Statutory Auditors' special report dated 24 February 2017.

1. With Nicolas de Tavernost, Chairman of the Executive Board

a) Nature, purpose and terms and conditions

Non-compete commitment of Nicolas de Tavernost in the event of the termination of his term of office

At its meeting of 21 February 2017, your Supervisory Board authorised that the rules relating to the non-compete commitment of Nicolas de Tavernost be maintained.

In the event of the termination of his duties relating to his term of office for reasons other than (i) resignation, or (ii) voluntary or enforced retirement, or (iii) departure by mutual agreement with your Supervisory Board, Nicolas de Tavernost will be prohibited from carrying out, within the European Union, an activity in competition with that of your Company in the television sector (including TV production and online activities connected with television), for a period of twelve months as of the date on which he stops carrying out any role within your Company.

In the event that this commitment is implemented, Nicolas de Tavernost would receive gross monthly financial compensation equal to 50% of the gross fixed and variable remuneration (excluding free shares, LTIP, options or similar benefits) received over the course of the twelve months preceding the date of termination of his duties within your Company.

b) Nature, purpose and terms and conditions

Severance pay of Nicolas de Tavernost in the event of the termination of his term of office

At its meeting of 21 February 2017, your Supervisory Board amended the compensation mechanism of Nicolas de Tavernost in the event of his departure and subject to a performance-related condition.

In the event of the termination of the term of office of Nicolas de Tavernost for any reason whatsoever, M. Nicolas de Tavernost will be entitled to receive severance pay equal to 24 months' gross monthly remuneration calculated based on the total fixed and variable remuneration (excluding free shares, LTIP, stock-options and similar benefits) received over the course of the 12 months preceding termination of the term of office of the Chairman of the Executive Board, this amount comprising the legal and contractual redundancy or retirement (either voluntary or enforced) pay and the total amount of the financial consideration of the non-compete commitment that is due. This commitment will not apply in the event of dismissal for gross misconduct personally committed by Nicolas de Tavernost contrary to the interests of the Company.

The payment of this severance pay will, in accordance with Article L. 225-90-1 of the French Commercial Code, remain subject to the fulfilment of a performance related condition defined as follows: Métropole Television Group's profit from recurring operations (EBITA) for the 48 months preceding the termination of the term of office of Nicolas de Tavernost shall be equivalent to at least 80% of the budgeted target for this same aggregate such as approved by the Supervisory Board. The amount of severance pay will be calculated on a straight-line basis according to the percentage of the profit from recurring operations (EBITA) achieved in relation to the budgeted target, it being specified that the compensation

will be due in full as soon as the percentage achieved is equal to or higher than 90 % of the budgeted target. No severance pay shall be paid when profit from recurring operations (EBITA) for the forty-eight months prior to the termination of the term of office proved lower than 80% of the budgeted objective. Payment of severance pay is subject to prior acknowledgement by the Supervisory Board that the performance condition has been fulfilled.

2. With Thomas Valentin and Jérôme Lefébure, members of the Executive Board.

Nature and purpose

Commitments made for the benefit of members of the Executive Board in the event of termination of their duties

Upon the reappointment of Thomas Valentin and Jérôme Lefébure as members of your Executive Board by your Supervisory Board at its meeting of 21 February 2017, the Supervisory Board renewed its authorisation of the mechanisms put into place in favour of Thomas Valentin and Jérôme Lefébure in the event of termination of their duties.

Terms and conditions

The compensation for the termination of Thomas Valentin and Jérôme Lefébure's employment contract is now equal to the difference between twenty four months of gross monthly remuneration calculated on the basis of the total of their individual remuneration, including fixed and variable items, received over the last twelve months preceding the termination of their employment contract and the cumulative legal and statutory compensation potentially due to them in respect of the termination of their employment contract and, if applicable, the amount due as consideration for their non-compete commitment.

This agreement was initially authorised by the Supervisory Board on 25 March 2010.

Neuilly-sur-Seine and Paris La Défense, 21 February 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Anne-Claire Ferrié

Ernst & Young et Autres

Bruno Bizet

7

SUSTAINABLE DEVELOPMENT AND CORPORATE RESPONSIBILITY

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Corporate Social and Environmental Responsibility took on a new dimension in 2012 following the publication of the decree to implement Article 225 of the Grenelle II Law. The verification of corporate, social and environmental data by an independent third party has become mandatory for French companies. M6 Group was already committed to this new obligation and is therefore continuing its drive for action and transparency within these three areas.

M6 Group firmly believes that this information enables the various stakeholders involved to better assess their overall performance in the medium- and long-term, and more generally, that corporate responsibility goes hand in hand with economic performance.

M6 Group thus pursues an active CSR policy and clearly signals its commitments to all its partners, including viewers, employees, customers, shareholders, suppliers, public authorities and the civil society.

Faced with various social, corporate and environmental challenges, and as a commitment to all its stakeholders, the Group has developed a CSR approach structured around three priorities which are directly linked to its activities:

- **Talent management:** the Group firmly believes that its employees are the cornerstone of its success. It is for this reason that the Human Resources Department places employee selection and subsequent loyalty building at the heart of its concerns, and endeavours to promote employee development in all aspects of their professional life.
- **Respect for the public and responsibility towards society:** since the Group's activity is primarily intangible and cultural, the societal impact is the unifying thread of its commitment. Through its programmes, the Group actually enters into peoples' homes and therefore respect for viewers must be at the heart of what it does.
- **Non-discrimination:** taking diversity into account is a key concern for the Group, both in relation to audiovisual content and the audience it addresses. This is reflected notably by a cross-organisational and acknowledged commitment to promote equality and better representation of women and minorities in the media.

The actions taken in 2017 are detailed within this chapter. A cross-reference table available at the end of this chapter provides a link between the text and figures published in this document and the information listed in Article R. 225-105-1 of the French Commercial Code.

Together with the independent third-party body responsible for verifying the CSR data, M6 Group has identified 12 key indicators that relate directly to its main challenges:

- Workforce;
- Recruitment and redundancies;
- Organisation of working time;
- Training policies implemented;
- Total number of training hours;
- Basis for dialogue with stakeholders;
- Measures taken to promote consumer health and safety;
- Supportive, partnership or sponsorship actions;
- Action taken to prevent all forms of corruption;
- Measures taken to promote gender equality;
- Measures taken to promote the employment and integration of disabled people;
- Anti-discrimination policy.

7.1 METHODOLOGY NOTE REGARDING NON-FINANCIAL REPORTING

Framework

The reporting of non-financial indicators is based on national and international guidelines. Corporate, social and environmental responsibility indicators are based on the provisions of the Decree of 24 April 2012, enforcing the Law of 12 July 2010 on the National commitment for the environment, amended by the Law 2016-1088 of 8 August 2016 on Work, modernising social dialogue and safeguarding professional careers, and Decree 2016-1138 of 19 August 2016 enforcing Article L.225-102-1 of the French Commercial Code and relative to the environmental information to be included in annual management reports.

M6 Group has also referred to GRI (Global Reporting Initiative) guidelines as well as the principles set out in the *United Nations' Global Compact* for the implementation of its non-financial reporting and communication.

Indicators

The indicators presented in this section have been subject to verification by the firm KPMG as required by legislation, including detailed tests on the most relevant indicators. Particular emphasis has been placed on the social and corporate indicators related to the Group's strategic challenges.

Reporting scope

The reporting scope has been set in accordance with the provisions of Articles L.233-1 and L.233-3 of the French Commercial Code and covers subsidiaries and controlled companies.

Certain indicators relate to specific scopes excluding certain entities; in that case the scope to be considered is specified beside the information.

The scope of environmental information includes:

- Neuilly-sur-Seine, which corresponds to the total consumption of the buildings at 89 and 107 avenue Charles de Gaulle, 46 rue Jacques Dulud, and the exclusive electricity consumption of the premises occupied at 114 avenue Charles de Gaulle.

In terms of activities, the Neuilly-sur-Seine site includes all the Group's television activities except the regional offices of the national editorial office, due to the small size of their individual teams (3 or 4 employees) as well as the following diversification activities: M6 Interactions, Production & Audiovisual Rights and M6 Web excluding activities located in Lyon and Lille (primarily the subsidiary's Technical Department and Portals business);

- Boulogne-Billancourt, head office of iGraal, a cashback company acquired on 30 November 2016, which has this year entered the reporting scope;
- Rungis, which includes the main production activities of Ventadis;
- Nanteuil-le-Haudouin, the production site of MonAlbumPhoto;
- Lille, which corresponds to the premises occupied by a portion of M6 Web's portal operations (e.g. Oxygem);
- Boissy, where the Best of TV teams are located;
- Bordeaux, where all activities related to the F.C.G.B. activities are located.

Acquired in late 2017 (on 1 October), the Radio division, composed of the stations RTL, RTL2 and FUN, their sales houses IP France, RTL net and RTL Spécial Marketing, is excluded from the environmental reporting scope. Similarly, the building at 56 avenue Charles de Gaulle/3 Villa Emile Bergerat, leased from 1 October to house in particular the radio stations, is also excluded from the reporting scope.

Moreover, all indicators used do not cover the entire scope. Where this is the case, the locations are specifically mentioned. The only indicators covering Boissy are electrical energy consumption and office paper purchases.

The corporate reporting scope is based on the financial consolidation scope, with the exception of certain indicators for which the data for Girondins de Bordeaux, or just its players, (F.C.G.B) has been excluded. The indicators affected by this exclusion are those related to the organisation of working time, and some of the indicators related to remuneration and the development of talent, due to the specific features of a football club.

In addition, data concerning training does not include the subsidiary iGraal.

It should be noted that reporting includes changes in scope, as a result of the acquisitions made between 1 January and 31 December 2017: 2017 data will be integrated in full during 2018 reporting unless the incoming entity can collect all the data prorata temporis. However, calculation of the workforce of subsidiaries entering the scope is integrated into the 2017 scope for the purposes of reporting corporate data.

The main entry into the scope relates to the acquisition of the RTL Radio division on 1 October 2017, whose data has only been included in section 7.2.1.1 "Workforce".

Reporting period

Corporate, social and environmental data is reported annually and relates to the period from 1 January to 31 December 2017.

Methodological clarification and limits

The methodologies used for certain corporate, environmental and social indicators may present limitations due to changes in definition that may affect their comparability, changes in the scope of activities from one year to the next, as well as changes in the way in which this information is collected and input.

Further clarification regarding environmental indicators:

To facilitate internal accounting related to invoicing electricity use, the consumption recorded for a given month corresponds to the actual consumption for the previous month.

- The CO₂ emissions contained in Part 7.4.1 are direct greenhouse gas emissions related to the use of electricity and natural gas and the purchase of heating oil in the Group's premises in Neuilly (excluding 56 avenue Charles de Gaulle/3 Villa Emile Bergerat), Rungis, Nanteuil, Boissy, Lille and Bordeaux. The emission factors used for the calculation are derived from ADEME's carbon base.
- The emission factor used for the CO₂ emissions reported and related to business travel by train, included in section 7.4.4 of this report, is supplied by SNCF. The emission factor used for the CO₂ emissions reported related to business travel by plane is provided by the supplier responsible for the handling of business travel (Neuilly).

Further clarification regarding social indicators:

- The hours of training included relate to training provided by M6 Campus as well as external training organisations integrated into the Group's training programmes. Personal training account (known as the CPF) hours are excluded from

the reported training hours. The hours of e-learning training are included in the data recorded. The training time spent in school for employees on apprenticeship or work/study contracts is excluded. The hours of BTS (advanced vocational diploma) training followed by certain F.C.G.B employees are also excluded from the total number of hours' training included. Training programmes which began during the 2017 financial year and which finished in January 2018 are reported in proportion to the hours completed in 2017. As such, the training hours reported are the training hours completed according to the attendance sheets covering the period for the 2017 financial year.

- Days of absence recognised correspond to all absences of permanent Group employees which began during the financial year, thereby including absences in 2018. Days of absence recorded correspond to the days prescribed for all work stoppages recorded over the course of the 2017 financial year. Days of absence in 2017 corresponding to absences which began during the course of the previous financial year are therefore not taken into account. Similarly, an extension of absence is assigned a new start date. If the extension commences in the following financial year, these days are not taken into account.

Reporting tools, consolidation and control

Collection tools, developed by the Group's IT Department, allow all consolidated and verified data to be reported at different levels:

- For corporate data, collection is made by a dedicated tool, developed by the Group's IT Department, and automatic consistency checks are made by the IT tool during data input. Other controls and validation are performed by M6 Group's Human Resources Department. Lastly, a general control ensures the overall consistency of the flows of staff between the year N-1 and the year N;
- For social data, information is collected by the Group's Corporate Affairs and the Financial Communication Department, due in particular to the social information required by the CSA in relation to television;
- For environmental data, collection is made by the Group's Corporate Services, and an internal consistency check is made by the person responsible for the input of information. A further check is made during consolidation.

Lastly, the Financial Communication Department collates the data and performs consistency checks.

7.2 CORPORATE RESPONSIBILITY

7.2.1 Group workforce

7.2.1.1. Workforce

Breakdown of M6 Group workforce by type of contract

	2015	2016	2017
Permanent contracts	1,695	1,737	2,215
Fixed-term contracts*	255	254	396
TOTAL WORKFORCE	1,950	1,991	2,611

* The 396 fixed-term contracts include the 111 F.C.G.B. sports contracts

At 31 December 2017, M6 Group's total workforce was 2,611 people, compared with 1,991 at 31 December 2016, including 2,215 on permanent contracts in 2017, compared with 1,737 in 2016. In total, there was a net addition of 478 employees on permanent contracts to the workforce in 2017, broken down as follows:

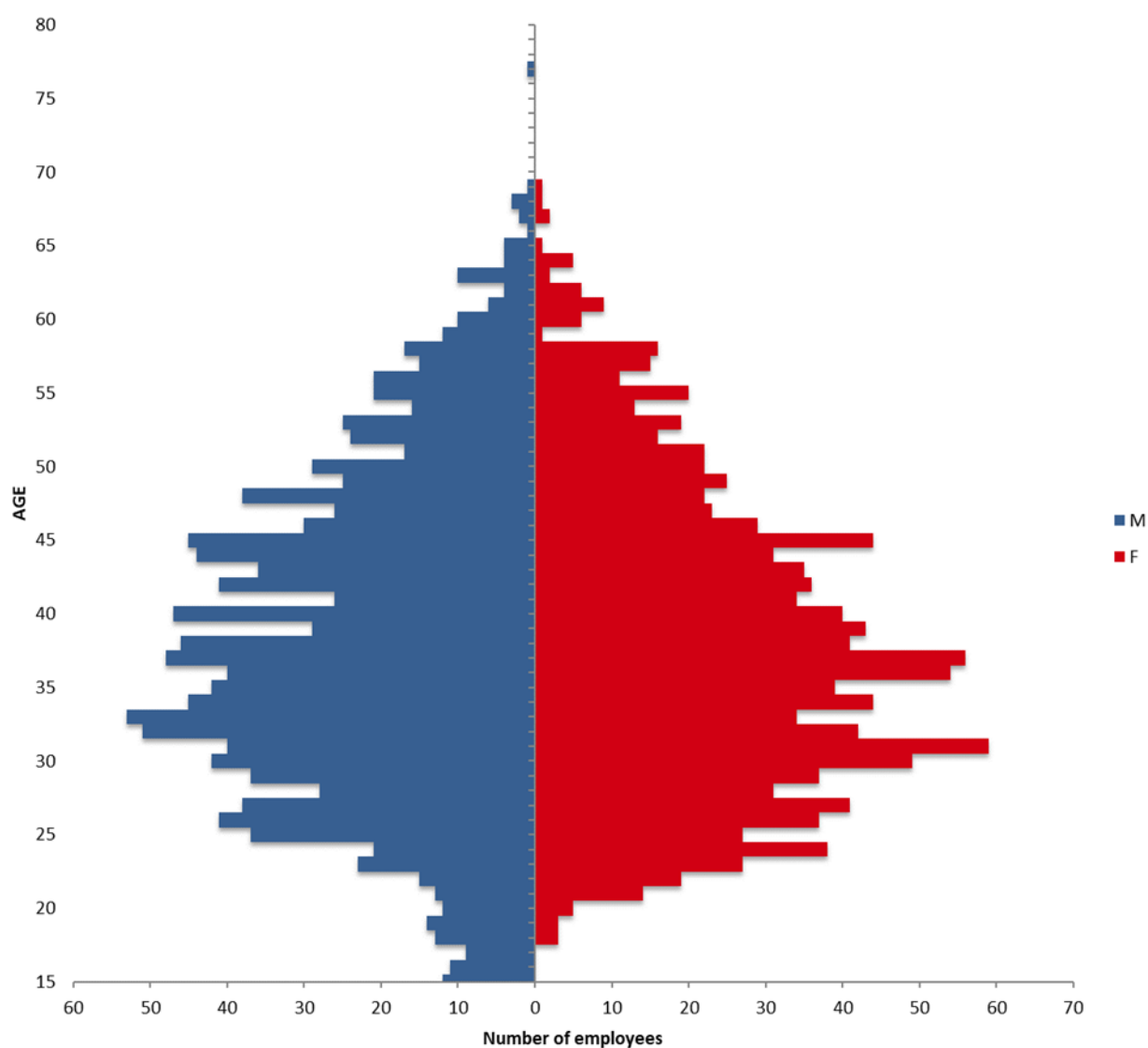
WORKFORCE AT END DECEMBER 2016	1,737
External recruitments	125
Integration of RTL Radio division	478
Event contract workers/service providers made permanent	13
Fixed-term contracts made permanent	27
Departures	
- Resignation	-85
- Redundancy	-21
- Termination by mutual agreement	-43
- Retirement	-2
- Other (end of trial period, etc.)	-14
WORKFORCE AT END DECEMBER 2017	2,215

In order to ensure gender equality, M6 Group pays particular attention to balancing its workforce. At 31 December 2017, including the FCGB's 111 sports contracts, the Group's workforce was made up of 48% women and 52% men, distributed as follows:

Breakdown of M6 Group workforce by category and by gender

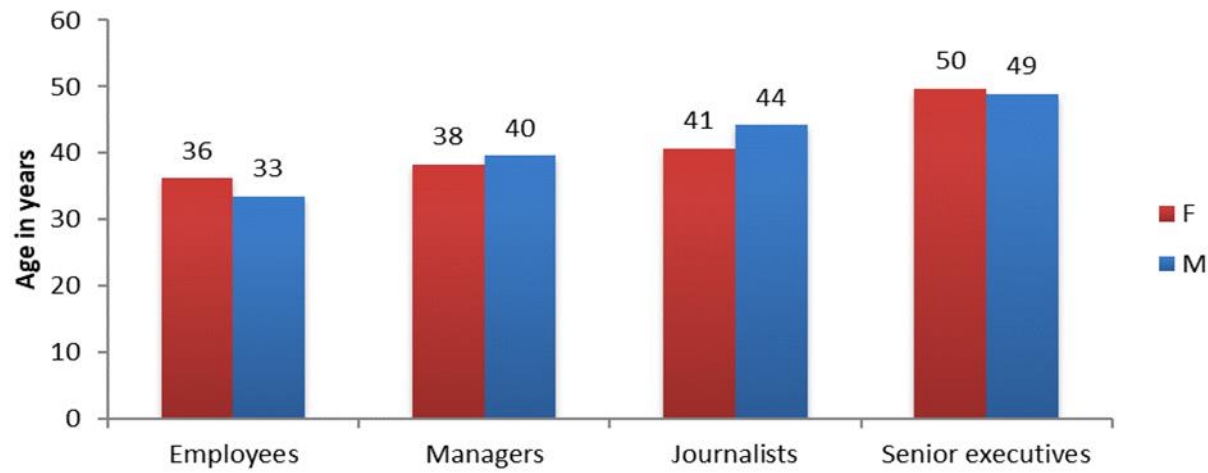
	2017	Male	Female
Employees	933	502	431
Managers	1,315	627	688
Journalists	283	172	111
Senior executives	80	60	20
TOTAL	2,611	1,361	1,250

Age pyramid

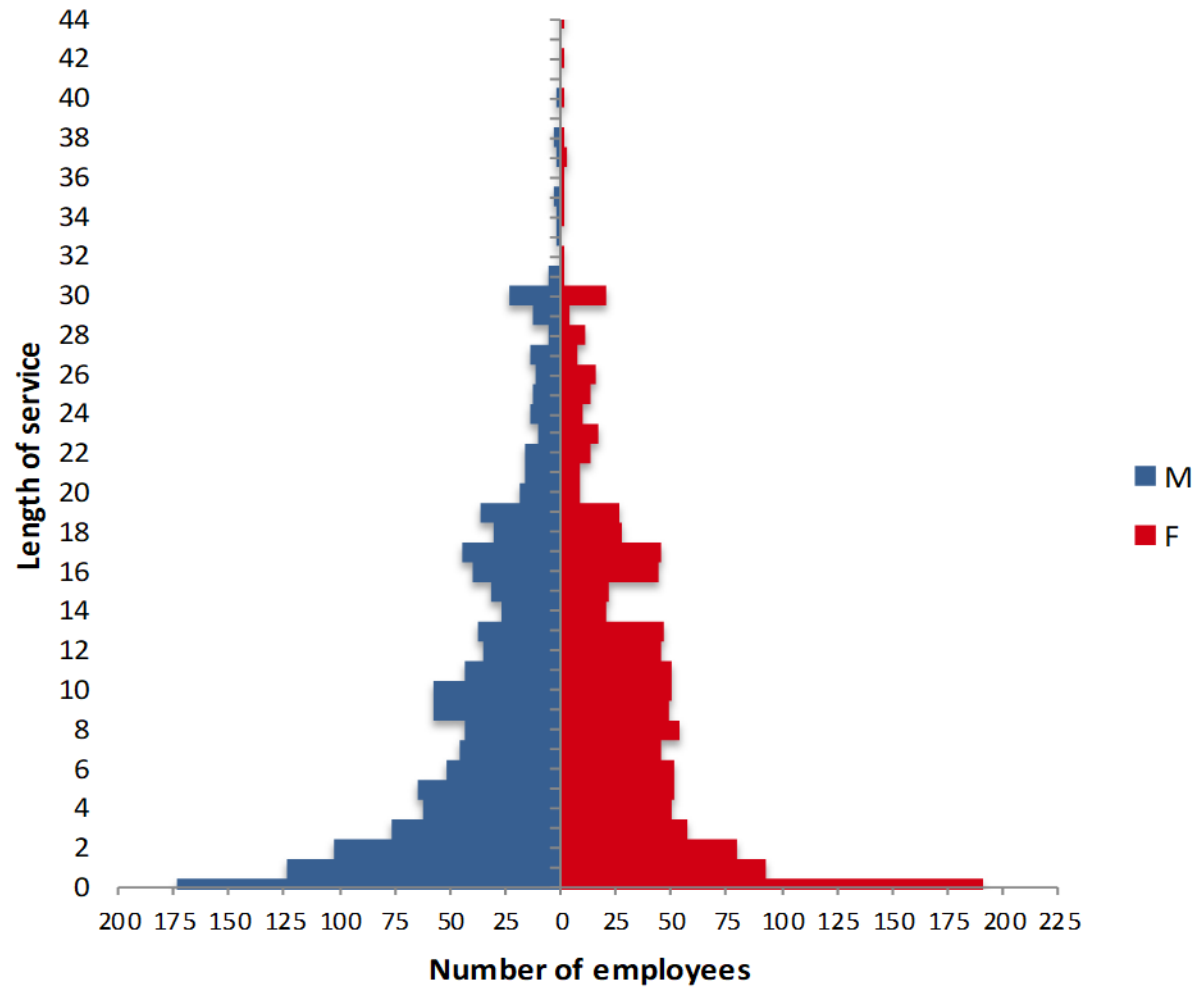


A concentration can be seen in young employees in the men under 25 category, corresponding mainly to F.C.G.B. players. The average age of Group employees is 38.1 years, with a balance between women (38.3 years) and men (38.0 years).

Average age of M6 Group permanent workforce by category and gender

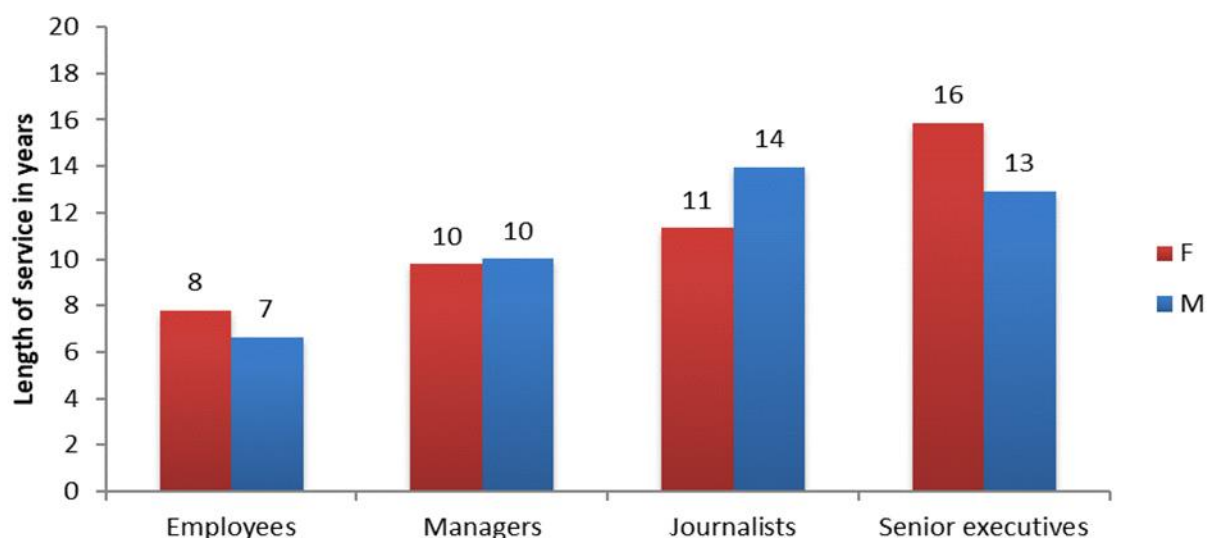


Length of service pyramid



The average length of service within the Group is 9.4 years: 9.4 for men and 9.3 for women.

Average length of service of M6 Group permanent workforce by category and gender



Breakdown of permanent workforce by division

	2015	2016	2017
TV	967	991	1,023
Radio	-	-	585
Production & Audiovisual Rights	91	91	94
Diversification	892	909	909
TOTAL	1,950	1,991	2,611

Breakdown of fixed-term contracts

	2015	2016	2017
Fixed-term contracts	195	187	294
Work experience contracts	43	52	84
Apprenticeships	17	15	18
TOTAL FIXED-TERM CONTRACTS	255	254	396

Event contract workers

	2015	2016	2017
FTE EVENT CONTRACT WORKERS AND FREELANCERS	389	354	472

Excluding F.C.G.B, which remained stable between 2016 and 2017, an increase of 13.7% can be seen within M6 Group and 16.9% for production companies.

Data for companies in the radio division (RTL, RTL2 and FUN RADIO) are integrated from 2017 and represent 74 FTE.

7.2.1.2. Organisation of working time

Since the signing of a company-wide agreement in 2000, Group employees benefit from an organisation of their working time calculated in hours or days according to their categories.

Main working time arrangements by category

	Average annual working time (excluding Girondins)	35-hour week overtime
Employees	1,575 hours	22 days
Managers	215 days	13 days
Journalists	205 days	11 days
Senior executives	Not applicable	Not applicable
	Average annual working time (Girondins)	35-hour week overtime
Employees	1,568 hours	11 days
Managers	215 days	13 days
Journalists	205 days	11 days
Senior executives	Not applicable	Not applicable

M6 Group firmly believes that providing its employees with a good work/life balance contributes to the Company's performance and has no hesitation in offering flexible working hours.

Part-time work

At 31 December 2017, 166 employees (including RTL employees) were on a part-time permanent contract, of which 74.1% were women. In total, they represented 122.74 FTEs.

Reasons for absence (excl. F.C.G.B. football players)

Types of absence (in working days)	2016	2017
No of sick days	12,856	10,847
No of days absent for maternity/paternity/parental leave	9,598	9,953
No of days absent due to work and travel related accidents	842	1,056
No of unpaid days absent	2,082	2,790
No of days absent due to exceptional holidays	2,488	3,941
TOTAL	27,865	28,587
Absenteeism rate*	5.8%	6.0%

* Excluding iGraal

Days of absence recognised correspond to all absences of permanent Group employees which began during the financial year, thereby including absences in 2018. Days of absence in 2017 corresponding to absences which began during the course of the previous financial year are not taken into account.

Similarly, an extension of absence is assigned a new start date; if the extension commences in the following financial year, these days are not taken into account.

In addition, during the 2017 financial year, 5,514 hours of overtime were worked by M6 Group employees compared with 8,893 hours in 2016. This reduction mainly reflects the exit in 2016 of Luxview employees from the reporting scope who accounted for more than 17.5% of the additional hours worked in 2016.

7.2.2 Group remuneration

The pay packages of M6 Group employees are reviewed on an annual basis as part of the annual salary review. Employees may benefit from individual performance-based increments. An across-the-board pay rise is granted to employees whose salary is less than the Social Security cap and who have been employed for more than one year. In 2017, this rise was 0.5%.

Excluding F.C.G.B and BEST OF TV, the annual remuneration package of an employee includes a basic monthly salary paid in 13 monthly instalments, supplemented, for 790 employees in 2017 (compared with 714 in 2016), by variable remuneration primarily based on performance indicators (financial indicators, revenue, audience share, box office ticket sales, etc.). This increase reflects the Group's commitment to encouraging better individual and collective performance by as many employees as possible.

The annual remuneration of F.C.G.B. employees is also comprised of a basic monthly salary paid over 13 months, excluding SASP players under the Collective Agreement for Administrative and Related Support Staff in Football, supplemented, for sales staff, by variable remuneration based on revenue.

7.2.2.1. Change in average remuneration

The average remuneration of Group employees (excluding iGraal and F.C.G.B. football players) in 2017 amounted to €57,595, compared to €56,197 in 2016.

7.2.2.2. Employee savings

2017 was exceptional in terms of employee savings, with historic profit-sharing and bonus levels and an "Anniversary Special" contribution, as part of which M6 Group doubled the amount saved in the GSP, up to a maximum of €100 per year of service.

Profit-sharing agreement

Three profit-sharing agreements have been signed within M6 Group encompassing the following segments:

- M6 Group,
- Ventadis division,
- F.C.G.B.

The Group's results, Ventadis included, made it possible to establish a special reserve for profit-sharing for 2016, and paid in 2017, totalling €8,142 K, compared with €7,486 K paid in 2016 for 2015; 2,249 employees benefited, compared with 2,166 employees the previous year.

In addition, the financial performance of F.C.G.B. did not allow for the establishment of a special profit-sharing reserve for 2016.

Bonus scheme

A Group-wide bonus scheme (excluding Ventadis and F.C.G.B.) was concluded on 27 June 2014 with the various representative groups for the next three financial years, i.e. until 31 December 2016.

Total bonuses (excluding Ventadis and F.C.G.B.) paid in 2017 for 2016 were €4.287 K, i.e. €2.9 K per individual employed throughout 2016.

Furthermore, a Group-wide bonus scheme (excluding Ventadis and F.C.G.B.) was concluded on 27 June 2017 with the various representative groups for the next three financial years, i.e. until 31 December 2019.

Employees of F.C.G.B. and the Ventadis division received no bonus payments for 2016.

Group savings plan (excluding F.C.G.B.)

In 2017, M6 Group renewed its Group savings plan under which the Group matches the individual contributions of each employee. This year, the amount paid in respect of this contribution was €1,452 K.

In total, the amounts paid by the Group in respect of employee savings (Bonus Scheme, Profit-Sharing and Contribution to the Group Savings Plan) were €13,881 K, compared with €9,763 K in 2016.

Lastly, the management of employee savings was entrusted to an external organisation, which offers employees the following seven funds, which vary in terms of yield and risks:

- FCPE Diversifié Actions (70% shares, 30% bonds), high yield but high risk;
- FCPE Diversifié Taux (20% shares, 80% bonds) modest yield but lower risk;
- FCPE Monétaire (100% money market), low yield and risk free;
- FCPE "M6 Group", 100% METROPOLE Télévision shares;
- FCPE Impact ISR rendement solidaire, a diversified FCPE, invested in European markets, of which between 5 and 10% in socially responsible shares;
- FCPE Avenir sélection patrimoine (50% shares, 50% bonds);
- FCPE Perspective conviction Europe (100% external institutional funds).

7.2.2.3. Mutual health insurance and provident fund

Permanent employees of M6 Group benefit from a private healthcare costs scheme and a provident fund, providing a higher rate of reimbursement for healthcare costs and covering employees against the risk of disability, incapacity and death.

Private health scheme

The main purpose of the private health scheme is to supplement the amounts reimbursed by the state social security system for medical costs (hospital admissions, medicines, dental and optical charges, health checks).

For Group employees, excluding Ventadis, F.C.G.B. and Oxygem, membership of the private health scheme is mandatory and must correspond to the individual's family circumstances. In 2017, the monthly contribution was €134.70, with payment split between employee and employer as follows:

- family contribution: the employee pays 50 % of the contribution and the employer pays 50%,
- individual contribution: the employee pays 40% of the contribution and the employer pays 60%, in order to make the scheme attractive to young employees.

Permanent employees of Ventadis also benefit in 2017 from a private health scheme, membership of which is mandatory. Employees may choose between the individual scheme and the family scheme, as well as between the basic scheme and the optional scheme. Annual contributions range from €42.99 for the basic individual scheme to €60.64 for the optional family scheme. The employer pays €51.81, regardless of the package.

For F.C.G.B employees, only administrative staff are covered by the collective agreement (athletes have individual cover with the exception of professional coaches and coaching staff on permanent contracts who are covered in the same manner as administrative staff). For non-managerial staff, the monthly contribution is € 93.96 and is funded in equal parts by employer and employee, regardless of their marital status. For managerial staff, the monthly contribution is € 158.97 and is 2/3 funded by the employer and 1/3 by the employee, regardless of their marital status. Cover is different for managerial and non-managerial staff.

Provident fund

The scheme provides:

- Incapacity cover, supplementary payments in addition to the benefits in kind provided under the state social security insurance schemes for health, maternity, work-related accidents and occupational-illness,
- Life insurance cover,
- Disability cover.

For Group employees, excluding F.C.G.B. and Ventadis, all employees on a permanent or fixed-term contract benefit from this cover from the start of their employment. Subscription is mandatory. Payment of contributions is split between employee and employer. All Group employees belong to a single scheme, regardless of status (with the same percentage contribution and the same division of contribution payments between employer and employee).

In 2017, all Ventadis employees benefited from an insurance scheme, which varied depending on the companies and involved different contributions according to status.

For F.C.G.B. employees, excluding football players, all employees on a permanent or fixed-term contract benefit from this cover from the start of their employment. Contributions and cover are 60% funded by the employer and 40% by the employee for managerial staff. For non-managerial staff, the funding contribution is equally split between the employer and the employee.

For professional players as well as for the training centre's players and coaches, the scheme covers death and permanent disability and is 100% funded by the employer.

A so-called "savings" provident scheme is also provided for professional players exclusively to which the employee contributes 61.5% and the employer 38.5%.

7.2.2.4. Total remuneration of 10 highest paid employees

In 2017, a total amount of €5,410 K was paid to the 10 highest paid Group employees (excluding Nicolas de TAVERNOST, a corporate officer, and F.C.G.B. professional players) compared with €4,580 K in 2016, of which €1,564 K was variable remuneration in 2017, compared with €1,339 K in 2016.

7.2.2.5. Supplementary defined contributions retirement scheme

In 2007, marking its desire to improve loyalty among senior executives and to meet their expectations in enhancing their pension cover, a supplementary and compulsory defined contributions retirement scheme was put in place for this category of personnel.

This scheme enables the creation of an external individual retirement account whose objective is the payment of a life annuity. Management of this account was entrusted to an insurance company that is recognised on the Paris stock exchange.

In accordance with Decree n° 2012-25 of 9 January 2012 confirmed by Circular n°2013-344 of 25 September 2013, employees with remuneration paid in n-1 equal to or higher than 4 PASS* (annual social security ceiling) are beneficiaries of the supplementary pension scheme.

At 1 January 2018, 58 M6 Group employees benefited from this scheme.

In 2017, F.C.G.B employees were not affected by this scheme.

7.2.3 Development of talent

7.2.3.1. Promotion and career development

Promotion and in-house mobility

	2016	2017
Number of employees who were promoted during the period*	144	164
% of employees who were promoted during the period	8.20%	9.60%
Number of employees who benefitted from in-house mobility during the period	90	62
% of employees who benefitted from in-house mobility during the period	5.10%	3.6%
Number of employees who received training during the period*	806	789
% of employees who received training during the period*	48%	47%

**Figures include VENTADIS Group and F.C.G.B., but exclude iGraal*

Integration of new hires and discovery of Group career opportunities

Throughout the year, the HR Department organises HR mornings for employees who have recently joined the Group, within two months of their recruitment.

These mornings have the dual objective of presenting to the employees the HR divisions that will support them throughout their careers and of promoting the creation of a network within the Group.

In addition to this scheme, employees have numerous opportunities to develop their knowledge of the Group's activities and businesses: in-house training, placements, conferences on our operations, etc.

Annual review and career development

Every year, all employees have an annual review with their manager. Assessment criteria go beyond results achieved during the year just ended, and focus on the skills specific to each position. This also provides the opportunity to assess the efficiency of training programmes undertaken and professional balance (work load and organisation, work/life balance).

Since 2015, employees have also benefited from a second review with their manager, entitled the professional review. This individual review takes place at least every two years, and is mandatory after a long leave of absence (a sabbatical, for example).

The Group uses tailored digital materials focused on the individual's career path to assist the manager to identify skills and competencies built up over their professional career and/or gained outside the workplace. The review culminates in a career and skills development action plan to be implemented by both manager and employee.

These reviews are stored and kept confidential and employees can view them on the enterprise social network.

Needs and/or comments expressed during the reviews are analysed and addressed by the Human Resources Department throughout the year.

M6 Group also continued a programme aimed at identifying the key employees in its various entities, which found that many of these fall into the 45 and over age category. The Group is phasing in targeted career development and reward initiatives for this talent profile: mentoring, joint training leadership, attractive internal mobility opportunities and expanded managerial roles.

In-house mobility and promotion

The Group gives priority to in-house mobility that offers support for career and personal development. In 2017, one out of every three positions was once again filled in this way (excluding F.C.G.B and iGraal), illustrating the Group's ability to offer career opportunities.

"Mobility" committee meetings are held every two weeks with operational HR officers and the HR Development department to discuss vacancies and potential candidates. from amongst employees who have applied for in-house mobility opportunities and those interested in moving job or making a career change to further their careers and expand their skills sets

All vacancies within the Group are posted on the Enterprise Social Network in order to give priority to internal candidates. All applications are considered to offer every employee the opportunity for career development and promotion.

In order to prepare the ground for subsequent moves, the "In the Shoes of" initiative was successfully repeated for the sixth consecutive year. This initiative lets Group employees experience work placements lasting between a half and a full day. For those who wish to take part, these placements are a chance to find out about different job roles in the company in the interests of career mobility, complementary skills, or simply out of curiosity. In 2017, 102 placements (a 24% increase in placements offered in relation to 2016) were provided to all employees wishing to take part, a figure that increases each year.

Training ³⁴

M6 Group is keen to develop the skills and talents of its workforce and has an active and agile training policy offering “occupational”, “management”, “personal development” and “Group culture” courses.

The total training expenditure in 2017 was €779.8 K ³⁵, demonstrating the Group’s commitment to talent development. This investment in training went to fund 1,162 training actions for a total of 12,933 hours³⁶. In total, 789 employees benefited from training in 2017, representing 47 % of the workforce.

In 2017, M6 Campus – the Group’s training body – was listed in the DATA DOCK, thereby fulfilling 21 indicators introduced in accordance with the decree relating to the quality of in-service professional training initiatives.

M6 Campus has continued to enhance its range of personalised training programmes, particularly for Group managers, by creating a level 3 for managers’ managers and by upgrading the first two levels. The “Manager Workshops by M6 Campus” were also developed and launched in 2017. These topical workshops lasting one morning per topic for six managers are intended to support managers in their day-to-day role with subjects such as “overseeing”, “supporting”, “communicating” and “optimising time”.

M6 Campus organised 520 training initiatives in 2017, providing in-house training in management, Group culture, quality of working life, as well as technical skills.

7.2.3.2. Trainee policy

	2016	2017
Number of trainees received during the period, for a period of 3 to 6 months ³⁷	217	237
% of trainees hired at the end of their training period (permanent or fixed-term)	15%	12%
Number of work/study students received during the year ³⁸	67	102
- Apprenticeships	15	18
- Work-based learning	52	84

In accordance with the French national trainee charter, the Group ran a number of initiatives for the benefit of student trainees:

- **Developing partnerships with schools** through M6 Group’s participation in student forums, hosting student promotional activities within the Group, the participation in examination panels and the organisation of “job dating” (short job interviews).
- **Organising the 4th Work Placement Day:** The theme of this day was innovation. M6 Group wanted to offer applicants a unique experience by putting video at the heart of recruitment thanks to a solution developed by the French start-up Talentview. Each opportunity was portrayed in a video by the tutor. The candidates were invited to apply via their PC, smartphone or tablet and were pre-selected to take part in the day by the recruitment team. A total of 200 students attended and 34 tutors spoke throughout the day about what they do and opportunities for work placement contracts commencing in September 2017. As a result of this day, 32 students were recruited under work placement and professional development contracts.
- **Joining M6 Group by becoming the future Mo(bile) Jo(urnalist)!** M6 Group decided to launch the “MoJo Award” to support changes in how information is consumed and produced. The purpose of this scholarship is to identify the talents of the future and to strengthen the brand image of the Editorial Office with young journalists from specialised schools. The competition was open to final year journalism students at the 14 schools recognised by the Journalists Agreement. Six candidates selected were invited into the National Editorial Office to make a video report. Throughout this day, they were each supported by a journalist tutor. Each candidate then presented their topic to the jury. The

³⁴ Group figures (including VENTADIS and F.C.G.B. – excluding iGraal and Radio division, relating to training fully or partially funded in the planned training budgets and the skills training period)

³⁵ Included are the training programmes that have been fully or partially financed in the budgeted training programmes and skills training periods.

³⁶ Only training funded as part of the training plan or the skills training period without any other additional scheme are included in these training hours.

³⁷ Group figures (including VENTADIS and F.C.G.B.)

³⁸ Data from the Radio division was included in 2017 and represented 14 work/study course students out of the 102 students in attendance

award was presented by Nicolas de Tavernost to the winner, Manon Labat, who has joined M6 Group's national and digital editorial offices on a year-long fixed term contract.

- **The induction of our young people into internships and work placements:** Welcoming and integrating young people during their internships and work placements is an ongoing and primary concern of the recruitment and schools relations team. This year, a new form of induction, the "Welcome Day", was developed and held for our young people enabling them to develop their knowledge of the Group and its activities and businesses, to create their first professional network, feel comfortable in their placement, and take part in workshops on the Group's employment brand, Mission Disability.

- **Happy Trainees:** In 2017, a "Happy Trainees" survey, was conducted by the company *meilleures-entreprises.com*, with all the trainees and students at M6 Group (excluding Ventadis).

This survey helped assess the induction, integration and support offered to trainees and students. M6 received the "Happy Trainees" label for the first year with an overall rating of 4.09/5 and a recommendation rate of 83.9%.

- **Making M6 more attractive to young people**

Every year, the consultancy firm *Universum*, a specialist in employer branding, carries out a survey on the attractiveness of employers to young employees who are business school graduates. This year, more than 12,000 workers chose their preferred employer. In 2017, M6 Group recorded a sharp increase, moving up 33 places in the rankings of the 130 most attractive companies in France.

- **Inspiring the young and sharing our love of broadcasting**

170 pupils (in their last year of middle school mainly) had job shadowing opportunities within M6 Group in 2017. They were introduced to the company and careers in the industry, and some discovered their true vocation. The Group pays close attention to diversity in screening requests from young people.

- **Preparing for M6 Group future recruitment and encouraging loyalty among trainees**

Before the end of their training period, the young people have an interview with their supervisor, in order to carry out an overall assessment of their work experience and validate their choice of professional direction as well as their potential and motivation to work for the Group.

Their job applications are given priority for filling junior roles immediately following the end of their training period or subsequently.

7.2.4 Commitments to the integration of workers with a disability

	2016	2017
Number of workers with a disability	17	21

The Group's commitment to disability rights and the measures it has undertaken in this regard are described in paragraph 7.3.2.1 of this document.

In 2017 M6 Group received the CSR Innovation Award.

Organised by *Cercle Humania*, each year this award recognises innovative corporate initiatives that have already been implemented and have already demonstrated their effectiveness at supporting employees and the environment within companies.

This accolade recognises the commitment of M6 Group and its employees in combatting stereotypes and improving the hiring potential of disabled employees.

7.2.5 Commitments to gender equality

The Group is committed to its gender-equality action plan guaranteeing equal treatment of men and women during the recruitment process.

In the light of this commitment, since 2012, all the Group's HR recruitment personnel, as well as all employees recruited since that date, have been trained in non-discrimination in employment and occupation during interviews.

Indicators

	2016	2017
% of women in total workforce	51%	52%
% of female managers/executives	51%	52%

* Excluding F.C.G.B. sports contracts

	2016	2017
% of female Management Committee members	22%	18%
% of female senior executives	25%	25%
% of women who received training	52%	51%

* Including Ventadis and F.C.G.B - Excluding iGraal

	2016	2017
% of women recruited on permanent contract	54%	54%

*Excluding F.C.G.B and iGraal

Excluding F.C.G.B.'s sports contracts, women represented 52% of the workforce in 2017 and 52% of managers (a slight increase in comparison with 2016).

To further strengthen the Group's commitments to equality between men and women, the Group concluded several collective agreements on gender equality and introduced action plans in all subsidiaries.

Métropole Télévision, M6 Bordeaux, M6 Films, M6 Publicité and F.C.G.B renewed their commitments to gender equality in the workplace under 2015 collective agreements for an additional three years. Other Group companies set up action plans renewable every year, depending on Group-wide commitments.

Based on the balanced results seen at the end of the first action plans, the agreements, concluded with management and unions, renew the Group's commitments, particularly in relation to recruitment, career development, training, work/life balance and remuneration.

Work/life balance: Management renewed the protection process for pregnant women, in particular by organising interviews with the HR Department and the employee's manager, subject to the employee's agreement, in the month before their maternity leave is due to begin and during the month before their return to work. It has been decided to facilitate the relationship with the employee during the period of maternity leave, enabling her to keep up to date with Group activities by providing her with online access to internal communications.

Moreover, Management has made a commitment as part of the structure of working hours, to promote respect for personal life, for example with meetings to be set for times during working hours, flexible working time to match school term, etc. An innovative step has also been taken to extend the parental leave period to incorporate part time working for a maximum of 80% of working hours until the child is six years old.

Remuneration: Management is committed to ensuring a maximum gap of 5 points between the access rates of men and women to the individual increases over a three-year period. Similarly, Management will track the average percentage of individual increase of men and women.

7.2.6 Social dialogue

M6 Group complies with the Labour Code and applicable collective agreements with regard to social dialogue, the exercise and protection of trade union rights and employee representation.

M6 Group also complies with the provisions of the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining, and in particular the ILO's conventions C87, C98 and C135.

Various unions are represented within M6 Group:

- within the UES (Social and Economic Unit) comprised of the companies Métropole Télévision, M6 Films and M6 Bordeaux, and made up of 686 employees, the unions CFE-CGC and CFDT are each represented by a union representative and secured 71% and 29% respectively of the votes at the last employee representative elections.
- within M6 Publicité, the CFE-CGC is represented by a union representative, and it secured 96% of the votes in the last union elections against the CFDT.

In relation to the Ventadis division:

- within the company HSS, the CFDT and CFTC unions are both represented by a union representative and they secured 44% and 56% respectively of the votes at the last employee representative elections;
- the CFE-CGC and the CGT both formed sections in the HSS and appointed a representative each.

In relation to F.C.G.B.:

- the SNAAF CFDT union won 73% of the votes in the company and has a union representative. The FNASS UNFP shop steward left the workforce in 2017 and has not been replaced.

At 31 December 2017, M6 Group had 23 employee representation committees and 136 elected representatives (all representative bodies combined and taking into account those who hold multiple offices):

- 8 committees of employee representatives, with 38 elected members,
- 3 works councils, with 27 elected members,
- 7 single employee representative committees with 49 elected members; the remit of 4 of these committees extending to the functions of the Health, safety and working conditions committee. (Elections were held in 2017 within the companies SND, M6 Web and GM6),
- 5 health, safety and working condition committees, with 22 elected members (the memberships of HSWCC within the UES were renewed in 2017).

These various employee representative institutions promote regular and active social dialogue. In 2017, on average 20 ordinary and extraordinary meetings took place every month with employee representatives (across the various bodies). Within the UES (Métropole Télévision, M6 Bordeaux and M6 Films), works council committee meetings (housing committee, catering, gender equality, training, etc.) were held regularly in order to have a close understanding of employee concerns. The key points raised during works committee meetings or by single employee delegations during 2017 were as follows:

- Monthly topics: operation of Group companies;
- Quarterly topics: workforce monitoring;
- Ad-hoc or annual topics:
- the "Stella" project: modernisation of the management tools for the TV and digital activities,
- the proposed organisation of the network,
- the proposed on-call plan within the postproduction support team in the Technical Department,
- the draft Code of Ethics and Professional Conduct annexed to the Group's Internal Regulations,
- the draft Journalists' Code of Conduct,
- the draft Code relating to the right to disconnect,
- the proposed purchase by M6 of RTL shares held by RTL Group,
- the proposed transfer of RSM shares to M6 Interactions, merger-absorption of EDIRADIO by METROPOLE TELEVISION and creation of a common organisation,
- the proposed relocation of the EDI RADIO, EDI TV and METROPOLE TELEVISION teams,
- preliminary 2017 review and 2016 review of the private health scheme,
- 2016 review of the body in charge of the "1% logement" scheme (employer-sponsored housing assistance fund),
- review of the annual appraisals and professional interviews,
- 2017 Group savings plan and the profit-sharing agreement,
- the economic and financial position of the UES (2016 annual financial statements, use of CICE tax credit),
- social, working conditions and employment policy,
- review of the 2016 training plan,
- preliminary review of the 2017 training plan,
- 2017 mandatory annual salary negotiations,
- 2016 review of the provident scheme,
- new season programmes,
- disability within the Group,
- provisional training plan for 2018,
- information on the M6 Foundation's activities,
- information on the web digital culture.

The main topics on which the health and safety committees were consulted or on which they gave advice were as follows:

- the planned development of R+7 at 114 Charles de Gaulle,
- the "Stella" project: modernisation of the management tools for the TV and digital activities,
- the proposed organisation of the network,
- the proposed on-call plan within the postproduction support team in the Technical Department,
- the draft Code of Ethics and Professional Conduct annexed to the Group's Internal Regulations,

- the proposal to change the Company's internal regulations,
- the draft Journalists' Code of Conduct,
- the draft Code relating to the right to disconnect,
- the proposed transfer of RSM shares to M6 Interactions, merger-absorption of EDIRADIO by METROPOLE TELEVISION and creation of a common organisation,
- the proposed relocation of the EDI RADIO, EDI TV and METROPOLE TELEVISION teams,
- 2017 update of the comprehensive risk assessment inventory,
- 2017 occupational risk prevention programme,
- the draft Health and Safety and Working Conditions Committee's internal regulations,
- work-related accidents over the 4th quarter of 2016 and the 1st, 2nd and 3rd quarters of 2017,
- the 2016 Health, Safety and Working Conditions review,
- occupational health annual report for 2016,
- review of quality of life at work and psychosocial risks for 2016 and the first half of 2017,

The following were signed in 2017 within the Group (excluding Ventadis and F.C.G.B):

- an agreement relating to the integration and retention in employment of disabled people;
- an agreement relating to the Group savings plan;
- a Group profit-sharing agreement.

The following were signed in 2017 within Métropole Télévision:

- a report on the mandatory annual negotiations disagreement;
- an Action Plan for the Cross-Generation Contract.

The following were signed in 2017 within the Ventadis Division:

- a Savings Plan,
- a substitute agreement.

An agreement on the mandatory annual salary negotiations was signed in 2017 within F.C.G.B.

These agreements are specifically aimed at improving the working conditions of employees as well as the Company's economic performance.

7.2.7 Health and safety at work

Safety

Employee safety and working conditions are the main priority for the 22 elected individuals of the Group's 5 health, safety and working conditions committees.

Health and safety conditions are monitored on a regular basis, in particular through regular or extraordinary meetings.

Following the terrorist attacks of January and November 2015 in Paris, security measures which had been implemented across all M6 Group's sites were reinstated in 2016 and then relaxed in 2017.

Tighter security at the entrances to all buildings has been maintained, including at local level (checking of badges and identities of people from outside the Group, limited access to certain buildings and to parking areas).

The trade union representatives have been informed of all the measures that have been implemented.

Refurbishment

In 2017, notably as a result of the purchase of the RTL Radio division by M6 and the arrival of the RTL employees, 1,273 workstations were moved between the various sites in Neuilly-sur-Seine and Paris (in Neuilly-sur-Seine: 24 and 46 rue Jacques Dulud, 56, 89, 107 and 114 avenue Charles de Gaulle, 3 Villa Emile Bergerat, in Paris: 50 rue de la Victoire Paris IX).

These refurbishment projects improve communication and dialogue between the teams and the Group's departments.

Quality of life at work

As part of the policy relating to prevention of psychosocial risks, the Group continued to offer specific training to raise awareness among various company stakeholders: staff representatives, managers and human resources managers to ensure they identify risks and respond accordingly.

A more comprehensive mechanism has been proposed as part of the "Quality of Life at Work Process".

In 2017, a QLW training session was attended by the following within the Group (excluding Ventadis and F.C.G.B):

- 38 elected individuals,
- 24 managers,
- 5 HR officers.

6 managers also received training on improving awareness of psychosocial risks.

In 2017, several activities were proposed as part of the quality of life at work week. A "wellbeing" event was held each day as part of the "Quality of Life at Work" week from 9 to 13 October 2017, as well as workshops (sophrology, yoga, tai chi, meditation, and nutrition).

Moreover, as part of the training sessions organised for the managers, they learnt more about the right to disconnect, in accordance with the provisions set out in the charter relating to the right to disconnect.

Annual performance and career development reviews

Half-year and annual reviews of quality of life at work and psychosocial risks are prepared within the UES and M6 Group subsidiaries (excluding Ventadis and F.C.G.B). Indicators by department concerning human resources and corporate aspects (mobility, absenteeism, turnover, age pyramid, seniority, etc.), working conditions (working hours) and health and safety (number of occupational and commuting accidents, medical exams, etc.) provide the basis for an analysis of the information and the solutions required to ensure the smooth running of the department.

In addition, as part of their annual appraisal, each employee is encouraged to consider their work-life balance and to monitor their workload. These indicators are then considered alongside the employee's manager and the Human Resources Department in order to ascertain the need to implement, where necessary, an action plan to ensure this balance.

Elected members receive a review on an annual basis.

Pursuant to the French law on professional training, all Group employees with at least two years' seniority are offered a professional interview. The purpose of this interview is to review the employee's professional career and discuss with them their professional development (skills, training, etc.). An interview is held in less than two years if the employee is returning from an extended period of absence or wants to move to another position in the company.

Safety, hygiene and health training

In 2017, 39 people underwent safety standards training (evacuation, use of fire-fighting equipment, etc.), 33 of whom were trained as workplace first aiders:

- 1 manager attended a retraining course to become an OHS trainer.
- 16 managers attended initial OHS training.
- 16 managers attended OHS retraining.
- 6 managers attended fire training.

Occupational Health

The daily presence of the qualified nurse in the medical room, in conjunction with Internal Communication, led to the repeat of the two annual blood donation campaigns, with 139 volunteers for donation in 2017 and 109 actual blood donations.

A sophrologist made 26 visits during 2017:

- 2 workshops per month from January to July / 20 employees per session.
- 3 workshops per month from September to December / 30 employees per session.

The nurse gives preventive advice to employees on various subjects notably via the enterprise social network Blender, by indicating the positions to adopt for sedentary work, recommendations in the event of a heatwave, etc.

The nurse also monitors personnel who work at night, under the supervision of the occupational health doctor, as part of intensified medical follow-up.

The annual occupational risk prevention and improvement of working conditions programme was updated.

Work related accidents and illnesses (excluding F.C.G.B):

The number of work-related accidents involving permanent employees and event workers that led to a work stoppage was 12 in 2017, compared with 8 in 2016, with a frequency rate (number of accidents per year resulting in a work absence of more than one day, per million hours worked) of 3.183, compared with 2.155 in 2016, and a severity rate (number of days of absence for which sickness benefits were paid per 1,000 hours worked) of 0.082, compared with 0.066 in 2016.

As well as complying with its legal and contractual obligations, M6 Group has set out a code of ethical and professional standards that all employees must observe in their own behaviour and to guide them in the actions they undertake. These standards apply to all employees regardless of status or position, including those at the highest level. Individuals must be guided by principles of professionalism and trustworthiness at all times, not only towards M6 Group, but also towards the public, customers and suppliers. They must abide by the laws and regulations in force and adhere to the standards of professional ethics set out by the Group.

Each new recruit is provided with a copy of M6 Group's professional ethics code, which also sets out the behaviour expected of employees with regard to personal conflicts of interest, sensitive data, gifts and invitations, and the periods during which employees must refrain from dealing in the company's shares. A copy of this code is also available on the Group's intranet.

7.2.8 Ethics and Professional Conduct

In 2017, M6 Group rewrote its Ethics Code, which has become the Code of Ethics and Professional Conduct. This Code, attached to the Internal Regulations of Group Companies, deals notably with the following subjects.

7.2.8.1. General standards of behaviour

Compliance with the law

M6 Group conducts its business in full compliance with the laws and regulations of the legal framework within which it operates. Group employees are required to adhere strictly to all laws and regulations relating to commercial companies in general, and the audiovisual and film sectors in particular. Under no circumstances should they disregard these statutes nor should they interpret them in a way that will damage Group companies.

M6 Group's commitments as an employer

All the decisions taken in relation to recruitment, hiring, discipline, promotion and other employment measures must be free of all discriminatory practices. Psychological and sexual harassment is prohibited.

Furthermore, pursuant to Decree n° 2017-564 of 19 April 2017, M6 Group has implemented a professional whistleblowing system. This enables a whistle-blower to report, selflessly and in good faith, a serious matter, such as a crime or an offence, of which they have personal knowledge.

Conflicts of interest

When, during the normal course of their work, employees are confronted with a situation in which a decision deemed to be in the best interests of the company conflicts with their personal interest, they are encouraged to inform their line manager or a company manager in order to resolve the conflict of interest as soon as possible.

Fraud prevention

M6 Group ensures that all the company's tangible and intangible assets are used and treated responsibly, including its products, business equipment, information systems and intellectual property. To this end, all employees are made aware of the fact that the company's assets must be used exclusively for the business purposes for which they are intended and not put to improper personal use or used for illegal or other illicit purposes.

The Group has implemented appropriate control measures (described in Paragraph 4.6.2 of this document) to prevent any form of fraudulent activity.

Freedom of expression and social networks

A policy on the use of social networks is issued to the Group's employees as a reminder of certain principles. In exercising their right to free expression, inside or outside the company, employees are required to avoid expressing publicly any opinion that may be taken to represent the position of M6 Group or its managers, to respect their obligation of professional discretion and loyalty towards the Group and to refrain from disclosing confidential information. These principles apply to all employees but especially individuals who may have a high public profile due to their role, their level of responsibility, their degree of public exposure or their prominent position on social networks.

7.2.8.2. Relations with our commercial partners and third parties

Relations with our commercial partners

M6 Group acts with integrity in its joint business activities and expects its commercial partners to comply with the law.

Relations with government bodies and regulatory authorities

Responsibility for M6 Group's institutional relations rests with the Corporate Affairs Department where a dedicated team is in constant dialogue with the various stakeholders and regulators. The Group maintains statutory links with all relevant regulatory bodies and government institutions.

Combatting corruption and influence peddling

Conducting business lawfully and maintaining the highest ethical and professional standards are essential components of the Group's corporate culture. It is the obligation of every employee to adopt the correct behaviour in order to ensure these standards are maintained.

In accordance with Law n°2016-1691 of 9 December 2016 relating to transparency, anti-corruption and modernising the economy, known as the "Sapin II" law, the Group's Code of Ethics and Professional Conduct defines and illustrates the different types of behaviour to be prohibited due to it likely constituting corruption or influence peddling.

As a general rule, employees must refuse gifts of any kind if they are of a higher value than would be deemed reasonable by the Group if it had to pay for them. Furthermore, any gift or invitation is deemed unacceptable if it could be regarded as likely to influence the behaviour of the recipient towards the donor.

Competition

The Group complies with anti-trust legislation and competition regulations. It has adopted a Code of Conduct and provides training on its implementation. Members of the executive committee and any other personnel particularly exposed to competition law issues can refer to the Code.

7.2.8.3. Content and programming

Agreement signed with the CSA

M6 Group is committed to ensuring its networks comply with the codes of conduct and professional ethics set out in agreements signed with the CSA.

Ethics, independence and accountability of journalists

In France, the main journalists' trade unions have adopted the Code of Professional Conduct for journalists. In addition, the "Convention Collective Nationale de Travail des Journalistes" (CCNTJ), a national collective agreement for journalists which applies to all journalists holding a press card in France, also sets out a number of ethical principles. This agreement is therefore applicable to journalists working within the Group, mainly in the National Editorial Service and at C. Productions, the subsidiary responsible for producing news magazines such as "Capital" and "Zone Interdite".

In accordance with the Law of 14 November 2016 aimed at improving the freedom, independence and pluralism of the media, M6 Group has created a Journalists' Code of Conduct. This Code was jointly drafted by journalists' representatives and M6 Group management. Its purpose is to set out the key principles of independence, freedom, and the reliability and truthfulness of information as well as specifying the rights and duties of journalists and the management of M6 Group. In parallel with this Code, an Ethics Committee, made up of five people, has been set up for a period of three years in accordance with legislation.

The Group maintains total editorial and journalistic independence in its news gathering and broadcasting. Editorial and journalistic independence is fundamental to its news reporting and broadcasting activities. The Group is conscious of its responsibility towards the general public as a leader of opinion and acts accordingly.

Consequently, the Group refrains from exercising external influence of any kind on journalistic investigations and refuses to let itself be influenced by external political or economic forces.

Furthermore, the Group complies with all laws, regulations and business principles relating to the separation of editorial content from commercial advertising.

Protection of intellectual property

M6 Group respects and protects intellectual property and protected content in all its forms. As a media company, the Group is fully aware of the particular importance of protecting intellectual property in its business activities.

7.2.8.4. Insider trading

The Group has adopted an ethical trading code of conduct intended to prevent insider misconduct. This code complies with recommendation No. 2010-07 of the AMF (French markets regulator), dated 3 November 2010, and applies to anyone who has access, or may potentially have access, to insider information. It prescribes the rules applicable to all Group employees and is available on the intranet. A new version of this Code came into force in 2017, in accordance with Regulation (EU) 596/2014 on Market Abuse and Article 622-2 of the AMF General Regulation.

7.2.9 Work environment

7.2.9.1. Benefits and services of the Works Council

The Group's budget for social activities is:

- for the UES, 0.95% of total payroll of the previous year, being €471,093 (compared with €473,194 in 2016);
- for the subsidiaries, 0.95% of total payroll, being €473,023 (compared to €425,128 in 2016);
- for Ventadis, 0.80% of total payroll, being €108,000 (compared with €96,033 in 2016);
- for F.C.G.B, no payment was made in relation to welfare activities, but 0.2% of the payroll was paid in respect of operating costs. F.C.G.B management bore the cost of the welfare activities of subsidiaries and the association.

The Group's Works Councils offer a number of benefits to employees: gift-vouchers for births, contribution towards costs incurred by employees in sporting or cultural activities, organisation of holidays, sporting or tourist weekends in France or abroad, etc.

7.2.9.2. Internal communication

Involve employees in the Group's major projects and advertise work opportunities

Improving awareness of the Group's activities and career opportunities, in order to develop both internal mobility and synergies, is one of the main aims of internal communication. Strengthening ties and the sense of belonging to M6 Group are also major issues.

Events to mark our successes and newsworthy developments

- film previews and programme previews reserved for staff,
- conferences based on Group and/or HR activities, available live and/or on demand on our Enterprise Social Network,
- invitations for staff to attend live broadcasts (such as La Revue de presse on Paris Première), partner concerts or events organised by M6 Événements,
- games on the Enterprise Social Network.

7.3 SOCIAL RESPONSIBILITY

M6 Group is keenly aware of its responsibilities as a media group with national reach and M6 Group is committed to remaining attentive to the social consequences of its activities. The Group's channels pay close attention to ensuring they fulfil their promises under their various agreements, in line with the general principles of the Law of 30 September 1986, as amended.

7.3.1 A framework that guarantees a high level of commitment to French society

7.3.1.1. Excerpts of the agreement between the Conseil Supérieur de l'Audiovisuel and M6 Métropole Télévision in terms of general and professional ethics obligations

The agreement between M6 and the Conseil Supérieur de l'Audiovisuel (CSA) covers general and professional ethical obligations to guarantee a robust commitment to civil society. It also stipulates that the Company is responsible for the content of the programmes that it broadcasts. In accordance with French constitutional freedoms of expression and communication and the company's editorial independence, it ensures compliance with the principles of the clauses on the design and production of its programmes under conditions that guarantee its editorial independence, especially with respect to the economic interests of its shareholders.

In addition, the Company undertakes to refrain from establishing any business or financial relationship between companies of the Métropole Télévision Group and that of the principal shareholder or controlling shareholders that would diverge from usual business conditions noted in the market.

The obligations and undertakings in the agreement with the CSA also cover:

Plurality of expression of schools of thought and opinion

The Company guarantees the plurality of expression of schools of thought and opinion.

Public life

Pursuant to the right to information, the Company ensures compliance with the presumption of innocence, respect for privacy and the anonymity of juvenile delinquents.

Programme content must not incite to delinquent or anti-social behaviour. It must respect the political, cultural and religious sensitivities of the public and must not encourage discrimination on the basis of race, gender, religion or nationality. Programmes must promote the French Republic's values of integration and solidarity and be representative of the cultural and ethnic diversity of French society.

Every year, the channel informs the CSA of its commitments to promote the representation of the diversity of French society in its programmes for the coming year.

Individual rights

The Company must guarantee personal dignity and individual rights relating to privacy, image, honour and reputation, and ensure restraint is shown in the broadcast of images or testimonials liable to humiliate people, to avoid complacency in reporting human suffering, and ensure that individuals' testimonies on facts regarding their private lives are only collected with their informed consent.

Protection of children and adolescents

The family-friendly nature of the Company's programming should be reflected at times where a younger audience is most likely to be watching TV, i.e. between 6am and 10pm. Within these time slots, and all the more so in the portion devoted to youth programmes, violence, even psychological, should not be perceived as continuous, omnipresent or presented as the sole solution to conflicts. The Company complies with the classification of programmes in accordance with five degrees of assessment of their acceptability in light of the protection of children and adolescents and applies the rating system accordingly.

Integrity of information and programmes

The integrity requirement applies to all programmes. The Company verifies the validity and sources of information. Its origin must be specified wherever possible. Uncertain information must be qualified when presented. In sequences filmed using a hidden camera, it should be impossible to identify people and places, except where the individuals involved have given their consent before the programme is broadcast.

When the Company presents on air, outside advertising slots, audiovisual communication service editing or distribution activities developed by a legal entity with which it has a significant capital relationship, it should strive to give a strictly informative character to the presentation, in particular by moderating the tone and restraining the significance attached to the topic. It should point out the nature of this relationship to the audience on this occasion.

Defence and promotion of the French language

The Company ensures the correct use of the French language in its programmes, as well as in adaptation, dubbing and subtitling of foreign programmes. The Company must strive to use French in the titles of its programmes. A French language consultant must be appointed by the channel. Journalist Nathalie RENOUX fulfilled this role in 2017.

The Group's other channels must also comply with these standard obligations. All agreements between Group channels and the CSA are available at www.csa.fr.

Monitoring the compliance of programmes is overseen by a dedicated department within M6 Group.

7.3.1.2. Compliance of advertisements

The Group's sales house, M6 Publicité, has entrusted ARPP (*Autorité de régulation professionnelle de la publicité*), by way of an inter-professional agreement, with a consulting role in guaranteeing the compliance of advertisements with general audiovisual advertising and communication rules. The current procedure, at the expense of agencies and/or advertisers, provides for prior disclosure to the ARPP before the first broadcast. On submission to the ARPP, the ad is assigned a serial number which must be provided to M6 Publicité before broadcast. The ad can be cleared, rejected, or the ARPP can request changes prior to broadcast.

As mentioned in its General Terms and Conditions of Sales, M6 Publicité reserves the right to refuse to broadcast or suspend the broadcast of any advertisement, if it considers that it fails to comply with the laws, regulations and practices governing audiovisual advertising and communication, or if it is contrary to the channel's interests or those of its subsidiaries, or if the CSA subsequently deems that an advertisement is non-compliant and bans any further broadcast and/or demands that the film is withdrawn from air. The editorial quality and legal control aspects are managed by the agency's advertising broadcast department.

In addition, M6 is a signatory to the advertisers' charter on responsible communication. As part of this, M6 is specifically committed to promoting, across all Group audiences, responsible behaviour and the respectful use of information relating to the private lives of its stakeholders in advertising and communication campaigns.

The Group does not broadcast any advertising in relation to firearms, alcohol or tobacco, or any pornographic material.

The Group is also a signatory to the CSA charter to promote a healthy lifestyle through nutritious eating and physical exercise in its TV programming and advertising.

7.3.1.3. Sound level compliance of TV programmes

M6 Group pays particular attention to the comfort of viewers and complies with the provisions of Decree No. 92-280 of 27 March 1992, which notably made it compulsory for TV channels to make the sound levels of programmes consistent with those of advertising breaks. Moreover, M6 Group participated in the consultation, after and on which the CSA based its ruling No. 2011-29 of 19 July 2011 that enabled editors to comply with these provisions by defining technical parameters relating to the sound intensity of advertising breaks.

7.3.1.4. Programmes accessible to all

To M6 Group, and in accordance with the Law of 11 February 2005 on equal rights and opportunities, accessibility not only means the participation and citizenship of people with disabilities, but also taking account of disabilities, first and foremost by subtitling its programmes for the benefit of the deaf and hard-of-hearing.

All M6 and W9 programmes are accessible to people with hearing difficulties (excluding commercial breaks, self-promotion, trailers, teleshopping, songs performed live and instrumental music, teleshopping and live broadcasts of sporting events between 12pm and 6am). M6 has undertaken to subtitle 60% of its programmes.

In addition, since 2009, the new broadcasting control room enables all Group channels to broadcast specific subtitles for the deaf and hard of hearing and thus provide access to the greatest number of broadcasts by Paris Première, Téva and M6 Music. Paris Première and Téva are thus committed to subtitling 40% and 20% of their programmes, respectively.

	M6	W9	6ter
Accessibility of programmes to the deaf and hard of hearing (subtitling)			
2014	100%	100%	50%
2015	100%	100%	60%
2016	100%	100%	60%
2017	100%	100%	60%

Accessibility of programmes to the blind and partially sighted (audio-description)			
2014	60 programmes including 30 new with audio-description	14 new programmes* with audio-description	6 new programmes* with audio-description
2015	70 programmes including 40 new with audio-description	17 new programmes* with audio-description	12 new programmes* with audio-description
2016	80 programmes including 50 new with audio-description	20 new programmes* with audio-description	12 new programmes* with audio-description
2017	100 programmes including 55 new with audio-description	22 new programmes* with audio-description	12 new programmes* with audio-description

* new to the channel

7.3.1.5. Fit-for-purpose governance structure

M6 corporate governance principles are governed by all the standards and laws applicable in France. Since 2000, Métropole Télévision has been a limited liability company with an Executive Board and a Supervisory Board, which offers a clear separation between Group operational management and the supervision of that management.

In addition, the organisation of corporate governance is repeated in the Bylaws, in accordance with French legislation and the agreement concluded by M6 with the CSA.

As such, within the framework of the provisions of Article 39 of the Law of 30 September 1986, no natural person or legal entity, acting alone or in concert, may directly or indirectly hold more than 49% of the share capital or voting rights of a company holding a broadcasting licence for a national terrestrial free-to-air television service;

Lastly, within M6 Group, there is an internal control mechanism aimed at ensuring:

- compliance with laws and regulations,
- application of the instructions and guidelines set by the General Management or the Executive Board,
- the proper functioning of the Company's internal procedures, especially those contributing to the protection of its assets,
- the reliability of financial information,

and generally, contribute to control and efficiency of operations and the efficient use of resources.

By helping to prevent and control the risk of not achieving the objectives set by the Company, the internal control mechanism plays a key role in managing and steering the various operations.

This mechanism is detailed in the section dedicated to Risks in this registration document (Chapter 4).

7.3.2 Programmes - the Group's main responsibility

7.3.2.1. Representing French diversity

M6 Group holds diversity dear and seeks to ensure that its programming is as representative as possible of the diversity of French society so that all groups in the community can identify with the content offered on its channels.

In addition to their contractual commitments in relation to representing the diversity of French society, M6 Group channels are duty bound, as nationwide broadcasters, to reflect on their channels the image of multicultural France both by the promotion of the values of integration and solidarity and by the presence of minorities in its programmes. The CSA sees that commitments made by the channels each year are honoured, basing themselves on the results of diversity scales, whose results are satisfactory for the Group.

The four themes upheld by the Conseil Supérieur de l'Audiovisuel on its diversity scale are as follows:

- socio-professional categories,
- perceived origin,
- disability,
- and age.

Gender equality is now subject to particular scrutiny, since the competence of the CSA in this field was strengthened by Law n°2014-873 of 4 August 2014 for true gender equality.

M6 is also committed to combatting all other forms of discrimination (based on sexual orientation, against pregnant women, people suffering illness, etc.).

SOCIO-PROFESSIONAL DIVERSITY

M6 attaches great importance to representing all socio-professional groups in society in its programmes, both in its reports and programmes (M6 has this year for example broadcast "*Rire pour un toit*" and a new documentary on poor housing), and in the casting of its entertainment programmes (*L'amour est dans le pré*, *Les Reines du shopping*, *Top Chef*, etc.).

DIVERSITY OF ORIGINS

Similarly, the promotion of visible minorities is also a real priority for M6 Group, as demonstrated by the diversity of its team of presenters (Kareen GUIOCK, Karine LEMARCHAND, Anicet MBIDA, Laurence ROUSTANDJEE, Cristina CORDULA, Kamel OUALI, Anaïs GRANGERAC, etc.), as well as by the actors and artists shown on its channels (*Le Marrakech du rire*, *La grande soirée des mille et une nuits – Ensemble pour la tolérance*).

The Group's commitment to inclusion is also seen in the reports and outside broadcasts shown on its channels (for example, *Zone Interdite* broadcast a report called *L'école à l'ancienne*) and in its fictional programming, from French programmes like *Commissariat Central* and *Scènes de ménages*, to imports, such as *Quantico* or *Rosewood* – not to mention the films the Group has been involved in producing, such as *Epouse-moi mon pote*.

As every year, the Group also run a free ad on 14 July 2017 to promote diversity.

A STRONG COMMITMENT TO PEOPLE WITH DISABILITIES

M6 Group's mission is not just to tackle the daily life of disabled people in its reports, but also to allow them to participate in the programmes and games, just like the other contestants (*La France a un incroyable talent*, *The Island*, etc.). Group channels strive to highlight the work and the actions of organisations for the disabled in most of the topics dedicated to this theme.

M6 Group is also committed to the employment of people with disabilities. Since 2014, it has been a signatory to the Charter promoting the training and professional integration of students with disabilities. In 2017, the Group thus recruited people with disabilities, including 2 on fixed-term contracts, one event-based worker and 5 on traineeships or work placements.

During Disability Day on 3 December 2017, M6, W9 and 6ter broadcast five short features on the theme of difference throughout the day *Différents et alors ?!*. Each piece was about the meeting between a disabled sports champion and a Group presenter to whom they introduced their sport: These videos were made by Jaris TV, a non-profit organisation that offers training in the journalism and audiovisual fields to people with disabilities or from disadvantaged backgrounds.

Special programmes were also on the schedule on two free-to-air channels (two specific items included in M6 news programmes, one in *Kids & toi* and one on Philippe Croizon in *Turbo*). W9 also showed a clip of the presenters and Jérôme FOUQUERAY, the channel's managing director, using sign language. A number of special programmes also went out on the Group's free airtime.

Kids & Toi is a weekly programme on M6 aimed at a young audience and broadcast with sign language translation provided by an employee who is hearing-impaired.

In 2017 and for the eleventh consecutive year, the Group mobilised its employees for the disability employment week which took place between 13 and 17 November 2017. Activities during the week included workshops for staff to raise awareness of the various forms of disability, and daily newsletters were sent to employees via the intranet or by email.

M6 Group is a responsible corporate citizen and regularly places orders with the sheltered employment organisation ESAT for everyday services, such as delivering ready-meals.

Gender equality

Gender equality remains central to the commitments of Group channels, both in the structure of the Group (see Section 7.2.5 of this document on the Group's commitments to gender equality) and programming.

Women are very well represented in television news programmes, with two women and one man presenting the 12'45 and 19'45 programmes. Current affairs and news bulletins are however pursuing their aim of significantly increasing the airtime of female experts; The Group notably makes sure that the judging panels for competitive talent shows on its channels are balanced between men and women (*Nouvelle Star*, *Top Chef*, *Le meilleur pâtissier de France*).

The Group is absolutely committed to ensuring women are fairly portrayed in the music videos shown across the Group's channels and restricts those it considers to be denigrating of women.

Promoting women in sport is also a priority for M6 Group. This year, it took part in *4 saisons du sport féminin*, an event organised by the CSA on 11 and 12 February to throw the spotlight on women's sport in the French media. Once again this year, M6 and W9 also relayed the all-female Aïcha des gazelles rally. Established in 1990, the event attracts women aged 18 to 65 from 33 different countries.

The Group also lends its support to groups dedicated to gender equality. For example, it showed a clip on cyber sexism during the month of October on behalf of Centre Hubertine Auclert, a French organisation working to promote equality between men and women. The channels also covered the Marie-Claire Group's Share the light initiative (La Flamme Marie-Claire) to defend and promote the education of women and young girls around the world. In 2017, some of the best-known presenters were among the campaign's sponsors in the Group: Anaïs BOUTON, Carine GALLI, Kareen GUIOCK et Marielle FOURNIER. The M6 and Téva channels aired free ads during September and October and the campaign was given airtime by the sponsors on their programmes and on the Group's websites.

7.3.2.2. Child and youth protection

Protecting children and young people is one of the pillars of M6 Group's commitment to society. Making sure that the programmes broadcast by the Group on its channels go out at the appropriate times and that they do not include content that could be detrimental to the physical, mental and moral development of children and young people is an absolute priority for M6. The Group also support many voluntary initiatives aimed at children.

PROTECTING YOUNGER VIEWERS

REVIEWING CONTENT

M6 Group carries out a review of its programmes which varies according to the type of content. The content of our current affairs programmes is the responsibility of the editors, while news programmes like *Capital* and *Zone Interdite* are viewed by a special committee overseen by the Company Secretary's office.

RATING SYSTEM

As far back as 1989, M6 took the initiative to introduce a content rating system that clearly flags the type of audience programmes are intended for. It was subsequently imposed on other channels by the Conseil Supérieur de l'Audiovisuel in 1996. However, the commitment of M6 in this area has not weakened and the Group also ensures that its daytime programmes do not contain violence, vulgarity, or anything likely to shock young viewers. Where content may not be suitable, the programme is rated and the appropriate message shown; alternatively, it is moved to a later time slot in the interests of protecting young viewers. For example, the Group closely monitors the development of co-produced series, from concept to delivery of the final episode. Dubbing of foreign films is also done with the greatest care. Thus, all the youth programmes, films, series, made-for-TV films, or music videos are viewed and validated by a Viewing Committee that gives its recommendations to the Ratings Committee, the final arbitrator of the allocation of the 4 categories (all viewers, under 10 years, under 12 years and under 16 years).

In addition, M6 Group channels supported and broadcast the ratings campaign proposed by the CSA between 20 November and 10 December 2017 as well as the specific campaign for the protection of children under three which was held from 16 to 18 February 2017.

Furthermore, pursuant to the terms of the CSA deliberation dated 17 April 2007, M6 has drafted a charter governing the participation of minors in its TV shows, with a view to protecting them and establishing specific conditions for participation.

FOOD CHARTER AND COMBATting CHILDHOOD OBESITY

Under the auspices of the SCA and in collaboration with the French Health Minister and the Minister for Culture and Communication, on 18 February 2009 TV channels, producers and advertisers signed a charter devoted to fighting childhood obesity in France. This charter, with a duration of 5 years and controlled by the CSA, grants preferential prices to the National Institute for Prevention and Education in Health, "*Institut national de prévention et d'éducation pour la santé*", to broadcast its prevention messages aimed at encouraging a balanced diet and physical activity. It includes editorial commitments by channels to promote and educate young audiences, in particular by promoting balanced eating behaviours and the practice of sports.

M6 Group renewed its commitment to promote a healthy and balanced diet and physical activity in programmes and advertising, by signing, on 23 May 2013, a renewal of the food charter for a period of five years.

M6 Group thus supported and reported on the European Anti-Obesity Days on 19 and 20 May 2017 via special programming on the channels M6, W9 and 6ter (with, in particular, the broadcast of a piece in *Le 19.45* about training affected staff in how to care for people with obesity and *Le défi de Norbert et Jean*: "*Creating a delicious meal from a plate of raw veggies*").

CONTROL AND AWARENESS

M6 Group is responsible for the information broadcast on its websites. Concerning its community sites, a service provider is responsible for moderation and, once the messages have become public, verifies those which are insulting, defamatory, racist or that represent any other incitement to violence or hatred and, where appropriate, removes them from the websites.

Over the last nine years, M6 Group has also been a partner of Action Innocence, a charity that campaigns for the prevention of risks to children posed by the internet. This support involves the broadcasting free of charge of their campaign via TV, online and mobile.

TELEVISION, A POWERFUL MEDIA

The M6 network is a powerful contributor to the Alerte Enlèvements system, implemented in 2005 by all main radio stations and television channels that are signatory to a memorandum of understanding modelled on what has been successfully experimented in the United States for a number of years. It involves the mobilisation of maximum media power during the first 24 hours after a child has been kidnapped, and to broadcast over as wide an area as possible information that could lead to the child's rescue. This commitment by the Group consists of communicating essential information to as many people as possible, such as a description of the child or the abductor, as well as the circumstances of the kidnap, using tickers passing at the bottom of TV screens, programme interruptions, or the repeated showing of photographs to help identification. The system has proved its worth, as, to date, every time Alerte Enlèvement has been triggered the child has been found.

7.3.2.3. Raising public awareness of worthy causes

M6 is highly committed to promoting a more socially responsible television service and broadcasts messages and short films with a social content free of charge.

M6 intends to assist and to encourage not-for-profit and charitable actions and to increase the general public's awareness of them. In 2017, many campaigns from humanitarian, non-governmental and charitable organisations were thus broadcast free of charge on M6 and on the Group's digital channels, supporting causes in the fields of solidarity (Handicap international, French Red Cross, Fondation de France / appeal for donations to help victims of Hurricane Irma, etc.), health (the fight against AIDS, cancer research, research into rare diseases, the fight against cystic fibrosis, the fight against autism, etc.) and education/culture (Plan International France, etc.), as well as education/culture (La flamme Marie-Claire, UNICEF etc.).

M6 Group also supported the Abbé Pierre Foundation, with the broadcast on 22 December 2017 of an evening "*Rire pour un toit*" in order to collect maximum donations. In the second part of the evening, M6 also broadcast a new documentary on poor housing that followed the men and women helped and supported by the Foundation.

The Group also backed the Fraternité générale movement to foster fraternity through cultural, sporting and community events and showed a number of clips on mutual support in the community.

7.3.2.4. Prevent, act and increase awareness of public health challenges

M6 Group is at the forefront when it comes to harnessing the impact of its channels and airtime in support of public health issues.

For many years, a special mechanism, set up both on Group channels and on the Internet, has been in place to support the Sidaction campaign against AIDS, this year between 24 and 26 March 2017. The Group's channels, supported by presenters, have made Sidaction the keynote of a number of programmes, featuring trailers for the campaign, prevention information, special shows, awareness raising programmes, broadcasting of fundraising advertisements and production of pieces by W9. A major digital campaign went out on the *Golden Moustache* and *Rose Carpet* sites. In addition, a Sidaction video was produced with the organisation and shown on all Group websites. 6play highlighted its AIDS awareness *Sidaction* page including all the videos, the channels' social networks, messages from presenters on their accounts, and M6 Group's sites. This initiative was covered by 6play, which highlighted *Sidaction* on a dedicated page including all the videos.

M6 strives to regularly warn viewers of risks associated with alcohol and drugs in its many magazines and reports.

7.3.2.5. Encourage a better understanding of the world

M6 Group seeks to deliver the most complete and most diverse information possible and, as stated in Article 33 of its agreement, "*expand its programming of magazines and documentaries promoting understanding of the contemporary world, by dealing with diverse subjects such as employment, integration, the economy, science, ecology and the consumer society.*"

Capital, *Zone Interdite*, *66 Minutes*, *E=M6*, *Enquête Exclusive*, *Kid & Toi*, *le 12'45* and *le 19'45* are programmes and magazines that illustrate, via the subjects dealt with, the M6 channel's commitment to inform and increase awareness of current and social issues and its expertise in deciphering major challenges.

7.3.2.6. Supporting creation and new talents

As part of its production and broadcasting obligations, M6 is committed to developing artistic creation and to valuing its diversity by focusing on young talent in cinema, audiovisual works and music.

The Group thus shares its cinematic investments carried out by its subsidiary M6 Films between established producers and young talent. Over the past 10 years, 50% were either first or second films. For example, in 2017 M6 Films co-produced Clovis Cornillac's first feature film, *Belle et Sébastien 3*, with Félix BOSSUET.

On air, the Group is strongly attached to revealing new talent, including young actors in its audiovisual co-productions (*Soda*, *Scènes de ménages*, *En Famille*, *Commissariat Central*), presenters and hosts (Bertrand CHAMEROY, Bastien CADEAC, Ophélie MEUNIER, Anaïs GRANGERAC, etc.) and programme participants (Norbert TARAYRE, Xavier KOENIG...). This desire is the Group's trademark, which is accompanied by loyalty to the talents discovered, as shown by the Group's support for their shows, record production, recipe books, new films, etc.

7.3.3 M6 Group, playing an active part in society

7.3.3.1. The M6 Corporate Foundation

In 2010, M6 Group created its own corporate foundation, having decided to get involved in the sensitive issue of prison life.

The Group exercises its responsibility for a cause that unites its employees around a project financed by all Group companies. The Foundation, which has a €2.5 million budget over five years, has set itself the target of supporting individuals who have spent time in prison at some point in their life, in order to combat reoffending and thereby support their reintegration into society. It is also working to break down barriers between the prison world and civil society, in order to help change perceptions of prisoners.

HELPING AND IMPROVING THE QUALITY OF LIFE OF INMATES: A SOCIAL NECESSITY

M6 Group is the first company to decide to dedicate its Foundation to issues concerning the prison environment, considering it to be the duty of a powerful media group with a presence in the public domain to make a real commitment as a responsible corporate citizen, focused on a major social issue.

Although life in prison and reintegration into society continue to attract little media attention, the Group's project deals with a genuine social issue: in fact, 61% of prisoners reoffend within five years of their release from prison. The M6 Foundation has made this finding the basis of its action, responding to high demand from organisations and prisoners themselves, in partnership with the prison authorities.

Beyond prison, an offender's "reintegration" into civil society is a real issue for society, deserving of both human and financial resources, so that, apart from its punitive element, prison is a time for reflection and rebuilding for the offender with a view to their reintegration: every person who goes to prison comes out eventually and in future becomes our neighbour once again. It is important for them and for all citizens that they have the will and the right support to live in the heart of society once again in harmony with others.

ACTIVITIES IMPLEMENTED BY THE FOUNDATION

The Foundation's activities aim to enable inmates to become stakeholders in their rehabilitation. Throughout its 7 years of prison-based intervention, the M6 Foundation has gradually focused its activities on the following 3 areas:

- Reintegration via a return to employment or vocational training,
- Combatting illiteracy,
- Culture as a vehicle to relearn social skills

EMPLOYMENT AS A TOOL FOR REINTEGRATION

The Foundation supports reintegration programmes via jobs and training.

• Video creation workshop at Fresnes Prison

The aim of the video workshop is the creation of short films by 8 prisoners. These films are then broadcast to the around 2,800 men held at Fresnes via the prison's internal channel. These films talk about day-to-day life in prison (access to healthcare, access to the law, education, vocational training, working in prison, professional reintegration, etc.). During the two workshops held each week, participants develop their skills in shooting and editing video using professional software. Six films are made each year in this way.

Key figures: 8 prisoners benefit, 6 films made each year, audience of 2,800 inmates.

• Supporting released prisoners in their career path with SPILE

The organisation SPILE develops vocational integration programmes dedicated to people with convictions and/or coming out of prison: in this way it supported 39 people with their vocational development in 2017, of which 11 secured jobs in companies, 4 joined back to work programmes, and 4 began training courses. SPILE relies on a network of more than 100 partners, from businesses, associations and institutional settings. The organisation is currently supported by almost 20 sponsors and 6 donors. In addition to individual support, it aims to raise awareness amongst businesses and encourage them to take concrete action and implement a policy of employing individuals who have spent time in prison.

Key figures: 39 people supported on an individual basis, 11 have secured jobs in companies, 4 have joined back to work programmes, and 4 have begun training courses

• Creating your own job with CréaJeunes

In 2017, upon their release from prison, 3 young people aged between 18 and 35 joined the CréaJeunes programme to help set up new businesses, from ADIE (Association pour le Droit à l'Initiative Économique / Association for the Right to Economic Initiative) which has been a partner of the Foundation since 2016. Over the course of 5 weeks, these young people received legal, tax, sale, marketing and communications training to transform their projects into business plans and turn their ideas into reality. They also benefited from individual support which is continuing until the completion of the project: that is what happened for one of the 2016 participants. He created his eco-friendly car washing business Shine Auto in 2017 and is gradually expanding his activity, with the aspiration of making it a company offering sheltered employment over the medium-term.

Key figures: 3 people received CréaJeunes training and 1 business created in 2017.

COMBATTING ILLITERACY

Starting from the finding that 11% of prisoners in France have literacy problems and 35% of them are almost completely illiterate, the Foundation is concentrating part of its work on combatting illiteracy:

• Scholarships for destitute people

The French Ministry of Education teachers' priority is the acquisition of basic knowledge and preparation for the *Certificat de Formation Générale* (certificate of general education – first official qualification of France's national education system). Lessons are offered free of charge and are unpaid. Certain prisoners must on occasion choose to leave the school in order to improve their living conditions by taking up an employed position. Further studies and sometimes basic skills training are not therefore possible for the most disadvantaged.

For this reason, a scholarship system based on merit (particularly attendance) worth € 40 per month has been introduced for the poorest prisoners.

Key figures: More than 220 scholarships have been awarded to just over 105 prisoners in the Nord-Pas de Calais and Ile-de-France regions.

• **"Au-Delà des Lignes" ("Beyond the Lines") writing competition**

With the aim of combatting illiteracy, the second edition of the writing competition, "Au-Delà des Lignes" was held in 16 institutions in the regions Île-de-France, Brittany and Hauts-de-France in 2017. 165 prisoners dared to put pen to paper and produced a piece of writing for the first time. They were guided via writing workshops by qualified teachers and members of the "Au-Delà des Lignes" jury (including Maxime Chattam, Valérie Tong Cuong and Rachid Santaki). Each participant received the collection of short stories from this second edition in which their piece was published. The six winners will receive support upon their release to extend their learning of French and basic knowledge to help with their future reintegration.

Key figures: 16 prisons participated, 17 meetings with jury members during writing workshops, 165 pieces of writing submitted as part of the 2017 competition, 1 2016 winner still being supported in their return to work.

DEVELOPING CULTURAL PROJECTS AS A VEHICLE TO REINTEGRATING SOCIETY

• **Making their voices heard with Donne Ton Slam**

Out of the five cultural project supported by the Foundation in 2017, the "Donne Ton Slam" project, led by the Hors-Cadre organisation, was held at four prisons in Hauts-de-France in 2017. Accompanied by two slam artists, 34 prisoners took part in writing and speaking workshops based on slam poetry. A concert involving 130 prisoners in total was then held, where each participant performed their work for an audience, accompanied by piano. A CD of 25 recorded pieces of poetic works has been made by the participants. Like the M6 Foundation, Hors-Cadre believes culture and creation are ways of (re)taking control of your own life, of thinking of the world by speaking out and make your voice heard.

Key figures: 4 prisons took part, 34 inmates composed and recited their work in front of 130 prisoners, 1 CD of 25 works recorded and given to participants.

• **Going beyond the daily routine of prison to talk about film with "Fleury fait son cinéma" (Fleury at the Movies)**

Between 13 and 24 November, the "Fleury Fait Son Cinéma" festival brought together a jury made up of 9 prisoners and 4 prison officers: they watched a selection of 8 films based on the theme of "Life Choice, Life Path", had the opportunity to speak to more than 20 film industry professionals and gave out 6 awards at the end of the festival, including the award for Best Film for *Nous 3 ou rien*, by Kheiron. *"Prison is a place nobody really wants to set foot in and yet almost 20 professionals from the film industry had no hesitation in coming to our meeting to have a debate. It's not every day that we get the opportunity to talk with people from the outside world and these great moments of discussion have made us see things differently. Personally speaking, this festival has been a turning point for me in my sentence"*, explained Jeffrey, a jury member, at the awards ceremony.

Key figures: 1 jury made up of 9 prisoners and 4 prison officers, 10 films shown, 300 prisoners attended the showings and met more than 20 film industry professionals.

A UNITING PROJECT FOR EMPLOYEES

The M6 Foundation raises awareness among Group employees and brings them together around an inspired and inspiring project, which testifies to the Company's awareness of its role in society as a corporate citizen. More than one hundred Group employees thus contribute their assistance, expertise and experience in their respective fields as well as their time to support the 2 employees who work full time for the M6 Foundation. In 2017:

- 60 employees accompanied children to visit their parent in prison,
- 10 employees helped to organise the Festival "Fleury fait son cinéma"
- 20 employees were involved in the selection of the projects supported by the Foundation,
- 12 of them shared their expertise and gave advice to the young entrepreneurs from the programme "CréaJeunes".

7.3.3.2. Support for numerous other initiatives

M6 Group is a member of the organisation Neuilly Nouveaux Médias, a "1901 association" created in September 2010 by Jean-Christophe Fromantin, Mayor of Neuilly and Member of Parliament for Hauts de Seine, and consisting of the city of Neuilly-sur-Seine and the large companies located there.

The organisation's aim is to promote the development of innovative new media start-ups (selected via competitive selection) by providing them for a minimum of 23 months with premises made available by large companies.

Thus in 2017, M6 Group welcomed the start-up Victor & Charles to its Neuilly premises, and provided it with an office and 5 workstations.

7.3.3.3. Steps to uphold respect of intellectual property

At a time where increased digitisation of media necessitates new measures to protect works, M6 Group, a producer and broadcaster of content, is helping to develop an effective policy to combat piracy and to uphold intellectual property.

This policy is based on two principal areas:

- reduction in the timeframe for broadcasting works, an issue addressed by the adoption of the Creation and Internet law and the signing of the interprofessional agreement;
- the development of catch-up television and Video on Demand, that gives viewers access to a varied range of programmes.

7.3.3.4. Value and preservation of cultural heritage

The audiovisual rights subsidiaries of the Group contribute to the preservation of leading European films through the restoration of classic films.

This major restoration work was initiated in 2005 with the purchase of SNC's catalogue of over 400 classic films by M6 Group. A total of 143 films had been fully restored by the end of 2017.

In 2017, an extract from the film *Les Aventuriers* by Robert Enrico was used for the 3rd consecutive year by Parfums Christian Dior for the advertisement film for one of their flagship products, Eau Sauvage. The partnership with the Musée de la Gendarmerie et du Cinéma in Saint-Tropez on the six *Les Gendarmes* films kicked off in June 2016 and continues to attract many visitors.

7.3.4 Balanced and transparent relations with stakeholders

The role of M6 Group with everyone it deals with, such as shareholders, advertisers, viewers, customers or suppliers, is to maintain balanced and transparent relations with them.

7.3.4.1. Viewers

In order to reply to viewer queries, M6 Group has a fully dedicated service for each of the following channels: M6, W9, 6ter and Paris Première.

In 2017, the 3 websites "M6etvous.fr", "W9etvous.fr" and "6teretvous.fr", devoted to viewers, recorded almost 1.2 million hits.

In addition, almost 3,000 viewer queries were processed by e-mail in 2017.

M6 Group also monitors social network developments in light of its relationship with viewers. Moreover, its presence on the different networks is continuing to grow:

	Dec. 16	Dec. 17
M6 – Facebook – Fans	2,154,656	2,203,609
M6 – Twitter – Subscribers	2,598,362	3,072,894
M6 – Instagram– Subscribers	107,801	139,699
W9 – Facebook – Fans	1,324,261	1,326,523
W9 – Twitter – Subscribers	562,904	731,003
W9 – Instagram– Subscribers	440,945	563,882
6ter – Facebook – Fans	116,415	124,056
6ter – Twitter – Subscribers	23,947	33,529
6ter – Instagram– Subscribers	-	1,283

Today, the primary challenge for a media group is to encourage innovation in order to adapt to technological developments and changes in viewing habits and the use of its services. These developments have led the Group to widen the distribution and availability of its content over the past few years, necessitating investment in both networks and digitisation as well as ascertaining the existence and development of a viable business model for these new uses.

Mindful of not encouraging viewers to gamble, the Group does not offer any online betting services either via the Internet or on its channels.

7.3.4.2. At the service of consumers

M6 Group, with the development of its Ventadis business (Distance Selling) has acquired real expertise in customer relationship management, from the original order to customer service, to deal with all calls and requests in the best timeframes and conditions.

In 2016, Ventadis achieved renewal of the AFAQ ISO 9001 Quality Certification, initially obtained in 2010 and again in 2013, for its Home Shopping Service: customer relations, logistics, stores and collection points. The renewal of this certificate valid for 3 years, confirmed that Ventadis does everything in its power to provide the best possible service when dealing with each of the parcels shipped annually.

7.3.4.3. Shareholders

M6 Group places strong emphasis on financial communication in order to deliver exact, precise and fair information to all shareholders, in accordance with applicable French standards and regulations.

Seeking to be attentive to the financial community and its shareholders in this matter, the Group set up new information formats for individual and institutional shareholders, via a website dedicated to current finances in French and English: [www.groupem6.fr/rubrique Finances](http://www.groupem6.fr/rubrique_Finances)

Shareholders may contact the Company using the dedicated e-mail address: actionnaires@m6.fr.

The information policy regarding shareholders and the financial community is detailed in Section 3.2 of this document.

Shareholders are particularly invited each year to attend or be represented at the Group's General Meeting. They are also regularly invited to visit sets and production rooms, and to watch filming of television news programmes.

In addition, M6 regularly responds to questionnaires from non-financial rating agencies and maintains direct relations with socially responsible investors (SRIs) who can therefore underpin their assessments on the basis of in-depth discussions held in full transparency.

In 2017 and for the 5th consecutive year, M6 shares were selected in the composition of the Gaïa index comprising the 70 securities posting the best 2016 performances out of 230 companies analysed. This index, established by Ethifinance with the backing of the SFAF and MiddleNext, is an index devoted to midcaps based on non-financial data.

This index measures the depth of involvement of the companies assessed in challenges related to sustainable development and corporate responsibility. The rating is calculated according to 136 criteria of which 32 in particular cover the environment, 40 corporate aspects, and 50 others governance.

Considered to be a benchmark database in the world of SRI (Socially Responsible Investments), the Gaïa index enables management and analysts to discover the most responsible companies and to integrate non-financial concerns into their analysis processes and investment decisions. The sample examined represents more than €163 billion in revenue and more than one million jobs.

7.3.4.4. Advertisers

Relations with advertisers and sales houses are governed by the Law of 29 January 1993, which came into force on 31 March, the so-called "Loi Sapin", which guarantees a completely transparent advertising market.

7.3.4.5. Suppliers

Relations with suppliers, particularly programme producers are set out by multi-year contracts as regards US studios (films, series), that ensure the smooth exchange of content. In addition, M6 Group plays a major role in creating French and European audiovisual and cinematic works, by dedicating a significant part of its advertising revenue to numerous co-productions and by reserving part of its investments for independent producers.

More generally, M6 Group is pursuing a policy that aims to develop sustainable and balanced relations with its suppliers and sub-contractors: for all of its purchases, M6 follows an approach that aims to take into account not only economic factors but also social, corporate and environmental factors. The Legal Department works to ensure that suppliers comply with all provisions relating to intellectual property, press and publicity rights, that they pay due attention to ethical aspects and are committed to meeting safety and security requirements.

This policy is used by the purchasing divisions of the various entities and subsidiaries of the Group.

By way of illustration, the Group's Production and Legal Departments have introduced into pre-purchasing contracts for animated programmes a clause requiring the supplier to comply with International Labour Organisation conventions, in particular those relating to forced labour and child labour. Should the contractor fail to comply with any of these provisions whatsoever, M6 will be entitled to request the automatic termination of the contract.

Similarly, as part of its major purchasing of services or products, SND, the Group subsidiary responsible for the distribution of audiovisual rights, is very mindful of the environmental and corporate commitments undertaken by its suppliers. The measures taken by each provider such as the recycling of waste, use of CAT (centres providing sheltered employment), equal pay for men and women, compliance with competition rules, etc. are also transmitted to SND and taken into account in the choice of suppliers during tendering.

Moreover, since the end of 2014, all cinemas in France were fitted with digital equipment. France now has the largest number of digitised cinemas in Europe. SND helped this digital switchover by offering all its films in digital format, as well as helping to finance the digital equipment by contributions made to cinemas as part of the broadcast of SND films.

Lastly, on DTT, M6 Group's channels are aired thanks to a network of 1,626 broadcast sites, whose operation is guaranteed by various broadcasters, following invitation to tender. During procedures to award these sites, and given the high levels of electrical power required for the operation of the network, M6 Group encourages broadcasters to give priority to solutions offering the best energy efficiency.

7.4 ENVIRONMENTAL RESPONSIBILITY

The Métropole Télévision Group does not carry out activities that structurally present a significant impact on the environment, particularly on climate change. The Group is nevertheless mindful that preserving natural resources is a key issue for the 21st century, and is therefore involved in safeguarding the environment at its own level. The Group is attentive to its own consumption and seeks to take initiatives in this area, both in terms of recycling and making the public at large aware of the challenges of sustainable development.

More generally, to demonstrate its commitment, M6 Group has adopted an approach in line with the charter proposed in 2007 by the Minister for Ecology, Jean-Louis Borloo, and addresses many of the issues raised by this charter. In fact, the Group has already carried out an assessment of its CO₂ emissions and broadcasts more environmental information.

M6 Group also strives to inform employees of the challenges of sustainable development and the relevant initiatives implemented within the Company. The internal communication department thus organises awareness-building activities regarding issues such as reducing printing, recycling, etc., via various communication media (emails, intranet, screen displays, etc.).

M6 Group has made no provisions or subscribed to any guarantees for environmental risks.

7.4.1 Environmental indicators

For several years, the Group has continued its efforts to reduce its impact on the environment in all areas of the company: travel, mail handling, vehicle fleet, paper, press subscriptions etc. Instead of a quantitative objective, the Group preferred a pragmatic approach with annual adjustments of requirements relating to key environmental indicators.

As part of its ongoing efforts to counter climate change, M6 Group has identified the following significant sources of greenhouse gases:

- emissions from the Group's vehicles;
- emissions from energy consumption in Group facilities;
- indirect emissions from products and services purchased by the Group;
- emissions related to business travel by personnel (excluding its fleet of vehicles);
- emissions generated by commuting to and from work;
- emissions from electricity used by the television sets of viewers of Group channels.

None of M6 Group's sites is subject to the EU Directive on greenhouse gas emission allowances. However, the CO₂ emissions caused by the energy consumption of the Neuilly building, which is owned by M6 Group, and of Rungis, Boissy, Nanteuil, Boulogne-Billancourt and Bordeaux, as well as the business and commuter travel of employees, are all monitored annually as part of the environmental impact. The assessment of these emissions over the last three years is presented below.

The Group has a policy aimed at reducing carbon emissions from its vehicles. Moreover, where data are not available, it cannot track the GHG emissions related to procurement of products and services.

Nevertheless, M6 Group is pursuing a policy that aims to develop sustainable and balanced relations with its suppliers and sub-contractors: for all of its purchases, M6 follows an approach that aims to take into account not only economic factors but also social, corporate and environmental factors. The Legal Department works to ensure that suppliers comply with all provisions relating to intellectual property, press and publicity rights, that they pay due attention to ethical aspects and are committed to meeting safety and security requirements. The Group cannot measure the emissions from electricity used by the television sets of viewers of its channels; nonetheless it supports technical initiatives, such as automatically switching off the sets when left unattended for a period of time.

Mindful of adapting to the latest legislative developments in relation to environmental safety, M6 Group keeps an up to date record of audits to be carried out in this field.

The December 2015 COP21 also was the opportunity to initiate a review on the improvement of the energy performance of the three Neuilly sites, beginning with an energy audit of these three sites under the NF EN 16247-2 standard, which was entrusted to an independent research unit. This audit satisfies the requirements of Decree n° 2014-1393 of 24 November 2014 which compels businesses to carry out such a review.

The findings of these audits were analysed in 2016 to initiate measures aimed at limiting the energy consumption of these buildings and consequently their greenhouse gas emissions. The halogen light bulbs in three buildings have been replaced by LEDs, for example. In addition, the latest generation lighting system was installed in the building at 89 avenue Charles de Gaulle as part of the refurbishment. The new smart system is centrally controlled and features a lighting level indicator were installed in 2016 and 2017. The air-conditioning system has also been modernised on the floors where variable-speed convactor fans were installed. Selective recycling bins are now available in all three buildings. Finally, the Group carried out internal communication campaigns aimed at all staff and focused on raising awareness of the importance of reducing waste and recycling.

In addition, pursuant to Article R224-59-1 of the French Environmental Code, M6 Group carries out regular audits of certain air conditioning systems, with the latest checks finding no anomalies.

The consumption of water, raw material and energy resources is monitored and controlled by the Group's General Services, as part of an approach aimed at reducing consumption and using equipment to improve energy efficiency.

With this in mind, the Information Systems Department launched for example a hyper-convergence project in late 2017. This is a type of IT infrastructure in which shared storage is provided, not via a disk array, but via a software layer exploiting the capacity of the hard discs installed in the servers themselves. In addition to significant space savings with the removal of the disk arrays, the new hardware, now managing both the servers and storage, will be more energy efficient.

A complete modern management system has been installed to deal with energy consumption, enabling the temperature and lighting of premises to be regulated according to a number of criteria, such as for example their occupancy rate. This centralised technical management of energy is intended to provide better control by the Group of its consumption. In addition, the Neuilly buildings are all equipped with air/water heat pumps which use free air energy to provide heating and hot water as well as to cool the technical rooms.

The latter is very regularly monitored in all areas. Water and energy consumption and CO₂ emissions of the Neuilly buildings – owned by M6 Group – and the Rungis, Nanteuil, Boissy, Boulogne-Billancourt, Lille and Bordeaux buildings were as follows in 2017:

	2015	2016	2017
Water consumption (in thousands of m ³)	47.954	36.890	32.591
Gas consumption (kWh)	1,691,871	1,847,296	1,777,148
Electricity consumption (kWh)	15,013,668	16,278,780	15,237,106
CO ₂ emissions related to direct and indirect energy consumption (in tCO ₂ eq - tonnes of CO ₂ equivalent)	1,658	1,811	1,448
Fuel purchasing (in litres)	16,384	20,878	22,399

With the exception of oil, in 2017 M6 Group managed to significantly reduce its energy consumption, thereby leading to a fall in its CO₂ emissions. This was also the result of the ADEME emission factors, which are used as a benchmark for calculating emissions, being updated.

M6 Group saw its water consumption fall 12% in 2017, primarily thanks to better weather which meant the green spaces beside the buildings at 89 avenue Charles de Gaulle and du 46 rue Jacques Dulud in Neuilly required less watering. Furthermore, in Rungis, the botanic gardens were replaced with spaces that need less watering. Lastly, reduced-flow taps have been installed at the Nanteuil offices.

Electricity usage fell in 2017, particularly as a result of the reorganisation of workspaces in the building at 89 avenue Charles de Gaulle, which led, as described above, to the installation of more energy efficient hardware. Similarly, more efficient servers were installed in the master control room in the building at 46 rue Jacques Dulud. Furthermore, centralised technical management has been introduced to turn off or reduce the functioning of electrical installations outside working hours in Rungis.

Moreover, the change seen in the purchase of oil was mainly due to the organisation of an additional match in 2016 at the Matmut Atlantique stadium, which required oil to run its power generators.

7.4.2 Waste production, paper management and recycling

M6 Group is especially committed to promoting the circular economy, and is keen to encourage the conservative and responsible use of natural resources via the prevention of waste, and through the reuse of products and their recycling.

	2015	2016	2017
Paper and cardboard waste (in tonnes collected in bins)	339	337	312
Non-hazardous industrial waste, including food waste (in tonnes collected from bins, including glass)	576	552	571
Batteries (in kilos)	546	469	353
Office waste paper (in tonnes purchased)	31	33	29

In a business like M6 Group's, paper is the main raw material used. In recent years, the Group has been actively engaged in reducing the amount of paper used within the company:

- Introduction of multifunction copiers to replace the Group's individual printers: by systemising double sided printing and by requiring swiping to print, paper consumption thus fell by 14% in Neuilly between 2014 and 2017.

In Rungis, this policy led to a 41% reduction in paper consumption between 2015 and 2017.

In 2015, the Group also introduced a system of colour printing quotas in order to reduce the use of ink cartridges and to tacitly encourage teams at the Neuilly sites to reduce their paper use. Colour printing thus fell by almost 30% between 2015 and 2017.

In addition, the paper used carries an ecolabel.

- As of 1 January 2017, and in accordance with the Labour Law, all employees (permanent, event contract workers and trainees) receive a monthly electronic pay slip in their secure individual electronic account. M6 introduced electronic pay slips in 2011 and 40% of the Group's workforce now receive their pay details electronically.

- Since 2012, M6 Publicité has given its customers and media agencies the option of receiving their invoices in electronic format. To date, 28 agencies have opted to go paperless, which represents 15,463 invoices out of a total of 24,494, meaning a volume of 64%, unchanged compared with 2016.
- In May 2012, in conjunction with the Group's courier-service provider, the decision was taken to stop using paper courier dockets, resulting in an annual saving of around 20,000 dockets since 2013.
- Similarly, the Group decided to phase out hard-copy press subscriptions, replacing them with electronic versions. In 2017, 39% of newspapers and magazines were delivered in electronic format, compared with 32% in 2016, 29% in 2015 and 12% in 2014.
- A new organisational system was introduced for Supervisory Board and Audit Committee meetings: using a secure file sharing system, all board and committee members have access to an individual online platform where they can download all the documents prepared for their meetings. The application is optimised for tablet and avoids the need to print out hard copies of documents that run to 100 pages or more.
- In 2017 the Group's Finance Department decided to create a new online platform for the drafting of its registration document. This new collaborative tool enables employees to work simultaneously on a single version of the document. It avoids the need to send hand annotated paper versions back and forth, since corrections can be made in real time directly on the platform. Printed copies therefore become unnecessary in the drafting process. Moreover, this new tool optimises the layout of the document. The configuration of the text move from full-page to two columns, thereby significantly reducing the total number of pages.

In parallel with this desire to control utilities (water, energy, etc.) and reduce paper consumption, M6 Group also has an active policy of recycling waste arising from its operations (batteries, neon lights, IT hardware, toner cartridges, fluorescent bulbs, refrigerating machine oil, etc.). For example, this approach has resulted since 2016 in no more new tapes being purchased for programmes. The Group will not be ordering any new tapes and now uses recycled materials that it sources from the disability employment association, ANRH, an employer of the disabled in the sheltered sector.

In 2016, the Group changed its waste sorting system in the Neuilly buildings. Individual bins were replaced with triple recycling bins placed in hallways and circulation areas. Recyclable waste is sorted from non-recyclables and batteries. The waste is collected every day by the Group's cleaning provider and then picked up by a waste sorting and recycling company. As the Group's on-site food service is outsourced, the service providers take responsibility for policies to prevent food waste.

In addition, as part of the recycling of Electrical and Electronic Waste (WEEE or W3E), the Ventadis (distance selling) division collected from its customers a contribution over and above the price of devices with electrical or electronic components. This eco-contribution, which is passed on in full to suppliers, is intended to finance the recycling of old appliances by specialised bodies. In 2017, the amount collected by Ventadis amounted to €0.1 million, the same as in 2016.

Lastly, a process is in place at MonAlbumPhoto.fr, confirmed by the French standard "Imprim' vert", recognised by all the operators in the graphic industry, certifying that all waste is recycled and that no toxic materials are used.

Consequently, MonAlbumPhoto.fr is committed to:

- ensuring its waste is collected and disposed of by approved waste collectors in accordance with regulations;
- providing secure storage for new stocks of hazardous liquids and also for waste liquids when in and not in use;
- avoiding the use of products labelled "toxic";
- implementing environmental awareness measures;
- establishing a procedure to monitor energy consumption every three months and to make this information available each time the trademark is renewed.

Within this context, in 2017 MonAlbumPhoto.fr successfully reduced its generation of paper and cardboard waste (down 3%), ordinary industrial waste (down 10%) and other recycled waste (down 28%).

MonAlbumPhoto.fr improved its production processes to optimise imposition and reduce spoilage; in turn, this cut paper purchases for albums from 619 tonnes in 2015 to 541 tonnes in 2016 and 532 tonnes in 2017.

Lastly, in each of the Group's sectors, thought is being given to reducing the environmental impact of activities: the IT Department opted to make a very substantial part of its servers virtual, making them more energy efficient than the more traditional physical servers. Digital contract storage, electronic signature of employment contracts for event contract workers and a digital process for invoice approval were also introduced. Continuing the drive to eliminate paper, the Group's teams also gradually introduced electronic signature of commercial contracts.

7.4.3 Environmental buildings management

BUILDING AT 107 AVENUE CHARLES DE GAULLE IN NEUILLY

Construction of the office building at 107 Avenue Charles de Gaulle has been subject to a HQE (High Environmental Quality) process aimed at user comfort and quality of life as well as respecting the environment.

In this way, the operation obtained HQE certification in 2012 for the Design and Programme phase: equipment and materials have therefore been chosen for increasing the comfort of people and to reduce the environmental footprint of the building, including:

- a high-performance and energy efficient air-conditioning system, through the use of heat pumps and a heat recovery ventilation system,
- an acoustic atmosphere tailored to the various premises,
- optimal use of natural light for offices and shared areas,
- optimal use of ventilation outflows and state-of-the-art research on interior finishing materials to ensure good air quality,
- terraces and patios partially planted with trees to conserve biodiversity.

In 2013, during its construction phase, the building was awarded the THPE (*Très Haute Performance Énergétique*) label for Very High Energy Efficiency. The many enhancements put in place have earned the building a *Passeport Bâtiment Durable* (Sustainable Building Passport) with a rating of "Excellent".

The certification body classed the following elements as "Highly Efficient":

- olfactory comfort in the building,
- air cleanliness,
- energy management,
- sustainability of environmental performance during maintenance.

For example, M6 has elected to improve energy consumption and support the environment including:

- widespread use of low-energy light bulbs,
- installation of motion sensors in lavatories, lifts, etc.,
- creation of green terraces encouraging biodiversity.

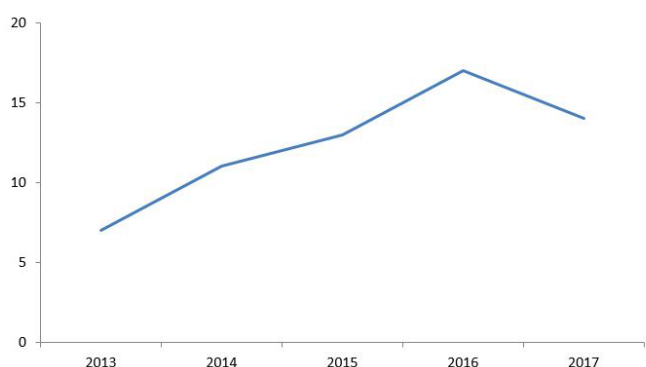
The Group still complies with the government circular of 5 June 2013 requiring exterior building lights to be switched off between 1 a.m. and 7 a.m. Moreover, following a trial in 2016, the automatic switching off of personal computers at night was rolled out in 2017.

7.4.4 Transport and business travel

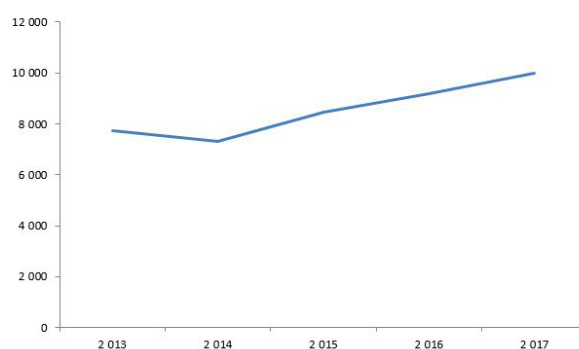
As early as 1997, M6 Group took the decision to establish its headquarters close to public transport, both for the convenience of its employees and to reduce commuting time. Today, the majority of the Group's employees are still based at the site opposite the Sablons Métro station in Neuilly-sur-Seine. At 31 December 2017, 744 employees, or 47% of the Group's workforce (excluding F.C.G.B.), used public transport for their daily commute.

In addition, M6 Group has deliberately chosen a digital route in order to cut down on the number of business trips, even though reducing travel can be difficult for some activities (particularly reporting and production). As a result, the number of rooms equipped with video-conferencing facilities at Group sites has increased from 4 to 14 in the space of six years. Following a reduction between 2013 and 2014, business travel trended upwards again in 2015 and 2016 due to the acquisition and integration of Oxygem, which is based in the Greater Lille area. The increase continued in 2017, in connection with iGraal entering the reporting scope, reports shot in distant locations by C Productions and the expansion of M6 Web's activities.

Number of rooms equipped for video-conferencing:



Number of business trips:

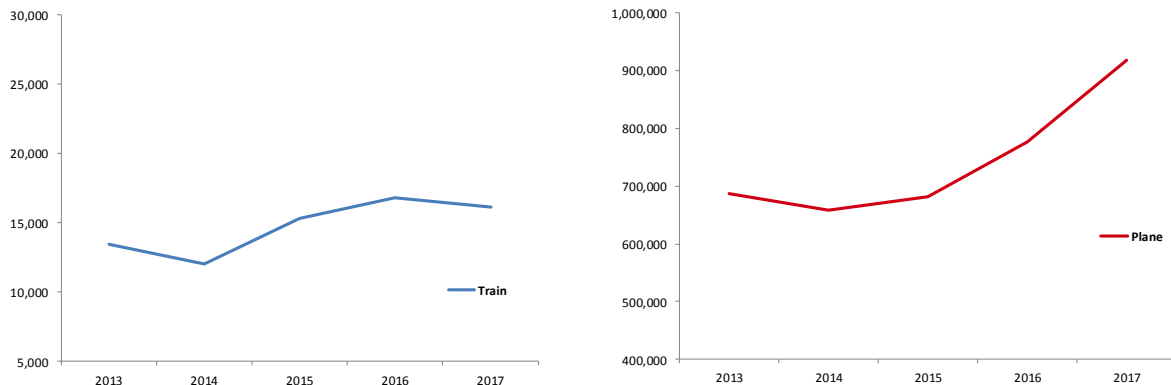


Group-wide data

Neuilly, Lille and Boulogne-Billancourt data

CO₂ emissions rose in 2017 notably as a result of long-haul flights. In terms of air and rail journeys, the Group's emissions are as follows:

CO₂ emissions (kg) for business travel:

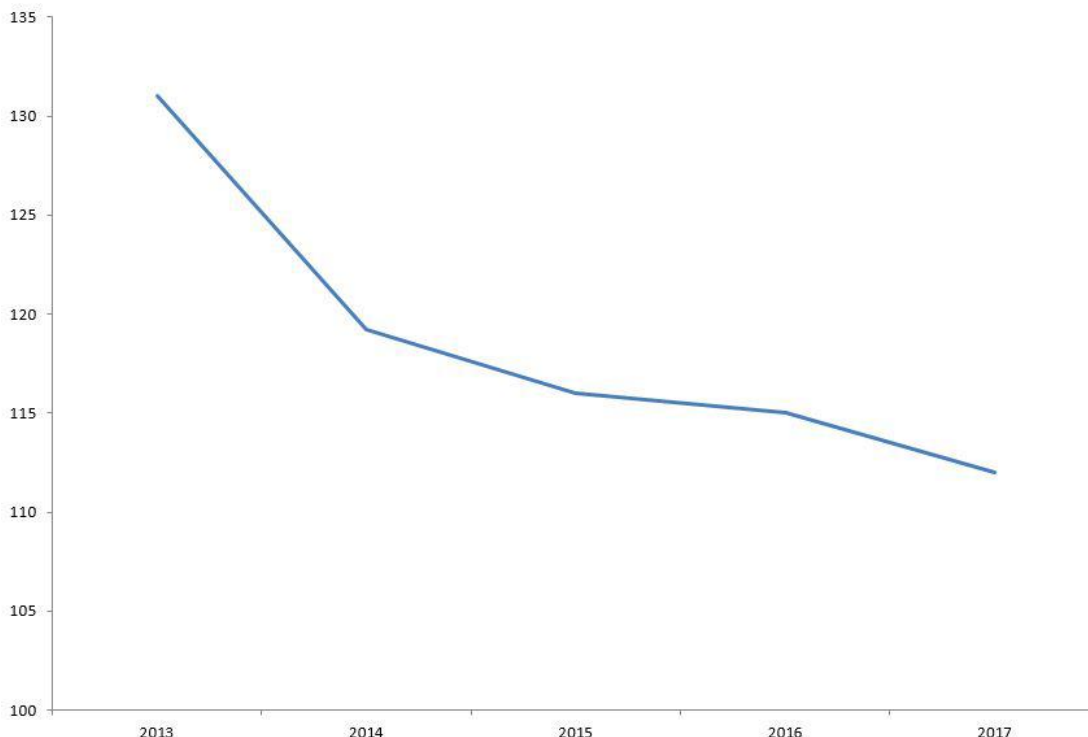


Data based on consumption at sites in Neuilly-Sur-Seine and Lille

Finally, M6 Group follows a very stringent policy with regard to the CO₂ emissions of its managers' company cars and the company vehicle fleet. As a result, average vehicle emissions have decreased over the last five years from 131 to 112 grams per kilometre. Note that in 2014, the Group decided to reduce CO₂ emissions to 130 g/km or lower for all vehicles purchased or hired. On average, CO₂ emissions for the 5 vehicles added to the fleet in 2017 amounted to 110 g/km.

It is also worth pointing out that all company vehicles are dry-cleaned by the service provider responsible.

Average emissions of the vehicle fleet (in g/km):



Data based on expenditure overseen by sites located in Neuilly

7.4.5 Community awareness

The responsibility of a group producing and broadcasting content is also based on its desire to make the general public aware of the challenges of sustainable development.

M6 decided to play an educational role via high quality documentaries presenting the current ecological issues. These magazines have become flagships for the channel and thus represent a major audience attraction for these subjects among an increasingly broad audience.

As such, C Productions, the internal company which produces news magazines and documentaries, has produced several items on ecology and sustainable development for M6, including, as part of *Capital* and *66 minutes*, "*Lycée agricole le bonheur est dans le pré*", "*Les secrets du reconditionné*" and "*Vélos électriques*".

News programmes (*Le 12.45* and *Le 19.45*) also featured many items (327 in 2017) on the environment and the latest developments in the area, including coverage of Notre Dame des Landes airport, the Paris Climate Agreement, pollution, global warming, greenhouse gases and more.

Newscasts also regularly bring to the fore unusual stories or innovations relating to ecology: "*A French company is dismantling old planes to recycle them*", "*Bees in the Police: Rennes police station is producing its own honey*", "*Scientific discovery: A plastic-eating larvae*", "*A synthetic skating-rink as an alternative to ice*", etc.

Reality competition show *Top Chef* also seized the opportunity to promote good food practices, reducing waste and the benefits of cooking with fresh, organic products. Studio 89, the Group subsidiary that produces *Top Chef*, partnered with the Croix Rouge (the French Red Cross) to redistribute the food used during the show. Once or twice a week during shooting, volunteers gather up the 50-100 kg of dry goods (bread, oil, spices etc.), perishables (fruit, vegetables, milk) and fresh foods with a very short shelf life (meat and fish) for redistribution at five food banks in the district. 7.5 tonnes of food were donated to 5,000 disadvantaged people during season 8, which was aired in 2017.

In order to take account of noise pollution that may be caused by its activities, M6 Group pays particular attention to the comfort of viewers and complies with the provisions of Decree No. 92-280 of 27 March 1992, which notably made it compulsory for TV channels to make the sound levels of programmes consistent with those of advertising breaks.

The Group ensures that all its programming portrays a positive image of rural life in which respect for the environment is evident, particularly in the series *L'Amour est dans le Pré*.

Lastly, it should be noted that the RTL station, acquired on 1 October 2017 and which will be included in the environmental reporting scope in 2018, is very involved in environmental issues. It was in this way that, in April, the station devoted an entire day to solutions aimed at combatting global warming, with Nicolas Hulot coming into the studio to launch it.

This document refers to the environmental indicators to which particular attention was paid and which are relevant to the Group. The following additional indicators are less or are not relevant to our activity:

- resources committed to preventing environmental risk and pollution (the environmental impact of M6's activities is not structurally significant),
- the prevention, reduction or remediation of air, water or soil emissions having a major adverse impact on the environment (the environmental impact of M6's activities is not structurally significant),
- adapting to the consequences of climate change (natural risks related to climate change have, to date, not led to any significant interruption of activities or material damage to buildings or products),
- land use (M6 Group's activity and its land use does not to our knowledge cause any significant threat to either diversity or to water resources since the use of land is limited to the place in which our office buildings and warehouses are located).

7.5 CROSS-REFERENCE TABLE WITH DECREE 2012-557 OF 24 APRIL 2012 (ARTICLE 225 OF THE GRENELLE II LAW)

Themes	Sub-Themes	Degree of relevance	Reference	GRI Reference	Global Compact
Labour information					
Employment	Total workforce and employee distribution by gender and geographic region	++	7.2.1.1	G4-10	# 3 to 8
	1 Recruitment and redundancies	++	7.2.1.1	G4- LA1	
	2 Compensation	+	7.2.2	G4- LA13	
Work organisation	4 Organisation of working time	++	7.2.1.2	G4- LA	
	5 Absenteeism	+	7.2.1.2	G4- LA6	
Labour relations	The organisation of social dialogue - including regulation and procedures regarding information, consultation and negotiation with personnel	+	7.2.6	G4- LA4	
	7 Collective bargaining agreements	=	7.2.6	G4- LA4	
Health and safety	8 Health and safety at work	+	7.2.7	G4- LA6 to 8	
	9 Work accidents, particularly their frequency and seriousness, and occupational diseases	+	7.2.7	G4- LA6	
	10 Agreements signed with unions or employee representatives in terms of health and safety at work	=	7.2.6	G4- LA8	
Training	11 Training policies	++	7.2.3.1	LA11	
	12 Total number of training hours	++	7.2.3.1	LA10	
Equal opportunity	13 Measures taken to promote gender equality	++	7.2.5	G4- LA10	
	14 Measures taken to promote the employment and integration of disabled employees	++	7.2.4/7.3.2.1	G4- LA12	
	15 Anti-discrimination policy	++	7.3.2.1	G4- LA12, G4-HR3	
Promotion of and compliance with ILO fundamental conventions	16 Relating to freedom of association and the right to collective bargaining	=	7.2.6	G4-HR4; G4- LA4	
	17 Relating to the elimination of employment and occupational discrimination	=	7.2.5/7.3.2.1	G4-HR3; G4- LA13	
	18 Relating to the suppression of forced or compulsory labour	=	7.4.5	G4-HR6	
	19 Relating to the effective abolition of child labour	=	7.3.4.5	G4-HR5	
Environmental information					
General environmental policy	20 Company organisation to take into account environmental issues and, where applicable, environmental assessment and certification processes	=	7.4		# 9 to 11
	21 Training and employee information actions conducted in relation to environmental protection	=	7.4		
	22 Resources allocated to avoiding environmental risks and pollution	=	7.4.5	G4-EN31	
	23 Amount of provisions and guarantees for environmental risks, providing this information is not liable to seriously prejudice the company in an ongoing litigation	=	7.4.5	G4-EN31 and G4-EC2	
Pollution	24 Measures to prevent, reduce or remediate air, water and land emissions that seriously damage the environment	=	7.4.5	G4-EN22 to 26	
	25 Taking into account noise pollution and, where relevant, all types of pollution specific to a particular activity		7.3.1.3/7.4.3/7.4.5		
Circular economy	26 Measures to reduce, recycle, reuse and other forms of recovery or disposal of waste	+	7.4.2	G4-EN23	
	27 Actions to combat food waste	-	7.4.2/7.4.5		
	28 Use and supply of water in line with local constraints	=	7.4.1	G4-EN8	
	29 Use of raw materials and measures taken to make more efficient use of them	+	7.4.1 / 7.4.2	G4-EN1, G4-EN27	
	30 Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources	+	7.4.1	G4-EN3 to EN7	
Sustainable use of land	31 Use of land	=	7.4.5		
Climate change	32 Significant greenhouse gas emission generated by the Company's activity, in particular through use of the goods and services that it produces.	+	7.4.1/7.4.4	EN16, EN17, EN 18, EN19, EN20	
	33 Adaptation to the consequences of climate change	=	7.4.3	EN18, EC2	
Biodiversity	34 Measures taken to safeguard biodiversity	=	7.4	G4-EN11 to EN 14	
Corporate social information					
Territorial, economic and social impact of the Company's operations	35 Territorial impact of operations on employment and regional development in France	=	7.3.3.2/7.3.3.1	G4- EC7 and G4-EC8	# 16 to 18 and 21

	36	Impact of operations on the local population	=	7.3.3.2/7.3.3.1	G4- EC1, G4- EC 5 and 6	
Relationships with stakeholders	37	Conditions of dialogue with these individuals or organisations	++	7.3.4	G4-24 to 27	# 2 and 16 to 18
	38	Acts of partnership or sponsorship	++	7.3.3.1		
Subcontractors and suppliers	39	Purchasing policies that take into account social and environmental issues	+	7.3.4.5	G4-EC9, G4-HR4, 5,6, 8, 10	# 2 to 11
	40	Significance of sub-contracting and its inclusion in relationships with suppliers and subcontractors regarding their corporate, social and environmental responsibilities	+	7.3.4.5	G4-EC9, G4-HR4, 5,6, 8, 10	
Fair practices	41	Measures taken to avoid corruption	++	7.2.8	G4-SO3 to 5	# 12 to 14
	42	Measures taken to safeguard the health and safety of consumers	++	7.3.4.1/7.4.5	G4-PR1; G4-PR2	
Other measures taken to safeguard human rights	43	Other measures taken to safeguard human rights	=	7.3.1.1	G4-HR	# 3 to 5

7.6 REPORT OF THE INDEPENDENT THIRD-PARTY BODY ON THE CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

KPMG S.A

Tour EQHO 2 avenue Gambetta
CS 60055 92066 Paris la Défense Cedex
France

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex
Share capital: €50,565,699.20

Financial year ended 31 December 2017

Report of the independent third-party body on the consolidated corporate, environmental and social information included in the Management Report

To the Shareholders,

As the independent third-party organisation appointed by the company Métropole Télévision, accredited by COFRAC (French Accreditation Committee) under number 3-1049³⁹, we present our report on the corporate, environmental and social information included in the Group Management Report (hereafter the "CSR Information"), prepared in respect of the financial year ended 31 December 2017 pursuant to the provisions of Article L.225-102-1 of the Commercial Code.

Corporate responsibility

The Executive Board is responsible for preparing a management report incorporating the CSR information provided for under Article R.225-105-1 of the Commercial Code, prepared in accordance with the reporting criteria used by the company (the "Reporting Criteria"), a summary of which appears in the Management Report, and which is available on request from the company's Registered Office.

Independence and quality control

Our independence is defined by regulatory texts, the profession's code of ethics and the provisions set out in Article L.822-11-3 of the Commercial Code. In addition, we have introduced a quality control system which includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, and laws and regulations.

Responsibility of the independent third-party body

It is our responsibility, on the basis of the work we have carried out, to:

- attest that the required CSR Information is included in the Management Report or, in the event of omission, an explanation in this regard pursuant to Article R.225-105 of the Commercial Code (Statement to the presence of CSR Information);
- express a conclusion of reasonable assurance on the fact that the CSR Information, taken in its entirety, is presented in all its material respects, in a true manner in accordance with the Reporting Criteria (Considered opinion on the fairness of the CSR Information).

However, it is not our role to give an opinion on the compliance with other legal provisions where applicable, in particular those provided for in Article L. 225-102-4 of the French Commercial Code (Vigilance Plan) and in the Law n°2016-1691 of 9 December 2016 (known as the Sapin II Law, combatting corruption).

39 The scope of which is available on www.cofrac.fr

Our work called on the expertise of five people and was performed between November 2017 and February 2018 for a period of approximately two weeks. To help us in the completion of our work, we consulted our CSR experts.

We completed the work detailed above in accordance with the Order of 13 May 2013 determining the terms and conditions under which the independent third-party body carries out its assignment as well as with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French National Institute of Auditors) relating to this work and the reasoned fairness opinion in line with ISAE 3000⁴⁰.

1. Statement to the presence of the CSR Information

Nature and scope of the audit

We have reviewed, based on interviews with the managers of the departments concerned, the presentation of guidance relating to sustainable development, according to the social and economic consequences related to the company's activity and its social commitments and, where applicable, the resulting action or programmes.

We have compared the CSR Information included in the Management Report with the list provided for under Article R.225-105-1 of the Commercial Code.

Where certain consolidated information is missing, we have verified that the explanations were provided in accordance with the provisions of Article R.225-105 Paragraph 3 of the Commercial Code.

We have verified that the CSR Information covered the consolidated scope, that is to say the company as well as its subsidiaries within the meaning of Article L.233-1, and the companies that it controls, within the meaning of Article L.233-3 of the Commercial Code, with the limits specified in the methodology note included in Paragraph 7.1. of the Management report.

Conclusion

Based on this work and taking into account the limits referred to above, we attest to the presence of the required CSR Information in the Management Report.

2. Considered opinion on the fairness of the CSR Information

Nature and scope of the audit

We conducted four interviews with the persons responsible for the preparation of the CSR Information within the departments in charge of the information gathering processes and, where applicable, responsible for the internal control and risk management procedures, in order to:

- assess the appropriateness of the Reporting Criteria with regard to their relevance, comprehensiveness, reliability, neutrality and comprehensible character, by taking into consideration, where applicable, industry best practices;
- verify the introduction of a collection, compilation, processing and control procedure to ensure that the CSR Information is comprehensive and consistent, and to review the internal control and risk management procedures in relation to the preparation of the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in view of the company's characteristics, the social and environmental challenges of its activities, its sustainable development guidelines and best industry practices.

For CSR information that we deemed to be the most important⁴¹:

- at consolidating entity level, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, measures); we implemented analytical processes on the qualitative information and verified, based on sampling, the calculations, as well as the consolidation, of the data and we verified their consistency and agreement with the other information included in the Management Report;
- for a representative sample of entities that we selected⁴² based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct application of procedures and identify potential omissions, and implemented detailed tests by means of sampling, comprised of verifying the calculations made and reconciling the data with supporting documentation. The sample thus selected represents 100%

⁴⁰ ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

⁴¹ Corporate indicators: Workforce at 31/12 by gender and by category, Total number of external recruitments, Portion of female managers/executives, Number of redundancies, Number of working days of absence, Total number of training hours, Environmental indicators: Energy consumption (electricity, gas, fuel oil), Greenhouse gas emissions related to energy consumption, Greenhouse gas emissions related to business travel. Qualitative information: Equal treatment, The organisation of social dialogue, Company organisation to take into account environmental issues, Acts of partnership or sponsorship, Territorial, economic and social impact of the Company's operations, Conditions of dialogue with individuals or organisations having a stake in the Company's activities, Measures taken to avoid corruption, Measures to promote consumer health and safety.

⁴² M6 Group head office

of the workforce considered as a representative of the social dimension, and between 63% and 100% of environmental data considered as representative⁴³ of the environmental part.

For the remaining consolidated CSR information, we judged their consistency in relation to our knowledge of the company. Lastly, we judged the relevance of the explanations, where applicable, of the total or partial absence of certain information.

We consider that the sampling methods and the sample sizes we have selected by exercising our professional judgment allow us to draw a conclusion of reasonable assurance; a higher level of assurance would have required more extensive verification work. Owing to the use of sampling techniques as well as other limits inherent in the operation of any information and internal control system, the risk of not detecting a significant irregularity in the CSR Information cannot be totally eliminated.

Conclusion

On the basis of this work, we found no significant irregularity that would call into question the fact that the CSR Information, taken in its entirety, is presented in a true manner in accordance with the Reporting Criteria.

Paris La Défense, 19 February 2018

Anne Garans
Partner
Sustainability Services

Xavier Troupel
Partner

⁴³ See the list of environmental indicators included in the footnote on page 3 of this report.

COMBINED GENERAL MEETING OF 19 APRIL 2018

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8.1 PROCEEDINGS AND AGENDA OF THE COMBINED GENERAL MEETING OF 19 APRIL 2018

The Combined Annual General Meeting of the Company has been convened for 19 April 2018 and the agenda will be as follows:

Presentation of the reports of the Executive Board:

- on the Group's activities during 2017;
- on the resolutions to be presented at the General Meeting;
- on the allocation of free shares to certain employees and/or corporate officers during the year.

Presentation of the Supervisory Board's report on corporate governance

Presentation of the Supervisory Board's observations to the General Meeting

Presentation of the Statutory Auditors' reports:

- report on the parent company financial statements for the year ended 31 December 2017;
- report on the consolidated financial statements for the year ended 31 December 2017;
- report prepared in accordance with Article L. 225-235 of the Commercial Code on the report of the Supervisory Board on corporate governance;
- special report on the regulated agreements and commitments covered by Articles L. 225-86 and subsequent of the Commercial Code;
- special report on the share capital reduction, as provided for by resolution 21.

Vote on resolutions

The following resolutions will be submitted for approval by the General Meeting:

Resolutions in ordinary session:

- Approval of the parent company financial statements for the year ended 31 December 2017 - Approval of non-tax-deductible expenses and charges,
- Approval of the consolidated financial statements for the year ended 31 December 2017,
- Allocation of profits and setting of dividend,
- Statutory Auditors' special report on regulated agreements and commitments and approval of these agreements,
- Statutory Auditors' special report on regulated agreements and commitments and approval of a commitment made for the benefit of Christopher Baldelli,
- Appointment of Nicolas Houzé to replace Guy de Panafieu as member of the Supervisory Board,
- Reappointment of Vincent de Dorlodot as member of the Supervisory Board,
- Appointment of Marie Cheval to replace Delphine Arnault as member of the Supervisory Board,
- Reappointment of Anke Schäferkordt as member of the Supervisory Board,
- Appointment of Bert Habets to replace Guillaume de Posch as member of the Supervisory Board,
- Ratification of the provisional appointment of Cécile Frot-Coutaz as member of the Supervisory Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Nicolas de Tavernost, Chairman of the Executive Board, over the financial year just ended,
- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Chairman of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin over the financial year just ended in relation to his term of office as Member of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure over the financial year just ended in relation to his term of office as member of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to David Larramendy over the financial year just ended in relation to his term of office as member of the Executive Board,

- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Members of the Executive Board in relation to their terms of office,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch, Chairman of the Supervisory Board, over the financial year just ended,
- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the members of the Supervisory Board,
- Authorisation to be given to the Executive Board to enable the Company to buy back its own shares under Article L. 225-209 of the Commercial Code; duration of the authorisation, objectives, terms and conditions and maximum number of shares, suspension during a public offering period,

Resolutions in extraordinary session:

- Authorisation to be given to the Executive Board to cancel shares bought back under Article L. 225-209 of the Commercial Code; duration of the authorisation and maximum number of shares,
- Amendment to the Bylaws providing for the terms and conditions of appointment of Board members representing employees,
- Alignment of Bylaws,
- Powers to complete formalities.

8.2 REPORT OF THE EXECUTIVE BOARD TO THE COMBINED GENERAL MEETING OF 19 APRIL 2018

Resolutions in ordinary session:

The **1st resolution** submits for shareholder approval the financial statements of the Company for the year ended 31 December 2017, which show a profit of €137,105,250.88.

This resolution also concerns the approval of the expenses and charges stipulated in Article 39-4 of the General Tax Code, totalling €48,320 and the corresponding tax charge.

The **2nd resolution** submits for shareholder approval the consolidated financial statements for the year ended 31 December 2017, which show a profit attributable to the Group of €158,439,551.80.

The **3rd resolution** concerns the allocation of Métropole Télévision SA's profit of €134,853,696.25 for the year ended 31 December 2017. This profit, together with the retained earnings of €302,106,146.06, thus brings the total distributable profit to €436,959,842.31. It is proposed to distribute €120,093,535.60 in dividends, leaving a balance of €316,866,306.71. Therefore, the dividend shall be € 0.95 gross per share.

If this proposal is adopted, the ex-dividend date will be 16 May 2018 and the dividend will be paid on 18 May 2018.

The **4th resolution** submits for shareholder approval the agreements and commitments, covered by Articles L. 225-86 and subsequent of the Commercial Code and concluded or renewed during 2017, as mentioned in the Statutory Auditors' Special Report on these agreements included in section 6.9 of the 2017 Registration Document, which are as follows:

- concluded between Métropole Télévision and RTL Group, acting on behalf of Immobilière Bayard d'Antin S.A., in respect of the acquisition of blocks of shares in M6, up to 10% of the share capital, in particular with a view to cancelling them;
- Cash management agreement between Bayard d'Antin and Métropole Télévision, signed on 19 February 2010 and renewed on 15 November 2011, 15 November 2012, 15 November 2013, 15 November 2014, 13 November 2015, 14 November 2016 and 15 November 2017;
- Agreement signed with Christopher Baldelli, member of the Executive Board, concerning his supplementary pension scheme following his appointment decided by the Supervisory Board of 7 November 2017.

The **5th resolution** regards the approval of the commitment made for the benefit of Christopher BALDELLI relative to compensation that may be due as a result of the termination of his contract of employment.

For further information, please refer to the 2017 Registration Document, section 6.9 (Statutory Auditors' special report on regulated agreements and commitments) and section 2.3 (corporate officers' remuneration and fringe benefits).

The **6th, 7th, 8th, 9th, 10th and 11th resolutions** submitted for shareholder approval relate to the terms of office of members of the Supervisory Board.

The terms of office of 5 of the 12 members comprising the Supervisory Board will expire at the next General Meeting. Accordingly, on the recommendation of the Remuneration and Appointments Committee, the appointment of the following three new members is being proposed:

- Nicolas HOUZE, for a term of four years expiring at the close of the Annual General Meeting called in 2022 to approve the financial statements for the year then ended,
- Marie CHEVAL, for a term of four years expiring at the close of the Annual General Meeting called in 2022 to approve the financial statements for the year then ended,
- Bert HABETS, appointed to replace Guillaume de POSCH who resigned at the close of this Meeting, for the remainder of his predecessor's term of office, i.e. until the close of the General Meeting called in 2020 to approve the financial statements for the year then ended.

It is also proposed to renew the terms of office of Anke SCHAEFERKORDT and Vincent de DORLODOT for a period of four years expiring at the close of the Annual General Meeting called in 2022 to approve the financial statements for the year then ended.

Furthermore, it is proposed to ratify the provisional appointment of Cécile FROT-COUTAZ to replace Christopher BALDELLI, who has resigned, for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2019 to approve the financial statements for the year then ended.

It is specified that the Supervisory Board considers that Nicolas HOUZE and Marie CHEVAL can be deemed independent in the light of the independence criteria of the AFEP-MEDEF corporate governance code for listed companies, to which the Company refers in terms of corporate governance.

The **12th resolution** submits for shareholder approval the components of remuneration and any benefits in kind paid or allocated to Nicolas de TAVERNOST, Chairman of the Executive Board, as set out in paragraph 2.3.4 of the 2017 Registration Document.

The **13th resolution** submits for shareholder approval the remuneration policy in respect of the Chairman of the Executive Board, as set out in paragraph 2.3.5 of the 2017 Registration Document.

The **14th, 15th and 16th resolutions** submits for shareholder approval the components of remuneration and any benefits in kind paid or allocated to the members of the Executive Board for their terms of office, as set out in paragraph 2.3.4 of the 2017 Registration Document.

The **17th resolution** submits for shareholder approval the remuneration policy in respect of the members of the Executive Board, as set out in paragraph 2.3.5 of the 2017 Registration Document.

The **18th resolution** submits for shareholder approval the components of remuneration and any benefits in kind paid or allocated to Guillaume de POSCH, Chairman of the Supervisory Board, as set out in paragraph 2.3.4 of the 2017 Registration Document.

The **19th resolution** submits for shareholder approval the remuneration policy in respect of the members of the Supervisory Board, as set out in paragraph 2.3.5 of the 2017 Registration Document.

The **20th resolution** submitted for shareholder approval concerns the authorisation to be given to the Executive Board to enable the Company to buy back its own shares, within the limits set by the shareholders and pursuant to the provisions of Article L. 225-209 and subsequent of the Commercial Code.

This authorisation would permit the purchase of up to 10% of the share capital at a maximum price of € 30 per share during a period of 18 months. The maximum amount of the transaction is thus set at €379,242,744.00; The 2017 Registration Document (Paragraph 3.6) includes the features of the buyback programme proposed this year and provides information on the use of the previous programme.

Resolutions in extraordinary session:

The **21st resolution** submits for shareholder approval the authorisation to be given to the Executive Board, for a period of 24 months, to reduce the share capital by cancellation of treasury shares within the limit of 10% of the share capital of the Company, as calculated on the day the cancellation is decided, after deducting cancellations carried out within the last 24 months.

The authorisations to be granted by resolutions 20 and 21 will supersede previous authorisations of the same nature granted to the Executive Board by the General Meeting of 26 April 2017.

The **22nd and 23rd resolutions** submitted for shareholder approval concern the amendment of the Bylaws:

- amendment of Article 20 of the Bylaws to provide for the terms and conditions of appointment of Board members representing employees, pursuant to Article 225-79-2 of the French Commercial Code. In this particular case, it is proposed this appointment be made by the Company's Works Council;
- amendment to sub-paragraph 2 of Article 5 and sub-paragraph 7 of Article 24.1 of the Bylaws concerning the transfer of the registered office, in accordance with the provisions of Article L. 225-65 of the French Commercial Code;
- amendment to sub-paragraph 1 of Article 26 of the Bylaws concerning the alternate Statutory Auditors, in accordance with the provisions of Article L. 823-1 of the French Commercial Code;
- amendment to Articles 16 and 22 of the Bylaws concerning the determination of the remuneration of corporate officers, in accordance with the provisions of Article L. 225-63 and L. 225-81 of the French Commercial Code;
- removal of the final paragraph of Article 35 of the Bylaws concerning the 34% cap on voting rights held by a single shareholder, due to the removal of this provision as part of the new Agreement between the Company and the CSA.

The **24th resolution** submitted for shareholder approval concerns the delegation of powers to complete formalities.

8.3 RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL GENERAL MEETING

8.3.1 Resolutions in ordinary session:

First resolution – Approval of the parent company financial statements for the year ended 31 December 2017 - Approval of non-tax-deductible expenses and charges,

After reviewing the reports of the Executive Board, the Supervisory Board and the Statutory Auditors for the year ended 31 December 2017, the General Meeting approves the parent company financial statements, as presented, which show a profit of €137,105,250.88.

The General Meeting specifically approves the total of €48,320 of expenses and charges covered under Article 39 of the General Tax Code, as well as the corresponding tax charge.

Second resolution - Approval of the consolidated financial statements for the year ended 31 December 2017

After reviewing the reports of the Executive Board, the Supervisory Board and the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2017, the General Meeting approves the consolidated financial statements, as presented, which show a net profit (Group share) of €158,439,551.80.

Third resolution - Allocation of profits and setting of dividend

The General Meeting approves the allocation of the profit for the financial year ended 31 December 2017, as proposed by the Executive Board, as follows:

Source

- | | |
|-------------------------------------|-----------------|
| ▪ Net profit for the year | €134,853,696.25 |
| ▪ Retained earnings brought forward | €302,106,146.06 |

Allocation

- | | |
|-------------------------------------|-----------------|
| ▪ Legal reserve | |
| ▪ Other reserves | |
| ▪ Dividends | €120,093,535.60 |
| ▪ Retained earnings brought forward | €316,866,306.71 |

The General Meeting notes that the total gross dividend is set at €0.95 per share.

When it is paid to individuals who are tax residents in France, the dividend is subject to a single fixed-levy deduction at source on the gross dividend at the flat rate of 12.8% (Article 200 A of the French General Tax Code), i.e. at the express, irrevocable and comprehensive wishes of the taxpayer, on income tax calculated according to a sliding scale after notably an allowance of 40 % (Articles 200, 13, and 158 of the French General Tax Code). The dividend is also subject to social security contributions at the rate of 17.2 %.

The ex-dividend date will be 16 May 2018.
The payment shall be made on 18 May 2018.

It is stipulated that if the Company holds some of its own shares on the ex-dividend date, the amounts corresponding to undistributed dividends attributable to such shares will be allocated to retained earnings.

Pursuant to Article 243 (ii) of the General Tax Code, the General Meeting notes that the dividends paid and the distributions made over the past three financial years were as follows:

Financial year	DIVIDENDS	OTHER DISTRIBUTIONS	DISTRIBUTION NOT ELIGIBLE FOR TAX RELIEF
2014	€107,323,071.45* being € 0.85 per share	-	-
2015	€107,452,110.80 being € 0.85 per share	-	-
2016	€107,452,110.80 being € 0.85 per share	-	-

** Not taking into account undistributed dividends attributable to treasury shares and allocated to retained earnings.*

Fourth resolution - Statutory Auditors' special report on regulated agreements and commitments and approval of these agreements,

Deliberating on the Statutory Auditors' special report on regulated agreements and commitments submitted to it, the General Meeting approves the new agreements mentioned herein.

Fifth resolution – Statutory Auditors' special report on regulated agreements and commitments and approval of a commitment made for the benefit of Christopher Baldelli

Deliberating on the Statutory Auditors' special report on regulated agreements and commitments submitted to it, the General Meeting approves the undertaking made by the Company in favour of Christopher Baldelli, Vice-Chairman of the Supervisory Board, relating to the compensation likely to be due as a result of the termination of his employment contract.

Sixth resolution – Appointment of Nicolas Houzé to replace Guy de Panafieu as member of the Supervisory Board

The General Meeting decides to appoint Nicolas Houzé, born 16 March 1975, to replace Guy de Panafieu as member of the Supervisory Board for a period of four years expiring at the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.

Seventh resolution – Reappointment of Vincent de Dorlodot as member of the Supervisory Board

The General Meeting decides to renew Vincent de Dorlodot's term of office as member of the Supervisory Board for a period of four years expiring at the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.

Eighth resolution – Appointment of Marie Cheval to replace Delphine Arnault as member of the Supervisory Board

The General Meeting decides to appoint Marie Cheval, born 15 September 1974, to replace Delphine Arnault as member of the Supervisory Board for a period of four years expiring at the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.

Ninth resolution – Reappointment of Anke Schäferkordt as member of the Supervisory Board

The General Meeting decides to renew Anke Schäferkordt's term of office as member of the Supervisory Board for a period of four years expiring at the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.

Tenth resolution – Appointment of Bert Habets to replace Guillaume de Posch as member of the Supervisory Board

The Ordinary General Meeting, having duly noted Guillaume de Posch's resignation as member of the Supervisory Board at the close of this Meeting, decides to appoint Bert Habets from this date as member of the Supervisory Board for the remainder of his predecessor's term of office, i.e. until the close of the General Meeting called in 2020 to approve the financial statements for the year then ended.

Eleventh resolution – Ratification of the provisional appointment of Cécile Frot-Coutaz as member of the Supervisory Board

The Ordinary General Meeting ratifies the provisional appointment of Cécile Frot-Coutaz, made by the Supervisory Board during its meeting of 7 November 2017, as member of the Supervisory Board to replace Christopher Baldelli, who resigned.

Accordingly, Cécile Frot-Coutaz will carry out her duties for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2019 to approve the financial statements for the year then ended.

Twelfth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Nicolas de Tavernost, Chairman of the Executive Board, over the financial year just ended

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the fixed, variable and exceptional components of remuneration and any benefits in kind, paid or allocated to Nicolas de Tavernost, over the financial year just ended in relation to his term of office as Chairman of the Executive Board, as presented in paragraph 2.3.4 of the 2017 Registration Document.

The variable and exceptional remuneration components shall be paid subsequent to this General Meeting.

Thirteenth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Chairman of the Executive Board

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the various fixed, variable and exceptional components comprising the remuneration and any benefits attributable, under his term of office, to the Chairman of the Executive Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2017 Registration Document under paragraph 2.3.5, which are unchanged from the previous financial year.

Fourteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin over the financial year just ended in relation to his term of office as Member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2017 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Fifteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure over the financial year just ended in relation to his term of office as member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2017 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Sixteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to David Larramendy over the financial year just ended in relation to his term of office as member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to David Larramendy during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2017 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Seventeenth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Members of the Executive Board in relation to their terms of office

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the components of remuneration and any benefits attributable, under their term of office, to the members of the Executive Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2017 Registration Document under paragraph 2.3.5, which are unchanged from the previous financial year.

Eighteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch, Chairman of the Supervisory Board, over the financial year just ended

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch during the financial year just ended in relation to his term of office as Chair of the Supervisory Board, which is limited to attendance fees presented in paragraph 2.3.4 of the 2017 Registration Document.

Nineteenth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the members of the Supervisory Board

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the components of remuneration and any benefits attributable, under their term of office, to the members of the Supervisory Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2017 Registration Document under paragraph 2.3.5.

Twentieth resolution - Authorisation to be granted to the Management Board for the buyback by the company of its own shares pursuant to Article L. 225-209 of the Commercial Code

After reviewing the report of the Executive Board, and in accordance with Article L. 225-209 and subsequent of the Commercial Code, the General Meeting authorises the Executive Board, for a period of eighteen months, to buy back Company shares, on one or more occasions, at the discretion of the Executive Board, up to a limit of 10 % of the share capital, based either on current share capital, or as adjusted to take account of any capital increase or reduction during the period.

This authorisation supersedes the prior authorisation granted to the Executive Board by the Ordinary General Meeting on 26 April 2017 in its fourteenth resolution in ordinary session.

These shares may be purchased to fulfil the following objectives:

- To stimulate the secondary market or ensure the liquidity of the METROPOLE TELEVISION share, by way of an investment services provider within a liquidity contract that complies with the Ethics Charter of AMAFI recognised by regulations, it being specified that within this framework the number of shares considered for the calculation of the limit specified above corresponds to the number of shares purchased less the number of shares resold,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- to potentially cancel acquired shares, in accordance with the authorisation to be granted by this Annual General Meeting in its twenty-first resolution in extraordinary session.

Shares may be bought back by any means, including through the acquisition of blocks of shares, and at the times the Executive Board will deem fit.

Unless granted in advance by the General Meeting, the Executive Board may not make use of this authorisation during a public offering period initiated by a third party for the Company's securities throughout the duration of the offering period.

The Company reserves the right to use option mechanisms or derivative instruments in accordance with applicable regulations.

The maximum purchase price is set at €30 per share. In the event of a transaction on the share capital, in particular a division or consolidation of shares or allocation of shares to the shareholders, the price indicated above will be adjusted by a factor equal to the ratio between the number of shares comprising the share capital before and after the transaction.

The maximum amount of the transaction is set at €379,242,744.00.

The General Meeting confers full powers on the Executive Board to proceed with these transactions, set the terms and conditions, conclude all agreements and perform all formalities.

8.3.2 Resolutions in extraordinary session:

Twenty-first resolution - Authorisation to be given to the Executive Board to cancel shares bought back under Article L. 225-209 of the Commercial Code

After reviewing the report of the Executive Board and the Statutory Auditors' Report, the General Meeting:

1) Authorises the Executive Board to cancel, at its own discretion, on one or more occasions and within the limit of 10% of the share capital, as calculated on the day of the decision to cancel them and excluding any shares cancelled during the preceding 24-month period, shares that the Company holds or may come to hold following buybacks carried out pursuant to Article L. 225-209 of the Commercial Code, as well as reducing the share capital accordingly, in accordance with legal provisions and regulations in force,

2) Sets the validity of this authorisation to a period of twenty-four months from the date of this General Meeting,

3) Confers full powers to the Executive Board to carry out the necessary transactions for the cancellation and reduction of the share capital, amend the Company's bylaws accordingly and carry out all necessary formalities.

Twenty-second resolution - Amendment to the Bylaws providing for the terms and conditions of appointment of Board members representing employees

The Ordinary General Meeting, having reviewed the Executive Board's report, decides to insert a paragraph 1. bis in Article 20 of the Bylaws at the end of paragraph 1, the remainder of the Article remaining unchanged, as follows:

"1. Bis. Furthermore, pursuant to Article L. 225-79-2 of the French Commercial Code, the Supervisory Board includes a member of the Board representing Group employees.

If the number of Supervisory Board members appointed by the Ordinary General Meeting exceeds twelve, a second member of the Board representing employees is appointed, in accordance with the provisions set out below, within six months of co-option by the Board or appointment by the Ordinary General Meeting of a new member of the Supervisory Board.

The number of Board members to be taken into account in determining the number of Board members representing employees is assessed on the appointment date of the employee representatives to the Board. Neither the Supervisory Board members elected by the employees pursuant to Article 225-79 of the French Commercial Code, nor the Board member representing employee shareholders appointed pursuant to Article 225-71 of the French Commercial Code are taken into account in this respect.

Board members representing employees are appointed for a period of 4 years.

If the number of Supervisory Board members appointed by the Ordinary General Meeting is reduced to 12 or less, this reduction will not affect the duration of the term of office of employee representatives to the Board, which term will expire as normal.

In the event of the vacancy of a Board member representing employees for any reason whatsoever, said vacancy is filled pursuant to the provisions of Article 225-34 of the French Code of Commerce.

As an exception to the rule laid down in Article 21 of these Bylaws for Supervisory Board members appointed by the Ordinary General Meeting, Board members representing employees are not required to hold a minimum number of shares.

Board members representing employees are appointed by the Company's Works Council.

In the event that the Company is no longer subject to the obligation to appoint a Board member to represent employees, the term of office of the employee representative(s) on the Board continues until its normal expiry. "

Twenty-third resolution – Alignment of the Bylaws

After reviewing the Executive Board report, the General Meeting decides:

1. Concerning the transfer of the registered office

- To align the Bylaws with the provisions of Article L. 225-65 of the Commercial Code as amended by the Law n°2016-1691 of 9 December 2016;
- To amend paragraph 2 of Article 5 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"It may be transferred to any other location in France by decision of the Supervisory Board, subject to ratification by the next Ordinary General Meeting";

- To amend paragraph 7 of Article 24.1 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"decides the relocation of the registered office to any location in France, subject to ratification by the next Ordinary General Meeting".

2. Concerning the alternate Statutory Auditors

- To align the Bylaws with the provisions of Article L. 823-1 of the Commercial Code as amended by the Law n°2016-1691 of 9 December 2016;
- To amend paragraph 1 of Article 26 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"The Ordinary General Meeting confers the duties laid down by law to one or more Statutory Auditor(s)."

3. Concerning determination of the remuneration of corporate officers

- To align Company Bylaws with the provisions of Articles L. 225-63 and L. 225-81 of the Commercial Code as amended by the Law n°2016-1691 of 9 December 2016;
- To amend the last paragraph of Article 16 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"The nature and amount of remuneration for each Executive Board member is determined by the Supervisory Board, under the conditions provided for in Article L. 225-82-2 of the French Commercial Code."

- To amend the first section of the first paragraph of Article 22 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"1. The Supervisory Board elects from amongst its members a Chairman and a Vice-Chairman, who are in charge of convening and directing meetings. It determines the amount of their remuneration under the conditions provided for in Article L. 225-82-2 of the French Commercial Code. The Chairman and Vice-Chairman are natural persons. They are appointed for the same duration as their Supervisory Board term of office. They may always be re-elected."

4. Concerning voting rights

- removal of the final paragraph of Article 35 of the Bylaws providing for a 34% cap on the total number of voting rights held by a single shareholder, due to the elimination of this provision as part of the new Agreement between the Company and the CSA.

Twenty-fourth resolution – Powers to complete formalities

The General Meeting confers full powers on a bearer of copies or certified extracts of the minutes of this meeting to make all filings and advertising and to carry out any other legal and administrative formalities as required, in accordance with the law.

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON THE SHARE CAPITAL REDUCTION PROVIDED FOR BY THE 21ST RESOLUTION TO THE COMBINED GENERAL MEETING OF 19 APRIL 2018

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine, France

Ernst & Young et Autres

Tour First TSA 14444
92037 Paris La Défense Cedex
Simplified joint stock company
with variable capital

Statutory Auditors' special report on the share capital reduction

Combined General Meeting of 19 April 2018 (twenty-first resolution)

To the Shareholders,

As Statutory Auditors of your Company and in execution of our assignment under Article L. 225-209 of the Commercial Code in the event of a reduction in capital arising from shares bought back, we present our report with a view to providing you with our opinion on the reasons for and the terms and conditions of the proposed capital reduction.

Your Executive Board proposes that you delegate to it, for a period of 24 months starting on the date of this General meeting, all powers to cancel on one or more occasions the shares thus purchased in respect of the implementation of the authorisation for your Company to purchase its own shares in accordance with the provisions of the above-mentioned article, up to the limit of 10% of its share capital and by twenty-four month periods.

We have performed the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment, in order to verify whether the reasons for and the terms and conditions of the proposed share capital reduction, which is not liable to affect the equality of shareholders, are reasonable.

We have no observations to make on the reasons for and the terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Paris La Défense, 6 March 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Anne-Claire Ferrié

Ernst & Young et Autres

Bruno Bizet

ADDITIONAL INFORMATION

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9.1 CHANGES IN ACCOUNTING PRINCIPLES

The consolidated financial statements at 31 December 2017 have been prepared in accordance with the IAS/IFRS (International Financial Reporting Standards) in force within the European Union at that date. Changes in standards in force at 31 December 2017 are set out in detail in Note 3.1 to the consolidated financial statements of this document.

Furthermore, the parent company financial statements at 31 December 2017 have been prepared in accordance with the French Chart of Accounts. Changes in standards in force at 31 December 2017 are set out in detail in Note 2 to the parent company financial statements of this document.

9.2 OTHER INFORMATION IN RESPECT OF THE PARENT COMPANY FINANCIAL STATEMENTS

9.2.1 Tax-related information

(€ K)	2017	2016
Total of expenses and charges excluded from deductible expenses (Article 39-4 of the Income Tax Code)	48.3	53.5
Amount of attendance fees excluded from deductible expenses (Article 210 (vi) of the Income Tax Code)	0.0	0.0
Remunerations and other charges relating to the 10 highest paid persons	7,028.2	5,922.1
Gifts and reception costs	1,036.0	498.1
Expenses added back to taxable profit	48.3	53.5

9.2.2 Corporate information

The Company will provide any shareholder who requests it with a copy of the corporate report provided by Articles L.2323-68 and subsequent of the Labour Code.

9.3 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I certify that, after taking all reasonable measures to this effect and to the best of my knowledge, the information set out in this Registration Document is accurate and contains no omission which could impair its meaning.

I certify that, to my knowledge, the financial statements have been prepared in accordance with professional accounting standards applicable in France and give a fair view of the assets, financial position and performance of the Company and of all companies included in the consolidation scope, and that the enclosed Management Report, indexed in the cross-reference table filed on page 329 of this document, gives a true view of the business situation, performance and financial position of the Group and of all companies included in the consolidation, as well as a description of main risks and uncertainties encountered.

I have obtained from the Statutory Auditors a letter issued upon completion of their assignment, stating that they have verified the information concerning the financial position and financial statements presented in this Registration Document and that they have read the entire Registration Document.

Neuilly-sur-Seine, 6 March 2018

Nicolas de Tavernost

Chairman of the Executive Board

9.4 PROVISIONAL CALENDAR

19 April 2018: Combined Shareholders' General Meeting
19 April 2018: First quarter 2018 financial information
16 May 2018: ex-dividend date for 2017 dividend
18 May 2018: payment of 2017 dividend
24 July 2018: Half-year sales and results 2018
13 November 2018: Third quarter 2018 financial information
23 April 2019: Combined Shareholders' General Meeting
21 April 2020: Combined Shareholders' General Meeting
This calendar is subject to change.

9.5 INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 28 of Regulation (EC) N° 809/2004 of the Commission, the following information is included by reference in this Registration Document:

- The consolidated financial statements for the year ended 31 December 2016 and the relevant report of the Statutory Auditors included on pages 192 to 250 of the 2016 Registration Document, registered with the AMF on 9 March 2017 under number D.17-0142, as well as the Management Report included on pages 7 to 332 of the same 2016 Registration Document.
- The consolidated financial statements for the year ended 31 December 2015 and the relevant report of the Statutory Auditors included on pages 188 to 247 of the 2015 Registration Document, registered with the AMF on 15 March 2016 under number D.16-0136, as well as the Management Report included on pages 7 to 330 of the same 2015 Registration Document.

9.6 PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION

Jérôme Lefébure

Chief Financial Officer
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Fax: +33 1 41 92 64 59
E-mail: jlefebure@m6.fr

Grégory Le Fouler

Deputy Chief Financial Officer
Tel: +33 1 41 92 57 94
Fax: +33 1 41 92 64 59
E-mail: gregory.le-fouler@m6.fr

9.7 STATUTORY AUDITORS

PRINCIPAL AUDITORS			Date of first Address appointment	Last year of financial statements to be audited	Expiry date of appointment
Ernst & Young et Autres	Bruno BIZET	Tour First, 1, place des Saisons 92400 Courbevoie	2002	2019	AGM 2020
PricewaterhouseCoopers Audit	Anne-Claire FERRIE	63, rue de Villiers 92208 Neuilly sur Seine Cedex	2008	2019	AGM 2020

ALTERNATE AUDITORS			Date of first Address appointment	Last year of financial statements to be audited	Expiry date of appointment
AUDITEX		Tour First, 1, place des Saisons 92400 Courbevoie	2008	2019	AGM 2020
Jean-Christophe GEORGHIOU		63, rue de Villiers 92208 Neuilly sur Seine Cedex	2014	2019	AGM 2020

AGM: Annual General Meeting

9.8 RECONCILIATION TABLES

9.8.1 Reconciliation table pursuant to European Regulation n°809/2004

HEADINGS	SECTIONS
1. Persons responsible	9.3, 9.6
2. Statutory Auditors	9.7
3. Selected financial information	
· Background information	1.1, 6.7
· Interim information	N/A
4. Risk factors	4.
5. Information on the issuer	
· Company background and development	1.4, 1.5, 1.6.1, 3.3, 3.4, 3.5
· Investments	5.2.4
6. Business overview	
· Main activities	1.5
· Main markets	1.5
· Exceptional events	N/A
· Potential degree of dependence	4.7.3.4
· Elements on which the declaration of competitive position is based	1.5
7. Organisation chart	
· Group overview	1.2
· List of significant subsidiaries	5.3.4
8. Property, plant and equipment	
· Existing or planned property, plant and equipment	06/02/2015
· Environmental issues that may influence the use of property, plant and equipment	7.4
9. Operating and financial review	
· Financial position	5.2.1, 5.3.1
· Operating profit	5.1
10. Cash position and capital	
· Issuer's capital	5.2.2, 6.1.3
· Source and amount of cash flows	5.2.2, 6.1.3
· Borrowing terms and conditions and financing structure	5.2.1, 6.2.18.2
· Restrictions on the use of capital resources which has or may have an impact on the issuer's operations	1.6
· Expected sources of financing	6.2.18.2
11. Research and development, patents and licences	N/A

12. Information on market trends	1.5
13. Profit forecasts and estimates	N/A
14. Administrative, Management, Supervisory and Executive bodies	
· Supervisory and Executive Bodies	2.1, 2.2
· Potential conflicts of interest	2.4.1
15. Remuneration and benefits	
· Remuneration and benefits in kind	2.3
· Total provisions or amounts recognised for pensions, retirement or similar benefits	2.3.1.4
16. Operation of Supervisory and Executive bodies	
· Expiry dates of current terms of office	2.1.1, 2.2.1
· Service agreements with members of Supervisory and Executive Bodies	2.4.1
· Information on the Audit Committee and the Remuneration Committee	2.1.3
· Compliance with the Corporate Governance Code	2.
17. Employees	
· Number of employees and analysis by business activity	6.2.7.3, 7.2.1.1
· Shareholding and stock options	2.3.1.2, 2.3.2, 3.8, 7.2.2.2
· Employee shareholding in the issuer	3.5, 3.11.5
18. Major shareholders	3.5
19. Transactions with related parties	6.2.24, 6.9
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
· Background financial information	1.1, 6.7
· Pro forma financial information	N/A
· Financial statements	6.1, 6.4
· Audit of annual historical financial information	6.3, 6.6
· Date of latest financial information	N/A
· Interim and other financial information	N/A
· Dividend distribution policy	3.4
· Legal and arbitration proceedings	4.6.5
· Significant change in the Company's financial or trading position	N/A
21. Additional information	
· Share capital	1.6.1.1, 3.11
of which:	
- shares not representing capital	N/A
- marketable securities	N/A
- vesting conditions	N/A
· Treasury shares	3.6, 3.7
· Deed of incorporation and Bylaws	1.6.1
22. Significant contracts	5.1.3
23. Third-party information and statements by experts and declarations of interest	N/A
24. Documents available to the public	3.2
25. Information on equity holdings	5.3.3

9.8.2 Reconciliation table with the annual financial report and the management report

HEADINGS	SECTIONS
1. DECLARATION OF THE PERSON RESPONSIBLE	9.3 RFA
2. PARENT COMPANY FINANCIAL STATEMENTS	6.4 RFA 6.5
3. CONSOLIDATED FINANCIAL STATEMENTS	6.1 RFA 6.2
4. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	6.6 RFA
5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	6.3 RFA
6. MANAGEMENT REPORT	
6.1. Information on the Company and the Group's business activities	
Company and Group position during the financial year just ended, projected change and significant post-balance sheet events	1.5 5.4
L.232-1 II + V; L. 233-26 of the Commercial Code	
Company and Group sales and results per business sector	1.5 5.1
L.233-6 of the Commercial Code	
Objective and comprehensive assessment of the business trends, financial performance and financial position (including the debt position) of the Company and the Group	1.5 5.1 5.2 RFA 5.3
L.225-100-1 of the Commercial Code	
Key financial and, if applicable, non-financial indicators for the Company and the Group	1.1 RFA
L.225-100-1 of the Commercial Code	
Main risks and uncertainties facing the Company and the Group	4. RFA
L.225-100-1 of the Commercial Code	
Internal control and risk management procedures related to the preparation and processing of the Company and the Group's accounting and financial information	4.1 RFA
L.225-100-1 of the Commercial Code	
Objective and policy relating to hedging transactions for which the Company's and Group's hedge accounting is used	4.3
	4.2
Company and Group exposure to price, credit, liquidity and cash-flow risks	4.4 RFA
	4.5
Use of derivative instruments by the Company and the Group	4.3
L.225-100-1 of the Commercial Code	
Company and Group financial risks related to the effects of climate change and presentation of the measures taken to reduce them (low carbon strategy)	4.8 RFA
L.225-100-1 of the Commercial Code	
Company and Group research and development activities	N/A
L.232-1 II + V; L. 233-26 of the Commercial Code	
Subsidiaries	N/A
L.232-1 II + V of the Commercial Code	
6.2. Legal, financial, and tax information regarding the Company	
Breakdown of, and changes to the shareholding structure	3.5
L.233-13 of the Commercial Code	
Names of controlled companies and share capital in the company that they hold	5.3 1.2
L.233-13 of the Commercial Code	
Material interests acquired in companies that had their registered office in France during the financial year	1.3 5.3

L.233-6 of the Commercial Code	
Cross holdings	5.3
R.233-19 of the Commercial Code	
Statement of employee holdings in the Company's share capital	3.5
	3.11
L225-102 of the Commercial Code	
Purchase and sale of its own shares by the Company (share buybacks)	3.6 RFA
L.225-211 of the Commercial Code	
Adjustment of securities granting access to the share capital in the event of financial transactions	N/A
R.228-91 of the Commercial Code	
Adjustments of securities granting access to the share capital and stock options in the event of share buybacks	N/A
R.228-90 and R. 225-138 of the Commercial Code	
Amounts of dividends paid in respect of the three previous financial years	3.4
Art 243-2 of the General Tax Code	
Amount of non-tax-deductible expenses and charges	9.2.1
Art 223-4 of the General Tax Code	
Payment terms, and breakdown of the balance of trade payables and receivables	4.2.4
L.441-6-1; D.441-4; A 441-2 of the Commercial Code	
Monetary injunctions or penalties for anti-competitive practices	4.6.5
L.464-2 I-5 of the Commercial Code	
Information relating to the operation of a SEVESO plant (Art. L. 515-8 C of the Environmental Code)	N/A
L.225-102-2 of the Commercial Code	
Amount of inter-company loans	N/A
L. 511-6-3-2 of the Monetary and Financial Code	
6.3 Information regarding the corporate officers	
Summary of dealings in securities by individual discharging managerial responsibilities and individual closely connected to them	3.9
L.621-18-2 of the Monetary and Financial Code; 223-26 General Regulations of the AMF	
6.4. The company's CSR information	
Inclusion of the social and environmental consequences of the business activities, including the consequences on climate change, and the use of goods and services produced, as well as the societal commitments to sustainable development, the circular economy, the fight against food waste, the prevention of discrimination and the promotion of diversity	7.
L225-102-1; R225-105; R225-105-1 of the Commercial Code	
6.5 Documents attached to the management report	
Report on payments to governments	N/A
Summary of financial results over each of the last 5 years	6.7
Report on corporate governance	2.

9.9 GLOSSARY

ADSL: *Asymmetric Digital Subscriber Line*. Internet access technology which makes use of high frequencies on telephone lines to transmit digital data at very high speeds. The distribution of television by an ADSL operator is also called IPTV.

Advertising market share: percentage of advertising investments captured by a sales house or a medium within a media market (television, radio, etc.).

AMF: *Autorité des Marchés Financiers* (Financial Markets Authority). Independent public authority whose roles are to ensure that savings invested in financial products are protected, that information is provided to investors and that the financial markets in France operate correctly.

Analogue: In television, a method of producing and transmitting images where the intensity of the electric signals is uninterrupted or analogue at the sound or light source. In France, the analogue television signal was switched off on 30 November 2011 to give way to terrestrial broadcasting exclusively in digital mode.

ARPP: *Autorité de Régulation Professionnelle de la Publicité* (Professional Advertising Regulatory Authority). Body whose purpose in France is to take all measures necessary to promote honest, truthful and balanced advertising, reconciling the freedom of expression of professionals with respect for consumers.

Audience share: audience percentage for a medium (TV channel, radio station) or for a variety of media (aggregates, coupling), calculated in relation to the overall audience for the medium or subset.

Brand content: editorial content of any kind created directly by a brand.

Catch-up TV (or replay TV): Way of consuming TV through which a programme is viewed on demand after it has been broadcast.

CNC: *Centre National du Cinéma et de l'Image Animée*. French public institution that oversees, under the authority of the Minister responsible for Culture, consistency in the creation and implementation of government policy in the areas of film and the other arts and industries involving the moving image, in particular those in the audiovisual, video and multimedia fields, including video games.

Connected television: Television connected either directly or indirectly to the Internet in order to provide a number of services to viewers.

CSA: *Conseil Supérieur de l'Audiovisuel*. Independent administrative authority whose role is to ensure the freedom of audiovisual communication in France. Its responsibilities specifically involve the protection of minors, respect for political pluralism, the allocation of frequencies to operators, the defence of French culture, and the rigorous processing of information.

Cumulative audience: Radio and television audience indicator. It refers to the number or percentage of people who have had at least one contact with the media in question during the period (time slot, day, week, etc.), irrespective of the duration.

Display: Internet advertising with the purchase of spaces and the insertion of either graphic or visual elements.

DTT: Digital Terrestrial Television. Mode of broadcasting television which enables digital signals to be transmitted over the air. These digital signals are ordered in a single flow (multiplex), before being transmitted, i.e. transported to the viewer via electromagnetic waves.

Flow programmes: Television programmes that lose all their value once broadcast (news broadcasts, sporting events, on-set programmes, etc.).

GRP: *Gross Rating Point*. Indicator of the pressure exerted by an advertising campaign on a specific target. The GRP is equal to the average number of contacts made with its target, expressed as penetration points. It is calculated by multiplying the coverage of the target by the average repetition.

HD: High Definition. A digital picture format with definition higher than 720 lines x 1280 pixels. The resolution of a FULL HD image can reach 1,080 lines x 1,920 pixels.

ILT: Individual Listening Time. Radio audience indicator measuring the average time spent per listener, listening to a radio programme, station or medium, within one time slot or throughout the whole day.

IPTV: Mode used for broadcasting television signals using Internet protocol.

ISP: Internet Service Provider. Company proposing an internet connection service, through ADSL networks, cable or fibre optic.

IVT: Individual Viewing Time. Audience indicator measuring the average time during which the members of a given population watch television during the course of one day.

MCN: *Multi-Channel Network*. Aggregator of content and influencers specialised in the management, promotion and monetisation of digital content and talents on major online platforms such as YouTube.

Millenials: Name given to 15-34 year olds, a hyper-connected generation markedly different from previous generations in terms of their financial, technological and social make-up.

MPEG: *Motion Picture Expert Group*. A process used to code audiovisual signals in a more or less compressed format. The figure (2 for MPEG 2, 4 for MPEG 4) indicates the degree of compression of the signal – the higher the number the greater the compression.

Multiplex: Digital datastream allowing several programmes and services to be transmitted over a single television channel (or frequency). Terrestrial digital thereby authorises the broadcast of five or six audiovisual programmes over the same frequency, where in analogue it would only have been one.

Multiplex operator: Company responsible for ensuring the technical procedures necessary for the transmission and broadcast of programmes are carried out.

OTT: *Over the top* (alternative service). Mode for distributing audiovisual content online without the involvement of a traditional network operator.

Prime Time: Timeslot corresponding to late evening (usually from 8.45pm), when the audience is at its highest. This is the part of the viewing schedule that is most popular amongst advertisers. **Access Prime Time** is between 6pm and 8pm.

SRD: *Service de Règlement Différé* (Deferred Settlement Service). Being eligible for SRD allows the payment or delivery of certain securities at the end of the trading month. It is therefore possible to buy or short sell a security while deferring its payment and profiting from leverage on both upward and downward price movements. Securities eligible for SRD primarily comprise shares with a volume of capital traded daily of at least €1 million and those whose market capitalisation is a minimum of €1 billion.

Stock programmes: Television programmes that retain their value regardless of the number of times they are broadcast. They can be kept and reused over the long-term (dramas, documentaries, animated films, live performances, etc.).

Terrestrial: A data transmission system using electromagnetic waves of a frequency below 3,000 GHz.

VOD: *Video On Demand*. Paid service allowing the viewing of a chosen programme at any time. Subscription-based VOD is called **SVOD** (Subscription Video On Demand).

WRP: Advertising target group comprised of Women under 50 years old, Responsible for Purchases.

Design & Production: Pomelo-Paradigm
www.pomelo-paradigm.com/domus

MÉTROPOLE TÉLÉVISION

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