



2011 REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

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2011 REGISTRATION DOCUMENT

**INCLUDING THE ANNUAL
FINANCIAL REPORT**



The original version of this Registration Document in French was filed with the French Financial Market Authority (AMF) on 11 April 2012, 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 was prepared by the issuer and is the responsibility of the signatories.

MANAGEMENT REPORT



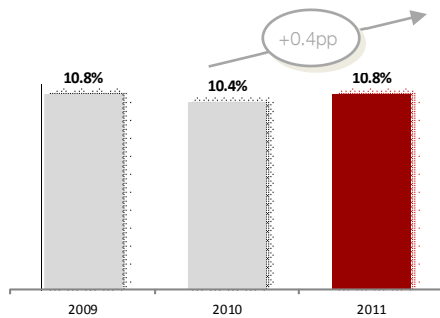
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1. M6 Group presentation

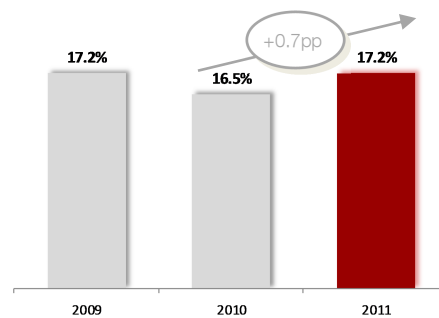
1.1. Key figures

1.1.1. Management indicators

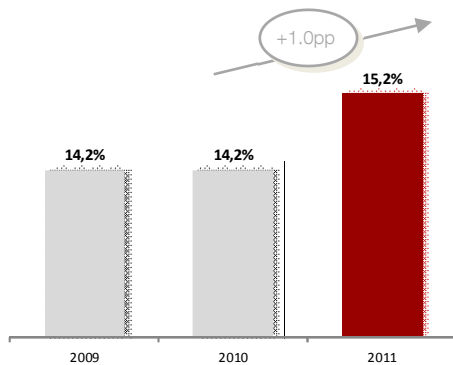
M6 channel 4+ audience ratings (*)



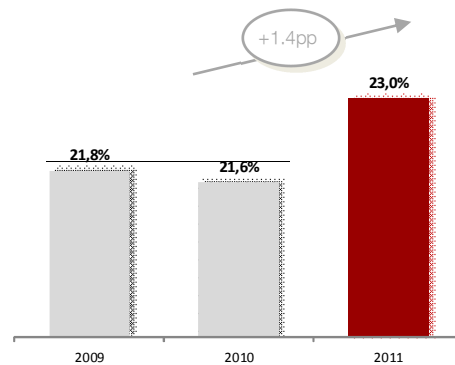
M6 channel Hws<50 audience ratings (*)



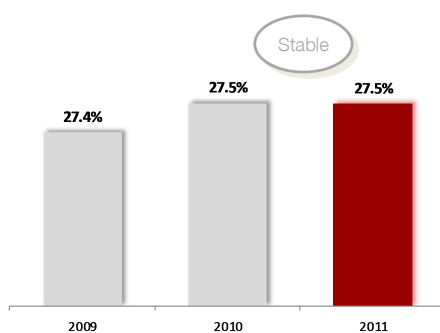
M6 channel 4+ audience ratings (*)



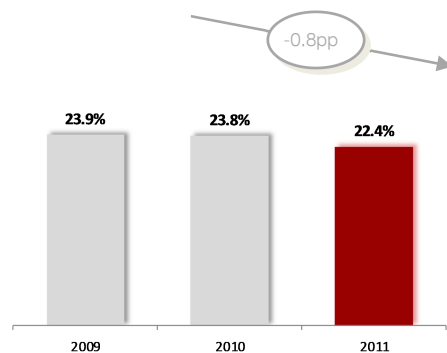
M6 channel Hws<50 audience ratings (*)



Gross advertising market share
M6 channel (historic channels) (*)



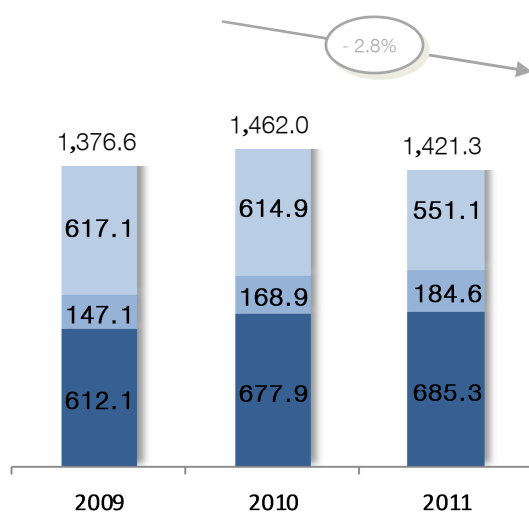
Gross advertising market share
M6 Group (all TV) (*)



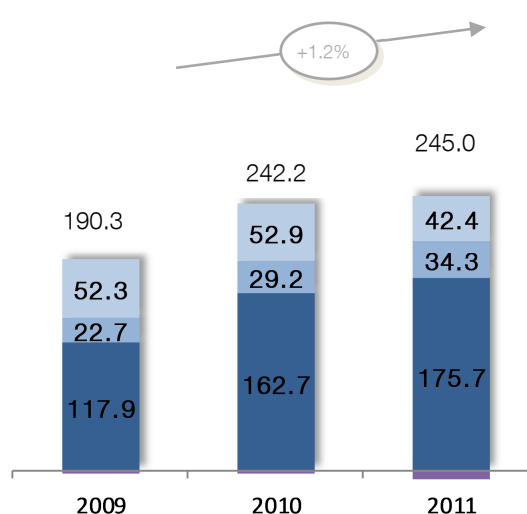
(*) Sources: Médiamétrie, Kantar Média.

1.1.2. Financial indicators

Revenue analysis by division (€ millions)

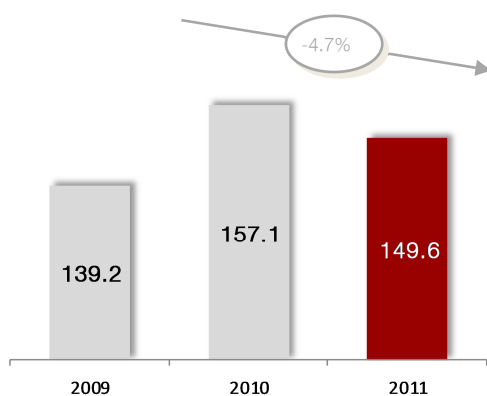


EBITA* analysis by division (€ millions)

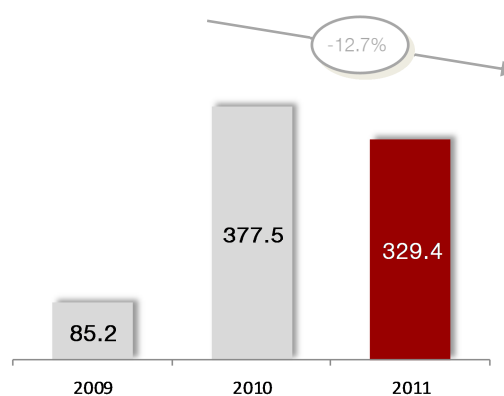


■ M6 TV Network ■ Digital channels ■ Diversification and Audiovisual Rights ■ Unallocated items

Group Share of Net Profit (€ millions)



Net Cash Position** (€ millions)

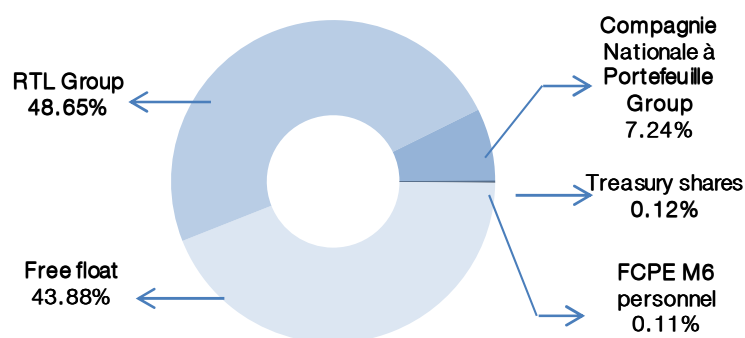


* EBITA is defined in section 2.1.1 of this management report

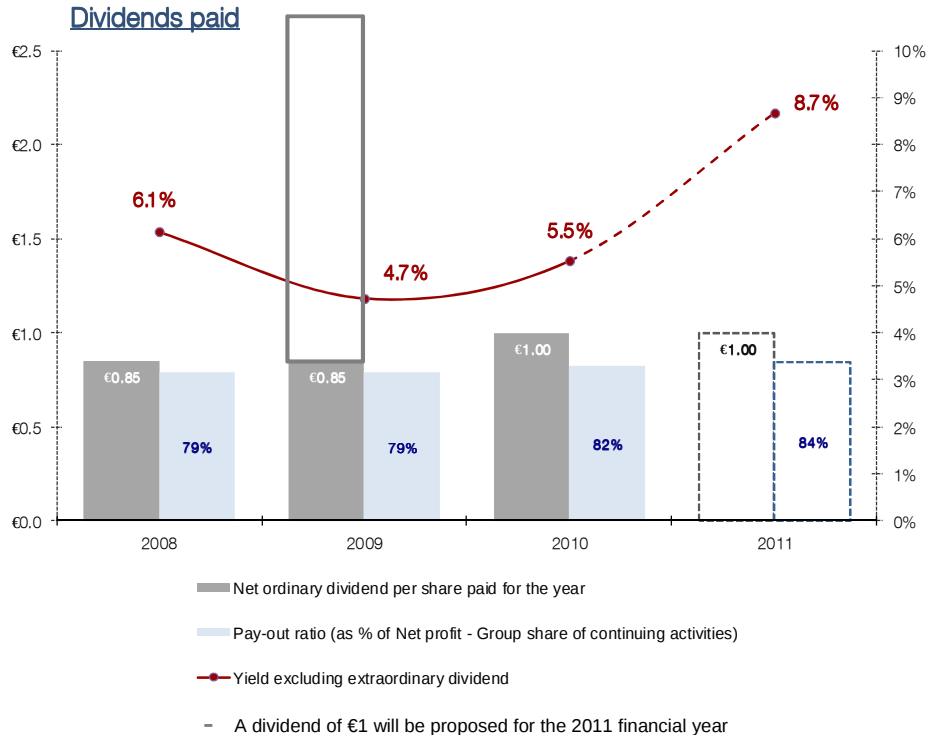
** The net cash position is defined in section 3.2 of this management report.

1.1.3. Stock market indicators

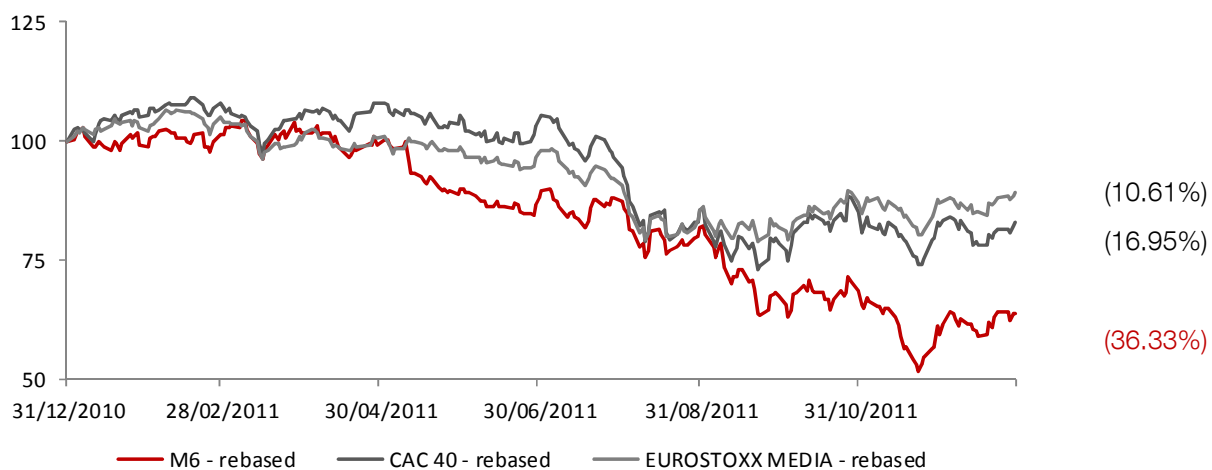
Shareholding structure at 31 December 2011



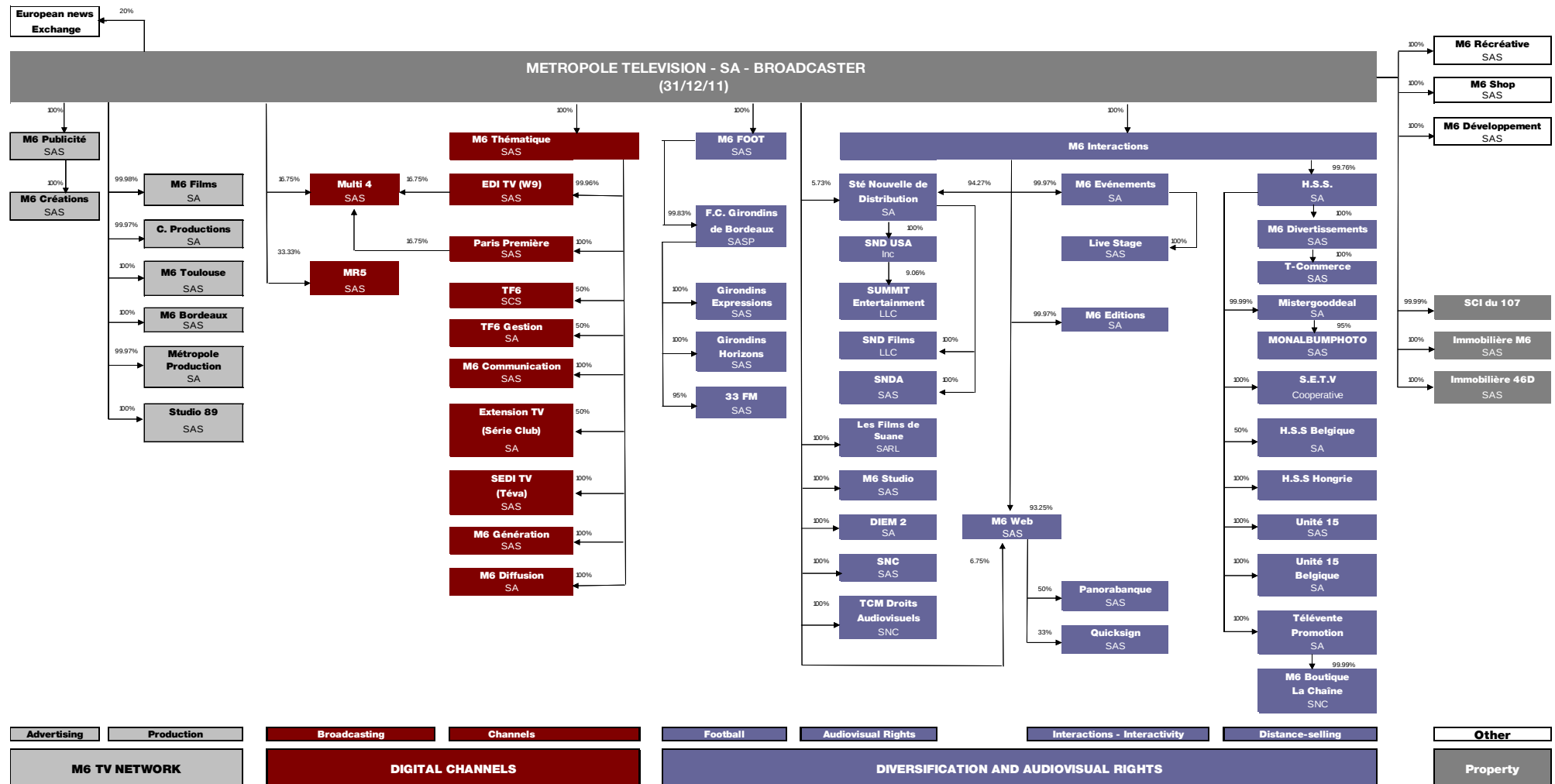
Dividends paid



Stock market performance



1.2. Group structure (% of share capital)



1.3. Changes in group structure

In 2011, the M6 Group **acquired** and **disposed of** the following entities:

- On 19 April 2011, M6 Group acquired TF1 Group's 50% shareholding in TCM DA, which operates a catalogue of about sixty films owned by Paramount (*Mission Impossible, Il faut sauver le soldat Ryan, etc.*), and in TCM Gestion. M6 Group now owns 100% of the share capital of these two companies.
- On 28 April 2011, the Group made a 34% equity-investment in QUICKSIGN, a technological platform devoted to financial services and an investment of 50% on its subsidiary PANORABANQUE, a service for comparing bank offers.
- On 5 May 2011, the Group finalised the acquisition of FILMS DE LA SUANE, a company that owns a catalogue of feature films (*Barnie et ses petites contrariétés, Les Insoumis, etc.*).

In 2011, the following companies were **incorporated** to play host to new projects:

- SND Films, LLC;
- M6 Shop SAS;
- T-Commerce SAS;
- SNDA SAS.

Furthermore, the Group continued to take steps to **streamline** its group structure by carrying out the following transactions:

- On 15 June 2011, La Boîte à News and Echo 6 were merged into M6 Web;
- On 29 June 2011, Mandarin was merged into Diem 2;
- On 21 November 2011, dissolution-merger of M6 Numérique into M6;
- On 1 December 2011, liquidation of TCM Gestion, the entity previously in charge of managing TCM DA.

1.4. 2011 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 Série Club 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 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 Neuilly head office.

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 home shopping 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 public.

2006: Acquisition of Mistergooddeal. Launch of W9 on free DTT. Launch of the M6 Mobile By Orange package. Announced merger of TPS and Canal+ France 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 the year of all channels, with the France – Italy Euro football match. Acquisition of Cyréal 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. M6 Replay voted best catch-up TV service.

1.4.2. 2011 highlights

January

20: 3 months after its launch, the M6 iPhone application had been downloaded one million times.

February

1: M6 mobile By Orange crossed the 2 million customer mark.

13: *Scènes de ménages* won the “Prix du Meilleur Tout Court” audience award at the “2011 Luchon Festival of audiovisual creation”.

March

3: *Enquête Exclusive* received an award for best social documentary film of the year at the “Lauriers de la Radio et de la Télévision”.

April

5: All-time record for the live final of *Top Chef*: 20.2% ratings among all audiences.

19: The M6 Group acquired TF1 Group’s 50% shareholding in TCM DA, which operates a catalogue of about sixty films owned by Paramount. M6 Group now owns 100% of the share capital of this company.

May

29: E=M6 celebrated its 20th anniversary.

June

1: Promoting music on TV: agreement signed between the M6 Group and music producer professional organisations (SCPP and SPPF) on the broadcasting of music videos.

13: The animated version of *Le Petit Nicolas* awarded the “Prix spécial pour une série TV” at the 35th international animated film festival of Annecy.

16: The Teva channel celebrated its 15th anniversary.

20: M6 voted French people’s favourite channel for the second year in a row (TV Notes poll).

July

8: Launch of a partnership between M6 Web and Bon-Prive.com, the pioneer for French joint buying websites.

August

24: The wrap-up show of “*L’amour est dans le pré*” was the most watched programme of the summer of all channels, with 6.5 million viewers.

24: Multi-year agreement with CBS relating to series and feature films renewed.

September

1: Spectacular success for the *Le Petit Nicolas* movie with 7.6 million viewers, the record audience level of the year and the best ever performance of a French film on the M6 channel.

15: Paris Première celebrated its 25th anniversary at the Grand Palais.

October

18: Launch of the “Cuisinez avec M6” tradeshow, which attracted more than 30,700 visitors in 4 days.

28: Signing of a Public-Private Partnership (PPP) and the contract for the construction of the Bordeaux stadium.

31: W9 ranked in 4th place among nationwide channels for under fifty year-old viewers for the first time since its creation.

November

3: M6 beat audience records with its access prime-time: *Le 19’45* attracted more than 4.4 million viewers and *Scènes de ménages* established a new record with 5.5 million viewers.

8: Launch of the Paris Première HD and TEVA HD channels on Canalsat.

13: W9 beat its audience record with 2.1 million viewers for the movie “*Une journée en enfer*”.

23: M6 instituted Facebook voting for “*La France a un incroyable talent*”.

24: M6 was the 4th favourite brand of French people (MPG POE poll by Havas Media).

30: The 6 historic terrestrial channels, TF1, France 2, France 3, France 5, M6 and ARTE switched off their analogue signal at the same time following the switchover of Languedoc-Roussillon, the last region of Mainland France, to digital.

December

15: M6 reaffirmed its position as a major player in online video and posted the highest consumption time per video of French TV groups.

21: The M6 Group partnered with Microsoft for the launch of the M6 application on Xbox 360, which marked a further step in the definition of the television of the future.

Annual assessment (source Mediamat – Mediamétrie)

The M6 channel concluded 2011 with average audience ratings of 10.8% of all audiences (compared to 10.4% in 2010) and 17.2% of under 50 year-old housewives (compared to 16.5% in 2010), thus achieving the best performance of all major historic channels, being the only channel to report growth in the face of increasing competition from free DTT channels.

One of these, W9, is a Group channel and achieved nationwide audience ratings of 3.4% of all audiences in 2011, compared to 3.0% in 2010. W9 therefore ranked in second place among DTT channels for the 6th consecutive year and as the 5th nationwide channel for under 50 year-old housewives.

1.4.3. Main legal and regulatory developments

By virtue of its corporate purpose and status as an operator of a Free-to-Air and digital and analogue television broadcasting licence, the Company is governed by a specific legal and regulatory regime, which applies in addition to ordinary provisions, as specified in section 1.2 of the Legal information chapter of this document. The main legal and regulatory developments introduced in 2011 are set out below.

► Switchover to all digital

Instituted by the Law of 5 March 2007 on the modernisation of audiovisual broadcasting and the television of the future, the process of switching off the analogue signal was the most significant initiative that affected the French audiovisual landscape in 2011. The M6 Group actively participated in the management of this major change for all its viewers, being a 10% partner in the Groupement d'Intérêts Public (GIP) France Télé Numérique, an organisation created by the French State and the six historic nationwide channels and responsible for organising the switchover to all-digital by taking all steps necessary.

Even though ten regions had already switched over during 2010, fourteen regions still had to switch over to all digital in 2011. This process was successfully completed on 30 November 2011, as deadlines were met at a cost of €157 million, compared to a budgeted cost of €326 million.

Following on from this process, several reflections on technological developments affecting compression and broadcasting standards have been carried out by public authorities in consultation with private operators. Their findings led the CSA, on 18 October 2011, to launch a call for tender for six free-to-air and pay HD channels on terrestrial digital TV, making it compulsory to use the Mpeg-4 compression standard.

The M6 Group will participate in this call for tender with the aim of continuing its development over the long-term.

► Regulation of programming by the CSA

The CSA adopted three major rulings during 2011 aimed at bringing regulations into line with today's challenges:

- The ruling of 18 January 2011, relating to the terms and conditions of collection and disclosure of politicians' speaking time on radio and television services, specifying the rules to be complied with by

editors in their method of calculation of speaking time and the deadlines for communicating this data to the CSA. This ruling is consistent with the rules of plurality, for expression of ways of thinking and opinions, a core principle of audiovisual communication.

- The ruling of 27 April 2011, relating to the conditions of broadcast by TV and radio services of commercials promoting online betting and gambling operators, urging editors to apply good practices in this new and particularly sensitive field. It urges editors and industry players to consult each other and specify in a charter the conditions under which service editors can refer to betting and gambling without distorting the content of programmes. This charter of conduct was drafted at the end of 2011 by all stakeholders, including M6.
- Lastly, the ruling of 19 July 2011, relating to the technical features of sound level for programmes and advertisements, harmonised and set standards editors must comply with in this respect, in the viewers' interest.

► Changes to M6 agreement

Two amendments were added to M6's agreement during 2011:

- A new amendment was signed on 2 August 2011 aimed at regulating the use of associated data, to enrich and complement the main programming of the television service. This amendment covers issues of intellectual property, editorial responsibility, plurality, the protection of young viewers and the rules applicable to commercial advertisements.
- A second amendment, signed by the Conseil Supérieur de l'Audiovisuel and Métropole Télévision on 7 October 2011, added an article to the agreement relating to the accessibility of programmes for the blind and visually impaired. This article sets at twelve the number of original programmes to be broadcast with audio description in 2011 and 2012 and fifty-two programmes per year, of which twenty must be original with audio-description, from 2013 onwards. The stakeholders are to pay particular attention to peak viewing times and programmes targeting children and teenagers.

1.5. Group markets and operations

1.5.1. Television

1.5.1.1. Presentation of operations

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

- Free-to-air channels (M6 and W9), accessible without subscription via a digital signal (and/or analogue until 29 November 2011), fully funded by the advertising expenditures of advertisers who seek to optimise the efficiency and cost of their media campaigns.
- Pay channels (Paris Première, Téva, TF6 et Série Club, M6 Music Hits, M6 Music Black, M6 Music Club, Girondins TV, M6 Boutique), 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 and TF6 channels also have a pay DTT licence.

**Métropole
Télévision**
SA

M6 Métropole Télévision is the Parent Company of the M6 Group and broadcasts the M6 channel. It sets the programming strategy, the programme acquisition and production policy and the network's programme line-up. M6 also collects revenue from advertising slots and sponsorships broadcast on the network.

In addition, M6 Métropole Télévision defines the strategic direction of the Group's various entities and manages the cross-organisational administrative and support functions. The majority of the Group's strategic economic assets are held by the Parent Company.

EDI TV
SNC

EDI TV edits W9, the Group's second free-to-air channel.

Pay channels

The Group broadcasts channels on cable and satellite that complement the Group's offering: Téva, Paris Première, Série Club, TF6, M6 Music Black, Hits and Club and Girondins TV.

M6 Publicité
SAS

As the historical advertising agency of the M6 TV network, the growth of which it supported, M6 Publicité today markets the advertising space of 9 TV channels.

M6 Films
SA

In respect of film production, M6 Films co-produces French and European films and also manages the pre-purchase of TV broadcasting rights on behalf of the Group. This activity comes within the framework of all French broadcasting groups' obligation of financing the French cinema industry by contributing a portion of their advertising revenue. M6's investment obligation is 3.2% of the TV network's net advertising revenue, to be reinvested in French and European cinema production.

The Group's TV production activities are driven by three separate production companies:

Métropole Production
SA

Métropole Production operates all of the Group's technical production resources and media management, and produces audiovisual works and programmes for the M6 channel. In particular, it produces some of the channel's flagship programmes such as *Turbo*, *Zone Interdite* and *M6 Kid* (delegated production).

C. Productions
SA

C. Productions is the second mainstay of this segment, which primarily produces M6 TV network news magazines, such as *Capital*, *Enquête Exclusive*, *66 Minutes*, *100% Mag*, as well as *Enquêtes Criminelles* on behalf of W9.

Studio 89
SAS

Studio 89 Productions produces, both for the M6 channel and the Group's other channels, a significant number of different formats, including *Top Chef*, *Un dîner presque parfait* (access prime-time and prime time), *Pékin Express* and *Accès Privé* for M6, as well as *En quête d'action* for W9.

1.5.1.2. Market trends in the TV business and Group positioning

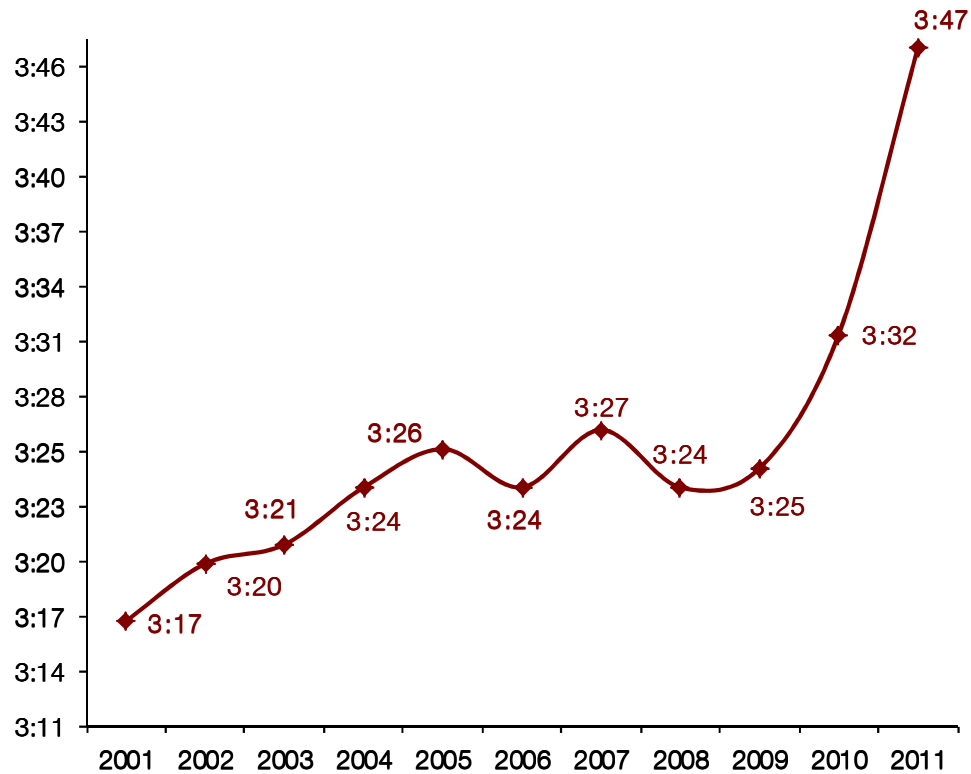
1. Structural changes in the TV market

The television market has undergone significant structural changes over the past few years, including:

- The advent of new media, with 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 play (Internet, television, landline) packages.
However, the growing penetration of the internet did not prevent the Individual Watching Time

(IWT) of television from increasing over the last ten years, with consumption peaking in 2011.

Individual Watching Time (4+ year olds)



Source: Mediamat / Médiamétrie

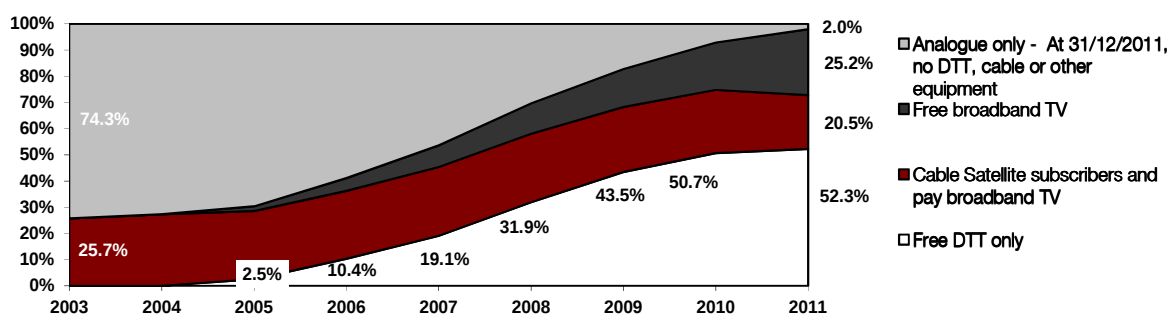
- **Analogue signal switchoff:** Given the DTT coverage of 100% of the population at the end of 2011, we consider that French households are equipped as follows: 98% of households now have access to a multi-channel offering of 11 channels or more and 2% of households still do not have the necessary equipment to allow access to DTT.

DTT coverage (% of population):



Source: *Référence des équipements multimédia* October-December 2011

Equipment of households by reception system at year-end:



Source: M6, Médiamétrie

- The gradual switchover of French households to digital reception and a multi-channel offering caused a change in the breakdown of audience shares between “historic” analogue channels and “Other TV”, which include:
 - Cable and satellite pay channels, whose nationwide 4 plus year old audience share was 11.7% in 2011, compared to 12.2% in 2010;
 - Free DTT channels, whose nationwide 4 plus year old audience share was 23.1% in 2011, compared to 19.7% in 2010.

Overall in 2011, 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: historic channels attracted 65.2% of the nationwide TV audience, compared to 34.8% for “Other TV”.

Nationwide audience ratings (4+ year olds):

Nationwide audience ratings (4+ year olds)							
%	2011	2010	2009	2008	2007	2006	2005
M6	10.8%	10.4%	10.8%	11.0%	11.5%	12.5%	12.6%
TF1	23.7%	24.5%	26.1%	27.2%	30.7%	31.6%	32.3%
France 2	14.9%	16.1%	16.7%	17.5%	18.1%	19.2%	19.8%
France 3	9.7%	10.7%	11.8%	13.3%	14.1%	14.7%	14.7%
Canal+	3.1%	3.1%	3.1%	3.3%	3.4%	3.4%	3.6%
France 5	3.3%	3.2%	3.1%	3.0%	3.3%	3.1%	3.1%
Arte	1.5%	1.6%	1.7%	1.7%	1.8%	1.7%	1.8%
TOTAL historic channels audience share	65.2%	68.1%	72.1%	76.3%	82.5%	86.2%	87.9%
W9	3.4%	3.0%	2.5%	1.8%	1.0%	0.4%	0.1%
TMC	3.5%	3.3%	2.6%	2.1%	1.3%	0.8%	0.3%
NT1	1.9%	1.6%	1.4%	1.0%	0.6%	0.3%	n.a
NRJ 12	2.3%	1.9%	1.5%	1.0%	0.4%	0.2%	n.a
Virgin 17 / Direct Star	1.2%	1.0%	0.7%	0.5%	0.4%	0.2%	n.a
Gulli	2.1%	2.2%	1.8%	1.5%	0.8%	0.4%	n.a
France 4	2.0%	1.6%	1.1%	0.9%	0.4%	0.1%	0.1%
Direct 8	2.3%	2.0%	1.4%	0.7%	0.3%	n.a	n.a
i>Télé	0.8%	0.7%	0.5%	0.3%	0.3%	0.2%	n.a
BFM TV	1.4%	0.9%	0.7%	0.4%	0.2%	n.a	n.a
TOTAL DTT channels audience share	23.1%	19.7%	15.2%	11.1%	5.9%	2.7%	0.9%*
TOTAL cable and satellite channels audience share	11.7%	12.2%	12.7%	12.6%	11.6%	11.0%	11.2%
TOTAL	100%	100%	100%	100%	100%	100%	100%

* M6 estimate

Source: Médiamétrie

- **Changes caused by new technologies in TV viewing patterns:** gradual extension of the offering of High Definition (HD) TV programmes and French households increasingly equipped with flat and HD compatible screens, adoption of new TV broadcasting modes (TV on computer, TV on Demand, mobile phone TV and 3G reception). These developments improve viewers' experience, who benefit from better picture quality and can now have access to on demand format (catch-up TV platforms) or as mobile TV (3G reception).
At the same time, the number of households equipped with TV sets continues to increase year after year. As a result, in 2011, 98.2% of French households owned at least one TV set (52% owned at least two), compared to 97.1% in 2008 (Source: Référence des Equipements Multimédia, October-December 2011).

2. Advertising market

► Changes in the multimedia and TV advertising market

Advertising expenditure (gross) – Multimedia:

	2011		2010		2009		2008		2007		2006
	€ millions	% change	€ millions	% change	€ millions	% change	€ millions	% change	€ millions	% change	€ millions
Press	7,671.4	3.9%	7,379.9	7.6%	6,859.1	(13.0%)	7,888.3	3.1%	7,647.7	2.8%	7,438.1
Total all TV *	9,382.3	6.0%	8,850.1	15.3%	7,675.6	5.6%	7,271.6	(2.6%)	7,462.2	5.7%	7,057.5
Historic channels	5,989.0	(1.5%)	6,081.5	9.9%	5,534.4	(2.3%)	5,662.2	(9.1%)	6,228.1	0.3%	6,208.0
DTT channels	2,517.9	28.2%	1,963.6	39.6%	1,406.9	71.7%	819.2	101.2%	407.1	118.9%	186.0
Cab/Sat channels	875.3	8.7%	805.0	9.6%	734.3	(3.7%)	762.2	(4.3%)	796.7	25.6%	634.3
Regional channels	France TV has ceased reporting the advertising revenue of its regional channels						28.0	(7.3%)	30.2	3.4%	29.2
Billboards	2,747.5	(0.6%)	2,763.9	7.4%	2,573.4	(6.9%)	2,763.6	3.3%	2,675.6	2.7%	2,605.7
Radio	4,151.9	6.2%	3,909.4	6.2%	3,682.4	8.5%	3,393.5	2.5%	3,309.8	(1.1%)	3,345.6
Cinema	379.9	27.1%	299.0	38.4%	216.0	10.1%	196.2	(11.8%)	222.5	9.8%	202.7
Internet	3,479.9	7.6%	3,235.0	**	3,958.9	3.8%	3,815.0	28.8%	2,962.1	35.5%	2,185.9
TOTAL	37,195.1	5.4%	35,287.4	**	32,641.0	0.1%	32,599.8	2.7%	31,742.0	6.2%	29,893.0

* including self-promotion

** gross online advertising expenditure, excluding sponsored links

Due to a change of method effective from 1 January 2010 affecting revenue disclosed by advertising agencies, it is not possible to compare 2011 and 2010 to previous years.

Source: Kantar Media

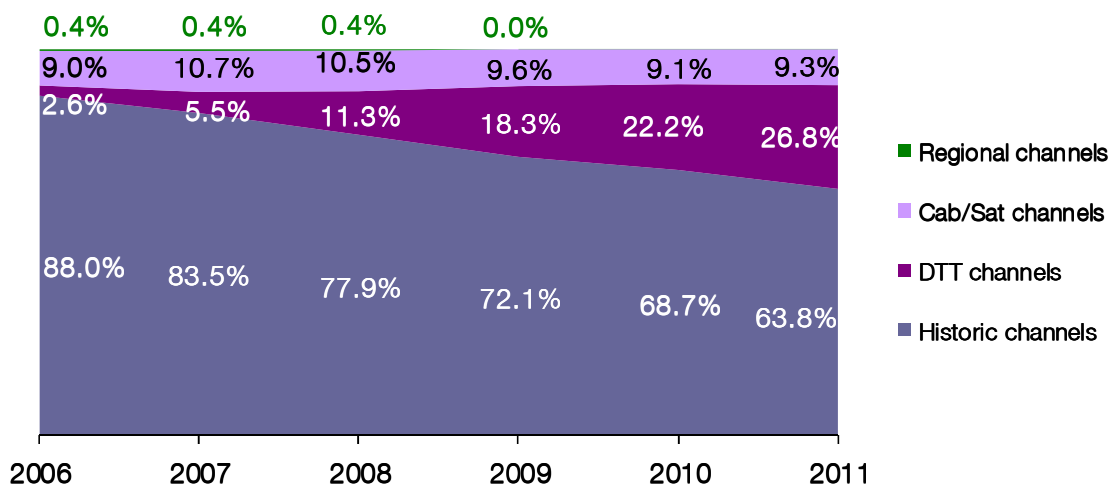
Developments in the multiyear multimedia advertising market (Press, television, Billboard Advertising, Radio, Internet, and Cinema) highlighted the following trends:

- More modest growth in gross multimedia advertising expenditure in 2011 (up 5.4%), after a year in 2010 characterised by a strong upturn (up 10.5% excluding Internet), following the economic slowdown of 2008-2009. However, 2011 was marked by a thriving first half, followed by slower growth at the end of the year.
This advertising revenue growth featured contrasting developments depending on the medium.
- Buoyant gross online advertising investment, even though the pace of growth was not as strong as during the 2006 to 2008 period.
- Slightly less significant growth of so-called traditional media, whose market shares continued nonetheless to deteriorate:
 - Press represented 20.6% of gross multimedia investment in 2011, compared to 24.9% in 2006, but achieved growth of 3.9% in 2011;
 - Billboard Advertising fell from 8.7% in 2006 to 7.4% in 2011, including a decline of 0.6% in 2011;
 - Radio remained stable between 2006 (11.2%) and 2011, and outperformed the market in 2011 (up 6.2%);
 - Lastly, Cinema remained virtually stable within a range of 0.7% and 1% of gross

multimedia investment between 2006 and 2011, but outperformed the market in 2011 (up 27.1%).

- Television gained further market shares in 2011, due to a growth rate that beat that of the market (up 6.0%), and as a result its market share reached 25.2% in 2011, having oscillated between 19.0% and 23.0% over the last five years: in 2011 television reaffirmed its position as the leading advertising media and the benchmark media in France.

Advertising expenditure (gross) – TV: market share analysis by segment (2006-2011):



Source: M6 based on Kantar Media data

In 2011, historic channels represented 63.8% of TV advertising expenditure (compared to 88.0% in 2006 and 68.7% in 2010), while DTT channels represented 26.8% of gross TV expenditure in 2011 (compared to 2.6% in 2006 and 22.2% in 2010), the balance being invested in cable and satellite channels for 9.3% of the total in 2011.

In 2011, gross expenditure on TV grew by 6.6%, marked by an increase in advertising expenditure allocated to free DTT channels (up 28.4%), and a modest decline in the share allocated to historic channels (down 1.2% gross data).

In this respect, it should be noted that 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.

► Historic channels: Distribution of advertising expenditure and market shares (gross data, historic channels, excluding self-promotion)

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

	2011		2010		2009		2008		2007
	€ millions	% change	€ millions	% change	€ millions	% change	€ millions	% change	€ millions
M6	1,474.7	(1.3%)	1,493.5	9.9%	1,358.7	4.8%	1,296.2	(2.3%)	1,326.3
TF1	3,212.6	(1.5%)	3,261.7	7.8%	3,024.7	1.2%	2,989.0	(1.3%)	3,027.2
France 2	307.8	(1.5%)	312.6	28.1%	244.1	(35.2%)	376.5	(37.6%)	603.2
France 3	154.9	(5.4%)	163.7	8.4%	151.0	(36.6%)	238.1	(37.5%)	381.2
France 5	30.4	2.3%	29.8	16.6%	25.6	(2.6%)	26.3	(54.8%)	58.2
Canal+	173.3	8.3%	160.0	4.5%	153.1	15.8%	132.2	18.6%	111.4
TOTAL	5,353.7	(1.25%)	5,421.2	9.4%	4,957.1	(2.0%)	5,058.2	(8.2%)	5,507.5

Source: Kantar Media, gross data for TF1, M6, C+, net data for FTV from 2008

Historical data may have been subject to restatement

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

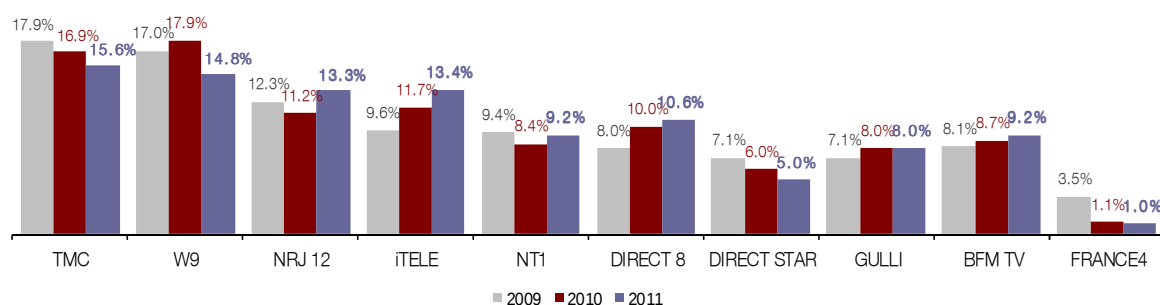
	2011		2010		2009		2008		2007
	Market share	% change	Market share	% change	Market share	% change	Market share	% change	Market share
M6	27.5%	0.0pp	27.5%	0.1pp	27.4%	1.8pp	25.6%	1.5pp	24.1%
TF1	60.0%	(0.2pp)	60.2%	(0.9pp)	61.0%	1.9pp	59.1%	4.1pp	55.0%
France 2	5.7%	(0.0pp)	5.8%	0.8pp	4.9%	(2.5pp)	7.4%	(3.5pp)	11.0%
France 3	2.9%	(0.1pp)	3.0%	(0.0pp)	3.0%	(1.7pp)	4.7%	(2.2pp)	6.9%
France 5	0.6%	(0.0pp)	0.6%	0.1pp	0.5%	(0.0pp)	0.5%	(0.5pp)	1.1%
Canal+	3.2%	0.3pp	3.0%	(0.1pp)	3.1%	0.5pp	2.6%	0.6pp	2.0%
TOTAL	100%		100%		100%		100%		100%

Source: Kantar Media, gross data for TF1, M6, C+, net data for FTV from 2008

Historical data may have been subject to restatement

► DTT channels: Distribution of advertising market shares (gross data in %)

The distribution of the DTT channel gross advertising market, which totalled €2,406.2 million in 2011, an increase of 28.4%, reflected the audience ratings of each channel and was as follows:



Source: Kantar Media

► **Cable and satellite channels: Distribution of advertising market shares (gross data, in %)**

The distribution of the gross advertising market of cable and satellite channels, which totalled €874.0 million in 2011, up 8.7%, potentially involves more than a hundred channels.

1.5.1.3. M6 Group TV market positioning and strategy in 2011

Overall, the Group's advertising agency, M6 Publicité, achieved a total market share of 22.4% in 2011 (total gross + net advertising market share, measured by adding terrestrial, DTT, cable and satellite revenue, source Kantar Media) of the whole TV advertising market, compared to 23.8% in 2010, thus maintaining its position as the second advertising agency in France behind TF1 Publicité.

a) Free-to-air television

► **M6 channel**

In a historic channel advertising market (excluding self-promotion) which declined by 1.25% in 2011 (source: Kantar Media), the M6 TV network saw its gross advertising expenditure decrease by 1.26%, translating into a 0.9% increase in net advertising revenue.

The historic channel advertising market experienced a modest decline in 2011, after a year in 2010 marked by a strong post-economic crisis recovery. This decline was characterised by a reduction in advertising volume (the advertising time of historic channels fell by 3.5% over the period) and a stable number of brands featured on screen.

However, the M6 channel was able to increase its market shares in Automotive/Transport, Financial Institutions/Insurance, as well as Distribution and Telecommunications. Overall, M6 achieved an increase in its gross advertising market share of 27.5%, thus confirming its position as the second TV network in the French advertising market.

The consolidation of M6's position should be seen in the light of the channel's resilience in the face of audience fragmentation: with 10.8% ratings over all audiences in 2011, M6 was the only historic channel to report growth, on top of being the third nationwide channel for all audiences and the second most watched nationwide channel at prime time.

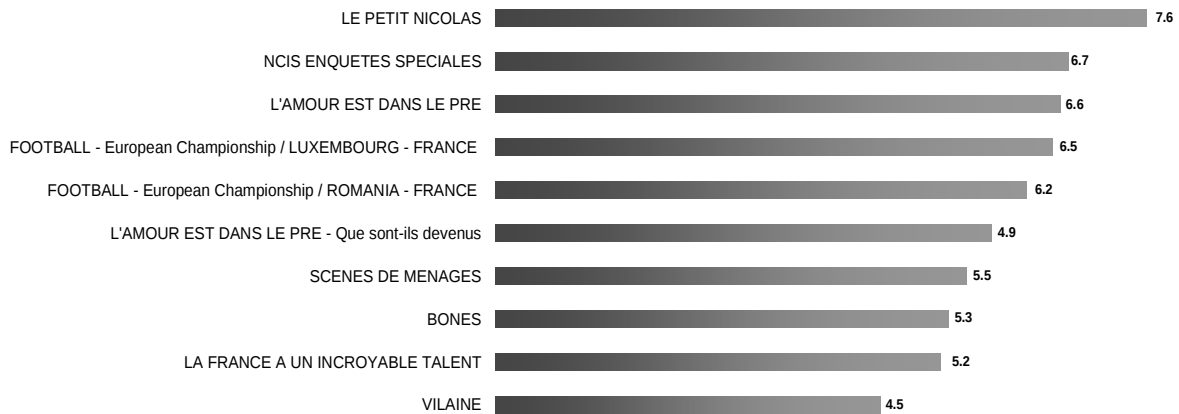
In addition, M6 is increasingly often the leading channel at night: in 2011, M6 was the leader for all audiences on 41 nights (compared to 19 nights in 2010) and attracted more than 4 million prime-time viewers on more than one hundred occasions, which is more than one night out of four.

The best audience ratings of the year were achieved by a French film, "*Le Petit Nicolas*". This was also the all-time record for a movie on M6. All types of programmes reported strong audience growth this year (magazines, newscasts, sports, series, French drama, etc.). "*L'amour est dans le pré*" therefore had its best season since its creation with an average of 6.1 million viewers.

M6 was also able to assert itself at access prime-time due to the quality of its programmes. *Le 19 45* and *Scènes de ménages* enabled M6 to retain the lead amongst under 50 year-old housewives on more than one night out of three. The evening newscast is beating record after record and reached 4.4 million viewers in early November. At the same time, *Scènes de ménages* beat the all-time record in its time slot with 5.5 million loyal viewers.

The top ten M6 audience ratings of 2011 testify to success for all types of programmes:

Top ten M6 audience ratings in 2011 (millions of viewers, source: Médiamétrie):



Strategically speaking, the channel intends to focus its investment efforts in programmes of the midday-midnight time slot, which by itself represents more than 94% of TV advertising expenditure and 90% of daily audience levels.

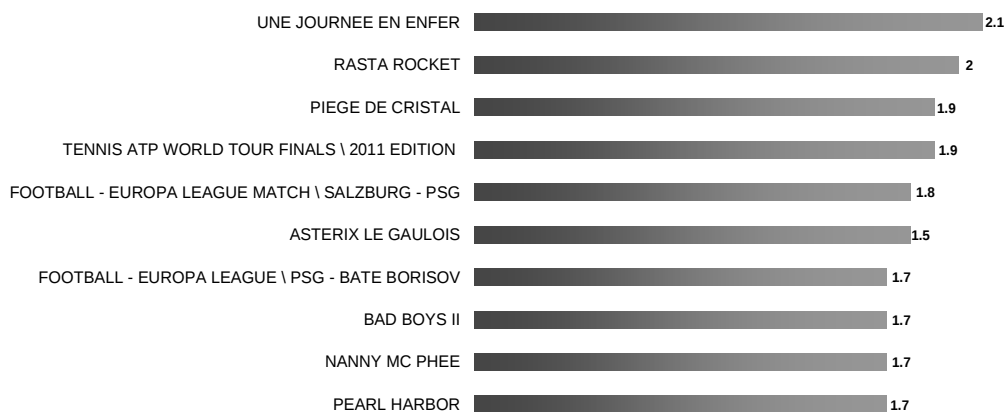
► **W9 channel**

In the fast-growing free DTT market, both from the point of view of the relative significance of these channels in the overall audience and their attractiveness to advertisers, M6 Group wished to rapidly position W9 as a leading DTT channel, with a view to making it a general-interest channel for under 50 year old audiences.

With a DTT-equipped population of 58.5 million people at the end of December 2011 (100% of 4+ year old individuals equipped with TV), in 2011 W9 reported nationwide audience ratings of 3.4% (4+ year olds), compared to 3.0% in 2010, and achieved its best ever nationwide monthly audience rating in November, with an audience share of 3.6%.

The channel was responsible for 43 of the 100 best DTT audience ratings in 2011, including (source: Médiamétrie):

Top ten W9 audience ratings in 2011 (millions of viewers, source Médiamétrie):



In 2011, W9 continued to develop its programme offering in the following five fields: music, series, cinema, entertainment magazines and sport, which made it the undisputed leader for under 50 year-old viewers.

Music represents 50% of airtime and is a major feature of W9, which puts it forward in all its forms: videos, concerts, shows, rankings and music games. W9 continued its innovative programming policy in 2011 with the broadcast of major prime time events such as *La meilleure danse*.

W9 also broadcasts prestigious sporting events, including a number of Europa League matches, entertainment shows, magazines and reality TV shows, as well as series and movies. W9 has developed an ambitious policy in the production of innovative entertainment, such as the reality series "*Les Chtis à Ibiza*", and a significant effort in the production of original investigative reports to strengthen major prime time magazines (*Enquête d'action*, the factual magazine, *Enquête Criminelle*, the magazine of everyday news items and *Vies croisées*, the magazine of daily life).

These combined efforts have enabled W9 to capture the first step on the podium of DTT channels on several occasions and as a result to rank as the 5th nationwide channel among 4+ year old viewers, as the 4th nationwide channel for under 50 year-old viewers and even as the 3rd channel in France for the 15 to 24 year olds.

In 2011, this audience performance went hand-in-hand with a substantial increase in the channel's advertising revenue.

All advertising sectors, including the major sectors of food and drink, health and beauty, transport and banking/insurance substantially increased their expenditure on the channel.

b) Pay digital channels

Pay digital channels are distributed on all broadcasting platforms and media (cable, satellite, broadband, mobile), with a view to maximising the potential of subscribing households/individuals. This extensive distribution enables them to attract targeted or more generalist audiences, depending on each channel's positioning, and as a result offer commercial breaks that meet the objectives of advertisers' campaigns. Therefore, the Group has developed a family of 7 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 class targets, Téva for women).

Summary table of broadcasting network by channel (at 31 December 2011):

	Free DTT	Pay DTT	Cable	Satellite	Broadband	Mobile
Paris Première	unscrambled					
Téva						
M6 Music Hits						
M6 Music Black						
M6 Music Club						
TF6*						
Série Club*						
Girondins TV						

* broadband via CanalSat

Source: M6

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

	December 2011		December 2010	
	Equipped households (millions)*	% of households equipped with TV	Equipped households (millions)*	% of households equipped with TV
Téva	10.4	40%	6.4	24%
Paris Première	8.4	31%**	7.7	29%**
M6 Music Hits	4.7	18%	4	15%
M6 Music Club / M6 Music Black	2.2	8%	2	8%
TF6	5.2	19%	5.2	19%
Série Club	4.4	16%	4.3	16%
Girondins TV	1.1	4%	0.8	3%

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

** excluding Paris Première's unscrambled slots

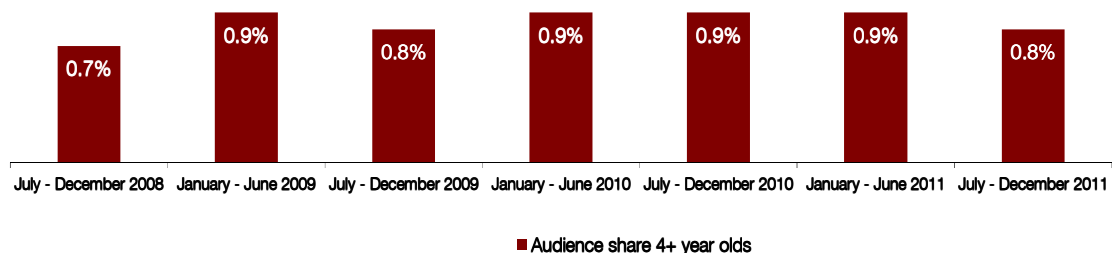
Source: distributor data / M6 estimates

According to Kantar Media data, the cumulative advertising market share of the M6 Group's pay channels (Paris Première, Téva, TF6 and 50% of Série Club, as well as the M6 Music channels) totalled 12.1% in 2011, unchanged from 2010.

► **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 benefits today from growing visibility and a strong identity. Paris Première benefits from an extensive broadcasting network: cable, satellite, broadband, mobile TV (3G) as well as pay DTT since 21 November 2005, with a daily two-hour unscrambled time slot between 6.35pm and 8.35pm. Therefore, more than 58 million viewers (4+ year olds) can now access Paris Première's unscrambled time slot (accessible to households equipped with a DTT adapter).

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



Source: Médiamétrie / MédiaCabSat, subscriber base to an extended package

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 or acquisition of original formats. In 2011, two new magazines were launched: *Zemmour et Naulleau* and *Rive droite* (hosted by Guillaume Durand). Paris Première also managed to retain its strong brands throughout the years, as exemplified by *Ça balance à Paris*, *Paris Dernière* and *Cinéquin*.

In 2011, Paris Première confirmed its extensive event-driven programming, including, in particular, live broadcasts of theatre plays (*Le Banier de crabes*, *Le Président, sa femme et moi*, a Feydeau night live from Théâtre Marigny, *Le Repas des fauves*, etc.), and also some thematic evenings, film cycles and many comedy shows (*L'autre c'est moi* by Gad Elmaleh, *La revue de presse*, etc.).

Paris Première is today the leading pay general-interest channel for upper class individuals, its core target, with audience ratings of almost 1.0% of this population (source: Médiamétrie Mediamat Thematik, July – December 2011, subscribers to an extended package).

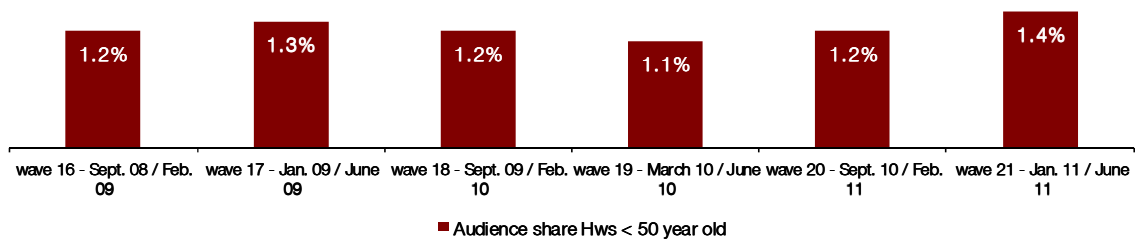
► Téva

Téva, which was launched on 6 October 1996 and became a wholly-owned subsidiary of M6 Group in January 2007, is the only French channel to address women as a priority.

With more than 4 million viewers watching it every week, it is essential to any complementary TV package and is therefore widely broadcast on all broadcasting media (it can be received by 10.4 million households).

Highly diversified programming primarily combines magazines, series, documentaries and feature films. The ambitious original documentary coproduction policy was continued in 2011 with *La Diva des quartiers*, *Les Femmes en or* and *Palestine: une jeunesse sous surveillance*, as well as a series of original documentaries entitled *Lire, écrire, grandir*. 2011 saw the launch of two new magazines: *Magnifique by Cristina* and *Conseils d'am(e)s*. Lastly, series remained prominent on Téva, with the broadcast of sequels to successful series such as *Drop Dead Diva*, *Cougar Town* and *Nurse Jackie*.

Téva is the leader for under 50 year old housewives within the cable and satellite environment, with a 1.4% audience share:



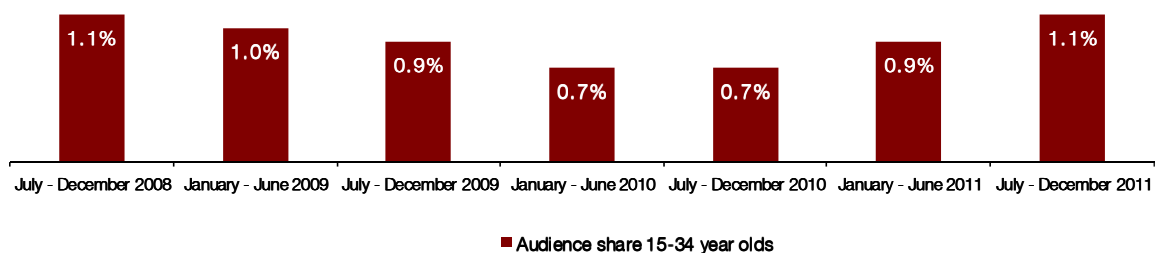
Source: Médiamétrie / MédiaCabSat, subscriber base to an extended package

► TF6 and Série Club

TF6 and Série Club are 50% held by M6 (and 50% by TF1). They were created in 2000 and 1993, respectively, and ever since have occupied a clearly identified position in the complementary TV offering:

- TF6, a generalist channel aimed at a young adult audience (15-34 year olds), offers original entertainment, never-shown-before series, recent drama and numerous feature films. TF6 is received by 5.2 million households.

TF6 audience share of 15-34 year olds:

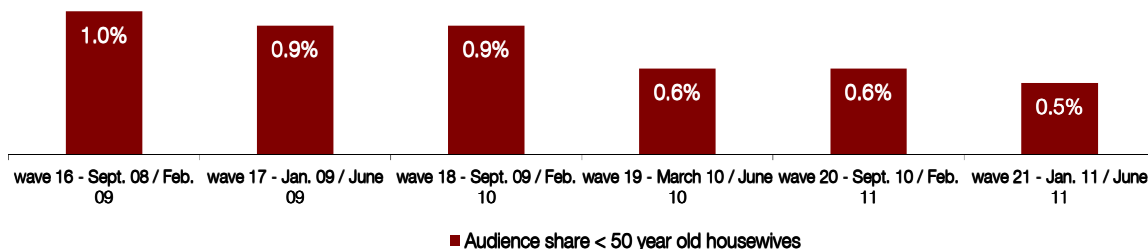


Source: Médiamétrie / MédiaCabSat, subscriber base to an extended package

- Série Club asserted its positioning as the “series channel”. The channel offers a complete range

of never-shown-before series and full broadcasts of cult series. It also offers full digital and widescreen broadcasting.

Série Club audience share of under 50 year old housewives:



Source: Médiamétrie / MédiaCabSat, subscriber base to an extended package

► Music channels

The Group's three music channels, M6 Music Hits, M6 Music Black and M6 Music Rock, each develop their music programming in a specific environment:

- M6 Music Hits develops a programming focusing on hits and stars for the 15-34 year olds;
- M6 Music Black dedicates itself to groove R'n'B urban music for the 15-34 years old;
- M6 Music Club is the channel of new trends in "dance floor" sound.

These three music channels, all available on cable, satellite, broadband and mobile phone, complement each other in terms of offering and audiences.

c) Film production

The cinema market is described in section 1.5.2.1.2 devoted to the description of the Group's Audiovisual rights division.

In 2011, investments related to the commitment to dedicate 3.2% of revenue to French and European cinema production increased by 11.9% compared to 2010 to €18.8 million, due to the increase in M6's advertising revenues between 2009 and 2010.

Four films co-produced by M6 FILMS were released in cinemas in 2011, totalling 3 million box office sales. They included "Philibert" with Jérémie Renier, "Monsieur Papa" by and with Kad Merad, "Bienvenue à Bord" with Franck Dubosc and "Mon pire cauchemar" with Isabelle Huppert and Benoît Poelvoorde.

1.5.2 Diversification and audiovisual rights

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, securing its access to audiovisual content and anticipating new viewing patterns by developing its brands and programmes in new formats.

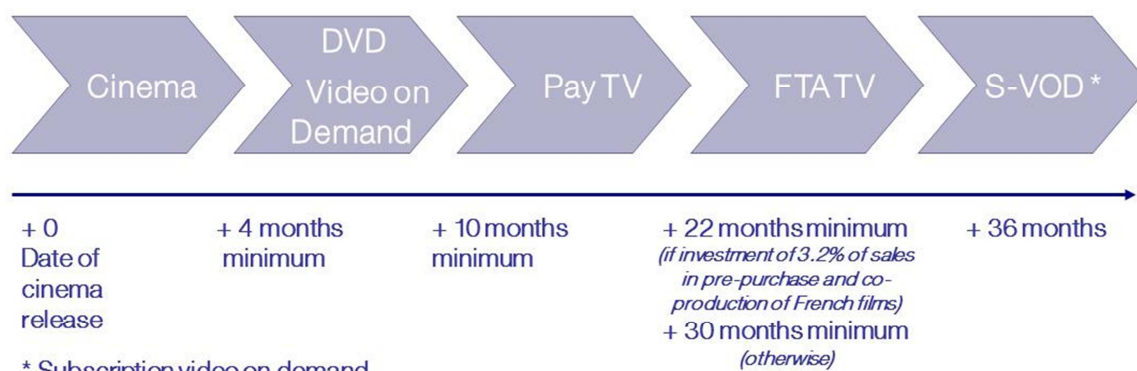
These diversification activities are extended to the following 5 segments:

- Audiovisual rights
- Interactions
- M6 Web
- Ventadis
- F.C.G.B.

1.5.2.1 Audiovisual Rights

1.5.2.1.1 Business presentation

The Group's Audiovisual Rights business operates in the movie rights distribution market to the general public throughout their operating cycle, (theatres, selling of physical and dematerialised 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:



Sté Nouvelle de Distribution
SA

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 (theatres, video, sale of rights to pay TV and free TV broadcasters).

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
SAS

SNC was acquired in full in April 2005. Its business is the distribution and management of the rights of a catalogue of nearly 450 European films.

TCM Droits Audiovisuels
SNC

TCM D.A was created in September 1996 and was previously jointly-owned by M6 (50%) and TF1 (50%). It has been wholly owned by M6 since 19 April 2011. Its business is the acquisition, distribution, sale, import and export, promotion, provision and negotiation of TV licensing rights of any film or visual works in all French speaking territories. Since 2011, its business has been limited to the licencing of a catalogue of 60 feature films belonging to Paramount studios.

Diem 2
SA

Diem 2 (into which Mandarin SAS was merged in June 2011), acquired in 2007, owns a catalogue of recently-released French feature films.

M6 Studio
SAS

M6 Studio, created in 2003, is dedicated to the development and production of animated feature films and series. In 2006, the company thus produced its first animated feature film, Astérix et les Vikings, and in 2009 started the production of the cartoon series Le Petit Nicolas (52x13 minutes), adapted from René Goscinny and Jean-Jacques Sempé's work. The second season was put into production in 2010 and broadcast in 2011.

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.

1.5.2.1.2 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.

a. The cinema market in 2011

Cinema going grew by 4.2% in 2011 to a new record of 215.6 million box office sales, higher than the average of the past 10 years. This was the best performance since 1966, a year which totalled 234 million box office sales (source: CNC).

2011 distributor ranking

Ranking	Distributors	Number of films released in 2011	French box office*	Market share
1	Warner Bros.	22	20,646,928	10.56%
2	Paramount.	15	19,962,817	10.21%
3	Gaumont	12	19,476,170	9.96%
4	Pathé Distribution	15	17,725,206	9.06%
5	20th Century Fox	16	15,479,932	7.92%
6	Walt Disney Studios	13	13,464,152	6.89%
7	Sony Pictures	17	12,505,798	6.40%
8	Mars Distribution	21	12,178,814	6.23%
9	SND	16	9,198,517	4.70%
10	Metropolitan Filmexport	25	7,960,659	4.07%

* Estimates: data based on French ranking

Source: 2011 distributor ranking (excerpt from Film Français)

With 16 cinema releases in 2011 (excluding technical releases), SND recorded more than 9 million box office sales, a very substantial increase of 42%, significantly outperforming the market (source CNC). SND ranks in 9th place among distributors and in 4th place among French distributors (source Film français).

This success was based on a diversity of releases, in terms of genre, country of origin and target audience:

- The fourth part of the “Twilight” saga attracted more than 3.6 cinema-goers, therefore confirming the strength of the “Twilight” franchise, co-financed and distributed in France by SND and which has already generated in excess of 14 million box office sales.
- SND also recorded a number of successes with US movies, including “Scream 4” (1 million box office sales), “Source Code” (700,000) and “Il n’est jamais trop tard” (500,000).
- SND also achieved more than 2.3 million box office sales with “Les Femmes du 6e étage”. This film, co-produced and distributed by SND, ranked as the 4th most successful French film of the year.

b. The video sales market in 2011

In 2011, the French market for retail physical video (DVD and High Definition formats) amounted to €1.26 billion, a decline of 9.2% compared to 2010. This market has lost more than one third of its value (€700 million) over the past seven years. This decline hides two contrasting developments: on the one hand, the growth in high definition sales, especially due to booming Blu-Ray Disc sales (€209 million, being growth of 20.4% compared to 2010), and on the other hand, the decline in DVD sales (down 11.2% in volume and 13.4% in value).

Video format consumption in VALUE

(€ millions)	2011	2010	% change	Market share	2011	2010	% change
DVDs	1,049	1,212	(13.4%)	DVDs	83.4%	87.5%	(4.1pp)
High definition formats	209	173	20.4%	High definition formats	16.6%	12.5%	4.1pp
TOTAL	1,258	1,385	(9.2%)		100.0%	100.0%	

Source: Baromètre Vidéo CNC-GFK 2011

Video format consumption in VOLUME

(millions of units)	2011	2010	% change	Market share	2011	2010	% change
DVDs	119	134	(11.2%)	DVDs	90.3%	92.5%	(2.2pp)
High definition formats	13	10	32.4%	High definition formats	9.7%	6.7%	3.0pp
TOTAL	132	145	(9.1%)		100.0%	100.0%	

Source: Baromètre Vidéo CNC-GFK 2011

SND was the leading independent publisher in the video market (excluding “majors”) in 2009 and 2010 and remained a key player in 2011, despite the lack of Twilight video release during the year (compared to two movies in 2010).

Bolstered by a diverse catalogue of more than 1,000 films published under the M6 Video label, SND operates in all distribution channels, from traditional networks to newsstands, as well as on all digital sales platforms (VOD, permanent downloading, etc.). The catalogue boasts a variety of work, representing all styles from all periods of cinema, from comedy to animation and from art house films to mass market productions, as well as TV series and comedy shows.

2011 best-sellers include the Red, Les Femmes du 6ème étage, Skyline and Scream 4 movies and the various episodes of the Twilight saga. Non-movie successes include the XIII and Scènes de Ménages series.

c. 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.

In 2011, SNC recorded an increase in revenue, primarily generated by the sale of broadcasting rights for movies in its catalogue and the marketing of these rights in DVD. This year, SNC continued to sell excerpts of movies for advertising campaigns (a new revenue stream initiated in 2010), while at the same time continuing its efforts to restore heritage films, such as “Lumière d’été” and “Un peu de soleil dans l’eau froide”.

1.5.2.2 Interaction division

1.5.2.2.1 Business presentation

With the creation of M6 Interactions in 1992 and M6 Événements in 1997, M6 very quickly decided to enter into fields other than television by initiating new expertise in publishing (press, music, collections, etc.), events and shows. M6 Interactions’ objective is thus to derive value and market the channel’s brands and other M6 Group operations, as well as a number of products derived from audiovisual assets of which it has directly acquired the rights.

These activities are broken down in 4 product lines, for which M6 Interactions looks after or directs the design, manufacturing and marketing of corresponding derived products:

- 1. Music:** production, co-production or co-distribution of short and long playing formats (singles and albums) and compilations on physical and digital formats (downloads, ring tones). M6 Interactions also develops a publishing business and produces music for M6 Group TV programmes (musical channel identification, rolling titles, drama dubbing, etc.) and participates in the production or promotion of a number of shows (plays, stand-up comedians, musical shows, etc.).

2. Publishing and Press: book publishing or co-publishing (comics, practical guides, youth, and general literature) and paying magazines derived from flagship TV programmes (*Un dîner Presque parfait*, *Fan 2*) through M6 Editions.

The Press business ceased operating permanently in 2011 after 2 years of gradual divestment.

3. Publications and Games: marketing, through newsstand networks and newspaper sellers, of multimedia products and composite products in the form of collections, including an information sheet and an object (DVD, figurine, toy, etc.) and publishing of board games, based on M6 channel brands or external licences.

M6 Interactions did not release any new products in 2011 ahead of the projected discontinuation of this business.

4. Licences: M6 Interactions develops an activity of licence sales to third parties and thus continues to market the best-known TV brands such as *D&CO* and *Un Dîner Presque Parfait*.

In addition, in partnership with Crédit Agricole, M6 Interactions oversees the development of a bank card targeting the 12-25 year olds, M6 Mozaïc.

In addition, M6 Interactions has an event-organising division operated by the M6 Événements structure.

1.5.2.2.2 Market and change to business positioning

One of the Group's key markets, in 2011 the disc market suffered a further slowdown in retail sales (source: SNEP, store sales inclusive of VAT and legal online downloading, excluding mobiles), of the same magnitude as in 2010, i.e. a 7.5% decline in value to €756.0 million. However, volumes grew from 90.9 million units in 2010 to 96.8 million in 2011, an increase of 6.4% that reflected the growth of online downloads. The market share of digital formats continued to increase, reaching 13.9% in value, compared to 11.0% in 2010.

Store sales (incl. VAT) and legal internet downloading, excluding mobile:

French disc market								
<i>In value (€ millions)</i>	2011	Change	% change	Market share	2010	Change	% change	Market share
Store sales	651.0	(76.2)	(10.5%)	86.1%	727.2	(106.1)	(12.7%)	89.0%
Internet downloading	105.0	14.8	16.4%	13.9%	90.2	28.8	46.9%	11.0%
TOTAL	756.0	(61.4)	(7.5%)	100.0%	817.4	(77.3)	(8.6%)	100.0%

<i>In volume (€ millions)</i>	2011.0	Change	% change	Market share	2010.0	Change	% change	Market share
Store sales	47.3	(4.9)	(9.4%)	48.9%	52.2	(6.8)	(11.5%)	57.4%
albums	43.9	(3.5)	(7.4%)	45.4%	47.4	(5.2)	(9.9%)	52.1%
single	0.9	(0.7)	(43.8%)	0.9%	1.6	(1.2)	(42.9%)	1.8%
music videos	2.5	(0.7)	(21.9%)	2.6%	3.2	(0.4)	(11.1%)	3.5%
Internet downloading	49.5	10.8	27.9%	51.1%	38.7	7.0	22.1%	42.6%
single	43.0	9.6	28.7%	44.4%	33.4	5.6	20.1%	36.7%
albums*	6.5	1.2	22.6%	6.7%	5.3	1.4	35.9%	5.8%
TOTAL	96.8	5.9	6.4%	100.0%	90.9	0.2	0.2%	100.0%

* equivalent to 15 titles for 1 album

Source: SNEP

Over the past few years, the markets in which M6 Interactions has historically been operating (recorded music market, compound product sales market and press market) have experienced a significant decline, adversely affected by technological developments and a change in consumer spending patterns.

Due to this unfavourable situation, the Group had to make a significant and rapid effort to adapt the organisation of its subsidiary and implement a strategy aimed at limiting the Group's exposure to launching and slow sales risks in the most weakened markets. In 2011, the Group continued the effort initiated in 2009: M6 Interactions curtailed the number of releases in terms of music production, in order to favour top quality products, which are selected following an improved selection and testing procedure. Against this backdrop, projects posted a strong performance with already well-known artists such as

Nolwenn Leroy (co-distribution of her album “Bretonne”, which was awarded a diamond disc with more than 500,000 copies sold) and new talent, such as Imany (own production, “The Shape of a broken heart” album awarded a platinum disc with more than 100,000 copies sold), etc.

In the collection market, (objects, multimedia items) distributed by the newsstand network, M6 Interactions stopped launching new collections after the release of Bakugan in January 2011. This business line will be terminated during 2012 with the end of this last collection.

Generally-speaking, M6 Interactions continues to implement the transition of its revenue model by favouring the development of a portfolio of strong licences, on behalf of which the division acts as agent and/or licensee, in synergy with other Group operations, brands and expertise. The Mozaïc M6 bank card, developed with Crédit Agricole, is a perfect illustration of the success of this strategy.

1.5.2.3 M6 Web

1.5.2.3.1 Business presentation

M6 Web is structured into three operational units: editing of fixed, mobile and IPTV internet services, mobile phones and operations relating to game shows and interactivity with TV programmes. This division derives the majority of its revenues from advertising, pay-per-click income and transactions with consumers.

► Internet division

Operating on all technological devices, the M6 Group’s online services have the following objectives:

- extend the viewers’ experience by putting into place convergence platforms, such as:
 - channel websites (m6.fr, w9.fr, etc.), websites of programmes (Undinerpresqueparfait.m6.fr, pekin-express.m6.fr, etc.);
 - catch-up TV websites, such as M6 Replay, launched in 2008 and a pioneer in catch-up TV in France, which allows viewers to watch programmes for 7 to 15 days after their broadcast, free of charge, and W9Replay and M6 Bonus, which provide additional TV content online (best of programmes and backstage footage);
 - mobile applications, tablets and game consoles, which offer live, replay and VOD broadcasting on these new media, as well as community and interactive services (social discussions, voting).
- offer community websites (such as Habbo, etc.) and topical websites featuring editorial content. The editorial offering of these sites is based on topics that attract a broad spectrum of visitors, such as high-tech (clubic.com), home (deco.fr), video games (jeuxvideo.fr) and cars (turbo.fr).

► Mobile telephony

M6 Web manages the “M6 mobile by Orange” licence concluded with the Orange phone operator. The model of this licence is based on the use of the M6 brand and the marketing expertise of M6 Web’s teams, completed by a large quantity of content and many services.

Targeting the 15/25 year olds, M6 mobile has enjoyed continuing success since its launch in 2005, both in attracting customers and building the loyalty of the existing base. The brand thus illustrates the relevance of the partnership between Orange and M6 Group.

► Games and Programme Interactivity

M6 Web designs and operates all interactive processes offered to viewers on all programmes broadcast by the Group's channels.

A proactive player in terms of innovation, M6 Web has introduced voting via Facebook to the "La France a un Incroyable Talent" show and has launched a fully-interactive music game show, during which viewers can participate online.

M6 Web also develops its online gaming business, publishing games derived from programmes such as "D&Co" and "Maison à Vendre".

Lastly, M6 Web operates a range of mobile entertainment products, either broadcast or published on its own account or through partnerships.

1.5.2.3.2 Market trends and Group positioning

► Internet

The internet market, now well established in France, will soon be mature with more than 22.4 million high speed connections in the 3rd quarter of 2011 (Source: Arcep).

As a result of constant developments in reception technologies (broadband, 3G, Wifi) and terminals (tablets, smartphones, connected TV sets, IPTV decoders), viewers now have many ways of consuming audiovisual content. Linear programme consumption is enhanced by many delinearised consumption modes (catch-up TV, VOD per view or on subscription).

The use of mobile internet is therefore developing rapidly due to flat-rate packages now featuring unlimited data and the widespread use of smartphones and tablets: in the 1st quarter of 2011, the former's penetration rate was 31.4%, a year-on-year increase of 138% (Médiamétrie). The penetration rate of tablets is estimated at 4%, which means that more than 2 million of them have already been sold (Credoc survey June 2011).

The integration of internet in the life of French people has led advertisers to increasingly invest in this media. A pioneer and an expert in the marketing of in-stream video commercials, M6 Publicité Digital offers a user-friendly and powerful multi-screen service (PC, IPTV, Mobile, Tablet, connected TV) which allows advertisers to free themselves from the consumption mode of programmes by broadcasting their commercials on all types of screens, selecting programmes with which their targets have affinity.

In 2011, as in previous years, the Group continued its online development, achieving a monthly average of 11.4 million unique visitors (Nielsen NetRatings).

Theme-based portals strengthened their positions by focusing on the following major areas: video, live broadcasts and TV shows; the development of mobile applications and more services tailored to the services provided by the websites.

- Deco.fr reaffirmed its leadership among portals dedicated to home improvement, with a monthly average of 1.4 million unique visitors.
- Clubic.com, the benchmark website in the high-tech field, confirmed its place as one of the top 3 portals in its category, exceeding 4 million unique visitors per month on a regular basis.
- At the same time, the price comparison engine Achetezfacile.com, which analyses the catalogues of online stores and provides an easy shopping guide, continued to diversify online revenues since its business model is mainly based on the cost-per-click billing of e-merchant partners.
- In addition to Habbo, the leading virtual universe for the 13 to 16 year olds, during 2011 M6 Web developed new partnerships.

The Group's catch-up TV services also continued to develop in 2011, with more than 30 million videos watched every month.

Capitalising on the success of this PC offering, the distribution strategy of this service was continued on all screens and technologies where consumers can be addressed:

- IP TV: In line with the distribution agreements entered into in 2009 with the Orange, SFR, and CanalSat operators, the M6 Group's video on demand services are now available on virtually all French top box sets since their inclusion by Free, Numéricable and Bouygues Telecom.
- Connected TV: M6Replay is also available on web-connected TV sets since the agreement entered into with Sony for the distribution of M6Replay on its new Bravia TV range.
- Smartphones and tablets: More than 4.4 million applications have been downloaded (M6 on iPhone, iPad, Windows Phone and Xbox; W9; Turbo.fr; Top Chef le jeu, etc.).

Furthermore, social networks figure prominently in the daily lives of web users, connecting them by affinity, geographic location, opinions, etc. For instance, Facebook has 25 million active users in France, making this network the third most visited website in terms of visitors, after Google and Microsoft (source: Médiamétrie NetRatings). The Group's presence in social networks is growing rapidly, from 300,000 fans at the start of the year, to more than 2.5 million at the end of December.

► Mobile phone market

The mobile phone market in France had a total of 66.9 million customers at the end of September 2011 (of which 18.86 million prepaid and 48.1 million bill pay), a penetration rate of more than 103.2% of the population (source: ARCEP). Orange remains the leader with a market share of 40.5% of mobile phones (SFR: 32.3%, Bouygues Telecom 16.5%, MVNO 10.6%). Since January 2012, there has been a new operator with the arrival of the Iliad-Free Group.

The pre-paid market is suffering from addressing a younger customer base and appeared to stagnate in 2011, for the benefit of unlimited flat rate services.

At the end of 2011, M6 mobile had more than 2 million customers.

1.5.2.4 Ventadis

1.5.2.4.1 Business presentation

The M6 Group has also built another diversification business in a market other than advertising, while using the power of its media to develop its market share in distance distribution, particularly through the use of TV air time.

Ventadis, which allies home shopping and e-commerce, is the name of the M6 Group's distance-selling business that combines stores specialising in selling household and personal 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 purchases.

H.S.S
SA

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 24 years: its business efficiency is based on clear demonstrations, specialist speakers, customer testimonials and strong special offers.

**M6 Boutique
La Chaîne
SNC**

Since 2004, M6 Boutique La Chaîne, a channel dedicated to home shopping available on cable, satellite and broadband, has provided viewers with 8 hours of live programming daily, allowing viewers to discover products from the worlds of fashion, jewellery, beauty, cookery, etc.

Due to its expertise, Ventadis develops home shopping formats on behalf of other broadcasters, such as W9, Paris Première and Téva, and also on behalf of Belgian TV channels for instance. This business also operates in the infomercial segment, which consists of short news programmes and films demonstrating products and how to use them.

**Mistergooddeal
SA**

Mistergooddeal is a leading e-commerce website for home equipment and furniture, with an extensive range of technological products, electrical goods, gardening, DIY and household equipment.

**monAlbumPhoto
SA**

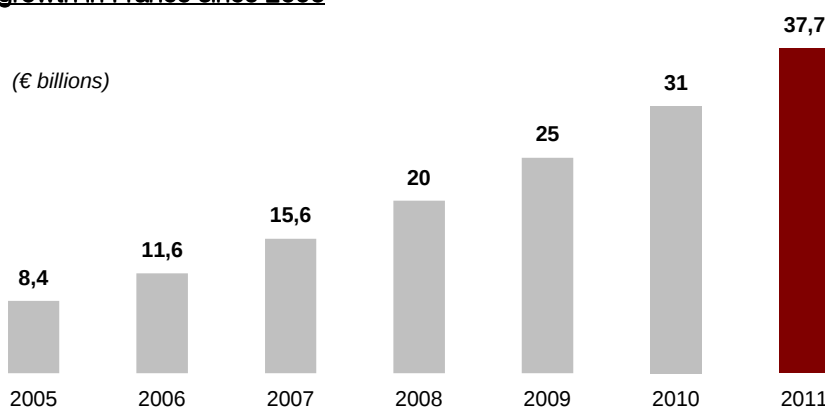
monAlbumphoto.fr, acquired in 2010, is a leading player in the online photo book market. Using software that can be downloaded free of charge directly from the www.monalbumphoto.fr website, users can create photo albums that are printed and bound like a book.

1.5.2.4.2 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 internet players. Many of them implement an aggressive promotional policy to offset slower sales, at the expense of profit margins.

Online spending grew by 22% in 2011 to €37.7 billion, according to a study published by Fevad (Fédération du e-commerce and de la vente à distance).

Online sales growth in France since 2006



Over the past 12 months, there were 100,000 active merchant websites, a 23% increase compared to 2010.

In addition, the number of e-shoppers increases substantially every year: in the 4th quarter of 2011, 30.7 million web users thus made an online purchase, a year-on-year increase of more than 3 million new purchasers.

Against this competitive background, Mistergooddeal favoured a strategy of differentiating its offering, banking on the quality of products sold and associated customer service (collection points in particular) in order to preserve its gross profitability.

Home shopping posted a strong performance in 2011, due to the success of the daily show on M6, its

dedicated channel and its website.

Lastly, monAlbumPhoto.fr benefited significantly from its advertising exposure on the Group's channels and posted significant revenue growth since its takeover by the Group.

1.5.2.5 F.C.G.B

1.5.2.5.1 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 championship 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, to a lesser extent, 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 (Canal+ and Orange own the broadcasting rights of matches for a total annual fee of €668 million for the 2008-2012 seasons, and Canal + and Al-Jazeera have been allocated the broadcasting rights of matches of the 2012-2016 seasons for a total annual fee of €510 million to date, pending the allocation of the last four batches).

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 sale of derivative products with the Club colours. Lastly, revenue records fees from the transfer of players' contracts on a recurring basis.

1.5.2.5.2 Group positioning

In 2011, the Football Club des Girondins de Bordeaux celebrated its 130th anniversary, 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, 3 League Cups, 3 French Cups, and 2 Champions Trophies. With 180 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.

The F.C.G.B. 2010/11 sporting season fell short of expectations, with the Club finishing in 7th place in the Ligue 1 championship, thus failing to qualify for the Champions' League.

Following Jean Tigana's departure at the end of the 2010/2011 season, the team has been managed by Francis Gillot since the start of the 2011/12 season. 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 French Football Federation regularly recognises this training centre as one of the best in France. 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. Over the past 5 years, the training centre has produced half of the club's professional players.

The Group's strategy is to increase the share of Club revenues that does not depend on sporting results, resulting in an active diversification policy, which was further developed in 2011. The F.C.G.B. has a diverse media offering, including:

- the "Girondins TV" channel, accessible from Orange TV and on broadband, Numericable and CanalSat, with M6 Publicité acting as advertising agency,
- a newsstand magazine,
- a website with 200,000 unique visitors per month and 3.5 million pages viewed,
- a mobile phone offering,
- a radio station,
- 4 stores, and

- a travel agency.

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 elected to build a new stadium with the prospect of the “UEFA Euro 2016” football championship which will be organised in France. This stadium will have capacity of 43,000 (whereas the Stade Chaban Delmas only has a capacity of 34,000), with F.C.G.B as its resident club. It will be built within the framework of a public/private partnership (PPP), signed on 28 October 2011 between the City of Bordeaux and the Vinci Group, which provides for an indirect contribution by the Club to the funding of the project from the date of delivery of the stadium, planned for 2015. An initial contribution of €20 million will then be paid and a 30-year lease will be signed for an annual rent of €3.8 million. At the start of 2012, €20 million was deposited on an escrow account in the name of the City of Bordeaux, subject to the stadium being delivered.

This very significant commitment by the Club must be seen in the light of its historic involvement in the local economy, as well as the previously described policy of developing revenues that do not come from TV rights.

Risks attached to the Group’s activities are specified in section 8 of this management report, which completes the description of the Group’s activities and markets.

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2.2	Analysis of the consolidated income statement	p.41
2.3	Significant contracts signed over the last 24 months	p.45
2.4	Compliance with legal obligations and the agreement	p.45

2. 2011 Results

2.1. Presentation of the consolidated income statement

2.1.1. Summarised consolidated statement of comprehensive income

The consolidated statement of comprehensive income below is based on the segmentation of Group activities selected within the framework of IFRS 8, *Operating segments*.

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 or subsidiaries.

Operating income and expenses related to business combinations include the amortisation of intangible assets (brands and technologies) accounted for as part of the Mistergooddeal and Cyréalís acquisitions (a negative €1.2 million in 2011 and €1.3 million in 2010), goodwill impairment (a negative €2.0 million in 2011) and other accounting entries resulting from the application of revised IFRS 3, Business combinations (a negative €0.2 million in 2011).

Analytical consolidated income statement

(€ millions)	31/12/2011	31/12/2010	2011 / 2010 change	
			€ millions	%
M6 TV Network				
Advertising revenue	675.9	670.2	5.8	0.9%
Other revenue	9.4	7.7	1.7	21.8%
EBITA	175.7	162.7	13.0	8.0%
Digital Channels				
Revenue	184.6	168.9	15.7	9.3%
EBITA	34.3	29.2	5.2	17.8%
Diversification & Audiovisual Rights				
Revenue	551.1	614.9	(63.8)	(10.4%)
EBITA	42.4	52.9	(10.6)	(19.9%)
Other revenue	0.3	0.3	(0.0)	(10.4%)
Eliminations and unallocated items	(7.4)	(2.6)	(4.8)	185.6%
Revenue from continuing operations	1,421.3	1,462.0	(40.7)	(2.8%)
EBITA from continuing operations	245.0	242.2	2.9	1.2%
Brand amortisation charges & Impairment of non-amortisable assets	(3.4)	(1.3)	(2.1)	
Capital gains on the disposal of non-current assets	0.0	1.5	(1.5)	
Operating profit (EBIT) from continuing operations	241.6	242.4	(0.7)	(0.3%)
Net financial income/ (expenses)	3.0	2.8	0.3	
Share of associates' net profit	(0.1)	0.6	(0.6)	
Profit before tax (EBT)	244.6	245.7	(1.1)	(0.5%)
Income tax on continuing operations	(94.9)	(88.7)	(6.1)	
Net profit from continuing operations	149.7	157.0	(7.3)	(4.6%)
Net profit from discontinued operations	-	-	-	
Net profit	149.7	157.0	(7.3)	(4.6%)
Minority interests	(0.1)	0.1	(0.2)	
Net profit - Group share	149.6	157.1	(7.4)	

2.1.2. Consolidated income statement by nature of expense

Summarised consolidated income statement		
(€ millions)	31/12/2011	31/12/2010
Revenue	1,421.3	1,462.0
Total operating revenues	1,437.7	1,479.4
Total operating expenses	(1,192.7)	(1,237.2)
EBITA	245.0	242.2
Amortisation and impairment of intangible assets related to acquisitions (including goodwill) and capital gains and losses on the disposal of subsidiaries & equity investments	(3.4)	0.2
Operating profit (EBIT)	241.6	242.4
Net financial income	3	2.8
Share of profit from associates	(0.1)	0.6
Profit before tax (EBT)	244.6	245.7
Income tax	(94.9)	(88.7)
Net profit for the year	149.7	157.0
Minority interests	0.1	(0.1)
Net profit - Group share	149.6	157.1
Number of outstanding shares (thousands)	127,890	128,408
Earnings per share (€) - Group share	1.170	1.223

2.2. Analysis of the consolidated income statement

2.2.1. Analytical presentation of 2011 results

In 2011, the M6 Group recorded consolidated revenue of €1,421.3 million, a decline of 2.8%. This was mainly driven by the diversification and audiovisual rights division, as other business segments (M6 TV Network and digital channels) reported growth in revenue.

M6 TV network's advertising revenue increased by 0.9% to €675.9 million, equal to the record set in 2007. The channel, which took advantage of its audience performance, is the only historic nationwide channel to report growth (up 10.8%) over 4+ year old viewers (compared to 10.4% in 2010).

Digital channels achieved significant revenue growth (up 9.3%) and amounted to €184.6 million, compared to €168.9 million in 2010, primarily driven by W9, the DTT channel that broadcasts the most powerful programmes (43 of DTT's top 100 audience levels in 2011).

Diversification and audiovisual rights recorded revenue of €551.1 million, a decline of €63.8 million, down 10.4%.

Excluding FC Girondins de Bordeaux, which suffered from its failure to qualify for the Champions' League and reported a €25.2 million decline in revenue, revenue from other diversification activities, excluding football, declined by €38.6 million (down 7.3%). Only M6 Web, which benefited from an increase in advertising revenue, reported growth, whereas SND (success of "Twilight 3" video sales in 2010), M6 Interactions (strategic refocusing on licensing activities) and Ventadis (competitive e-commerce environment) posted a decline in revenue.

Other operating income amounted to €16.4 million, a decline of €1.0 million compared to 2010.

Operating revenues thus totalled €1,437.7 million in 2011, compared to €1,479.4 million in 2010, a decline of €41.7 million (down 2.8%).

Excluding operating expenses relating to business combinations, operating expenses decreased by €44.5 million (down 3.6%) to €1,192.7 million.

This decline was due to the following factors:

- Operating expenses of the M6 TV Network segment decreased by €1.8 million. Although programming costs increased by €14.1 million, this segment benefited from lower broadcasting costs for the TV channel and a decline in net amortisation, depreciation and provision charges;
- Operating expenses of digital channels posted a significant increase, as in 2010, to €10.1 million. This was primarily attributable to W9, whose development is being driven by increased programming and broadcasting costs;
- Operating expenses of diversification and audiovisual right activities decreased by €57.1 million. They declined by €23.8 million and €11.7 million, respectively, within the audiovisual rights and Ventadis divisions, i.e. at a more rapid pace than their decline in revenue, which is a sign of improved operational profitability. These developments were also reflected in the Interactivity division, whose operational profitability rose from 13.2% to 17.7%, while revenue declined by 19.7%. Within the segment comprising FC Girondins de Bordeaux and its subsidiaries, the decline in operating expenses (down €14.6 million) was essentially due to the movement in payroll (down €6.1 million – decline in variable remuneration due to not competing in the Champions' League and decline in average fixed salaries of professional players) and to lower amortisation and writedown on player contracts (down €7.8 million).

Analysis of expenses by nature is as follows:

- Consumables and other operating expenses decreased by €23.7 million (down 2.9%) primarily in relation to the decline in business of the diversification and audiovisual rights division;
- Personnel costs decreased by €3.3 million (down 1.3%); this was due to a number of reasons: the decline in personnel costs of the division comprising FC Girondins de Bordeaux and its subsidiaries was offset by the increase in Ventadis personnel costs, primarily due to the integration of "Monalbumphoto";
- Taxes and duties decreased by €0.8 million to €61.7 million;
- Amortisation, depreciation and provision charges, excluding those linked to acquisition-related intangible assets, declined by €17.0 million to €88.1 million; even though the Group continued to apply a cautious approach to asset amortisation and depreciation and risk provisioning in 2011, as the business environment in 2010 and the emergence of other risks had led the Group to recognise higher writedown and impairment charges.

Operating income and expenses related to business combinations amounted to a net expense of €3.4 million. This charge primarily included a €2.0 million goodwill impairment charge (TCM DA and Panorabanque), and a €1.2 million charge for amortisation of intangible assets identified as part of the acquisition of Mistergooddeal and Cyréalys (vs. €1.3 million in 2010).

Group operating profit (EBIT) totalled €241.6 million in 2011, slightly less than in 2010 (€242.4 million). Profit from recurring operations (EBITA), defined by the Group as operating profit before capital gains on the disposal of subsidiaries and investments and operating income and expenses related to business combinations amounted to €245.0 million in 2011, compared to €242.2 million in 2010.

Net financial income was €3.0 million, compared to €2.8 million in 2010, benefiting from an average yield on deposits 1.5 times higher, even though the value of deposits remained stable (€336.0 million compared to €330.0 million). However, as a result of unfavourable foreign exchange movements due to the €/USD exchange rate and the writedown of the treasury share portfolio, the increase was limited to €0.2 million.

The Group's share of profit/(loss) from associates (or share of profit from equity-accounted companies) was a loss of €0.1 million.

The consolidated income tax charge was €94.9 million. Excluding CVAE net of income tax, this was €88.5 million, an increase compared to the €83.3 million recorded in 2010. This €5.2 million hike was due to the increase in profitability (and therefore in taxable profit) and a higher income tax rate, which rose from 34.43% to 36.10%.

Net profit from continuing operations thus amounted to €149.7 million, a decline of €7.3 million (down 4.6%) compared to 2010.

After taking account of net profit from discontinued operations, which was nil in both 2011 and 2010, and profit and loss attributable to non-controlling interests, the Group share of net profit was €149.6 million.

2.2.2. M6 TV Network

The contribution of each entity to the M6 TV Network's performance may be analysed as follows:

	31/12/2011			31/12/2010			2011/2010 change		
(€ millions)	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
M6 TV Network*	765.6	679.6	173.3	754.3	671.7	160.4	11.4	7.9	12.9
Audiovisual and film production subsidiaries	101.0	5.7	2.3	106.8	6.2	2.2	(5.8)	(0.5)	0.1
Intra-group eliminations	(142.2)	-	-	(147.1)	-	-	4.9	-	-
Total M6 TV Network	724.4	685.3	175.7	714.0	677.9	162.7	10.4	7.4	13.0

* including M6 Publicité (advertising agency)

M6 TV network EBITA may be analysed as follows based on the M6 channel's gross margin on programming:

(€ millions)	31/12/2011	31/12/2010	2011 / 2010 change	
			(€ millions)	(%)
Advertising revenue	686.3	614.9	70.9	1.2%
Advertising agency cost - (M6's share), taxes and copyright distribution costs	(121.3)	(129.9)	10.0	(7.7%)
Free-to-Air net revenue	565.0	548.5	17.8	3.2%
Programming costs	(333.9)	(319.8)	(14.1)	4.4%
Gross margin on programming	231.1	228.7	3.7	1.6%
(%)	40.9%	41.7%		
Net other operating expenses	(69.6)	(79.0)	9.4	(11.9%)
Ex-segment commissions net of advertising agency costs not allocated to M6	11.9	10.8	1.1	10.3%
M6 TV Network other subsidiaries EBITA	2.3	2.2	0.1	4.9%
M6 TV Network EBITA	175.7	162.7	13.0	8.0%

Net advertising revenues: These consist of advertising revenue earned by the M6 television network, offset by the cost of services provided by M6 Publicité (TV network share), mandatory charges levied as a proportion of revenue and broadcasting costs.

Programming costs: these represent the cost of programmes broadcast on M6 channel (purchased, produced or coproduced), including charges relating to rights that are invalid or unlikely to be broadcast.

Gross margin on programming: this represents the difference between Free-to-air TV net revenue and programming costs.

Over the full 2011 financial year, the M6 TV network's advertising revenues grew by 1.2% to €686.3 million, bringing the channel back to the record level of 2007, in spite of an environment hampered in the fourth quarter by the wait-and-see attitude adopted by certain advertising sectors (food & drink, cleaning products, etc.), whereas advertising revenues for the fourth quarter of 2010 had exceeded their all-time high (€198.7 million, an increase of 11.1% compared to 2009). M6 outperformed in the market due to strong audience ratings.

In an ever more competitive environment, the M6 TV network was the only historic nationwide channel to report growth in 2011, with average ratings of 10.8% for 4-plus year-old individuals (vs. 10.4% in 2010), and 17.2% on the commercial target (vs. 16.5% in 2010) (*Source: Médiamétrie*). Therefore, M6 ranked as the third nationwide channel for all audiences and as the second nationwide channel at prime time. This success was due to M6 strong results at access prime-time (Le 19'45, Scènes de Ménages, etc.) and a successful event-driven prime time programming (Le Petit Nicolas, L'Amour est dans le pré, etc.).

Programming costs were €333.9 million, a measured increase of 4.4%. The network thus generated a gross margin on programming of 40.9%, a level close to that recorded in 2010 (41.7%).

The channel's other operating expenses were €69.6 million, stable compared to 2009 but €9.4 million lower than in 2010, a year of particularly high provision charges.

Profit from recurring operations of the M6 TV network was thus €175.7 million, an increase of 8.0%.

2.2.3. Digital channels

(€ millions)	31/12/2011			31/12/2010			2011/2010 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Total Digital Channels	187.7	184.6	34.3	171.5	168.9	29.2	16.1	15.7	5.2

In 2011, the revenue of the Group's digital channels grew by 9.3%, primarily driven by W9, which achieved nationwide audience ratings of 3.4% among the 4-plus year olds during the period (vs. 3.0% in 2010) and 4.2% on the commercial target (vs. 3.9% in 2010), thereby enabling the channel to consolidate its leadership among DTT channels with under 50 year-old housewives (source: Médiamétrie). Furthermore, W9 was the DTT channel with the most powerful programming, as 43 of the top 100 DTT audience ratings of 2011 were attributable to it.

The contribution of digital channels to consolidated EBITDA grew by 17.8% to €34.3 million, representing 18.6% of Group revenue, an increase of 1.3 percentage points.

2.2.4. Diversification and audiovisual rights

(€ millions)	31/12/2011			31/12/2010			2011/2010 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Audiovisual Rights	120.4	90.0	3.4	135.4	114.4	4.0	(15.0)	(24.4)	(0.6)
Interactions	37.4	32.9	5.8	46.5	41.0	5.4	(9.1)	(8.1)	0.4
Ventadis	276.0	268.2	11.8	287.4	279.1	11.1	(11.3)	(11.0)	0.7
M6 Web	105.1	102.1	34.6	103.3	97.2	30.9	1.9	4.9	3.7
FCGB	58.3	57.9	(13.2)	83.7	83.1	1.6	(25.3)	(25.2)	(14.7)
Intra-Group eliminations	(16.8)	-	-	(17.5)	-	-	0.7	-	-
Total Diversification & Audiovisual Rights	580.4	551.1	42.4	638.7	614.9	52.9	(58.2)	(63.8)	(10.6)

Advertising and non-advertising revenues of the Diversification and Audiovisual Rights division fell by 10.4% in 2011. However, strong growth was noted in the fourth quarter (up 5.7%) after three quarters of decline, reflecting the recovery of Ventadis and the Audiovisual Rights business (Twilight 4 theatre release).

Its contribution to consolidated EBITA reached €42.4 million: Ventadis, M6 Web and M6 Interactions reported growth in operating profit. The decline of the Audiovisual Rights business was due to TCM not benefiting from windows for opening rights in 2011. Furthermore, Football Club des Girondins de Bordeaux (F.C.G.B.) reported a decline in revenue and an operating loss, in line with its disappointing sporting performance.

2.2.5. 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 non-current assets or inventories;
- EBITA of property companies and dormant companies (€3.5 million in 2011, compared to €2.0 million in 2010).

Immobilière M6 owns Métropole Télévision Group's 10,000 m² head office facilities located in Neuilly sur Seine. Immobilière 46D acquired a 4,000 m² building in Neuilly sur Seine in 2007.

These premises 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, based on their allocated area of space.

Furthermore, the SCI of 107 (wholly-owned by M6 Group) has initiated a major rebuilding programme on a property complex acquired in January 1995.

2.3. Significant contracts signed over the last 24 months

No significant contract was concluded outside the ordinary activities of the M6 Group during the last 24 months.

2.4. Compliance with legal obligations and the agreement

The M6 and W9 channels, which benefit from a terrestrial broadcasting licence, are subject to obligations as a result of their agreement signed with the CSA. On an annual basis, the channels communicate the conditions for the implementation of their obligations and commitments during the previous financial year to the CSA.

In 2011, according to their calculations and subject to validation by the CSA, M6 and W9 complied with all the contractual commitments and obligations for the production of audiovisual and film works, as well as their broadcasting obligations.

Details concerning these obligations are set out in detail in section 1.2 of the Legal Information part of this document.

Group financial position and cash flow statement

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3. Group financial position and cash flow statement

3.1. Financial position

Condensed consolidated statement of financial position

<i>ASSETS (€ millions)</i>	<i>31/12/2011</i>	<i>31/12/2010</i>
Non-current assets	379.4	364.7
Current assets	995.8	996.6
<i>of which Cash and cash equivalents</i>	<i>328.6</i>	<i>376.9</i>
Total Assets	1,375.2	1,361.3
<i>EQUITY AND LIABILITIES (€ millions)</i>		
Shareholders' equity	693.8	681.8
Non-current liabilities	18.8	16.8
Current liabilities	662.6	662.7
Total Equity and liabilities	1,375.2	1,361.3

At 31 December 2011, total assets were €1,375.2 million, an increase of €13.9 million (up 0.9%) compared to 31 December 2010.

Non-current assets totalled €379.4 million, an increase of €14.7 million (4.0%) compared to the 2010 year-end.

This change was primarily due to a correction to the fair value of financial assets held for sale (€12.1 million positive net impact) following the revaluation of the Group's minority shareholding in the US cinema production company Summit Entertainment LLC. This revaluation was based on the fair value derived from the disposal, on 13 January 2012, of all shares in Summit Entertainment LLC by its historic shareholders, including the Group, to Lions Gate.

For other types of non-current assets, additions (acquisitions) and amortisation and provision charges and disposals of capitalised assets balanced each other out overall.

Current assets, excluding cash and cash equivalents, amounted to €667.2 million, an increase of €47.5 million (up 7.7%) compared to 31 December 2010.

The €38.2 million increase in trade receivables explains the greater part of this change and resulted from:

- the growth in M6, M6 Web and digital channels revenue, primarily driven by W9, resulting in an increase in trade receivables for these companies (up €30.8 million);
- strong December sales for Ventadis and especially for Mon Album Photo; Ventadis' trade receivables thus grew by €3.6 million.

The recognition of a €6.5 million current tax receivable explains the greater part of the remainder of the change.

Cash and cash equivalents amounted to €328.6 million, a decline of €48.3 million compared to 31 December 2010 (see comments on the consolidated cash flow statement in part 3.2 of this document).

Group equity totalled €693.8 million.

The €12.0 million increase since the 2010 year-end was primarily attributable to:

- the payment of dividends for €128.6 million;
- the cancellation of treasury shares acquired in three buy-back tranches, for €31.9 million;
- the revaluation of the Summit Entertainment LLC shares, for €16.0 million net of deferred tax; and
- the net profit for the year of €149.6 million.

Other liability items (current and non-current liabilities) increased by a modest €1.9 million compared to 31 December 2010 to €681.4 million.

This virtual stability (up 0.3%) can be broken down as a reduction in the current tax liability (down €20.5 million) offset by the increase in other liabilities (up €22.4 million), mainly due to an increase in other operating expenses of €7.1 million.

At 31 December 2011, none of the credit facilities at the Group's disposal had been drawn down.

3.2. Cash flow statement

Condensed consolidated cash flow statement

(€ millions)	31/12/2011	31/12/2010
Self-financing capacity before tax	335.7	357.7
Movements in working capital requirements	(32.9)	52.6
Income tax	(114.7)	(90.7)
Net cash from operating activities	188.2	319.5
Net cash from (used in) investing activities	(73.8)	275.2
net cash used in financing activities	(162.6)	(303.4)
Dividends paid	(128.6)	(302.1)
Net change in cash and cash equivalents	(48.1)	291.3
Cash and cash equivalents - start of year	376.9	85.6
Cash and cash equivalents - end of year	328.6	376.9
Net cash position - end of year	329.4	377.5

Cash flow from operating activities was €188.1 million in 2011, lower than the level of €319.5 million achieved in 2010.

This decline of €131.4 million (down 41.1%) was due to the following:

- The self-financing capacity before tax generated by the Group decreased by €22.0 million to €335.7 million. This deterioration was due to accounting charges with no cash impact, such as amortisation, depreciation and provision charges. Even though the Group applied the same cautious approach in 2011 as in 2010 to asset amortisation and risk provisioning, the total of charges net of reversals was lower in 2011 than in the previous year, by €28.7 million. The balance of the change (an increase of €6.7 million) was primarily due to lower capital gains on players' transfer fees (transfer of Y. Gourcuff in 2010), as profit from recurring operations before tax was virtually stable.
- The change in working capital requirements (WCR), excluding tax receivables and payables amounted to a €32.9 million cash flow usage, compared to a cash flow generation of €52.6 million in 2010. The following two factors contributed to this change:
 - o inventories of audiovisual rights were virtually stable in 2011, whereas these had declined substantially in 2010, primarily as a result of optimised broadcasting of rights acquired and recognised as inventory,
 - o trade payables increased significantly, primarily due to the M6 channel;

Income tax outflows were €114.7 million, compared to €90.7 million in 2010, a variation that notably reflected the change in the income tax charge between 2009 and 2011.

In 2011, **cash flows applied to investments** used cash flow of €73.9 million, compared to €109.0 million in 2010 excluding the disposal of Canal+ France (€384.2 million):

- Growth or non-recurring investments resulted in a €7.4 million usage in 2011, primarily comprising the acquisition of 50% of TCM DA and the earn-out on the acquisition of Cyréal; in 2010, growth or

non-recurring investments had a negative impact of €4.9 million (excluding the disposal of Canal+ France).

- Virtually recurring investments (licencing rights purchases by SND, purchase and sale of players by FC Girondins de Bordeaux and renewal of technical and IT equipment) declined by €29.8 million to €74.3 million. This development primarily resulted from the purchase and sale of players by FC Girondins de Bordeaux.
- In 2011, the Group also collected dividends of \$10.7 million from Summit (€7.5 million at the rate on the transaction date).

Cash flow applied to financing activities used up cash resources of €162.6 million in 2011 compared to €303.4 million in 2010.

This €140.8 million positive movement may be explained as follows:

- The dividends paid decreased substantially (down €128.6 million) to €173.5 million undue solely to the exceptional dividend paid out in 2010 following the disposal of the 5.1% shareholding in Canal + France;
- In 2011, the share buyback programme had an adverse effect of €31.9 million; there was no such transaction in 2010;
- In order to finance its cash outflows, in 2008 the Group arranged for two banking credit facilities totalling €85 million and a €50 million credit facility with its main shareholder, RTL Group, for a total of €135 million. During the year to 31 December 2011, none of these credit facilities had been drawn down.

The financial year thus resulted in a €48.3 million decrease in cash and cash equivalents.

Cash and cash equivalents thus totalled €328.6 million at 31 December 2011, compared to €376.9 million at 31 December 2010.

Considering the debt position, the Group thus went from a positive net cash position of €377.5 million at year-end 2010 to a positive €329.4 million at 31 December 2011 (the net cash position is defined as cash and cash equivalents, plus current account balances and loans granted, less bank overdrafts and financial debt).

3.3. Cash management policy

The cash management policy is detailed in Note 22.3 “Investment policy” to the consolidated financial statements of this document, which covers financial instruments.

3.4. Investment policy

A significant element of the M6 Group’s business is the acquisition of rights and the production of shows. 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:

- providing 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 commitment to supply existing operations with the best content and products possible in order to confirm their positioning and attractiveness;
- the importance to provide the Group with a safe and efficient working environment, both in terms of infrastructures 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.

- **In 2009**, the Group did not make any acquisitions. However, the Group continued to strive and develop its operations, as follows:
 - SND maintained a high level of audiovisual right purchases with a view to marketing them (theatre release, video and TV sales), investing €40.2 million in 2009;
 - FC Girondins de Bordeaux strengthened its team significantly, as transfer fees from the acquisition of players exceeded fees from the sale of players by €12.7 million;
 - SCI du 107, one of the Group's property subsidiaries, initiated a programme to rebuild the property complex which it owns (€5.3 million invested in 2009);
 - M6 and the TV channels have virtually finalised the digitalisation of their shooting and broadcasting technical resources, and the renovation of the TV studios.

Finally, within the framework of contractual commitments and/or regulatory obligations, M6 and M6 Films invested a cumulative €110.3 million in the production of cinematographic and audiovisual works, which represented a commitment in excess of the level set by obligations. Due to the regulatory environment, funding primarily included the purchase of broadcasting rights and to a lesser extent the acquisition of co-production shares.

- **In 2010**, in order to develop its e-commerce activities, the Group acquired monAlbumphoto.fr, a leading player in the online photo book market.
In addition, with a view to supporting existing activities, guaranteeing a continuing policy of improving the reliability and optimising all technological resources implemented within the Group:
 - SND was highly active in its market in 2010 and increased its level of investment in audiovisual rights;
 - Given the timeframe for collection and disbursement of players' transfer fees, FC Girondins de Bordeaux posted a net cash outflow from transfers of €10.4 million;
 - SCI du 107 continued its programme to rebuild the property complex which it owns and invested €13.7 million during the year.

Overall, the Group's commitments for the production of cinematographic and audiovisual works were €155.1 million in 2010.

- **In 2011**, the Group made a number of acquisitions: in the field of Audiovisual Rights, the Group acquired 100% of Les Films de la Suane and the 50% it did not previously own in TCM; both companies own feature film catalogues. The Group also made a 34% equity investment in Quicksign, a technological platform devoted to financial services, and a 50% investment in its subsidiary Panorabanque.
In addition, the Group continued its policy of developing its operations.

Lastly, in respect of their contractual commitments and/or regulatory obligations, M6 and M6 Films devoted a cumulative €109.4 million to the production of audiovisual and cinema work.

3.5. Contingent assets and liabilities

A description, a summary table and an analysis of changes in contingent assets and liabilities are included in Note 29 to the consolidated financial statements set out in this document.

Financial position of the parent company and agreements between M6 and its subsidiaries

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4.3	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 2011 financial year	p.54
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4. Agreements between M6 and its subsidiaries

4.1. Financial position of the parent company

At 31 December 2011, Métropole Télévision (M6) had total assets of €1,141.8 million, a significant decline of €400.8 million (down 26.0%) compared to 31 December 2010.

Non-current assets declined substantially to €247.3 million (down €333.3 million). This movement primarily relates to equity investments, down €330.0 million, due to the transfer of all assets and liabilities of M6 Numérique to M6 which resulted in the cancellation of the M6 Numérique shares (down €343.6 million), as well as to the capital increase launched by M6 Foot, to which M6 subscribed (up €20.0 million).

Current assets grew by €66.7 million to €1,028.7 million, primarily due to the increase in other receivables (up €146.2 million), despite the decline in cash and cash equivalents in cash and marketable securities (down €59.4 million).

Under equity and liabilities, liabilities declined substantially by €277.8 million to €636.9 million, due to the effect of the €225.1 million reduction in other liabilities. In 2010, credit current account balances with subsidiaries had reached a record level due to the collection of €384.2 million by M6 Numérique following the disposal of shares held in Canal + France. The transfer of all assets and liabilities of M6 Numérique to M6 and the settlement of certain current accounts explain the movement noted in 2011.

At 31 December 2011, none of the credit facilities held by the Company had been drawn down.

Shareholders' equity totalled €577.7 million, a modest increase of €11.8 million. This movement was primarily due to:

- dividends paid (negative €128.6 million),
- the cancellation of treasury shares bought back in three tranches (negative €31.9 million); and
- net profit for the year (positive €171.9 million)

During the financial year, cash and cash equivalents (cash and marketable securities less bank overdrafts) were €297.0 million, down €38.7 million. This movement resulted from the movement in working capital requirements, particularly due to the Company's current accounts with its subsidiaries.

4.2. Shareholders' agreements

Métropole Television and its subsidiaries have entered into shareholders' agreements with a view to organising, as a complement to bylaws, relationships with joint shareholders in jointly-controlled companies. The companies concerned are Extension TV (Série Club), TF6, TF6 Gestion, Multi 4, MR 5, Panorabanque, Quicksign and HSS Belgique.

4.3. 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 2011 financial year

In accordance with legal provisions, the table below shows the direct shareholding interests acquired by Métropole Télévision or any one of its subsidiaries during the 2011 financial year.

Company name	Legal form	2011 equity investment	% shareholding		Company	Total
			Direct M6	Indirect M6		
TCM DA	SNC	50%	100%			100%
LES FILMS DE SUANE	SARL	100%	100%			100%
PANORABANQUE	SAS	50%		50%	M6 WEB	50%
QUICKSIGN	SAS	34%		34%	M6 WEB	34%

The Group bolstered its catalogue of film works with the acquisition of Les Films de Suane and the purchase of the 50% in TCM DA it did not previously own.

M6 Web also made equity investments in Quicksign, a technological platform devoted to financial services, and Panorabanque, an online banking services comparison engine.

4.4. 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 three core business lines: the M6 channel, Digital TV and Diversification and Audiovisual Rights;
- through the existing business-wide functional departments (Finance, Corporate Services, Human Resources, Legal Affairs, Information Systems, Internal Communications, etc.) which operate as shared services within 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 head of a tax consolidation group pursuant to the provisions of Article 223 A of the General Tax Code.

At 31 December 2011, the Métropole Télévision Group had 62 subsidiaries and affiliates as follows:

- 26 significant consolidated subsidiaries;
- 28 insignificant consolidated subsidiaries;
- 8 non-consolidated subsidiaries.

Significant consolidated subsidiaries are as follows:

Significant consolidated subsidiaries (26)	Country	Financial transactions with Métropole Télévision		% interest (rounded up)	Impact of minority interests
		Member of cash pooling agreement	Various significant transactions*		
M6 TV NETWORK					
M6 Publicité	France	yes	Advertising agency payment	100%	-
M6 Créations	France	yes		100%	-
M6 Films	France	yes	NS	100%	-
Métropole Production	France	yes	Rights acquisition Technical or support services	100%	-
C. Productions	France	yes	Rights acquisition	100%	-
Studio 89 Productions	France	yes	Rights acquisition	100%	-
DIGITAL CHANNELS					
M6 Thématique	France	yes		100%	-
Extension TV- Série Club	France	yes	NS	50%	-
M6 Génération	France	yes	NS	100%	-
Paris Première	France	yes		100%	-
TF6	France			50%	-
EDI TV – W9	France	yes		100%	-
M6 Communication	France	yes		100%	-
(M6 Music Black - Hit - Club)					
SediTV - Téva	France	yes		100%	-
DIVERSIFICATION AND AUDIOVISUAL RIGHTS					
Football Club des	France	no		100%	-
Girondins de Bordeaux					
Home Shopping Service	France	yes	Advertising	100%	-
Mistergooddeal	France	yes	Advertising	100%	-
MonAlbumPhoto	France	no		95%	-
M6 Interactions	France	yes	Advertising	100%	-
M6 Editions	France	yes	Advertising	100%	-
M6 Evénements	France	yes		100%	-
Société Nouvelle de Distribution	France	yes	Rights acquisition	100%	-
M6 Web	France	yes	Advertising	100%	-
TCM Droits Audiovisuels	France	yes	Rights acquisition	100%	-
Société Nouvelle de Cinématographie	France	yes	NS	100%	-
Diem 2	France	yes	Rights disposals	100%	-

* Transactions valued in excess of €500 thousand

In view of the size of their individual business activities, the transactions between other companies and Métropole Télévision are insignificant.

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 debt amounted to €2.9 million and primarily included the share of liabilities of jointly-owned subsidiaries and conditional advances received by Diem2 and M6 Studio within the framework of film production projects.

Parent company - subsidiary relationships

(€ millions)	2011	2010
<i>Non-current assets</i>	<i>350.0</i>	<i>333.3</i>
SND	55.6	49.8
Ventadis *	54.9	53.9
M6 Web	39.8	39.6
Immobilière 46D	35.7	37.6
SCI du 107	33.0	25.9
Immobilière M6	28.0	28.6
SND USA	23.4	11.3
Métropole Télévision	21.3	21.4
FCGB	17.5	26.6
Diem 2 (Mandarin in 2010)	12.1	6.2
SNC	8.4	9.0
M6 Studio	4.6	4.1
Métropole Production	4.4	3.0
TCM DA	3.8	3.5
Mandarin	-	6.7
Other	7.4	6.3
<i>Balance sheet cash and cash equivalents</i>	<i>328.6</i>	<i>376.9</i>
Métropole Télévision	309.3	351.6
Ventadis *	16.0	11.1
SND USA	3.1	2.4
Edi - W9 Tv	1.3	8.3
Paris Première	-1.2	1.3
Other	0.2	2.3
<i>Cash flow from operating activities</i>	<i>188.1</i>	<i>319.5</i>
M6 Publicité	50.1	52.5
SND	46.9	61.1
M6 Web	27.5	46.8
Métropole Télévision	26.0	62.3
Edi - W9 Tv	22.6	25.8
Ventadis *	6.8	13.4
Diem 2 (Mandarin en 2010)	4.7	1.8
Sedi - Teva	4.6	6.4
Immobilière M6	4.3	4.3
M6 Communication	3.0	3.7
Paris Première	2.6	6.2
M6 Interactions SAS	2.6	8.1
Studio 89 Productions	-5.2	2.5
FCGB	-13.1	5.0
Other	4.5	19.7
<i>Dividends paid to Métropole Télévision</i>	<i>229.8</i>	<i>29.9</i>
M6 Numérique SAS	190.1	-
M6 Publicité SAS	28.3	27.0
M6 Thématique SA	6.9	1.0
M6 Interactions SAS	3.7	0.6
M6 Web SAS	0.7	1.1
SND	0.0	0.1

* Ventadis comprises HSS, HSS Belgique, Mistergooddeal and Mon Album Photo data

4.5. Tax consolidation

Information on the Group's tax consolidation is set out in Note 4.8 to the parent company financial statements.

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5. 2012 outlook

In 2012, the M6 Group will continue to implement its profitable growth strategy for all its activities.

In line with previous financial years, content will be at the core of growth (see section 5.2), with a view to confirming the position of the family of channels, within a market environment undergoing extensive change and marked by an increase in the number of free-to-air channels, continued audience fragmentation, as well as the first concentration movements in this market.

Similarly, the Group will continue its strategy aimed at establishing a balanced revenue model that allows for growth in non-advertising revenue (see section 5.3), in particular by drawing on the strength of the Group's brands and its expertise in terms of audiovisual rights, derivative products and licencing, interactive services and offerings, distance selling and ownership of a first-rate sporting club.

The M6 Group will operate within a difficult business environment in 2012, marked by growing tension concerning the financing of public debt. Macroeconomic forecasts were adversely affected this year by an unusual degree of uncertainty (*INSEE Economic Climate Assessment, December 2011*), which may result in a weak advertising market.

Against this background, the M6 Group will continue to pay particular attention to the level of its operating expenses, without nonetheless putting the development of its operations in jeopardy, in order to maintain, as much as possible, a satisfactory profitability level.

5.1. Significant post-balance sheet events

On 13 January 2012, the M6 Group sold its 9.1% equity investment in the US film production and distribution company Summit Entertainment, within the framework of the acquisition of the studio's entire share capital by Lions Gate. The exclusive distribution contract of Summit Entertainment movies by SND remains in force despite the change of shareholders.

The impacts of this transaction on the Group's 2011 consolidated financial statements are set out in Note 17 to the consolidated financial statements of this document. The transaction had not yet been decided at 31 December 2011 and its price remained uncertain at that date. Consequently, the capital gain generated by this transaction will be recognised in the income statement for the 2012 financial year.

On 14 February 2012, at Nicolas de Tavernost's suggestion the Supervisory Board appointed Robin Leproux as Vice-Chairman of the Executive Board in charge of Sales and Business Development, after Catherine Lenoble, Member of the Executive Board in charge of Advertising, announced her decision to retire on 31 March 2012. Robin Leproux's appointment will take effect from the date of Catherine Lenoble's effective departure and will continue for the remainder of her term of office, i.e. until 25 March 2015.

On 27 March 2012, the Conseil Supérieur de l'Audiovisuel announced that it had selected the M6 Group's project, 6ter, to be one of the six new high definition channels on free-to-air DTT. 6ter will be the first free-to-air channel in the French audiovisual landscape to cater for the whole family throughout the day. This new channel will complement the Group's free-to-air TV offering and will provide a further opportunity for growth. Licences are to be granted before the end of June and the launch is set to take place in the last quarter of 2012.

To the knowledge of the company, no other significant events have occurred since 1 January 2012, which are likely to have or have had a significant impact on the financial position, profitability, activities and assets of the Company or the Group.

5.2. Free To Air and Pay TV

Since 2008, the M6 channel has been driven by the success of access prime-time programmes. The channel continues its strategy to bolster its audience ratings at key time slots of the day. Varied access-time programming (series, movies, entertainment, magazines) has been very successful and has propelled M6 into second place among nationwide channels for this time slot. The M6 Group will strive to maintain this access prime-time success and strengthen other time slots in 2012.

In a ruling issued on 18 October 2011, the CSA launched a call for tender for six high definition, nationwide terrestrial television services. The successful services will have to be broadcast under the DVB-T standard, based on component encoding under the MPEG-4 standard. The CSA has received 34 applications, all for the broadcast of free-to-air services.

The M6 Group has filed three projects to set up TV channels, which it will champion at hearings to be held in March 2012. Authorisations will be delivered at the end of May and channels are to be launched in September 2012.

Regulatory developments introduced in 2011 and having an impact on 2012 are set out in section 1.4.3.

5.3. Diversification and Audiovisual Rights

Growth drivers set up in recent years will continue their contribution to the dynamism of the diversification activities.

The Group's development strategy in new media will be continued in 2012. M6 is considered the benchmark for catch-up TV services. Already available on many terminals (PCs, IPTV, mobile phones, tablets, HBBTV), the Group's video services still have a significant potential for increased usage and revenue. The website portfolio (channel websites and theme-based portals) will continue to grow in the following two directions: a quality content offering for users and a differentiating and powerful offering for advertisers.

At the same time, for ever greater adequacy with the viewers' new consumption patterns, mobile and tablet applications of the "social TV" type, based on the channel's brands should support the broadcasting of flagship programmes.

Lastly, bolstered by its experience with M6 Mobile and Habbo, M6 Web will continue its strategy of targeted partnerships with business models that complement advertising revenues.

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 content, while at the same time generating revenue that does not depend on the advertising market.

The operations of the Distance-selling business proved rather resilient in 2011 in a highly competitive sector, limiting the decline in its revenue and increasing profitability, and will continue to develop its differentiation strategy, in particular with the complete overhaul of the MisterGoodDeal website, whose new version will be launched in 2012.

Lastly, Football Club des Girondins de Bordeaux (F.C.G.B) posted mixed sporting results at the start of 2012, while nonetheless demonstrating a continued improvement in the quality of play and performance. The start of the season confirmed that 2012 will be a year of transition and consolidation for the Club. However, F.C.G.B. has the necessary strengths to rebound in the 2012-2013 season due to the quality of its team, a high-performance training centre, modern infrastructures and a committed staff.

In addition, the City of Bordeaux continues to develop its project for the construction of a new stadium, with F.C.G.B. as the resident club. This stadium will take the shape of a Public-Private Partnership (PPP), signed between the City of Bordeaux and construction company Vinci.

6.1	Share listing	p.64
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6. Share capital

6.1. Share listing

The Métropole Télévision share is listed under Eurolist Compartment A (companies whose average market capitalization exceeds €1 billion). Following the new composition of the Euronext index announced on 3 February 2011, 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 Serv indices.

The ISIN code of the company is 0000053225 and its ticker MMT.

The share price opened 2011 at €18.105 on 3 January and closed the year at €11.525 on 30 December, reaching its lowest closing trading price of €9.38 on 23 November and its highest trading price of €18.90 on 9 March.

The Company's share price fell back by 36.33% in 2011 (movement based on the last price quoted in 2010 and on the 2011 closing price).

European media sector securities (the sample used includes: Pro7Sat1, Vivendi, Mediaset Spa, Lagardère, TF1, Telecinco, Antena 3, ITV, M6, NRJ Group, Sky Deutschland and NextRadio TV) were severely shaken by the stock market in 2011, reporting more significant share price declines than the CAC 40. Only ITV proved relatively resilient posting a full-year decline of 2.71%. The stock market performance of Vivendi, Sky Deutschland, NRJ Group and NextRadio TV were in line with the CAC 40 (16% / 17% decline). The share price of Antena 3, Lagardère, M6 and ProSiebenSat1 retreated by 30% to 40%. The share price of TF1, Mediaset Spa and Mediaset España declined by more than 40% during the year.

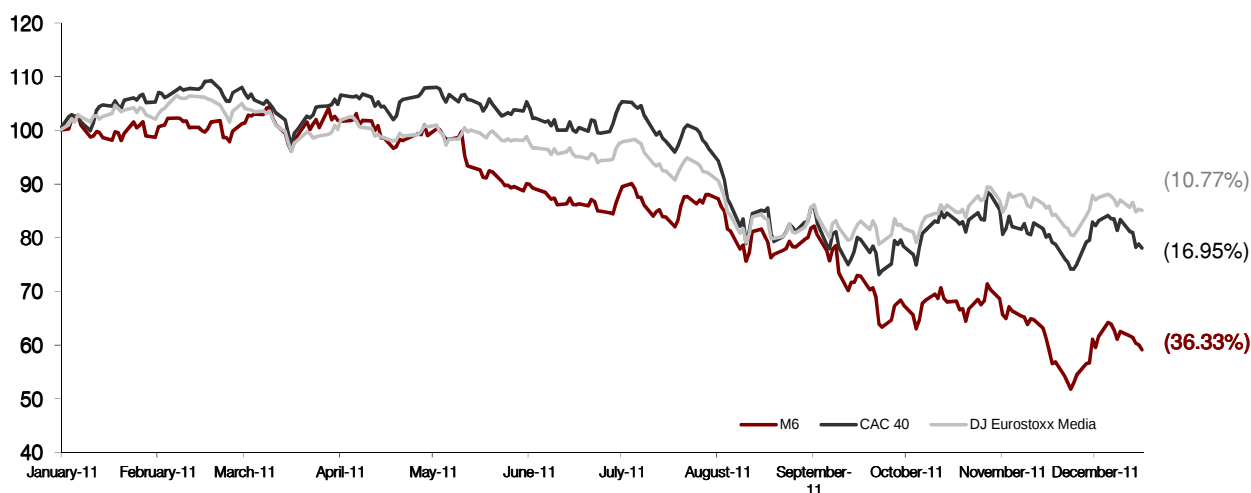
It should be noted that the share price of nearly all European broadcasters reached a high point between February and March before declining again in the second half of 2011.

The M6 share price performance was worse than the CAC 40 index, which declined by 16.95% over 2011, and its reference index, the DJ EuroStoxx Media, which declined by 10.77%.

At 31 December 2011, the Company's market capitalisation was €1,456.58 million.

The average number of shares traded daily in 2011 was 296,210 compared to 281,074 in 2010.

Comparative trends of M6 share, CAC and DJ EuroStoxx Media since 1 January 2011:



Share data since 2007:

	2007	2008*	2009*	2010*	2011*
Number of shares	129,934,690	128,954,690	128,954,690	128,957,939	126,383,964
High price (€)	28.44	17.81	18.72	20.22	18.90
Low price (€)	17.32	11.47	9.62	15.46	9.38
Closing price (€)	18.00	13.84	17.97	18.10	11.53

*Data relating to closing price

Source: Euronext

6.2. 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 4 May 2011, were organised in 2011, including:

- a meeting to present the annual results;
- a conference call on the occasion of the publication of the half-year results.

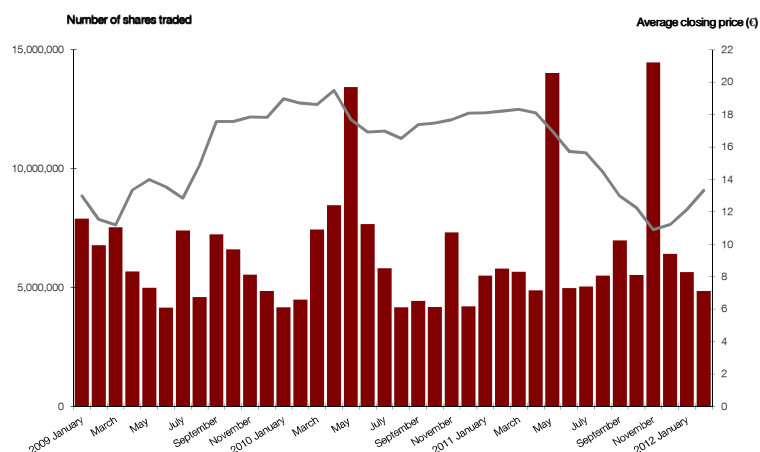
In addition, the Group increased the frequency of meetings with the financial community in France and abroad on the occasion of road shows and investor conferences. Lastly, numerous individual meetings with analysts, investors and managers took place in 2011.

The website dedicated to investors and shareholders of the Group is regularly updated in French and in English with our registration documents, latest publications, presentations, press releases, bylaws and significant audience ratings and is accessible on www.groupepm6.fr.

In compliance with the Transparency Directive, the website also features a section dedicated to regulatory information, which comprises all required information, and 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.

6.3. M6 share price and trading volume

Share price and trading volume since January 2008:



Source: Euronext

Date	Number of shares traded	Average closing price (€)	Monthly high (€)	Monthly low (€)	Trading value (€)
2009 January	7,903,024	12.99	14.83	11.24	102.68
February	6,776,306	11.53	12.68	9.82	75.92
March	7,537,095	11.20	12.45	9.35	84.43
April	5,678,375	13.35	14.58	12.01	75.59
May	4,995,606	14.00	15.06	13.11	70.54
June	4,150,341	13.54	14.44	12.40	56.49
July	7,405,595	12.85	14.25	12.00	96.82
August	4,603,770	14.87	16.20	13.85	68.12
September	7,243,921	17.57	18.85	15.49	128.46
October	6,610,768	17.57	18.39	16.31	116.38
November	5,547,596	17.85	18.95	16.33	99.49
December	4,865,996	17.82	18.49	17.15	85.79
2010 January	4,167,713	18.97	19.70	17.86	79.12
February	4,503,983	18.71	19.94	17.90	84.29
March	7,448,759	18.62	19.35	18.05	138.69
April	8,461,636	19.50	20.16	18.91	165.50
May	13,425,044	17.69	20.22	15.30	244.30
June	7,667,933	16.92	17.87	15.69	129.54
July	5,814,137	16.99	18.00	16.03	99.06
August	4,167,713	16.53	17.88	15.47	69.54
September	4,446,573	17.37	18.12	16.28	77.28
October	4,177,425	17.48	17.83	16.85	72.92
November	7,312,731	17.68	19.00	16.71	129.38
December	4,205,786	18.08	18.68	16.76	75.82
2011 January	5,496,304	18.11	19.02	17.63	99.71
February	5,795,070	18.22	18.70	17.52	105.52
March	5,657,883	18.32	18.96	17.27	103.47
April	4,876,211	18.10	18.77	17.40	88.36
May	14,027,313	16.98	18.25	16.03	244.69
June	4,976,308	15.72	16.48	15.25	78.20
July	5,044,161	15.64	16.40	14.76	78.79
August	5,504,910	14.47	16.53	13.27	79.52
September	6,985,943	12.98	14.92	11.13	89.73
October	5,535,809	12.26	13.06	11.32	67.72
November	14,462,706	10.91	12.30	9.38	155.33
December	6,412,431	11.21	11.85	10.66	71.86
2012 January	5,647,530	12.15	13.35	11.30	68.43
February	4,857,154	13.33	13.95	12.35	64.42

Source: Euronext

6.4. Cash dividend policy

Cash dividends paid over the last 5 financial years were as follows:

	2010	2009	2008	2007	2006
Ordinary dividend	€1.00	€0.85	€0.85	€1.00	€0.95
Extraordinary dividend	-	€1.50	-	-	-
Net dividend per share	€1.00	€2.35	€0.85	€1.00	€0.95
Tax credit	-	-	-	-	-
Gross dividend	€1.00	€2.35	€0.85	€1.00	€0.95
Yield (based on closing share price)	5.5%	13.1%	6.1%	5.6%	3.5%
Pay-out Ratio - in % of Net Profit -					
Group share of continuing operations	82.1%	217.9%	79.2%	77.0%	82.0%

With regard to its financial and cash flow generation position and net profit, M6 Group proposed to the Annual General Meeting of 4 May 2011 the payment of an ordinary dividend of €1.00 per share for the 2010 financial year, corresponding to a pay-out ratio of 82.1% the Group's share of consolidated net profit and a yield of 5.5% (calculated based on the 2010 closing price).

In respect of the 2011 financial year, a proposal will be submitted for approval to the Ordinary General Meeting of 3 May 2012 for the payment of an ordinary cash dividend of €1.00 per share, corresponding to a pay-out ratio of 84.4% of the Group's share of consolidated net profit. The yield is 8.7%, calculated based on the 2011 closing price.

The Amending Law n° 2011-894 of 28 July 2011 on the financing of social security, published in the Journal Officiel on 29 July 2011, requires certain employers to pay a bonus to their employees when dividends paid to shareholders or partners increase.

This obligation covers commercial companies with a workforce of 50 or more and whose dividends have increased compared to the average of the previous two financial years.

The M6 Group is therefore not concerned by this mechanism in 2011 as the average of dividends paid over the last two years was €1.675 (including the exceptional dividend), compared to a proposed dividend of €1 for the 2011 financial year.

6.5. Main shareholders at 31 December 2011

	at 31 December 2011				at 31 December 2010				at 31 December 2009			
	Number of shares	% share capital	Number of voting rights	% voting rights	Number of shares	% share capital	Number of voting rights	% voting rights	Number of shares	% share capital	Number of voting rights	% voting rights
RTL Group	61,487,471	48.65%	42,920,487	34.00%	62,447,471	48.42%	43,689,298	34.00%	62,447,621	48.43%	43,613,036	34.00%
Groupe Compagnie Nationale à Portefeuille	9,154,477	7.24%	9,154,477	7.25%	9,154,477	7.10%	9,154,477	7.12%	9,154,477	7.10%	9,154,477	7.14%
Treasury shares	147,237	0.12%	-	0.00%	460,004	0.36%	-	0.00%	681,055	0.53%	-	0.00%
FCPE M6 personnel	142,700	0.11%	142,700	0.11%	136,130	0.11%	136,130	0.11%	127,500	0.10%	127,500	0.10%
Free float	55,452,079	43.88%	55,452,079	43.93%	56,759,857	44.01%	56,759,857	44.17%	56,544,037	43.85%	56,544,037	44.08%
<i>in France</i>	<i>25,575,880</i>	<i>20.24%</i>	<i>25,575,880</i>	<i>20.26%</i>	<i>23,515,009</i>	<i>18.23%</i>	<i>23,515,009</i>	<i>18.30%</i>	<i>26,064,652</i>	<i>20.21%</i>	<i>26,064,652</i>	<i>20.32%</i>
<i>in Other countries</i>	<i>29,876,199</i>	<i>23.64%</i>	<i>29,876,199</i>	<i>23.67%</i>	<i>33,244,848</i>	<i>25.78%</i>	<i>33,244,848</i>	<i>25.87%</i>	<i>30,479,385</i>	<i>23.64%</i>	<i>30,479,385</i>	<i>23.76%</i>
Total	126,383,964	100.0%	107,669,743	85.29%	128,957,939	100.0%	109,739,762	85.40%	128,954,690	100.0%	109,439,050	85.32%

At the end of 2011, some 20,379 shareholders held shares in the Company, according to a Euroclear bearer share survey and to the register of shares held in nominative form.

At that date, 534,797 of these shares were held by members of the Executive Board (0.42% of the company's share capital), with a further 17,437 shares held by members of the Supervisory Board in a personal capacity.

Two legal threshold crossings, one upward and one downward and relating to the same shareholder, were brought to the attention of the Company in 2011.

At 31 December 2011, after taking account of declarations of upward and downward legal threshold crossing (1% of the Company's share capital) disclosed to the Company during 2011 and preceding years:

- two institutional shareholders held 2% or more of the Company's share capital;
- and three institutional shareholders held between 1% and 2% of the Company's share capital.

The Company was not aware of any investor, 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. There are no shareholder agreements currently in existence. No concert action has been brought to the attention of the Company.

By virtue of its corporate purpose and status as an operator of a Free-to-Air and 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 1.2 of the Legal information chapter 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;
- in application of the bylaws revised by the General Meeting of 18 March 2004 (Article 35), following the withdrawal of Suez and the amendment to the CSA agreement signed on 2 February 2004, no other shareholder or group of shareholders acting jointly can own more than 34% of voting rights. Therefore, RTL Group voting rights are limited to 34%. Subject to this provision, voting rights attached to shares are proportional to the percentage share of capital they represent and each share gives the right to one vote. There are no double voting rights.

Measures undertaken in order to prevent unwarranted control are detailed in the report on internal control (section 7.6 of this management report). Contributing to preventing any excessive control and thus preserving a balance between shareholders, the cap on the number of voting rights and the organisation of corporate governance is repeated in the bylaws, pursuant to Article 2 of the agreement concluded with the CSA, which states that:

- Within the framework of the provisions of Article 28 and paragraph 1 of Article 39 of the Law of 30 September 1986, no shareholders or group of shareholders acting in concert may hold more than 34% of the total number of voting rights. No bylaw provision may call into question this cap, either directly or indirectly. This is a provision of the authorisation granted pursuant to Article 42-3 of the Law of 30 September 1986, as amended.

- 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.

6.6. Buyback of company shares

6.6.1. Report on the 2011 share buyback plan

During the year just ended, the company successively used the two authorisations to purchase treasury shares that were granted to it by the General Meetings of 4 May 2010 and 4 May 2011.

These authorisations were 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 Exane from 2 February 2009;
- to cancel the shares purchased, as permitted by the General Meeting of 4 May 2011 in its 8th resolution;
- to serve free share allocation plans.

At the date of implementation of the new liquidity contract with Exane, 114,000 Métropole Télévision shares and €1,209,180.79 were allocated to the contract.

Movement in treasury shares held during the 2011 financial year and number of shares held at 31 December 2011:

Number of treasury shares held at 31 December 2010	Movement in liquidity contract (2)	Shares bought back with a view to cancel (3)	Shares cancelled (3)	Shares bought back to allocate free shares (4)	Movement in respect of free shares allocated (5)	Number of treasury shares held at 31 December 2011 (1)
460,004	38,777	2,577,508	(2,577,508)	61,000	(412,544)	147,237

(1) At year-end, the Company held 147,237 treasury shares, primarily through the liquidity contract and also to fulfil commitments given within the framework of free share allocation plans (see section 6.7).

(2) **In respect of the liquidity contract**, during 2011:

- the number of shares purchased was 1,598,712 at an average price of €15.259,
- and the number of shares sold was 1,559,712 at an average price of €15.30

and thus a balance of 140,909 shares and €1,060,748 in cash was held under the liquidity contract at 31 December 2011.

Note that at 31 December 2010, the number of shares effectively held under the liquidity contract was 102,132 and the cash balance was €1,576,169.

The change in the number of treasury shares held in respect of the liquidity contract was therefore 38,777 in 2011.

(3) **In respect of the share buyback for cancellation programme**, 2,577,508 Métropole Télévision securities were acquired during 2011, at an overall cost of €31.86 million.

These purchases were made in three tranches, with the acquisition:

- in August / September 2011, of 980,000 shares via Cheuvreux, at an average weighted price per share of €13.81, and, in September / October 2011, of 980,000 shares via Cheuvreux, at an average weighted price per share of €12.47. Gross commissions of €9.2 thousand were paid.
- in November 2011, of 617,508 shares via CM-CIC Securities, at an average weighted price per share of €9.90. Gross commissions of €4.3 thousand were paid.

The 2,577,508 Métropole Télévision shares purchased were cancelled following their buyback, resulting in a reduction in the number of shares making up the share capital of the Company to 126,383,964.

- (4) **In respect of the free share allocation plan**, 61,000 shares were bought back:
- 6,000 shares were bought back from Exane on 27 July 2011
 - 55,000 shares were received on 23 December 2011 following a forward purchase transaction with Mediobanca with a view to allocating 50,179 shares to beneficiaries.
- (5) Lastly, 412,544 shares were transferred to the beneficiaries of the free share allocation plan:
- on 28 July 2011, 362,365 shares were transferred to the beneficiaries of the free share allocation plan of 4 May 2011,
 - 50,179 shares were transferred to the beneficiaries of the free share allocation plan in December 2011.

Book value and market value of treasury shares held at 31 December 2011:

Number of treasury shares held at 31 December 2011	Net book value of treasury shares at 31 December 2011 (€)	Market value of treasury shares at 31 December (€)	Number of shares comprising the share capital at 31 December 2011	% share capital
147,237	1,633,466	1,696,906	126,383,964	0.12%

6.6.2. Report on the previous share buyback plan

The Combined General Meeting of 4 May 2011 decided in its 7th 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.11-0282 on 12 April 2011.

This share buyback plan, authorised for a period of eighteen months, enables the Executive Board to purchase up to a maximum of 5% 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 Charter approved by the AMF;
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions, providing shares purchased to this end do not exceed 5% of the share capital of the Company;
- to ensure the allocation of shares through of stock option plans and other forms of allocation of shares to Group employees and management, pursuant to the terms and conditions set forth by the Law, in particular within the framework of profit sharing or through a company savings plan or the allocation of free shares;
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;
- to eventually cancel the shares purchased.

The maximum purchase price has been set at €22 per share. The maximum amount to be committed to this purchase programme is €141,853,732.90.

Change in the number of treasury shares held as part of the 4 May 2011 share buyback programmes and number of treasury shares held at 29 February 2012:

Number of treasury shares held at 4 May 2011	Movement in liquidity contract (2)	Shares bought back with a view to cancel (3)	Shares cancelled (3)	Shares bought back to allocate free shares (4)	Movement in respect of free shares allocated (5)	Number of treasury shares held at 29 February 2012 (1)
460,430	12,743	2,577,508	(2,577,508)	61,000	(412,544)	121,629

(1) At 29 February 2012, the company held 121,629 treasury shares, primarily through the liquidity contract, and also to cover commitments given as part of the free share allocation plans.

(2) **In respect of the liquidity contract**, between 4 May 2011 and 29 February 2012:

- 1,306,313 shares were purchased at an average price of € 13.62,
- 1,293,570 shares were sold at an average price of €13.60,

resulting in 115,301 shares and €1,391,153 being held as part of the liquidity contract on 29 February 2012.

(3) **In respect of the share buyback for cancellation programme**, 2,577,508 Métropole Télévision securities were acquired during this period, at an overall cost of €31.86 million.

These purchases were made in three tranches, with the acquisition:

- in August / September 2011, of 980,000 shares via Cheuvreux, at an average weighted price per share of €13.81, and, in September / October 2011, of 980,000 shares via Cheuvreux, at an average weighted price per share of €12.47. Gross commissions of €9.2 thousand were paid.
- in November 2011, of 617,508 shares via CM-CIC Securities, at an average weighted price per share of €9.90. Gross commissions of €4.3 thousand were paid.

The 2,577,508 Métropole Télévision shares purchased were cancelled following their buyback, resulting in a reduction in the number of shares making up the share capital of the Company to 126,383,964.

(4) **In respect of the free share allocation plan**, 61,000 shares were bought back:

- 6,000 shares were bought back from Exane on 27 July 2011
- 55,000 shares were received on 23 December 2011 following a forward purchase transaction with Mediobanca with a view to allocating 50,179 shares to beneficiaries.

(5) Lastly, 412,544 shares were transferred to the beneficiaries of the free share allocation plan:

- on 28 July 2011, 362,365 shares were transferred to the beneficiaries of the free share allocation plan of 4 May 2011,
- 50,179 shares were transferred to the beneficiaries of the free share allocation plan in December 2011.

At 29 February 2012, the Company held 121,629 of its own shares, representing 0.10% of the share capital, broken down as follows:

Book value and market value of treasury shares held at 29 February 2012:

Number of treasury shares held at 29 February 2012	Net book value of treasury shares at 29 February 2012 (€)	Market value of treasury shares at 29 February 2012 (€)	Number of shares comprising the share capital at 29 February 2012	% share capital
121,629	1,617,299	1,600,638	126,383,964	0.10%

6.6.3. Report on the current share buyback plan

A proposal will be submitted to the Ordinary General Meeting of 3 May 2012 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: €22 per share. The maximum amount of the transaction is thus set at €139,022,360.40,
- maximum shareholding: 5% of the share capital, being 6,319,198 shares to date, 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 services provider, within the framework of a liquidity contract complying with the AMAFI Ethics Charter approved by the AMF,
- to retain the purchased shares for future exchange or payment, within the framework of potential operations of growth by acquisitions, providing shares purchased to this end do not exceed 5% of the share capital of the Company,
- to ensure the allocation of shares through of stock option plans and other forms of allocation of shares to Group employees and management, pursuant to the terms and conditions set forth by the Law, in particular within the framework of profit sharing or through a company savings plan or the allocation of free shares,
- 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 granted by the Annual General Meeting of 3 May 2012 in its 6th resolution.

These transactions may notably be carried out in a period of a public offer pursuant to Article 232-15 of the General Regulations of AMF if the offer is fully settled in cash, the buyback transactions are carried out within the execution of the programme in progress and they are not likely to cause the offer to fail.

The Company reserves the right to use option mechanisms or derivative instruments in accordance with applicable regulations.

6.7. Treasury shares

At 31 December 2011, M6 held a total 147,237 of its own shares, amounting to 0.12% 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 €1.6 million. The number of treasury shares includes the 140,909 shares actually held by the liquidity contract at 31 December 2011.

The table below summarises the allocation of treasury shares held at 31 December 2010 and 31 December 2011 according to each objective.

Treasury shares allocated to the different objectives at 31 December 2010		Total treasury shares at 31 December 2010
Granting of free shares	Increasing share liquidity within the framework of the liquidity contract	
357,872	102,132	460,004 shares
Changes over the 2011 financial year		Changes over the 2011 financial year
Granting of free shares*	Increasing share liquidity within the framework of the liquidity contract	
(351,544)	38,777	(312,767) shares
Treasury shares allocated to the different objectives at 31 December 2011		Total treasury shares at 31 December 2011
Granting of free shares	Increasing share liquidity within the framework of the liquidity contract	
6,328	140,909	147,237 shares

* The 351,544 shares originate from the acquisition in cash through Exane of 6,000 M6 shares in July 2011 and from a forward purchase transaction unwound in December 2011 and which resulted in the purchase of 55,000 shares. 362,365 and 50,179 shares were transferred to plan beneficiaries in July 2011 and December 2011, respectively.

6.8. Share subscription option plans

6.8.1. Information on share subscription option plans

No share option subscription plan was decided in 2011.

Existing share option plans are analysed as follows:

Date of General Meeting	28/04/2004			02/05/2007		Total
Date of Board Meeting	28/04/2004	02/06/2005	06/06/2006	02/05/2007	06/05/2008	
Option type	Subscription	Subscription	Subscription	Subscription	Subscription	
Total number of options allocated	861,500	635,500	736,750	827,500	883,825	3,945,075
- of which Board members (*)	175,000	90,500	90,500	75,500	75,500	507,000
- of which the top ten salaried employees	155,000	108,500	112,500	120,000	116,500	612,500
Start of exercise of options	29/04/06	02/06/07	06/06/08	02/05/09	06/05/10	-
Expiry date	28/04/11	01/06/12	05/06/13	01/05/14	05/05/15	-
Subscription and purchase price (€)	24.97	19.94	24.6	27.52	14.73	-
Subscription and purchase options outstanding at 31 December 2010	495,000	391,500	474,750	614,000	747,134	2,722,384
- options allocated	-	-	-	-	-	-
- options exercised	-	-	-	-	3,533	3,533
- options lapsed/cancelled	495,000	23,000	29,000	38,000	41,117	626,117
Subscription and purchase options outstanding at 31 December 2011	-	368,500	445,750	576,000	702,484	2,092,734
Options outstanding at 29 February 2012	-	368,500	443,750	573,500	699,609	2,085,359

(*) Board members at allocation date

At 29 February 2012, no option was exercisable by beneficiaries due to the M6 share remaining below the exercise price of the various plans.

The analysis of these plans by Board members is as follows:

Date of General Meeting	28/04/2004			02/05/2007		Total
Date of Board Meeting	28/04/2004	02/06/2005	06/06/2006	02/05/2007	06/05/2008	
Option type	Subscription	Subscription	Subscription	Subscription	Subscription	
Start of exercise of options	29/04/06	02/06/07	06/06/08	02/05/09	06/05/10	Total
Expiry date	28/04/11	01/06/12	05/06/13	01/05/14	05/05/15	
Subscription price (€)	24,97	19,94	24,60	27,52	14,73	
Total number of shares allocated to Board members:						
Nicolas de Tavernost	55,000	27,500	27,500	27,500	27,500	165,000
Thomas Valentin	30,000	18,000	18,000	18,000	18,000	102,000
Eric d'Hotelans	30,000	15,000	15,000	15,000	15,000	90,000
Catherine Lenoble	30,000	15,000	15,000	15,000	15,000	90,000
Subscription options outstanding at 31 December 2010:						
Nicolas de Tavernost	55,000	27,500	27,500	27,500	27,500	165,000
Thomas Valentin	30,000	18,000	18,000	18,000	18,000	102,000
Eric d'Hotelans	30,000	15,000	15,000	15,000	15,000	90,000
Catherine Lenoble	30,000	15,000	15,000	15,000	15,000	90,000
Changes over the 2011 financial year:						
Nicolas de Tavernost	(55,000)	-	-	-	-	(55,000)
Thomas Valentin	(30,000)	-	-	-	-	(30,000)
Eric d'Hotelans	(30,000)	-	-	-	-	(30,000)
Catherine Lenoble	(30,000)	-	-	-	-	(30,000)
Subscription options outstanding at 31 December 2011:						
Nicolas de Tavernost	-	27,500	27,500	27,500	27,500	110,000
Thomas Valentin	-	18,000	18,000	18,000	18,000	72,000
Eric d'Hotelans	-	15,000	15,000	15,000	15,000	60,000
Catherine Lenoble	-	15,000	15,000	15,000	15,000	60,000

The movements in the year related to cancellations, taking account of the expiry date of the 2004 plans.

No option was exercised in four of the five plans included in the above table due to the M6 share remaining below the exercise price of the various plans.

The plan of 6 May 2008, whose options were in the money during the year (exercise price below the market share price), may be exercised between 1 January and 5 May 2011, in relation to one third only of options granted. From 6 May 2011, two thirds will be exercisable prior to becoming fully exercisable on 6 May 2012.

Jérôme Lefébure, a director since 25 March 2010, has not been granted any share subscription option since the start of his term of office.

6.8.2. Ten most significant stock option beneficiaries and ten most significant option exercise transactions by employees (excluding Board members)

No share subscription option plan was decided in 2011.

In addition, 3,533 options of the plan of 6 May 2008 were exercised in 2011. These options were exercised by three employees, one of whom is considered as a senior executive (see § 8.8.3).

6.8.3. Share capital transactions carried out by Board members, executive officers and related parties during the last financial year

During the financial year, Board members and executive officers informed the Company of the following share capital transactions, carried out by themselves or related parties.

Name and position	Nature of transaction	Date	Number of shares	Price per share	Total amount
Thomas Valentin , Vice-Chairman of the Executive Board	Purchase of shares	10/01/2011	828	€18.49	€15,308.06
Jérôme Lefébure , Member of the Executive Board	Purchase of shares	13/01/2011	700	€17.99	€12,591.39
Nicolas de Tavernost , Chairman of the Executive Board	Purchase of shares	22/01/2011	1,265	€17.82	€22,538.88
Catherine LENOBLE , Member of the Executive Board in charge of Advertising	Purchase of shares	15/03/2011	690	€17.50	€12,075.00
Jean-Marc Duplaix , Deputy Chief Financial Officer	Sale of shares	01/06/2011	1,000	€16.37	€16,365.00
Eric d'Hotelans , Chairman and CEO of HSS and Mistergooddeal	Purchase of shares	16/06/2011	700	€15.48	€10,836.00
Jean-Marc Duplaix , Deputy Chief Financial Officer	Exercise of stock options	24/06/2011	1,450	€14.73	€21,358.50

This table does not include transactions that are below the annual disclosure threshold of €5,000.

6.9. Free share allocation plans

Seven free share allocation plans were in force in 2011, pursuant to the authorisation given by the Combined General Meetings of 6 May 2008 and 4 May 2011:

- one that matured on 28 July 2011;
- one that was decided by the Executive Board on 23 December 2011;
- one that was decided by the Executive Board on 25 March 2010;
- one that was decided by the Executive Board on 27 July 2010;
- one that was decided by the Executive Board 22 December 2010, specifically for employees of the Ventadis division;
- one that was decided by the Executive Board on 26 July 2011;
- one that was decided by the Executive Board on 22 December 2011, specifically for employees of the Ventadis division.

Data presented in the table below does not include any restatement in the number of shares that may be allocated in the event that targets are outperformed, except for the number of shares delivered on 28 July 2011 and 23 December 2011 within the framework of the plan of 6 May 2008:

Date of General Meeting	06/05/2008					04/05/2011		Total
Date of Executive Board meeting	28/07/2009	28/07/2009	25/03/2010	27/07/2010	27/07/2010	26/07/2011	26/07/2011	
Plan date	28/07/2009	23/12/2009	25/03/2010	27/07/2010	22/12/2010	26/07/2011	22/12/2011	
Total number of shares granted (trigger number relating to the achievement of performance objectives)	346,700	45,650	22,000	328,500	35,650	342,700	28,250	1,149,450
- to Board members	30,200	-	22,000	30,200	-	32,000	-	114,400
- to other top ten salaried employees	50,500	45,650	-	50,500	35,650	43,500	28,250	254,050
Maximum number of shares to be granted				377,775	48,000	367,820	48,000	841,595
								+14.5% compared to the trigger performance level
Actual number of shares to be granted (due to performance levels projected and achieved and taking account of individuals having left the company to date)				353,975	44,501	359,139	48,000	805,615
								+0.4% compared to the number of shares not yet allocated at 31 December 2011
Date of final vesting	28/07/2011	23/12/2011	25/03/2012	27/07/2012	22/12/2012	26/07/2013	22/12/2013	
Number of shares delivered during the financial year	362,365	50,179	-	-	-			412,544
Number of shares not yet allocated at 31 December 2011	-	-	22,000	372,025	33,050	359,720	37,500	824,295
Allocated shares cancelled between 31 December 2011 and 29 February 2012 due to individuals leaving the Company	-	-	-	19,205	2,432	25,120	-	46,757

Each of these three plans is subject to beneficiaries being effectively employed by the Group for the two years following the allocation.

As regards performance conditions:

- the plans of 28 July 2009, 27 July 2010 and 26 July 2011 required the achievement of a net consolidated earnings per share objective for 2009, 2010 and 2011, respectively;
- the plans of 23 December 2009, 22 December 2010 and 22 December 2011 required the achievement of an operating profit objective by the Ventadis division for 2010, 2011 and 2012, respectively;
- the plan of 25 March 2010 is not subject to performance conditions.

The number of shares actually delivered on 28 July 2011 was 362,365 due to the fact that the financial targets attached to the plan were exceeded. The top ten beneficiaries (employees) received 58,075 shares.

The number of shares actually delivered on 23 December 2011 was 50,179 due to the fact that the financial targets attached to the plan were exceeded. The top ten beneficiaries (employees) received 50,179 shares.

6.10. General information on the share capital

6.10.1. Changes in the share capital and voting rights

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.

6.10.1.1. Paid-in capital, number and classes of shares

At 31 December 2010, the Company's fully paid-up share capital was €51,583,175.60. Following the exercise of options and the implementation of three share buyback programmes in 2011, the Company's fully paid-up share capital at 31 December 2011 was €50,553,585.60, represented by 126,383,964 shares of the same class with a par value of €0.40 each.

Date	Description of capital	Nominal amount increase	Number of shares (issued / cancelled)	Share capital value	Total number of shares outstanding
15.09.86	Formation	FF 10,000,000.00	100,000	FF 10,000,000	100,000
16.05.87	Subscription	FF 190,000,000.00	1,900,000	FF 200,000,000	2,000,000
21.05.90	Capital reduction	FF (198,000,000.00)	(1,980,000)	FF 2,000,000	20,000
21.06.90	Share subscription	FF 200,000,000.00	2,000,000	FF 202,000,000	2,020,000
31.12.93	Exercise of share options by employees (1)	FF 6,900,000.00	69,000	FF 208,900,000	2,089,000
06.09.94	5 for 1 share split	-	-	FF 208,900,000	10,445,000
31.12.95	Exercise of share options by employees (1)	FF 4,337,000.00	216,850	FF 213,237,000	10,661,850
31.12.95	Conversion of bonds (2)	FF 50,387,700.00	2,519,385	FF 263,624,700	13,181,235
03.12.99	Conversion of share capital into €	€12,535,613.57	-	€52,724,940	13,181,235
30.12.99	Conversion of bonds	€30,536.00	7,634	€52,755,476	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	€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	Exercise of subscription options	€306.40	766	€51,582,182.40	128,955,456
05.07.10	Exercise of subscription options	€380.00	950	€51,582,562.40	128,956,406
04.10.10	Exercise of subscription options	€613.20	1,533	€51,583,175.60	128,957,939
04.03.11	Exercise of subscription options	€300.00	750	€51,583,475.60	128,958,689
21.03.11	Exercise of subscription options	€533.20	1,333	€51,584,008.80	128,960,022
09.06.11	Exercise of subscription options	€580.00	1,450	€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

(1) Par value

(2) FF 158,050,720 issue premium.

6.10.1.2. Shareholders' agreement

To the best of the Company's knowledge, no shareholder agreement exists.

6.10.1.3. Pledges of the issuers' shares

Nil.

6.10.1.4. Alienation of shares in order to regularise cross shareholdings

(Article R.233-19 of the Commercial Code)

Nil.

6.10.1.5. Treasury shares

(Article L.233-13 of the Commercial Code)

Controlled companies holding a share in the capital of the Company: nil.

6.10.1.6. Capital increase reserved for employees

The most recent General Meeting called to approve a proposal to increase the share capital reserved for employees, which authorised the Executive Board to increase the share capital, if it deems it appropriate, in one or more offerings, by issuing ordinary shares for cash and by the granting of free ordinary shares or other securities giving access to the share capital reserved for employees of the Company and its subsidiaries members of a company savings plan, with cancellation of the pre-emption right for an amount not exceeding 0.5% of the nominal share capital on the date the Executive Board decides to carry out the capital increase and for a period of 26 months, was held on 4 May 2011.

6.10.2. Potential share capital

The exercise of all options outstanding at 31 December 2011 would lead to the creation of 2,092,734 new shares, which would increase the share capital from 126,383,964 to 128,476,698 shares, a maximum potential dilution of 1.66%.

At 31 December 2011, outstanding options will be fully exercisable for the plans from 2004 to 2007 inclusive, and partly exercisable (by tranches of 2/3) for the 2008 plan.

None of the plans had an exercise price lower than the share price at 31 December 2011.

However, during the financial year the plan of 6 May 2008 had an exercise price lower than the share price and 3,533 options were exercised as part of this plan.

The maximum potential dilution plan by plan is as follows: however, the probability that this dilution will effectively occur appears low today, since the M6 share price is below the subscription price for all four of the option plans below.

Date of the General Meeting authorising the plan	28/04/2004	28/04/2004	02/05/2007	02/05/2007	Total
Date of Supervisory Board Meeting granting the option	02/06/2005	06/06/2006	02/05/2007	06/05/2008	
Maximum number of shares which may be subscribed upon exercise of all options	368,500	445,750	576,000	702,484	2,092,734
Starting date	02/06/2007	06/06/2008	02/05/2009	06/05/2010	N/A
Expiry date	01/06/2012	05/06/2013	01/05/2014	05/05/2015	N/A
Potential share capital upon exercise of share options (€)	147,400	178,300	230,400	280,994	837,094
Exercise price (€)	19.94	24.60	27.52	14.73	21.27
Number of shares comprising the share capital	126,383,964	126,383,964	126,383,964	126,383,964	126,383,964
Nominal value per share (€)	0.4	0.4	0.4	0.4	0.4
Share capital (€)	50,553,586	50,553,586	50,553,586	50,553,586	50,553,586
Number of shares comprising the share capital	126,752,464	126,829,714	126,959,964	127,086,448	128,476,698
Share capital upon exercise of outstanding share options (€)	50,700,986	50,731,886	50,783,986	50,834,579	51,390,679
Potential dilution arising	0.29%	0.35%	0.46%	0.56%	1.66%

(1) Average weighted subscription price

Non-issued authorised share capital and existing delegations (Article L. 225 100, paragraph 7 of the Commercial Code) were as follows:

	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities to be issued	Term of authorisation	Remaining term (1)	General Meeting	Resolution number
Capital increase by contributions in kind (authorisation given to the Executive Board)	10%	-	26 months	14 months	AGM 04/05/11	9
Capital increase reserved for members of a company savings plan (authorisation given to the Executive Board)	0.50%	-	26 months	14 months	AGM 04/05/11	10

(1) The remaining term runs from the AGM called for 3 May 2012.

6.10.3. Acquisition by Métropole Télévision of its own shares: current authorisations and their use

	Maximum nominal amount	Term of authorisation	Remaining term (1)	General Meeting	Resolution No
Share buyback programme (3)	(2)	18 months	6 months	AGM 04/05/11	7
Capital reduction (3)	(2)	24 months	12 months	AGM 04/05/11	8

(1) With effect from the 3 May 2012 AGM.

(2) Within the limit of 5% of the share capital.

(3) The Annual General Meeting called for 3 May 2012 will decide on the draft resolutions that propose a new share buyback programme for a further period of 18 months and authorise the Executive Board to reduce the share capital by cancellation of the shares bought back by the Company.

6.10.4. Form of shares and rights attached to shares

6.10.4.1. 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. None of the shares entitle their holders to double voting rights. The right to distributed dividends and interim dividends lapses after 5 years for the benefit of the French state.

6.10.4.2. Trading in shares

Shares are freely traded on Euronext Paris.

6.10.4.3. Form of shares

Since the IPO, shares are held at the option of the holder:

- in pure nominative form held in account maintained by CACEIS;
- in administered nominative form;
- in identifiable bearer form held in account by an authorised intermediary.

Shares are approved for EUROCLEAR-FRANCE transactions.

6.10.4.4. 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.

6.10.4.5. Withholding tax on dividends

The tax treatment of dividends provides shareholders with the option to select a deduction at source of 21% in discharge of income tax for all dividends received (excluding PEA – personal equity plans – and except certain dividends paid out by companies benefiting from specific tax regimes). This option must be exercised with the intermediary holding the shareholders' shares, at the latest on the payment date of the dividend.

If the option is exercised, the 21% flat-rate withholding tax will be added to the 13.5% social contributions, which are automatically deducted at source by the intermediary holding the shareholders' share account (for non-PEA dividends); the option thus discharges dividends from subsequent taxation but does not discharge shareholders from reporting dividends received in their annual income tax return. If the option is not exercised, the dividend shall be declared and taxed in accordance with the usual conditions. The option is not open to legal entities and non-resident shareholders, who remain taxed according to the specific conditions applicable to them based on their specific situation.

Due to its scope of application, of its irrevocable nature and related consequences (in particular, taxation on 100% of the amount of dividends, early payment of tax, non-deductibility of CSG tax, loss of the tax rebate applicable to income from marketable securities), we recommend that shareholders contact the intermediary holding their shares or ask for their advice before the dividend payment date, in order to examine the applicability and terms and conditions of the option in the light of the conditions their shares are held (in the event in particular of shares held through an investment holding company), as well as the merit of this option in the light of their personal asset and tax position.

6.10.5. Employee shareholding

6.10.5.1. 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 2011, the savings plan had 810 unit holders indirectly holding 142,700 shares. The fund thus represented 0.113% of the share capital.

6.10.5.2. Purchase of shares for allocation to employees under a profit sharing agreement

(Articles L. 225-211 paragraph 2 and L. 225-208 of the Commercial Code)
Nil.

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7. Corporate governance

Métropole Télévision is a public limited company governed by an Executive Board and a Supervisory Board.

The corporate governance rules of the M6 Group conform to current French legal and regulatory standards and recommendations issued by the various French and European institutions, specifically the recommendations of AFEP-MEDEF that constitute the Company's code of governance.

The Company ensures it abides by recognised standards and applies the best practices in terms of governance.

The methods are explained in the report of the Chairman of the Supervisory Board (section 7.6 of this document).

7.1. Supervisory Board

7.1.1. Membership of the Supervisory Board

At the date of preparation of this report, the Supervisory Board of Métropole Télévision was made up of thirteen members, including twelve individuals and one legal entity, appointed for a period of four years. No member of the Supervisory Board was elected by the employees.

In accordance with the rules of governance set by the Code of corporate governance issued by the AFEP-MEDEF and amended in April 2012, consolidating the Report of October 2003 and the Recommendations of January 2007 and October 2008 of AFEP-MEDEF, and pursuant to the addendum no 3 to the Agreement between the Company and the Conseil Supérieur de l'Audiovisuel, the Supervisory Board decided that at least one third of its members is independent after considering each of their positions.

Therefore, six of the Board's members are today independent as they have no relationship with the Company, its Group or its management, of a nature to compromise their freedom of judgement, namely, Delphine Arnault, Albert Frère, Gérard Worms, Guy de Panafieu, Jean Laurent and Gilles Samyn.

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

In addition, it is consistent practice that any member of the Supervisory Board who has a direct or indirect interest in an issue submitted to the Board does not vote on that issue.

Members of the Supervisory Board are as follows:

Members of the Board	Nat ionality	Age	Principal function within the Company	Date of first appointment	Expiry date of appointment	Exit date
Albert Frère*	Belgian	86	Chairman	26 May 2000	2012	-
Gérard Worms*	French	75	Vice-Chairman	26 May 2000	2012	-
Guy de Panafieu*	French	69	Member	18 February 2004	2012	-
Jean Laurent*	French	67	Member	18 February 2004	2012	-
Remy Sautter	French	66	Member	26 May 2000	2012	-
Gilles Samyn*	Belgian and French	62	Member	02 May 2007	2015	-
Guillaume de Posch**	Belgian	54	Member	27 March 2002	2012	-
Philippe Delusinne	Belgian	54	Member	28 July 2009	2012	-
Immobilier Bayard d'Antin represented by Christopher Baldelli	French	47	Member	12 January 2010	2015	-
Vincent de Dorlodot	Belgian	47	Member	18 March 2004	2012	-
Andrew Buckhurst	British	45	Member	07 November 2007	2012	-
Elmar Heggen	German	44	Member	22 November 2006	2012	-
Delphine Arnault*	French	37	Member	05 November 2009	2012	-
Gerhard Zeller	Austrian	56	Member	08 March 2012	2012	27 March 2012

* "A member of the Supervisory Board is independent when he/she has no relationship with the Company, its Group or its management likely to compromise the exercise of his/her freedom of judgement." (source: Code of corporate governance for listed companies)

**Gerhard Zeller resigned his duties and was replaced by Guillaume de Posch, who was co-opted by the Supervisory Board on 27 March 2012.

The Supervisory Board meets as often as required in the interests of the Company and at least once a quarter. It met five (5) times in 2011. The overall attendance rate of the members of the Supervisory Board is calculated for the effective period of the term of office in 2011. This rate was 92.3% and may be analysed as follows:

Members of the Board	Supervisory Board Meetings				
	15 February 2011	22 March 2011	04 May 2011	26 July 2011	08 November 2011
Albert Frère	○	○	○	⊗	⊗
Gérard Worms	⊗	⊗	⊗	⊗	⊗
Guy de Panafieu	⊗	⊗	⊗	⊗	⊗
Jean Laurent	⊗	⊗	⊗	⊗	⊗
Rémy Sautter	⊗	⊗	⊗	⊗	⊗
Gilles Samyn	⊗	⊗	⊗	⊗	⊗
Gerhard Zeller	⊗	⊗	⊗	⊗	⊗
Philippe Delusinne	⊗	⊗	⊗	⊗	⊗
Immobilier Bayard d'Antin represented by Christopher Baldelli	⊗	⊗	⊗	⊗	⊗
Vincent de Dorlodot	⊗	⊗	⊗	⊗	⊗
Andrew Buckhurst	⊗	⊗	⊗	⊗	⊗
Elmar Heggen	⊗	⊗	○	○	⊗
Delphine Arnault	⊗	⊗	⊗	⊗	⊗

A. Current members of the Supervisory Board:

Albert FRERE

Number of company shares held: 100.

Number of Company shares held by Compagnie Nationale à Portefeuille SA, which is controlled by Albert Frère: 9,154,477.

Biography and principal duties outside the Company

Albert Frère took an interest in the family business from a very early age before launching determinedly into industry. Along with his associates, he gained control over the entire steel industry of the Charleroi region, diversifying production and modernizing equipment. In 1981, in partnership with other entrepreneurs, he founded Pargesa Holding (Geneva). The following year the company bought into the Bruxelles Lambert SA Group (Brussels). The creation of the Pargesa-GBL Group led to an international business diversifying into three key sectors: finance, energy/services and audiovisual communications. He is notably a Grand Officer of the Order of Leopold (Belgium) and Grand Officer of the Legion of Honour (France).

Appointments and duties

- Chairman of the Board of Directors and CEO of Bruxelles Lambert SA Group (Belgium)
- Chairman of the Board of Directors of Frère-Bourgeois SA (Belgium); ERBE SA (Belgium); Financière de la Sambre SA (Belgium); and Stichting Administratiekantoor Frère-Bourgeois (Belgium)
- Vice-Chairman, Managing Director and member of the Executive Committee of Pargesa Holding SA (Switzerland)
- Vice-Chairman of the Board of Directors of GdF-Suez, a listed company (France)
- Director of LVMH SA, a listed company (France), and Château Cheval Blanc SA (France)
- Permanent representative of Beholding Belgium SA, Director of Groupe Arnault SA (France)
- Permanent representative of Frère-Bourgeois SA, Director of GBL Verwaltung SARL, GBL Energy (Luxembourg)
- Member of the Strategic Committee of Université Libre de Bruxelles (Belgium)
- Honorary Regent of Banque Nationale de Belgique
- Honorary Chairman of the Chamber of Commerce and Industry of Charleroi (Belgium)
- Honorary Councillor for Overseas Commerce (Belgium)

Appointments and duties expiring in the course of the last five financial years

- Vice-Chairman of the Board of Directors of Suez, a listed company (France) (July 2008)
- Director of Gruppo Banca Leonardo (April 2009)
- Chairman of Fingen SA (April 2009)
- Permanent representative of Frère-Bourgeois SA, Director of GBL Finance (2009)
- Director of Raspail Investissements (December 2009)
- Member of the International Committee of Assicurazioni Generali SpA (May 2010)

Business address

GROUPE BRUXELLES LAMBERT
24 avenue Marnix
B-1000 BRUSSELS

Gérard WORMS

Number of company shares held: 200.

Biography and principal duties outside the Company

Gérard Worms graduated from the École Polytechnique in 1957 and the École Nationale Supérieure des Mines in 1960. An Ingénieur en chef des Mines and commander of the Legion of Honour, he joined the Rothschild Group in October 1995. After beginning his career as advisor to the Minister for Industry, Olivier Guichard, and later to the Prime Minister, Jacques Chaban-Delmas, he became CEO of the Hachette Group and later CEO of Rhône-Poulenc, with responsibility for finance and the pharmaceuticals business. He subsequently became CEO and then Chairman of the Compagnie de Suez and Chairman of the Banque Indosuez and Chairman of insurance group Victoire. He is Honorary Chairman of the Association Nationale de la Recherche Technique and of the Société d'Économie Politique. As well as being Vice-Chairman of Rothschild Europe, he is the current Chairman of the Steering Committee of COERexecode, one of France's leading economic forecasters, and Chairman of the French National Committee of the International Chamber of Commerce (ICC) since June 2006.

Appointments and duties

- Vice-Chairman of Rothschild Europe
- Member of the Supervisory Board of Publicis SA, a listed company (France) and Médias et Régies Europe SA (France)
- Censor of Degremont SA (France)
- Censor of SIACI - SAINT HONORE (France)

Appointments and duties expiring in the course of the last five financial years

- Chairman of the Board of Directors of SGIM SA
- Member of the Supervisory Board of SIACI SA (2007)
- Managing Partner of Rothschild & Cie Banque and Rothschild & Cie SCS
- Chairman of theme-based channel Histoire SA

- Director of Mercapital SA and Cofide SA (2007)
- Censor and member of the Supervisory Board of Francarep SA and Paris Orléans SA
- Director of Éditions Atlas SA

Business address

Rothschild & Cie
23 bis, avenue de Messine
75008 Paris

Guy de PANAFIEU

Number of company shares held: 100.

Biography and principal duties outside the Company

Guy de Panafieu is Senior Advisor of Crédit Agricole SA and Vice-Chairman of the Business and Industry Advisory Committee (BIAC) of the OECD. He was 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 Economics 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.

Appointments and duties

- Director of SANEF SA, Chairman of the Audit Committee, member of the Nomination and Remuneration Committee.
- Director of Médica SA, a listed company (France), Chairman of the Nomination and Remuneration Committee.

Appointments and duties expiring in the course of the last five financial years

- Member of the Supervisory Board of IDI
- Chairman of the Supervisory Board of Gras-Savoie SA

Business address

CA-CIB
9 quai du Président Paul Doumer
92920 Paris La Défense Cedex

Jean LAURENT

Number of company shares held: 110.

Biography and principal duties outside the Company

Jean Laurent is a civil aeronautical engineer (École Nationale Supérieure de l'Aéronautique in 1967) and holds a Master of Science degree from Wichita State University.

His entire career has been with the Crédit Agricole Group, with Caisse Régionale de Toulouse, Caisse Régionale du Loiret and then Caisse Régionale d'Ile-de-France, where he carried out and oversaw the various retail banking duties. He then joined Caisse Nationale du Crédit Agricole, first as Deputy CEO (1993-1999) and as CEO (1999-2005).

In this position, he was in charge of the successful IPO of the bank in 2001 and oversaw the merger between Crédit Agricole and Crédit Lyonnais.

Following his retirement, he currently serves as non-executive director for major corporations.

Jean Laurent is also a Knight of the Legion of Honour, Knight of *Mérite Agricole*, Knight of the *Ordre des Arts et Lettres*, and an Officer of the *Ordre National du Mérite*.

Appointments and duties

- Chairman of the Board of Directors of Foncière Des Régions SA, a listed company (France)
- Director of Beni Stabili SpA SIQ, a listed company (Italy)

- Director of DANONE SA, a listed company (France)
- Director of UNIGRAINS SA
- Director of Crédit Agricole Egypt SAE (Egypt)
- Vice-Chairman of the Supervisory Board of Eurazeo SA, a listed company (France)
- Chairman of the Board of Directors of Institut Europlace de Finance (Foundation)

Appointments and duties expiring in the course of the last five financial years

- Chairman of the Board of Directors of CALYON SA
- Chairman of the Supervisory Board of Foncière Des Régions SA, a listed company (France)
- Member of the Supervisory Board of Foncière des Murs SCA, a listed company (France)
- Member of the Supervisory Board of Foncière Europe Logistique SCA, a listed company (France)
- Vice-Chairman of Banco Espírito Santo SGPS-BES (Portugal)
- Chairman of Pôle de Compétitivité Finance Innovation (a professional organisation)

Business address

Foncière des Régions
30, avenue Kléber
75208 Paris Cedex 16

Rémy SAUTTER

Number of company shares held: 690.

Biography and principal duties outside the Company

Rémy Sautter has a law degree and is a graduate of the Paris Institut d'Études Politiques and of the École Nationale d'Administration (ENA). He began his career in the Caisse des Dépôts and Consignations (1971-1981) before being appointed technical advisor on Financial and Budgetary Matters in the Ministry of Defence (1981-1983).

He then worked as Finance Director of Agence Havas from 1983 to 1985 and Managing Director and CEO of RTL Radio until 1996. Rémy Sautter was CEO of CLT-UFA until 2000 and Chairman and CEO of RTL Radio until 2002, since December 2002 he has been Chairman of the Supervisory Board of Ediradio that operates RTL Radio.

Appointments and duties

- Chairman and CEO of Immobilière Bayard d'Antin SA (France)
- Chairman of the Supervisory Board of Ediradio RTL - SA (RTL/RTL2/FUN RADIO) (France)
- Director of SERC-Fun Radio SA (France)
- Director of RTL Belux SA (Luxembourg)
- Director of SASP Football Club des Girondins de Bordeaux
- Director of PagesJaunes SA (France)
- Director of Partner Reinsurance Ltd (France)
- Director of Technicolor SA (France)
- Censor of H.G.L gestion
- Director of TVI SA (Belgium)
- Permanent representative of CLT-UFA, director of SODERA SA (RTL2)
- Permanent representative of Ediradio, director of IP France SA
- Permanent representative of Bayard d'Antin, director of IP régions SA

Appointments and duties expiring in the course of the last five financial years

- Director of FIVE/Channel 5 Television Group Ltd (2010)
- Chairman and CEO of Ediradio SA
- Director of Wanadoo SA, IP France (2007), IP Régions (2007) and SODERA (2007)
- Chairman of Sicav "multimédia et technologies" (2006)
- Chairman of FIVE/Channel 5 Television Group Ltd (2009)
- Director of INSERT (2008) and NAVIMO (Duke Street Capital)(2009)
- Director of Taylor Nelson Sofres Ltd (2008)

Business address

RTL
22 rue Bayard
75008 PARIS

Gerhard ZEILER, who resigned on 27 March 2012

Number of company shares held: 100.

Biography and principal duties outside the Company

Gerhard Zeiler was appointed by Bertelsmann as CEO of RTL Television in November 1998 and continued in this capacity until March 2003, when he was appointed CEO of the RTL Group. In September 2005 he decided to concentrate exclusively on his work in the RTL Group. As CEO of the RTL Group, Gerhard Zeiler is also a member of the Supervisory Board of M6 France. Since October 2005 he has also been a member of the Executive Board of Bertelsmann AG, the main shareholder in RTL Group. In August 2006, the Board of Directors of RTL Group renewed Gerhard Zeiler's contract as CEO until May 2011. Gerhard Zeiler began his career as a journalist before becoming spokesman for the Austrian Minister for Education and the Arts, retaining this position when the Minister became Federal Chancellor of Austria in 1983. Then he became Secretary General of the Austrian public broadcaster ORF from 1986 to 1990. After two years as CEO of Tele 5 and another two as CEO of RTL 2, he was appointed CEO of ORF in 1994, where he remained until November 1998.

Appointments and duties

- Director and Deputy-CEO of RTL Group SA and CLT-UFA SA (Luxembourg)
- Chairman of the Supervisory Board of RTL Television GmbH (Germany) and RTL Radio Deutschland GmbH (Germany)
- Vice-Chairman of the Board of Directors of Alpha Satellite Television SA and Plus Productions SA (Greece)
- Permanent representative of CLT-UFA SA, Director of Ediradio SA (France)
- Member of the Executive Board of Bertelsmann AG (Germany)

Appointments and duties expiring in the course of the last five financial years

- Vice-Chairman of the Board of Directors of Alpha Radiofoniki SA, Alpha Radiofoniki Kronos SA and Cosmoradiotileoptiki SA (Greece)
- Chairman of the Board of Directors of M-RTL ZRT (Hungary)
- Member of the Supervisory Board of RTL Nederland Holding BV (Netherlands)

Business address

RTL Group
45, boulevard Pierre Frieden
L - 1543 Luxembourg

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 Deputy CEO: 9,154,477.

Biography and principal duties outside the Company

Gilles Samyn, a French and Belgian national, is a sales engineer graduate from École de Commerce de Solvay (Université Libre de Bruxelles, Belgium). He is currently the Deputy CEO of Groupe Frère and Compagnie Nationale à Portefeuille SA (CNP).

Appointments and duties

- CEO of Compagnie Nationale à Portefeuille SA (Belgium), Frère-Bourgeois SA (Belgium), Belholding Belgium SA (Belgium), Carpar SA (Belgium), Erbe SA (Belgium), Europart SA (Belgium), Fibelpar SA (Belgium), Financière de la Sambre SA (Belgium), Investor SA (Belgium), Société des Quatre Chemins SA (Belgium), Safimar SA (Belgium), Compagnie Immobilière de Roumont SA (Belgium) and SCP SA (Luxembourg)
- Chairman of Distripar SA (Belgium), Financière FLO SA (France), Finer (formerly Erbe Finance SA)

(Luxembourg), Groupe FLO SA (France), Groupe Jean Dupuis SA (Belgium), Helio Charleroi Finance SA (Belgium), Kermadec SA (Luxembourg), SolvayAlumni ASBL (Belgium), Swilux SA (Luxembourg) and Transcor Astra Group SA (Belgium)

- Chairman and Deputy CEO of Newcor SA (Belgium), Director of Affichage Holding SA (Switzerland), AOT Holding SA (Switzerland), Banca Leonardo SpA (Italy), Belgian Sky Shops SA (Belgium), Cheval des Andes (formerly. Opéra Vineyards SA)(Argentina), Filux SA (Luxembourg), Segelux SA (formerly Gesecalux SA)(Luxembourg), Grand Hôpital de Charleroi ASBL (Belgium), Groupe Bruxelles Lambert SA (Belgium), Société Civile du Château Cheval Blanc (France), Pargesa Holding SA (Switzerland), Stichting Administratiekantoor Frère-Bourgeois (Netherlands), TTR Energy SA (Belgium) and Transcor East Ltd (Switzerland)
- Representative of Société des Quatre Chemins SA, Director of Acide Carbonique Pur SA (Belgium)
- Commissaris of Agesca Nederland NV (Netherlands) and Parjointco NV (Netherlands)
- Member of the Investment Committee of Tikehau Capital Partners SAS (France)

Appointments and duties expiring in the course of the last five financial years

- Member of the Supervisory Board of Bertelsmann AG (2006)
- Chairman of Centre de Coordination de Charleroi SA (2010) and UNIFEM SAS (2011)
- Vice-Chairman of Compagnie Nationale à Portefeuille (2011)
- Deputy CEO of Fingen SA (2011)
- Director of Eiffage SA (2007), LYPARIS SA (2010), Mesa SA (2007), RTL Group SA (2006), Swifin SA (2008), The Polaris Centre ASBL (2006), Tikehau Capital Advisors SAS (2010), Entremont Alliance SAS (2011), and Société Générale d’Affichage SA (2011)
- Chairman and Deputy CEO of Manoir de Roumont SA (2009)
- Representative of Société des Quatre Chemins SA, Chairman of the Board of Directors of Finimpress SA (2009)
- Censor of Marco Polo Capital SA (2009)
- Commissaris of Frère-Bourgeois Holding BV (2009)
- Liquidator of Loverfin SA (2007)

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.

Appointments and duties

- Deputy CEO of RTL Belgium SA and Radio H,
- Deputy CEO of Cobelfra SA (Radio Contact) and JOKER FM SA (for CLT-UFA represented by P. Delusinne)
- Deputy CEO of CLT-UFA Belgian Broadcasting
- Chairman of the Board of Directors of IP Plurimedia SA,
- Chairman of New Contact SA (for CLT-UFA represented by P. Delusinne)
- Director of INADI SA, CLT-UFA SA, RTL Belux S.A, Home Shopping Service Belgium SA and BeWeb SA,
- Director of Association pour l’Autorégulation de la Déontologie Journalistique
- Chairman of Association des Télévisions Commerciales Européennes (A.C.T.) since June 2009.
- Member of the Conseil Supérieur de l’Audiovisuel (Belgium)
- Vice-Chairman of B.M.M.A. (Belgian Management & Marketing Association)
- Chairman of Théâtre Royal de La Monnaie

- Independent Director of CFE SA, FRONT SA

Appointments and duties expiring in the course of the last five financial years

- Director of Media Corner S.A, Contact SA and Carrefour Belgium SA
- Chairman of the Board of Directors of IP Belgium SA, TVI Services S.A., Ariane Music SA, Belga Films SA and Tournesol Conseils SA

Business address

RTL TVI
avenue Jacques Georgin, 2
1030 Brussels
Belgium

IMMOBILIERE BAYARD D'ANTIN

represented by Christopher BALDELLI until 2 May 2012

Number of company shares held by the company: 61,487,471.

Number of company shares held by its representative: 15,437.

On 23 March 2012, Immobilière Bayard d'Antin informed the Company of the replacement of its permanent representative by Catherine Lenoble with effect from 2 May 2012.

Biography and principal duties outside the Company of the individual representing the legal entity

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.).

Appointments and duties

- Chairman of the Board of Directors of EDIRADIO-RTL SA (France)
- Chairman of the Board of Directors of IP France SA, Société d'Exploitation Radio Chic "SERC" SA (France) and Société De Radio Diffusion "SODERA" SA (France)
- Chairman of RTL NET SAS (France)
- Director of CLT-UFA SA
- Permanent representative of Société Immobilière Bayard d'Antin S.A. in Médiamétrie
- Permanent representative of IP France to the Board of IP Régions SA
- Co-Manager of Information & Diffusion SARL, Société Commerciale de Promotion et Publicité SARL and RTL SPECIAL MARKETING SARL

Appointments and duties expiring in the course of the last five financial years

- CEO of France 2
- Director of France Télévision Publicité
- Chairman and CEO of France Télévision Image 1 (Sofica)
- Chairman of M6 Thématique SAS, Sedi-TV SAS, Studio 89 Productions SAS and W9 Productions SAS
- Chairman and CEO of Paris Première SA and TCM Gestion SA
- Chairman of the Board of Directors of TF6 Gestion SA and Extension TV SA
- CEO of Métropole Production SA
- Permanent representative of:
 - a. TCM Gestion SA in its capacity as Manager of TCM DA SNC
 - b. M6 Thématique SAS in its capacity as Managing Partner of Edi TV SNC and Fun TV SNC

- c. M6 Thématique SAS in its capacity as Chairman of Fun TV SAS, Paris Première SAS and M6 Communication SAS
- d. Edi-TV (SNC) and Paris Première (SAS) in their capacity as members of the Shareholders' Committee of Multi 4 SAS
- e. Paris Première SAS in its capacity as Chairman of M6 Numérique SAS
- f. Métropole Production SA in its capacity as Director of C. Productions SA
- g. M6 Films SA in its capacity as Director of Métropole Production SA

Business address

Immobilière Bayard d'Antin
22 bis rue Bayard
75008 Paris

Vincent de DORLODOT

Number of company shares held: 100.

Biography and principal duties outside the Company

Vincent de Dorlodot was appointed General Counsel of the 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 the RTL Group in 2000.

Appointments and duties

- General Counsel of RTL Group S.A
- Chairman of the Board of Directors of B & CE SA (Luxembourg)
- Director of Audiomédia Investments SA; CLT UFA SA, RTL Group Germany SA; RTL Group Central and Eastern Europe SA (Luxembourg) and RTL BELUX S.A. (Luxembourg)

Appointments and duties expiring in the course of the last five financial years

- Director of Sportfive SA (France); Alpha Radiofoniki Kronos SA; Alpha Satellite Télévision SA; Cosmoradiotileoptiki SA and Plus Productions SA (Greece) and Soparad Holding SA (Luxembourg)

Business address

RTL Group
45, boulevard Pierre Frieden
L - 1543 Luxembourg

Andrew BUCKHURST

Number of company shares held: 100.

Biography and principal duties outside the Company

Andrew Buckhurst, a British national, began his professional career in the UK with Ernst & Young as a Chartered Accountant. He subsequently joined AEA Technology as a Financial Analyst. In 1995, he was Treasury Controller for the ORIFLAME International Group in Belgium, prior to being appointed Regional Financial Controller in Athens. He joined RTL Group in August 2000 as Financial Controller. From 2003 to 2006, he headed the External Communication Department in addition to his duties as Investor Relations Officer. Andrew Buckhurst is Deputy CFO of RTL Group, in charge of investor relations.

Appointments and duties

- RTL Group Senior Vice-President Investor Relations (Luxembourg)
- Director of Bertelsmann Capital Investment SA (Luxembourg)
- Director of Bertelsmann Digital Média Investments SA
- Director of CLT-UFA UK Television Ltd (United Kingdom)
- Director of Duchy Digital S.A.
- Manager of Bertelsmann Investments Luxembourg Sàrl (Luxembourg)
- Manager of BMG RM Investments Luxembourg Sàrl (Luxembourg)

Appointments and duties expiring in the course of the last five financial years

- Member of the Supervisory Board of M- RTL zrt
- Director of Channel 5 Broadcasting Limited

Business address

RTL Group
45, 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 from the European Business School and with an MBA in Finance. He began his career in 1992 with the Félix Schoeller group. He became Deputy Chairman and Managing Director of Felix Schoeller Digital Imaging in the United Kingdom in 1999 and joined the Head Office of the RTL Group in 2000 as Deputy Chairman of mergers and acquisitions. In January 2003 he was named Senior Deputy Chairman of Investment and Control activities and fulfilled the role of Deputy Chairman of control and strategy from July 2003 to December 2005. As a member of RTL Group's Management team from January 2006, Elmar Heggen was in charge of the group's operational development in emerging markets in Southern, Central and Eastern Europe, for radio activity and for the Belgian market. Since 1 October 2006, Elmar Heggen is the Chief Financial Officer and Chairman of Corporate Center of RTL Group.

Appointments and duties

- Chief Financial Officer, Head of Corporate Center and Luxembourg Activities RTL Group SA
- Deputy CEO of RTL Group Central and Eastern Europe SA (Luxembourg)
- Chairman of the Board of Directors de Broadcasting Center Europe SA (Luxembourg); Média Assurances SA (Luxembourg); Audiomédia Investments SA (Belgium); FremantleMedia SA (Luxembourg), and Duchy Digital SA (Luxembourg)
- Chairman of the Supervisory Board of RTL Nederland Holding BV (Netherlands)
- Director of CLT UFA SA (Luxembourg); RTL Group Germany SA (Luxembourg); RTL 9 SA (Luxembourg); RTL Belgium SA (Belgium); INADI SA (Belgium); Immobilière Bayard d'Antin SA (France); Antena 3 de Television SA (Spain); Alpha Satellite Television SA and Plus Productions SA (Greece), RTL TV Doo (Serbia) and RTL Belux SA (Luxembourg)
- Member of the Supervisory Board of Ediradio SA (France) as representative of Immobilière Bayard d'Antin SA
- Permanent representative of Immobilière Bayard d'Antin, Director of IP France SA (France)
- Manager of RTL Radio Berlin GMBH (Germany); 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) and RTL Group Licensing Asia GmbH (Germany)
- Chairman of the Management Committee of Média Properties Sarl (Luxembourg)
- Director of Bertelsmann Capital Investment (S.A.), (Luxembourg)

Appointments and duties expiring in the course of the last five financial years

- Director of Sportfive SA (France), Média Capital SA (Portugal), M-RTL zrt (Hungary) and Radio H S.A. (Belgium); Alpha Radiofoniki SA, Alpha Radiofonoki Kronos SA and Cosmoradiotileoptiki SA (Greece), Media Holding Ren TV (Russia) and Content Union S.A.
- Manager of RTL Radiovermarktung GmbH & Co KG (Germany); S5 SARL (Luxembourg) and RTL Radio Deutschland GMBH (Germany)
- Chairman of the Supervisory Board of RTL Hrvatska Doo (Croatia)

Business address

RTL Group
45, boulevard Pierre Frieden
L - 1543 Luxembourg

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, 37 years old, started her career as a consultant for the McKinsey practice, before she joined the John Galiano company as Head of Development. She is currently Deputy CEO of Dior Couture.

Appointments and duties

- Director of LVMH Moët Hennessy – Louis Vuitton SA, a listed company (France)
- Member of the Supervisory Board of Les Echos SAS (France)
- Director of Société Civile Cheval Blanc (France)
- Director of Emilio Pucci Srl (Italy)
- Director of Emilio Pucci international B.V (Netherlands)
- Director of Loewe SA (Spain)
- Director of Celine (France)
- Director of the Sèvres – Cité de la Céramique public organisation

Appointments and duties expiring 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)

Business address

Christian Dior
11, rue François 1^{er}
75008 Paris

B. Member of the Supervisory Board co-opted since year-end:**Guillaume de POSCH**

Number of company shares held: 100

Biography and principal duties outside the Company

Guillaume de Posch, born 1958 in Brussels, has 18 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 CEO 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 Board 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 is also a member of RTL Group's Executive Committee.

Appointments and duties

- Director of FremantleMedia S.A. (Luxembourg)
- Director and Chairman of the Board of Directors of RTL Belgium S.A. (Belgium)
- Member of the Supervisory Board of RTL Nederland Holding BV (Netherlands)
- Permanent representative of CLT-UFA S.A.(Luxembourg) to the Board of Directors of Ediradio S.A. (France)

Appointments and duties expiring in the course of the last five financial years

- Member of the Board of Directors of ProSiebenSat.1 Media AG
- Manager of German Free TV Holding GmbH
- Manager of P7S1 Erste SBS Holding GmbH
- Manager of P7S1 Zweite SBS Holding GmbH
- Member of the supervisory Board of FilmFernsehFond Bayern GmbH

Business address

RTL Group
45, boulevard Pierre Frieden
L - 1543 Luxembourg

7.1.2. Operation of the Supervisory Board

The Supervisory Board exercises permanent control over the management of the Company and subsidiaries by the Executive Board and grants the latter the prior approval for transactions that it may not perform without such authorisation.

Throughout the year, the Supervisory Board performs whatever verifications and checks it considers appropriate and may call for any documents it requires to fulfil its tasks.

The arrangements for operation and the main topics discussed by the Supervisory Board in 2011 are reported in the Chairman's report, under section I.

7.1.3. 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 Appointment Committee
- The Audit Committee

The missions arrangements for operation of these committees and specified in the Chairman's Report, under sections 1.7 and 1.8.

7.1.3.1. Remuneration and Appointment Committee

The Remuneration and Appointment Committee, first set up in 2000, is made up of a minimum of two and a maximum of five members, which are selected from the members of the Supervisory Board other than the Chairman of the Board, of which half are selected from the independent members and their appointment lasts for the duration of their term of office as members of the Supervisory Board.

At 31 December 2011, the members of the Remuneration and Appointment Committee were the following:

Members of the Remuneration and Appointments Committee		Date of first appointment	Expiry date of appointment	Attendance rate 2011
Gérard Worms *	Chairman of the Committee	26 May 2000	2012	100%
Gerhard Zeller	Member	30 April 2003	2012	100%
Gilles Samyn *	Member	10 March 2009	2015	100%

** Independent member*

7.1.3.2. Audit Committee

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 (2) among independent members, for the duration of their appointment as members of the Supervisory Board.

Its members were the following:

Members of the Audit Committee		Date of first appointment	Expiry date of appointment	Attendance rate 2011
Guy de Panafieu *	Chairman of the Committee	18 February 2004	2012	100%
Remy Sautter	Member	26 May 2000	2012	100%
Elmar Heggen	Member	22 November 2006	2012	50%
Jean Laurent *	Member	06 May 2008	2012	75%

* Independent member

7.2. Executive Board

7.2.1. Membership of the Executive Board

The Executive Board is appointed for a period of five years.

Since 22 November 2006, it has had four members, all natural persons, aged less than 70 years, designated by the Supervisory Board and compensated by Métropole Télévision Group.

Members of the Executive Board	Nationality	Age	Principal function	Date of first appointment	Date of renewal/exit	Date term expires
Nicolas de Tavernost	French	61	Chairman of the Executive Board	26/05/2000	25/03/2010	25/03/2015
Thomas Valentin	French	57	Vice-Chairman of the Executive Board with responsibility for Programmes and Content	26/05/2000	25/03/2010	25/03/2015
Catherine Lenoble	French	62	Member of the Executive Board with responsibility for Advertising	28/01/2001	31/03/2012	
Robin Leproux	French	53	Vice-Chairman of the Executive Board with responsibility for Sales and Business Development	31/03/2012 *		25/03/2015
Jérôme Lefébure	French	49	Member of the Executive Board with responsibility for Management Operations	25/03/2010		25/03/2015

* Robin Leproux was Vice-Chairman of the Executive Board of M6 Group from 26 May 2000 to 2 January 2001

Current members of the Executive Board:

Nicolas de TAVERNOST

Chairman of the Executive Board

Appointments and duties

- *Outside the M6 Group*
 - Member of the Supervisory Board of Ediradio SA (RTL/RTL2/FUN RADIO) (France)
 - Director of Nexans SA, a listed company (France)
 - Director of GL Events SA, a listed company (France)
 - Director of Antena 3, a listed company (Spain)
- *Within the M6 Group*
 - Director of Extension TV SA and TF6 Gestion SA
 - Permanent representative of:
 - a. M6 Publicité in its capacity as Director of Home Shopping Service SA

- b. Home Shopping Services in its capacity as Director of Télévente Promotion SA
- c. Métropole Télévision in its capacity as Director of SASP Football Club des Girondins de Bordeaux, Mistergooddeal SA, Société Nouvelle de Distribution SA and Paris Première SAS
- d. Métropole Télévision in its capacity as Chairman of: M6 Publicité SAS, Immobilière M6 SAS, M6 Toulouse SAS, M6 Bordeaux SAS, M6 Interactions SAS, M6 Web SAS and M6 Foot SAS
- e. Métropole Télévision in its capacity as Member of the Shareholders' Committee of Multi4 SAS
- f. Métropole Télévision in its capacity as Managing Partner of SCI du 107, av. Charles de Gaulle
- Member and Director of Association Football Club des Girondins de Bordeaux
- Chairman of M6 Group's Corporate foundation

Appointments and duties expiring in the course of the last five financial years

- *Outside the M6 Group*
 - Director of Business Interactif and Hôtel Saint-Dominique (in his personal capacity)
- *Within the M6 Group*
 - Director of Société Nouvelle de Distribution SA
 - Permanent representative of:
 - a. Métropole Télévision in its capacity as Chairman of M6 Affaires SAS, and M6 Numérique SAS
 - b. M6 Thématique in its capacity as Chairman of M6 Numérique SAS
 - c. M6 Interactions in its capacity as Chairman of M6 Développement SAS
 - d. Métropole Télévision in its capacity as Director of Paris Première SA

Thomas VALENTIN

Vice-Chairman of the Executive Board in charge of Programming and Content

Appointments and duties

- *Outside the M6 Group*
 - Nil
- *Within the M6 Group*
 - Chairman of the Board of Directors of M6 Films SA and Métropole Production SA
 - Chairman of M6 Studio SAS, Sedi-Tv SAS, M6 Communication SAS
 - Director of C. Productions SA, Extension TV SA and TF6 Gestion SA
 - Permanent representative of:
 - a. Métropole Production in its capacity as Director of M6 Diffusion SA and Société Nouvelle de Distribution SA
 - b. M6 Films in its capacity as Director of Home Shopping Service SA
 - Member and Vice-Chairman of Association Football Club des Girondins de Bordeaux

Appointments and duties expiring in the course of the last five financial years

- *Outside the M6 Group*
 - Director of Channel 5 Broadcasting Limited (UK)
- *Within the M6 Group*
 - Chairman of Mandarin SAS and M6 Thématique SAS
 - Chairman of C.Productions SA
 - Director of Société Nouvelle de Distribution SA,
 - Permanent representative of:
 - a. M6 Thématique in its capacity as Chairman of Paris Première SAS, M6 Communication SAS, FUN TV SAS and Sedi Tv SAS
 - b. M6 Thématique in its capacity as Manager of Edi Tv SNC
 - c. M6 Films in its capacity as Director of Paris Première SA and Paris Première SAS
 - d. Edi Tv and Paris Première SAS in their capacity as members of the Shareholders' Committee of Multi 4 SAS

Jérôme LEFEBURE

Member of the Executive Board in charge of Management

Appointments and duties

- *Outside the M6 Group*

Nil

• *Within the M6 Group*

- Chairman of Immobilière 46D SAS, M6 Divertissements SAS, M6 Récréative SAS, M6 Thématique SAS, M6 Génération SAS and M6 Développement SAS
- Chairman and CEO of M6 Diffusion SA
- Permanent representative of:
 - a. Métropole Télévision in its capacity of Director of SNDA SAS and M6 Shop SAS
 - b. Métropole Télévision in its capacity of Director of M6 Éditions SA
 - c. M6 Interactions in its capacity of Director of M6 Événements SA, Home Shopping Service SA, Société Nouvelle de Distribution SA and Mistergooddeal SA
 - d. M6 Diffusion in its capacity of Director of Télévente Promotion SA and C. Productions SA
 - e. M6 Thématique in its capacity of Manager of Edi-Tv SAS
 - f. Director of M6 Group's Corporate foundation

Appointments and duties expiring in the course of the last five financial years

• *Outside the M6 Group*

Nil

• *Within the M6 Group*

Chairman of M6 Créations SAS

- Permanent representative of:
 - a. Métropole Télévision in its capacity of Director of Métropolest SA
 - b. M6 Web in its capacity of Director of PagesJaunes Petites Annonces SA
 - c. M6 Thématique in its capacity of Manager of EDI-TV SNC

Member of the Executive Board whose term of office expires on 31 March 2012:

Catherine LENOBLE

Member of the Executive Board in charge of Advertising

Appointments and duties

• *Outside the M6 Group*

- Member of the Supervisory Board of Hexamedics SAS

• *Within the M6 Group*

- Chairman of M6 Créations SAS
- Permanent representative of M6 Publicité in its capacity of Director of M6 Diffusion SA, M6 Éditions SA, M6 Événements SA and Mistergooddeal SA

Appointments and duties expiring in the course of the last five financial years

• *Outside the M6 Group*

Nil

• *Within the M6 Group*

- Permanent representative of M6 Publicité in its capacity of Director of Paris Première SAS

Catherine Lenoble announced her decision to retire on 31 March 2012. On 14 February 2012, at Nicolas de Tavernost's suggestion the Supervisory Board appointed Robin Leproux as Vice-Chairman of the Executive Board in charge of Sales and Business Development, with effect from the date of Catherine Lenoble's effective departure and for the remainder of her term of office, i.e. until 25 March 2015.

Member of the Executive Board from 31 March 2012:

Robin LEPROUX

Vice-Chairman of the Executive Board in charge of Sales and Development activities

Appointments and duties

• *Outside the M6 Group*

- Chairman of PGM Media SAS

• *Within the M6 Group*

Nil

Appointments and duties expiring in the course of the last five financial years

- *Outside the M6 Group*
 - Chairman of Springer France
 - Chairman of the Executive Board of Paris Saint-Germain (PSG)
- *Within the M6 Group*
 - Nil

7.2.2. 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. Investments and divestments over €20 million not provided for in the budget, however, require the prior approval of the Supervisory Board.

The Executive Board meets as often as required in the interests of the company and usually once a week. In 2011, the Executive Board met 28 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 examines and collectively takes decisions on investment projects submitted to it by operating teams.

The Executive Board also approves half-year and annual financial statements which are subsequently presented for approval to the Supervisory Board. Lastly, the Executive Board decides on the Group's financial communication.

In addition, the Executive Board directs the Group's senior executive managers by calling regular meetings of:

- the Executive Committee, comprising the main operational and functional managers, which is in charge of implementing the Executive Board's major operational and strategic decisions;
- the Management Committee, comprising the main managers responsible for activities and functional services, which inform the Group on business management.

In 2011, The Executive Committee met 17 times and the Management Committee met 14 times. Detailed minutes of each meeting were kept and handed out to each member.

7.3. Executive Board members' remuneration and fringe benefits

In application of Article L. 225-102-1, paragraphs 1 and 2 of the Commercial Code, the total remuneration received by the Group's Board members, including fringe benefits was as follows, it being noted that this chapter was prepared with the assistance of the Remuneration Committee.

7.3.1. Executive Board member' remuneration and fringe benefits

7.3.1.1. Policy to determine the fixed and variable remuneration of the members of the Executive Board

The remuneration policy for the remuneration of members of the Executive Board is described in section 2.2 of the Report of the Chairman of the Supervisory Board.

7.3.1.2. Summary of remuneration:**Nicolas de Tavernost (Chairman of the Executive Board)**

	2010		2011	
	Amounts paid (€) (2)	Amounts due (€)	Amounts paid (€) (2)	Amounts due (€)
Fixed remuneration	925,008	925,008	925,008	925,008
Variable remuneration (2)	791,644	932,900	932,900	687,763
Exceptional remuneration	1,125,000			
Directors' fees				
<i>Sub-total paid</i>	<i>2,841,652</i>	<i>1,857,908</i>	<i>1,857,908</i>	<i>1,612,771</i>
Benefits in kind (1)	7,311	7,311	7,311	7,311
TOTAL	2,848,963	1,865,219	1,865,219	1,620,082

(1): company car provided

(2): variable remuneration due in respect of a year is paid the following year

The variable remuneration comprises two elements:

- additional remuneration based on the level of achievement of consolidated EBITA objectives of the Group, as defined by the Supervisory Board.

- remuneration as member of the Executive Board, as determined by the Supervisory Board as a function of audience criteria calculated for all channels held by the M6 Group

The expected level of quantitative criteria for additional remuneration is not disclosed on the grounds of confidentiality.

The Supervisory Board approved the payment of exceptional remuneration for the benefit of Nicolas de Tavernost, given his involvement in the effective disposal of the shares in Canal+ France, originating from the merger of TPS and CanalSat negotiated in December 2005. This disposal led to the collection of €384.2 million and generated a net capital gain of €303 million recognised between 2006 and 2009.

Thomas Valentin (Vice-Chairman of the Executive Board)

	2010		2011	
	Amounts paid (€) (2)	Amounts due (€)	Amounts paid (€) (2)	Amounts due (€)
Fixed remuneration	495,001	495,001	495,001	495,001
Variable remuneration (2)	483,782	540,100	540,100	443,725
Exceptional remuneration	200,000			
Directors' fees				
<i>Sub-total paid</i>	<i>1,178,783</i>	<i>1,035,101</i>	<i>1,035,101</i>	<i>938,726</i>
Benefits in kind (1)	6,064	6,064	6,573	6,573
TOTAL	1,184,847	1,041,165	1,041,674	945,299

(1): company car provided

(2): variable remuneration due in respect of a year is paid the following year

The variable remuneration comprises two elements:

- additional remuneration, of which 70% is based on the level of achievement of consolidated EBITA objectives of the Group, as defined by the Supervisory Board.

- remuneration as member of the Executive Board, as determined by the Supervisory Board and 30% as a function of audience criteria calculated for all channels held by the M6 Group

The expected level of quantitative criteria for additional remuneration is not disclosed on the grounds of confidentiality.

The Supervisory Board approved the payment of exceptional remuneration for the benefit of Thomas Valentin, given his involvement in the effective disposal of the shares in Canal+ France, originating from the merger of TPS and CanalSat negotiated in December 2005. This disposal led to the collection of €384.2 million and generated a net capital gain of €303 million recognised between 2006 and 2009.

Catherine Lenoble (member of the Executive Board)

	2010		2011	
	Amounts paid (€) (2)	Amounts due (€)	Amounts paid (€) (2)	Amounts due (€)
Fixed remuneration	320,008	320,008	320,008	320,008
Variable remuneration (2)	123,500	186,580	186,580	106,875
Exceptional remuneration				
Directors' fees				
<i>Sub-total paid</i>	<i>443,508</i>	<i>506,588</i>	<i>506,588</i>	<i>426,883</i>
Benefits in kind (1)	3,534	3,534	3,534	3,534
TOTAL	447,042	510,122	510,122	430,417

(1): company car provided

(2): variable remuneration due in respect of a year is paid the following year

The variable remuneration comprises two elements:

- additional remuneration based on the level of achievement of M6 Publicité's annual advertising revenue objectives

- remuneration as member of the Executive Board, as determined by the Supervisory Board, as a function of audience criteria calculated for all channels held by the M6 Group

The expected level of quantitative criteria for additional remuneration is not disclosed on the grounds of confidentiality.

Jérôme Lefébure (member of the Executive Board)

	2010		2011	
	Amounts paid (€) (2)	Amounts due (€)	Amounts paid (€) (2)	Amounts due (€)
Fixed remuneration	265,005	265,005	265,005	265,005
Variable remuneration (2)	99,361	168,904	168,904	124,521
Exceptional remuneration	130,000			
Directors' fees				
<i>Sub-total paid</i>	<i>494,366</i>	<i>433,909</i>	<i>433,909</i>	<i>389,526</i>
Benefits in kind (1)	4,600	4,600	4,414	4,414
TOTAL	498,966	438,509	438,323	393,940

(1): company car provided

(2): variable remuneration due in respect of a year is paid the following year

The variable remuneration comprises two elements:

- additional remuneration based on the level of achievement of consolidated EBITA objectives of the Group, as defined by the Supervisory Board.

- remuneration as member of the Executive Board, as determined by the Supervisory Board and 30% as a function of audience criteria calculated for all channels held by the M6 Group

The expected level of quantitative criteria for additional remuneration is not disclosed on the grounds of confidentiality.

The Supervisory Board approved the payment of exceptional remuneration for the benefit of Jérôme Lefébure, given his involvement in the effective disposal of the shares in Canal+ France, originating from the merger of TPS and CanalSat negotiated in December 2005. This disposal led to the collection of €384.2 million and generated a net capital gain of €303 million recognised between 2006 and 2009.

7.3.1.3. Benefits subsequent to term of office

All members of the Executive Board cumulate an employment contract with a term of office as Director, noting that the employment contract of the Chairman of the Executive Board has been suspended since 6 December 1990. The Supervisory Board decided on 10 March 2009 to maintain the suspension of the employment contract of Nicolas de Tavernost until the expiry of his term of office as Chairman of the Executive Board.

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 July 2007, the members of the Executive Board benefit, as do all senior executives of the Group, from a supplementary and compulsory pension scheme of defined contribution that enables the establishment of an individual retirement account to finance the payment of a life-time annuity.

Employer contributions recognised by the Company during the 2011 financial year in respect of retirement commitments were as follows:

<u>Name</u>	<u>Amount paid</u>
Nicolas de Tavernost	€ 14,130
Thomas Valentin	€ 14,130
Catherine Lenoble	€ 14,130
Jérôme Lefébure	€ 13,113

It should be noted that every member of the Executive Board and employees concerned by this regime pay an annual contribution, which is supplemented by an employer contribution.

Lastly, it should be noted that the members of the Executive Board other than Nicolas de Tavernost are subject to a non-competition clause in their employment contracts.

7.3.1.4. Compensation for breach of contract

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 breach at the initiative of the Company, for any motive excluding misconduct or serious offence.

Pursuant to the new recommendations published by the AFEP and the MEDEF on 6 October 2008, included in the AFEP/MEDEF consolidated corporate governance Code of December 2008, the Supervisory Board approved the proposal of the Remuneration Committee aimed at harmonising the compensation for breach of contract for the members of the Executive Board by stating **(A)** the basis and **(B)** the event of payment of this compensation **(C)**, whose payment remains subject to the performance condition introduced by the Supervisory Board on 3 March 2008.

The revisions to the compensation terms of Catherine Lenoble, Thomas Valentin and Jérôme Lefébure, presented below, were formalised by the signing of an addendum to their respective employment contracts and duly authorised by the Supervisory Board.

(A) Basis of compensation for breach of contract

Compensation for breach of contract for members of the Executive Board is now equal to the difference between (i) twenty four (24) months of gross monthly remuneration calculated on the basis of the total gross remuneration, both fixed and variable portions, received over the twelve (12) months preceding the termination of the term of office as Chairman of the Executive Board of Nicolas de Tavernost or the termination of the employment contract of Catherine Lenoble, Thomas Valentin and Jérôme Lefébure, and (ii) the cumulative amount (x) of the legal and contractual compensation possibly due in respect of breach of employment contract of the beneficiary, and the amount (y) of the compensation due, where appropriate, in respect of the non-competition commitment.

It is specified, for the purposes of the calculation of this amount, that the remuneration as a member of the Executive Board is excluded from the basis of the calculation of compensation for Catherine Lenoble, Thomas Valentin and Jérôme Lefébure to the extent that the contractual compensation for breach of contract from which they benefit is part of their employment contract.

(B) Event of payment of compensation for breach of contract

The event of compensation for breach contract benefiting member of the Executive Board is now limited to Nicolas de Tavernost, in the event of the termination of his term of office as Chairman of the Executive Board other than by way of resignation or breakdown in relationship, and for the other members of the

Executive Board, in the event of breach of their employment contract other than dismissal for misconduct or serious offence, to resignation or breakdown in relationship.

(C) Maintained performance conditions

It is specified that the payment of compensation for breach of contract thus redefined by the Supervisory Board remains subject pursuant to Article L. 225-90-1 of the Commercial Code, to the achievement of the following performance condition, introduced by the Supervisory Board on 3 March 2008:

Profit from recurring operations (EBITA) of Métropole Télévision Group for the 36 months prior to the termination of contract shall be at least equal to 80% of the budgeted objective, as approved by the Supervisory Board. The amount of severance pay shall then be calculated in proportion (between 80% and 100% of its reference amount) of the percentage of profit from recurring operations (EBITA) achieved compared to the budgeted objective. No severance pay shall be paid when profit from recurring operations (EBITA) for the past 36 months prior to the termination of contract 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.

After Catherine Lenoble, Member of the Executive Board in charge of Advertising, announced her decision to retire on 31 March 2012, at Nicolas de Tavernost's suggestion the Supervisory Board appointed Robin Leproux as Vice-Chairman of the Executive Board in charge of Sales and Business Development on 14 February 2012. Robin Leproux's appointment will take effect from the date of Catherine Lenoble's effective departure and will continue for the remainder of her term of office, i.e. until 25 March 2015. The termination of her term of office did not give rise to the payment of the above-mentioned compensation for breach of contract.

Robin Leproux benefits from the above-mentioned mechanism, it being specified that the entitlement to compensation is acquired gradually over the first twenty four months of employment and may not subsequently exceed this amount.

7.3.2. Allocation of options to subscribe or purchase shares and allocation of free shares to members of the Executive Board

7.3.2.1. Allocation policy

As part of the consideration by the Supervisory Board on 10 March 2009 of the Company's policy regarding the allocation of options to subscribe or to purchase shares, and regarding the allocation of free shares for the benefit of Board members and the new recommendations of the AFEP/MEDEF on the subject, the Supervisory Board decided to introduce a certain 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.

(A) Allocation ceilings

The allocation of options to subscribe or to purchase shares and the allocation of free shares for the benefit of members of the Executive Board shall now be subject to the following collective and individual ceilings:

- Collective ceilings

The total amount, determined under IFRS 2, of options to subscribe or to purchase shares allocated to all 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;

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 of authorised by the Extraordinary General Meeting;

- Individual ceilings

The cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares allocated to Nicolas de Tavernost during a given year may not exceed 150% of

his gross remuneration, fixed and variable, due in respect of the year preceding the year of allocation;

The cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares allocated to Thomas Valentin, Catherine Lenoble or Jérôme Lefébure during a given year may not exceed 100% of their gross remuneration, fixed and variable, due in respect of the year preceding the year of allocation.

(B) Performance conditions

The new allocation of options to subscribe or to purchase shares, as well as the new allocation of free shares for the benefit of members of the Executive Board is now subject to the following performance conditions:

- an internal performance condition identical to that applied to all beneficiaries of each allocation plan, and set in 2007, 2008, 2009 2010 and 2011 compared to an objective of earnings per share;
- an external performance condition based on the gross consolidated advertising market share (free-to-air, DTT, Cable & Satellite) achieved by the M6 Métropole Télévision Group: this share must be higher than 20% in the two previous years preceding the date of exercise of the option or the date of final vesting of free shares allocated.

(C) Additional investment condition for the allocation of free shares

The final vesting of shares allocated free to members of the Executive Board is now subject to prior acquisition on the market by the beneficiary concerned, of an additional number of shares of the Company representing 10% of the number of shares finally allocated for free.

(D) Retention commitment

Pursuant to the meeting of the Supervisory Board of 3 March 2008, the members of the Executive Board are required to retain without conditions 20% of the shares arising from the exercise of options to subscribe or to purchase shares, as well as shares allocated for free. It is noted, also, that this retention rule also applies to the shares acquired on the market by members of the Executive Board in compliance with the additional investment condition of 10%.

(E) Long-term incentive plan (LTIP)

At its last meeting held on 26 July 2011, the Supervisory Board of the Company authorised the implementation of a long-term incentive plan for the benefit of 25 senior executives, some of whom are members of the Executive Board. This plan will be subject to the achievement of cumulative performance targets for the years 2011 to 2013, based on value creation and their continued presence within the Group at 30 April 2014. These members of the Executive Board may be granted a maximum of 120,500 free shares out of the 500,000 shares reserved for all 25 beneficiaries, subject to a further retention period of two years of additional presence within the Group for delivery of the shares in April 2016.

(F) Other provisions applicable to members of the Executive Committee in the area of options and free shares

It is noted that no discount is applied by the Company at the time of allocation of options to subscribe or purchase shares.

In addition, the members of the Executive Board may not enter into a hedging transaction for their risk where they benefit from the allocation of options to subscribe or to purchase shares and of free shares.

Also, the Supervisory Board decided to forbid the exercise of options to subscribe or to purchase shares by members of the Executive Board during the following periods:

- For 2011:
 - from 15 January to 17 February 2011
 - from 13 April to 6 May 2011
 - from 26 June to 28 July 2011
 - from 18 October to 10 November 2011.
- For 2012:
 - from 14 January to 16 February 2012
 - from 12 April to 5 May 2012

- from 24 June to 26 July 2012
- from 16 October to 8 November 2012.

7.3.2.2. Options allocated to members of the Executive Board during 2011

During the financial year, no option was allocated to any Executive Board member.

Options to subscribe or to purchase shares allocated to members of the Executive Board during 2011:

Name	N° and date of plan	Nature of options	IFRS 2 value of options (1)	Number of options allocated in 2011	Exercise price	Period of exercise
Nicolas de Tavernost	n°: - date: -	Subscription	-	-	-	-
Thomas Valentin	n°: - date: -	Subscription	-	-	-	-
Jérôme Lefébure	n°: - date: -	Subscription	-	-	-	-
Catherine Lenoble	n°: - date: -	Subscription	-	-	-	-
TOTAL						

7.3.2.3. Options exercised by members of the Executive Board during 2011

During the year, no Board member exercised options previously allocated.

Options to subscribe or to purchase shares by members of the Executive Board during 2011:

Name	N° and date of plan	Number of options exercised in 2011	Exercise price
Nicolas de Tavernost	n°: - date: -	-	-
Thomas Valentin	n°: - date: -	-	-
Jérôme Lefébure	n°: - date: -	-	-
Catherine Lenoble	n°: - date: -	-	-
TOTAL		-	-

7.3.2.4. Free share allocation plan

(A) Free shares allocated to members of the Executive Board during 2011

In accordance with the authorisation granted by the Combined General Meeting of 4 May 2011 in its 11th resolution, the Executive Board decided on 25 July 2011 to grant free shares following the approval by the Supervisory Board on the 26 July 2011.

This allocation plan relates to 342,700 shares (base 100), granted to 189 beneficiaries under the conditions of being members of staff on 26 July 2013.

In this respect, members of the Executive Board benefited from the following allocation of free shares, after approval by the Supervisory Board and upon the proposal of the Remuneration Committee:

Free shares allocated to members of the Executive Board in 2011:

Name	N° and date of plan	Number of shares granted during 2011	IFRS 2 value of shares (1)	Date of final allocation	Performance conditions	Date of availability
Nicolas de Tavernost	n°: AAAG10260711 Date: Board of 26 July 2011	10,000	13.79	26 July 2013	Achievement by the Group of consolidated net profit to 31 December 2011 at least equal to €114.1 million	27 July 2015
Thomas Valentin	n°: AAAG10260711 Date: Board of 26 July 2011	6,500	13.79	26 July 2013		27 July 2015
Jérôme Lefébure	n°: AAAG10260711 Date: Board of 26 July 2011	5,500	13.79	26 July 2013		27 July 2015
Catherine Lenoble	n°: AAAG10260711 Date: Board of 26 July 2011	10,000	13.79	26 July 2013		27 July 2015
TOTAL		32,000				

(1) This corresponds to the value of options and financial instruments at the time of their allocation as provided for by IFRS 2.

(2) Due to her retirement, Catherine Lenoble forfeited her entitlements to free shares

The above states benchmark data corresponding to the specified target being achieved.

On the basis of the financial statements approved on 10 February 2012 by the Executive Board and on the basis of the net profit achieved for 2011, the number finally allocated in 2011 should be limited to 32,000 shares for the entire Executive Board.

The Supervisory Board also approved the additional performance condition set for the Executive Board, which requires that the Group's share of gross advertising revenues be in excess of 20% in the previous financial year (2010) and in the financial year of the plan (2011).

B) Free shares allocated definitively to members of the Executive Board during 2011

Name	N° and date of plan	Number of shares allocated finally in 2011	Acquisition conditions
Nicolas de Tavernost	n°: AAAG08280709 Date: Board of 28 July 2009	12,650	-
Thomas Valentin	n°: AAAG08280709 Date: Board of 28 July 2009	8,280	-
Jérôme Lefébure	n°: AAAG08280709 Date: Board of 28 July 2009	6,900	-
Catherine Lenoble	n°: AAAG08280709 Date: Board of 28 July 2009	6,900	-
TOTAL		34,730	

The free share plan of 28 July 2009 had been granted subject to achievement of a profitability target, expressed based on a net earnings per share indicator. Since the target was slightly exceeded, and in accordance with plan provisions, the number of shares allocated was 15% more than the reserved number, being the maximum number authorised.

The shares were therefore delivered on 28 July 2011, the 2009-2010 performance condition having been validated by the Supervisory Board in February 2011.

7.3.3. Analysis of remuneration of members of the Executive Board

7.3.3.1. Nature of factors comprising the remuneration of members of the Executive Board

	Employment contract		Supplementary retirement plan		Compensation or benefits due or likely to be due with the cessation or change of duties		Compensation in respect of a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Nicolas de Tavernost Chairman of the Executive Board Date appointed: 26/05/2000 Expiry date of appointment: 25/03/2015	☒ ¹		☒ ²		☒ ³			☒
Thomas Valentin Vice-Chairman of the Executive Board Date appointed: 26/05/2000 Expiry date of appointment: 25/03/2015	☒		☒ ²		☒ ³		☒ ⁴	
Jérôme Lefébure Member of the Executive Board Date appointed: 25/03/2010 Expiry date of appointment: 25/03/2015	☒		☒ ²		☒ ³		☒ ⁴	
Catherine Lenoble Member of the Executive Board Date appointed: 28/01/2001 Expiry date of appointment: 25/03/2015	☒		☒ ²		☒ ³		☒ ⁴	

1 See 9.3.1.3. Employment contract suspended since 6 December 1990.

2 Since July 2007, members of the Executive Board benefit, as do all senior executives of the Group, from a supplementary and compulsory pension scheme of defined contribution that enables the establishment of an individual retirement account to finance the payment of a life annuity.

3 See 9.3.1.

4 Thomas Valentin agreed to, in respect of his employment contract, a non-competition commitment of 3 months for compensation of 1.5 months fixed remuneration.

Jérôme Lefébure agreed to, in respect of his employment contract, a non-competition commitment of 3 months for compensation of 1.5 months fixed remuneration.

Catherine Lenoble agreed to, in respect of her employment contract, a non-competition commitment of 6 months for compensation of 3 months fixed remuneration.

7.3.3.2. Valuation of remuneration elements of members of the Executive Board (in €)

Nicolas de TAVERNOST	2010	2011
Remuneration due in respect of the year	1,865,219	1,620,082
Value of options allocated during the year	0	0
Value of performance-based shares allocated during the year (*)	548,350	137,900
TOTAL	2,413,569	1,757,982

Thomas VALENTIN	2010	2011
Remuneration due in respect of the year	1,041,165	945,299
Value of options allocated during the year	0	0
Value of performance-based shares allocated during the year (*)	113,688	89,635
TOTAL	1,154,853	1,034,934

Catherine LENOBLE	2010	2011
Remuneration due in respect of the year	510,122	430,417
Value of options allocated during the year	0	0
Value of performance-based shares allocated during the year (*)	94,740	137,900
TOTAL	604,862	568,317

Jérôme LEFEBURE	2010	2011
Remuneration due in respect of the year	438,509	393,940
Value of options allocated during the year	0	0
Value of performance-based shares allocated during the year (*)	94,740	75,845
TOTAL	533,249	469,785

(*) based on the benchmark number of free shares allocated.

7.3.4. Supervisory Board attendance fees

Pursuant to the decision of the Combined General Meeting of 4 May 2010, which had given its opinion on the amount of attendance fees to be distributed among Board members, attendance fees during 2011 were allocated depending on time dedicated to the position and taking account of their participation as Chairman of the Board, Chairman or Committee members, Member of the Board and their individual attendance to Board and Committee meetings, as recommended by the AFEP-MEDEF corporate governance code.

In 2011, attendance fees were allocated as follows:

Theoretical individual allocation of fees	Scale	Number of persons concerned	Total
Chairman of the Supervisory Board	€18,000	1	€18,000
Chairmen of Committees	€12,375	2	€24,750
Members of Committees	€10,350	5	€51,750
Other members of the Board	€8,100	5	€40,500
Fixed part			€135,000
Variable part of total amount to be allocated			€45,000
Total			€180,000

Given the attendance rate of Board members and their effective terms of office, attendance fees of €174,757.50 were apportioned for 2011. Their individual allocation is set out in the following table:

Members of the Supervisory Board	Attendance fees paid in 2010	Attendance fees paid in 2011
Albert FRERE	€21,600 *	€20,400 *
Gérard WORMS	€15,075	€16,500
Guy de PANAFIEU	€14,535	€16,500
Gerhard ZEILER	€12,510 *	€13,800 *
Remy SAUTTER	€12,488	€13,800
Gilles SAMYN	€13,050 *	€13,800 *
Jean LAURENT	€12,488	€13,612
Elmar HEGGEN	€10,283 *	€12,345 *
Delphine ARNAULT	€10,260	€10,800
Philippe DELUSINNE	€10,260 *	€10,800 *
Vincent de DORLODOT	€10,800 *	€10,800 *
Andrew BUCKHURST	€10,800 *	€10,800 *
Christopher BALDELLI representing Immobilière Bayard d'Antin	€10,200	€10,800
	€164,348	€174,757

* including 25% retained at source

Members of the Supervisory Board do not receive any other form of remuneration from the Company.

7.4. Supplementary information on the membership 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, and no company of which any member of the Executive Board or Supervisory Board is an agent, general partner or founder, or in which any such member is in any way involved with administration, management or supervision, has been found guilty of fraud, or been subjected to proceedings for bankruptcy, sequestration and/or liquidation, or found guilty of any offence and/or subjected to any public official sanction by any statutory or regulatory authority (including the relevant professional associations), 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 potential conflict of interest (as regards the issuer) between the duties of any member of the Executive Board or the Supervisory Board and their own private interests and other duties;
- no arrangement or agreement concluded between any member of the Executive Board or of the Supervisory Board and any of the major shareholders, clients or suppliers;
- no service contract between any member of the Executive Board or Supervisory Board of Métropole Télévision and any of its subsidiaries.

In relation to the restrictions in trading in Company securities implemented by the members of the Executive Board and the Supervisory Board, the Supervisory Board has decided, on the recommendation of the Remuneration Committee, to implement the following rules:

- a minimum holding of 100 shares by each member of the Supervisory Board during their term of office;
- a ban on trading in the Company's shares during periods to be defined annually by the Executive Board to prevent insider trading (no-trade periods are listed in section 7.3.2.1 of this document).

Rules applicable to transactions performed on financial instruments by Board members:

The rules governing transactions on financial instruments by Board members are detailed in the Company's Ethics Charter.

These rules state that by reason of the nature of their position and their duties, the Board members of M6, namely the members of the Executive Board and the Supervisory Board, may have access to privileged information. Privileged information means particular non-public information (revenue, performance, proposals of every kind, etc.) which, if it became public knowledge, might affect the price of the M6 share and more generally its business.

The rules prohibit Board members 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 financial products linked to these shares. They must abstain from communicating privileged information for any other purpose or activity than that for which it is held. 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, Board members are subject to the declaration requirements relating to transactions in shares and restrictions relating to trading periods.

7.5. Statutory Auditors

	Address	Date of first appointment	Last year of financial statements to be audited	Expiry date of appointment
PRINCIPAL AUDITORS *				
Ernst & Young et Autres	Bruno PERRIN Tour First, 1, place des Saisons 92400 Courbevoie 63, rue de Villiers	2002	2013	AGM 2014
PricewaterhouseCoopers Audit	Marc GHILLOTTI 92208 Neuilly sur Seine Cedex	2008	2013	AGM 2014
ALTERNATE AUDITORS *				
AUDITEX	Tour First, 1, place des Saisons 92400 Courbevoie 63, rue de Villiers	2008	2013	AGM 2014
Etienne BORIS	92208 Neuilly sur Seine Cedex	2008	2013	AGM 2014

AGM: General Meeting

* the renewal of the terms of office of KPMG Audit and its substitute Guillaume Livet was not be proposed to the General Meeting of 4 May 2011 due to the presence of two other Statutory Auditors

The two Principal Auditors are members of the Compagnie Régionale des commissaires aux comptes de Versailles.

7.6. Report of the Chairman of the Supervisory Board on corporate governance and internal control procedures and risk management

To the shareholders,

In accordance with the Law and in my capacity as Chairman of the Supervisory Board of METROPOLE TELEVISION, I am honoured to present this report on the performance, planning and organisation of the work of the Supervisory Board and on the internal control procedures implemented by the Company.

This report also specifies the principles and rules used to determine all nature of remuneration and benefits granted to Board members.

This report, prepared by the Chairman with the support of the Finance Department, the Legal Department and the Group's Risk Manager, was approved by the Supervisory Board on 27 March 2012.

As regards corporate governance, our company refers to the *Corporate Code of Governance for listed companies of December 2008*, updated in April 2010, prepared by the AFEP-MEDEF.

The AFEP-MEDEF Code can be obtained from www.medef.com.

I - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

1.1 Membership of the Supervisory Board

The Supervisory Board comprises 13 members, including 12 individuals and 1 legal entity, appointed pursuant to Company bylaws, for a period of four years:

At 31 December 2011, the Board was made up of the following members:

- Albert Frère, Chairman
- Gérard Worms, Vice-Chairman and Chairman of the Remuneration and Appointment Committee,
- Guy de Panafieu, Chairman of the Audit Committee,
- Gilles Samyn, member of the Remuneration and Appointment Committee,
- Jean Laurent, member of the Audit Committee,
- Delphine Arnault,
- Gerhard Zeiler, member of the Remuneration and Appointment Committee
- Rémy Sautter, member of the Audit Committee,
- Elmar Heggen, member of the Audit Committee,
- Immobilière Bayard d'Antin, represented by Christopher Baldelli,
- Philippe Delusinne,
- Vincent de Dorlodot,
- Andrew Buckhurst.

Seven of these members are French nationals and six are Europeans, including three Belgian nationals, one British, One Austrian and one German.

The term of office of eleven members will expire at the General meeting to be held on 3 May 2012.

As a result, it will be proposed to the next General Meeting:

- to renew the term of office of 9 members of the Supervisory Board, namely Albert Frère, Gérard Worms, Guy de Panafieu, Rémy Sautter, Guillaume de Posch (co-opted at the Supervisory Board meeting of 27 March 2012 to replace Gerhard Zeiler, following the latter's resignation), Philippe Delusinne, Vincent de Dorlodot, Elmar Heggen and Delphine Arnault;
- and appoint 2 new Board members: Mouna Sepehri and Christopher Baldelli, who will have been replaced in his duties as permanent representative of Immobilière Bayard d'Antin.

The Board members will be reappointed or newly appointed for terms of either 2, 3 or 4 years, pursuant to Article 20.2 of the bylaws, to ensure terms of office are, and remain, staggered to comply with the AFEP/MEDEF recommendation on this matter. At the end of each of these periods, each member may be reappointed for a further term of 4 (four) years.

Pursuant to addendum no 3 to the Agreement between the Company and the Conseil Supérieur de l'Audiovisuel, to the bylaws and to the Internal Regulations of the Company, the Supervisory Board confirmed that at least one third of its members are independent since, after consideration of the individual position of each of its members with regards to the criteria of independence determined by the Board and listed hereafter, six of its members meet most of the criteria of independence and are considered to be independent.

The AFEP-MEDEF Governance Code states that a member who does not meet all criteria may be deemed independent by the Board, or, conversely, a member who meets all the criteria may be deemed not independent.

According to the Supervisory Board's internal regulations, 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 (without indication to the contrary) during the course of the previous five (5) years, and:

- is not an employee, a director or directly linked to a director of a related Group company or a company which controls the Company in the sense of Article L233-3 of the Commercial Code;
- is not a director or directly linked to a director of a company over which a Group company directly or indirectly exercises a term of office;
- is not one of the Group's customers, suppliers or service providers, nor an employee of one of the Group's customers, suppliers or service providers;
- is not a member of a Company director's immediate family;
- does not (i) represent a shareholder of the Company or its parent company, participating in the control of the Company, and (ii) the Board should 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.

During the preparation and approval of the said internal regulations, it was decided that the independence criteria of the AFEP-MEDEF Reference Code relating to being a member of the Board for more than 12 years should be ignored, since the Board considered that these were unlikely to affect the independence of some of its members and that seniority contributes to understanding the regulatory and legal framework governing in the audiovisual sector.

The members of the Board currently deemed to be independent are:

- Albert Frère,
- Gérard Worms,
- Guy de Panafieu,
- Jean Laurent,
- Delphine Arnault,
- Gilles Samyn.

The list of positions held by each member is disclosed in paragraph 7.1 of the Management Report included in the 2011 Registration Document.

As regards male and female representation on the Board, we remind you that the Board comprises a female member, which makes the Company strictly compliant with the provisions relative to a "balanced male and female representation within boards of directors and supervisory boards and gender equality at work" introduced by the Law n°2011-103 of 27 January 2011 and the AFEP-MEDEF Code.

It should be noted that the Company was informed by Immobilière Bayard d'Antin, by way of a letter dated 23 March 2011, that Catherine Lenoble will replace Christopher Baldelli as permanent representative with effect from 2 May 2012.

The appointment of an additional female member, namely Mouna Sepehri, will also be proposed to the next General Meeting, ahead of the next deadline of April 2013 set by the AFEP-MEDEF Code, which recommends that at least 20% of Board members be female, pursuant to the Law n°2011-103 of 27 January 2011. Therefore, 23% of members should be female at the next Supervisory Board meeting.

1.2 Conditions of preparation of the work of the Supervisory Board

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.

Works Council representatives also benefited from the same information as Supervisory Board members.

1.3 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.

In 2011, the Supervisory Board met five times in compliance with the quarterly legal framework and the schedule of decisions submitted to it for approval.

The overall attendance rate of its members was 92.3% in 2011, and at least one Works Council representative attended each meeting.

Minutes are prepared at the end of every Board meeting. These are formally approved at the following Supervisory Board meeting.

Statutory Auditors were specifically requested to attend the two Supervisory Board meetings at which the annual and interim financial statements were reviewed.

1.4 Supervisory Board's internal regulations

At its first meeting on 20 May 2000, the Supervisory Board adopted its own internal regulations, completed in April 2003, which primarily specified and completed the Company's bylaws regarding its organisation and operation: in particular, arrangements for Board meetings, how the Board exercises its powers, as well as membership, purpose and attributions of its Committees.

Reaffirming its commitment to corporate governance rules, in its meetings of 30 April 2003 and 6 May 2008 the Supervisory Board updated its internal regulations with a more detailed text that includes best practices and provides it with the resources to operate more efficiently and better serve the Company and its shareholders. Due to the new appointments and re-appointments to be submitted for approval to the General Meeting, the same internal regulations will be adopted by the members of the Supervisory Board at its meeting called for 3 May 2012.

Internal regulations specify the role and the *modus operandi* of the Board and its Committees in accordance with the Law, Métropole Télévision's bylaws and the corporate governance rules mentioned in the AFEP-MEDEF Code.

The first Article sets out the status and obligations of Board members. Their principal obligations include:

- legal and statutory obligations pertaining to their status as members of the Supervisory Board;
- terms and conditions of attendance and expertise and independence criteria;
- obligations relating to ownership of Company shares;
- obligations regarding confidentiality;
- other obligations of members of the Supervisory Board, particularly the obligation, valid for all Board members, of disclosing any situation of conflict of interest, even potential, between them and the Company or the Group to the Board, and must abstain from voting on the Board's

corresponding deliberations of the Board where the issue does not relate to a common agreement entered into at arm's length.

The Regulations also specify the operating rules and the terms and conditions of governing Board meetings:

- convening, frequency and conditions for holding the meetings;
- Board Secretary and drafting of minutes.

They set out the principles and conditions for the Board exercising its powers:

- committee expertise;
- access to and circulation of information.

The Board's Internal Regulations also structure how the Committees operate, particularly in relation to the following:

- composition of the various Board committees (Audit Committee and Remuneration and Appointment Committee);
- the operating rules and the definition of the missions and responsibilities of the various Board Committees.

1.5 Matters discussed by the Supervisory Board in 2011

The key undertakings of the Supervisory Board during the 2011 financial year mainly concerned:

- interim and annual financial statements;
- the budget for the 2012 financial year;
- the results for the quarters ended 31 March and 30 September 2011;
- major investment projects, in particular programmes;
- the renewal of the share buyback agreement for subsequent cancellation and the treasury management agreement with RTL;
- the renewal of the authorisation given to the Executive Board to grant deposits, guarantees and sureties.

The Executive Board also informed or sought the opinion of the Supervisory Board even when its prior approval was not necessary.

1.6 Self-assessment by the Supervisory Board

The 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. An evaluation analysis is then presented to the Board.

The following emerged from the review in 2011:

- the Board benefits from the independence and the resources necessary to carry out its mission,
- the information available to Board members is highly satisfactory, owing to the supporting documentation provided prior to each Board meeting, which allows members to familiarise themselves with matters being discussed, and the attendance of Executive Board members at meetings;
- meetings are carried out efficiently and in a manner that promotes quality and fully transparent discussions;
- the specialised Committees regularly report on their work in a comprehensive and thorough manner;
- the key improvements highlighted relate to the delivery of studies or analyses performed by third parties and the organisation of seminars devoted to strategic reflections.

1.7 Remuneration and Appointment Committee

The Remuneration and Appointment Committee comprises three members appointed for the duration of their term of office as members of the Supervisory Board.

At 31 December 2011, the Committee was made up of the following members:

- Gérard WORMS, independent member
- Gilles SAMYN, independent member
- Gerhard ZEILER

Gérard WORMS acts as Chairman.

The Committee thus comprises a two-thirds majority of independent members, in accordance with the criteria mentioned above in paragraph 1.1.

As Gérard Worms' term of office is about to expire, with its renewal to be submitted to the next General Meeting, and Gerhard Zeiler resigned his duties as member of the Supervisory Board and the Remuneration and Appointment Committee on 27 March 2012, the composition of the Committee may be revised accordingly at the Supervisory Board meeting to be held at the close of the General Meeting on 3 May 2012.

As defined in the Internal Regulations, the Remuneration and Appointment Committee meets at least once a year and has the following responsibilities:

- to create proposals for the remuneration of members of the Supervisory Board and the Executive Board;
- to review the free share allocation plan or plans of which Executive Board members and employees are beneficiaries;
- to consider every candidate for appointment or replacement of any member of the Executive and the Supervisory Board, ensuring that the criteria for an independent member of the Supervisory Board or Executive Board are complied with.

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.

The Committee met twice in 2011, on 20 January and 25 July, and ruled on:

- the terms and conditions of Executive Board members' variable remuneration and the definition of variable remuneration criteria for 2011;
- the validation of achievement of performance conditions for releasing the free share allocation plan of July 2010;
- the conditions for the annual allocation of free shares and the introduction of a Long-Term Incentive Plan reserved for a body of 25 senior executives, including the members of the Executive Board, subject to a multi-year performance condition.

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 2011.

o Audit Committee

As regards the Audit Committee, the Company refers to the report of the workgroup chaired by Mr Poupart-Lafarge on the Audit Committee dated 22 July 2010.

▪ Membership

The Audit Committee comprises four members selected for their expertise. Two of the members are independent members in light of the above-mentioned criteria of section 1.1.

At 31 December 2011, the Committee was made up of the following members:

- Guy de PANAFIEU, independent member
- Jean LAURENT, independent member
- Rémy SAUTTER
- Elmar HEGGEN

Guy de PANAFIEU acts as Chairman.

Guy de PANAFIEU and Jean LAURENT are independent members in light of the above-mentioned criteria in section 1.1.

As Guy de Panafieu, Jean Laurent, Rémy Sautter and Elmar Heggen's terms of office as members of the Supervisory Board are set to expire in 2012, it will be proposed to the General Meeting to reappoint a number of these members.

The composition of the Audit Committee may be revised accordingly at the Supervisory Board meeting to be held at the close of the General Meeting on 3 May 2012.

The Committee appoints a Chairman from amongst its members who organises and structures the work of the Committee.

The recommendation made by the AFEP-MEDEF Code of corporate governance that two thirds of the Committee should be made up of independent members is thus not complied with due to the presence of a long standing major shareholder, whose rights are outlined by the Law of 30 September 1986 and by the broadcasting licence granted by the Conseil Supérieur de l'Audiovisuel on 1 March 1987.

▪ Expertise

All members of the Audit Committee have the appropriate accounting and financial expertise, as evidenced by their past or current professional positions:

Guy de PANAFIEU is deemed independent in light of Internal Regulations and has the relevant financial expertise due to his previous tenures as Chief Executive Officer of several major international corporations and his current position as Senior Advisor to Crédit Agricole Corporate and Investment Bank and as a director of SANEF SA and Médica SA.

Jean LAURENT is deemed independent in light of Internal Regulations and the Board selected him for his financial expertise given his financial and banking professional experience, in particular as Chairman of the Board of Directors of the Crédit Agricole Group.

Rémy SAUTTER was selected for his financial expertise acquired throughout his career, in particular as former Chief Financial Officer of the Havas agency, as current Chairman of the Supervisory Board of Ediradio (RTL) and as a current director of Pages Jaunes SA and Technicolor SA.

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.

▪ Operation

Based on the Internal Regulations, supplemented with recommendations from the AMF (Final report on audit committees, dated 22 July 2010), the Audit Committee defined its Operating Charter in July 2011.

The Audit Committee meets at least twice a year and has the following responsibilities:

- matters relating to the monitoring of the process of preparing financial and accounting information:
 - monitoring of system architecture used to prepare both historic and forecast accounting and financial information;
 - review of accounting and financial information, in particular the accounting reflection of significant events or complex transactions which had an impact on the financial statements;
 - monitoring of the press release preparation process on publication of the full-year and half-year financial statements and quarterly reporting;
- matters relating to the monitoring of internal control and risk management system efficiency:
 - assess the Group's internal control systems with internal control officers;
 - ensure internal control and risk management systems are efficient;
 - monitor how the weaknesses and malfunctions are identified and corrective actions are taken into consideration.
- matters relating to the monitoring of the legal audit:
 - ensure the legal audit of parent company and consolidated financial statements is carried out by the Statutory Auditors;
 - review the Statutory Auditors' findings in order to get a better understanding of major areas of risk or uncertainty in the parent company and consolidated financial statements, their audit approach or the difficulties they may have encountered.
 - evaluate the candidates put forward for appointment as Statutory Auditors, their remuneration and appropriateness in light of assignments;
 - ensure the Alternate Statutory Auditors are effectively involved;
- matters relating to the monitoring of the Statutory Auditors' independence:
 - monitoring of compliance by the Statutory Auditors with provisions relative to inconsistencies in their duties, as provided by their professional rules;

In order to fulfil its mission, the Audit Committee is provided with all the documents it deems useful and consults with all persons it deems necessary or useful to carry out its review, particularly with the Statutory Auditors, the CFO and his principal assistants. A detailed file is prepared by the Company's financial staff for each Audit Committee meeting.

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 company may have to face.

The Audit Committee presents the conclusions of its deliberations to the Supervisory Board at the meetings to discuss the half-yearly and annual financial statements.

Audit Committee meetings relative to the review of full-year and half-year financial statements are always held between the approval of the financial statements by the Executive Board and the subsequent meeting of the Supervisory Board.

The Committee met four times in 2011. Its work included:

- the review of the financial statements;
- the review of the interim financial statements at 30 June and quarterly financial statements at 31 March and 30 September;
- the 2012 budget;
- the validation of the financial parts of the Registration Document;
- the treasury position and the working capital requirements of the Group;

- a follow-up of the year's internal control assignments;
- a follow-up of the commissioning of a new information (ERP Oracle);
- the review of the risk-mapping;
- 2011 assignments and fees of the Statutory Auditors and the 2011-2012 audit plan;
- the review of the audiovisual rights portfolio and the review of audiovisual rights acquired;
- the follow-up of financial reporting.

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 81% in 2011.

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 2011 assessment highlighted that:

- the Committee is able to carry out due diligence on the scope of responsibility assigned to it;
- the necessary information provided to the Committee is sufficient;
- free access to the Chief Financial Officer, the Statutory Auditors and Internal Audit facilitates the performance of its duties;
- the necessary time is devoted to performing the various duties entrusted to the Committee.
- the priority for improvement appears to be the possibility of calling upon an external consultant.

II PRINCIPLES AND RULES GOVERNING DIRECTORS' REMUNERATION

2.1 Remuneration of members of the Supervisory Board

The Board apportions the total amount of attendance fees set by the General Meeting of 4 May 2010 between its members. This amount should be understood to be a maximum amount, the full payment of which is subject to the achievement of an attendance rate of 100%. Taking account of the time devoted to the various Board and Committee meetings, it will also be proposed to the General Meeting of 3 May 2012 to review the total amount of attendance fees and allocation scale, with a view to increase the variable portion measured, based on attendance at Board and Committee meetings.

The total amount of fees is allocated by the Supervisory Board pro rata to the time given to the function during the period, taking account of the quality of the Chairman of the Board or its Committees and the contribution by members to the Board and to the Committees. It also takes account of members' attendance, as is recommended in the AFEP-MEDEF Code of corporate governance.

Upon the proposal of the Remuneration Committee in 2010, the total directors' fees is henceforth comprised of the following:

- - **a fixed element** equal to 75% of the total amount, which stands at €135,000, apportioned pro rata over the effective duration of service during the period and reflecting the responsibilities exercised within the Supervisory Board and,
- - **a variable element** equal to 25% of the total amount, which stands at €45,000, which is paid, depending on the attendance at Board and Committee meetings during the period.

A total of €174,757 was paid to members of the Supervisory Board in respect of 2011. Details of these payments are included in section 7.3.4 of this document.

2.2 Executive Board members' remuneration

Every year, the Supervisory Board, in conjunction with 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 cumulate 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.

The remuneration policy sets all fixed, variable and exceptional remuneration items, in addition to commitments of any nature undertaken by the Company for the benefit of its directors.

It is not only based on the performance of work results achieved, level of responsibility assumed, but also on practices observed in comparable companies and remuneration paid to other directors of the company.

The remuneration of members of the Executive Board is paid by the parent company Métropole Télévision, with the exception of Catherine Lenoble, whose salary is paid by M6 Publicité.

In 2011, Executive Board members' remuneration comprised the following items:

(1) a fixed element comprising:

- a basic salary for every member of the Executive Board, paid monthly for Nicolas de Tavernost, a Director, and over 13 months for Thomas Valentin, Catherine Lenoble and Jérôme Lefébure, all of whom are employees.
- the value of a company car as a benefit-in-kind.

(2) a variable part comprised of two elements:

- for Nicolas de Tavernost and Jérôme Lefébure, additional remuneration based on the level of achievement of consolidated EBITA objectives for the Group, as defined by the Supervisory Board.

For Catherine Lenoble, this remuneration is calculated by reference to net annual advertising revenue for M6 Publicité;

For Thomas Valentin, 70% of this remuneration is calculated based on the level of achievement of consolidated EBITA objectives for the Group and 30% based on audience criteria calculated for all channels held by the M6 Group.

- a remuneration as member of the Executive Board determined by the Supervisory Board based on audience criteria calculated for all channels held by the M6 Group.

In 2011, the variable part represented a fraction of between 58% and 109% of the fixed part.

The targets set for the payment of variable remuneration are not disclosed on confidentiality grounds.

(3) annual granting of free shares, which may be availed of at the same time as those granted to other employees of the Group and the quantity of which reflects the assessment of individual performance.

At any time, each member of the Executive Board must retain at least 20% of the shares received or exercised.

The Board meeting of 10 March 2009 also decided to introduce a number of rules to provide a framework for the future allocation of free shares for the benefit of members of the Executive Board that are now subject to collective and individual ceilings as disclosed in the Group's Management Report.

These allocations are subject to demanding performance conditions, in accordance with the recommendations of the AFEF/MEDEF Code.

(4) compensation for breach of contract, noting that pursuant to the AFEF-MEDEF Code of corporate governance for listed companies, on 10 March 2009 the Supervisory Board approved the proposal of the Remuneration Committee designed to harmonise all compensation for breach of contract granted to members of the Executive Board by restricting instances where payments are due and setting a ceiling of 24 months as a basis for this compensation, the payment of which remains subject to the achievement of the performance conditions set by the Supervisory Board on 3 March 2008.

The compensation mechanism (individual amount, payment terms, etc.) is detailed in the Group's Management Report.

(5) a supplementary, compulsory and defined contribution **retirement plan** put in place in April 2007 for all Executives of the Group, resulting in the constitution of individual pension accounts intended to fund the payment of life annuities.

(6) if applicable, exceptional remuneration.

No exceptional remuneration was paid during the 2011 financial year.

III- PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

The terms and conditions of participation of shareholders in General Meetings is described in Article 29 of the bylaws.

IV FACTORS LIKELY TO HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFER

These are disclosed in the Management Report (part 6.5).

V- INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

The present section has been prepared by the Risk Manager and checked by the Chief Financial Officer. It was prepared on the basis of the principal conclusions arising from the work carried out in 2011 on internal control and risk management. The results of this work were considered in 2011, specifically at the time of Audit Committee meetings that were held throughout the year.

5.1 General organisation of internal control

5.1.1 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 trade practices.

The Métropole Télévision Group (Métropole Télévision SA and its subsidiaries) defines internal control as a process that consists of setting up and continuously revising appropriate management systems, with the aim of providing managers and senior executives (Board members) with reasonable assurances that financial information is reliable, that legal and internal regulations are complied with and that the principal processes of the business function effectively and in an 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.

5.1.2 Summary of risks

Every year, the Group prepares and updates a summary of all the operational and functional risks incurred by its various operating and functional staff. This summary determines events that may have an adverse effect on the achievement of the Group's objectives and provides for the implementation of action plans and detailed follow-up.

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 summary of risks is presented bi-annually to the Audit Committee

The main risks facing the Group are discussed in the current Management Report, in section 8 relating to risk factors and how they are managed.

5.1.3 Allocation of operating and functional staff responsibilities

The 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. The Risk Manager 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 group-wide activities are defined by functional management. They concern mainly Financial Management, Human Resources, Communications, Strategy and Development, the Legal Department and the Technical Department.
- the internal control procedures specific to operating management are defined at their respective level. Thus:

- programme management monitors the costs and risks of content;
- the advertising section 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.

5.2 Description of internal control procedures

The commissioning of a new information system (ERP Oracle) during the 2011 financial year strengthened the overall organisation of internal control procedures. Besides the operational contribution of this new 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.

5.2.1 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.

a. Corporate governance: forms and approach

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 and the supervision of that management. It also 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 20-25 for the Supervisory Board) in the Management Report included in the 2011 Registration Document in the first part of this report.

b. 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, by monitoring and following up on the internal control work carried out across the Group. It meets twice a month. It has eighteen members, including the Executive Board, and includes the main functional and operational departments of the Group: the General Programming Secretariat, managers of the diversification, audiovisual rights, distance selling and Internet divisions, as well as the Development, Financial management, Strategy, Human resources, Legal, General Secretariat and Technical departments.
- The Management Committee, with responsibility 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, digital channels and Girondins de Bordeaux.
- The Finance Committee is established in subsidiaries in which the Group does not have a majority interest (TF6, Série Club and TCM). It ensures the Group is informed of major decisions and directions.
- The Group's Financial Department
 - co-ordinates and steers the weekly and monthly reporting of majority-held subsidiaries, thereby guaranteeing regular financial updates to the Group;
 - co-ordinates certain financial operations 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 hedging instruments as it considers appropriate;
 - monitors the handling of direct and indirect taxation as part of tax planning;
 - in collaboration with the subsidiaries, maintains a network of management controllers suited to the needs of the Group's individual business units;
 - strengthens the security of accounting information and the way it is passed up through the Group for consolidation purposes.
- The newly-created 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 Legal Department which issues legal opinions for all Group subsidiaries;
 - issues legal opinions on behalf of all Group subsidiaries;
 - liaises with the subsidiaries and other functional departments to prepare and negotiate contracts;
 - maintains a network of lawyers 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 activities.

c. 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:

- an Ethics Charter which was communicated to, and which must be observed by all employees of the Métropole Télévision Group. This Charter details the Company's ethical values and defines the professional principles which Directors and employees must respect in their own conduct and guides their choices in actions they undertake;
- descriptive manuals specifying the operational and administrative processes applying to all its operations of whatever nature;
- a commitment 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, segregation of duties between the validation of an operational commitment, its accounting and its payment is strictly assured.
- 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.

The key documents of the Group are available on the Group's internal website. Functional managers are responsible for their distribution.

d. 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, Reporting and Management Control divisions of the Group's Financial Department.

Most of these processes are also deployed within the subsidiaries to ensure best-fit with the current *modus operandi* of the Group.

5.2.2 Principal internal control procedures established by the Company

The Métropole Télévision Group has a system of centralised 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 controls involve monitoring commitments, programming, content, quantity and compliance with regulations (CSA, CNC, etc.). The procedures and underlying principles within the Group include:

- an integrated management system, tailored to the audiovisual sector, which allows the simultaneous management of programme purchases and their broadcast, as well as the sale of advertising space;
- a financial reporting system and procedures to cover payment of general expenses;
- a centralised cash flow procedure.

The Group's internal controls for the preparation and processing of financial information comprise a number of procedures:

a. 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 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).

b. Consolidation procedures

The Group's consolidated financial statements are prepared in accordance with International Accounting Standards (IFRS) as adopted by the European Union since 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 gathers and monitors non-accounting data included in financial reports that are relevant to the consolidated financial statements.

The Group publishes quarterly reports on the consolidated revenue and financial position, and half-yearly reports on the results. It also issues financial documentation annually, as required for a company listed on a regulated market.

c. Reporting procedures and budgetary control

The Reporting Department is part of the Financial Control Department. It gathers 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 Financial Management. This budget is subject to a quarterly update to provide optimum management of Group forecasts.

Reporting is reviewed monthly with operational staff, who are in a position to monitor and explain progress towards their budget objectives. The Group consolidated 54 companies of which 48 are operational: 20 are monitored directly by central management control and 28 by their own financial management.

To complete this monthly reporting, all operational entities are included on the weekly management report (revenue, programme costs, gross profit) or daily report (revenue statistics).

d. Monitoring off-balance sheet commitments

The Group has an integrated tool to manage the rights portfolios and programming of the M6 free-to-air and digital networks, which comprise most of the Group's off-balance sheet commitments. The other off-balance sheet commitments are summarised by Financial Management in close collaboration with the Legal Department in a half-year report.

At the balance sheet date the Financial Department obtains the information required to report consolidated off-balance sheet commitments from all Group departments.

e. 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.

5.3 Conclusions and outlook

During 2011, the M6 Group focused on the continuous improvement of internal control processes by strengthening tools and procedures. This work took resulted in the implementation of a new financial information system for the Group (excluding Ventadis and F.C.G.B.).

Furthermore, in 2011 the Audit and Risk Management Department completed a project to assess the internal control mechanisms covering the main risks associated with the preparation of the Group's financial statements.

Internal audit assignments have been carried out, primarily on the acquisition of audiovisual rights, which is the Group's main challenge at procurement level.

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 2012, M6 intends to continue this process with the implementation of a new tool for monitoring commitments and continuing to increase the operational entities' accountability and raise their awareness of internal control issues.

Neuilly sur Seine, 27 March 2012

Chairman of the Supervisory Board

7.7. Statutory Auditors' Report

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young et Autres
Tour First, 1, place des Saisons
92400 Courbevoie
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Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: € 50,553,585.60

Financial year ended 31 December 2011

Statutory Auditors' report, prepared in application of Article L. 225-235 of the Commercial Code on the report by the Chairman of the Supervisory Board of Métropole Télévision S.A.

To the Shareholders,

As Statutory Auditors to the Métropole Télévision company and in application of the provisions of Article L.225-235 of the Commercial Code, we hereby present you our report on the report prepared by the Chairman of the Supervisory Board in accordance with the provisions of Article L.225-68 of the Commercial Code for the financial year ended 31 December 2011.

It is the Chairman's responsibility to prepare a report, to be submitted for the Supervisory Board's approval, on the internal control and risk management procedures implemented within the Company and providing any other information required by Article L. 225-68 of the Commercial Code, relative notably to the area of corporate governance.

It is our duty to:

- communicate any observations we may have on the information contained in the report of the Chairman concerning internal control procedures regarding the preparation and processing of accounting and financial information, and
- certify that this report includes the other information required by Article L. 225-68 of the Commercial Code, noting that we are not required to verify the accuracy of this other information.

We have performed our work in accordance with acceptable professional standards in France.

Information on the internal control procedures in respect of the preparation and processing of accounting and financial information

Professional standards require the performance of due diligence procedures to assess the fairness of information presented in the Chairman's report regarding internal control and risk management procedures for the preparation and processing of accounting and financial information. Specifically, these procedures consist of:

- becoming familiar with internal control and risk management procedures regarding the preparation and processing of accounting and financial information supporting the information

provided in the Chairman's report, as well as existing documentation;

- becoming familiar with the work done to prepare this information and the existing documentation;
- establishing if major deficiencies of internal control regarding the preparation and processing of accounting and financial information that we may have identified as part of our assignment were properly supported by information provided in the Chairman's report.

On the basis of our work, we have no observations to formulate on the description of internal control and risk management procedures regarding the preparation and processing of accounting and financial information contained in the report of the Chairman of the Supervisory Board, prepared in application of the provisions of Article L. 225-68 of the Commercial Code.

Other information

We certify that the report of the Chairman of the Supervisory Board includes the other information required by Article L. 225-68 of the Commercial Code.

Paris La Défense and Neuilly-sur-Seine, 29 March 2012

The Statutory Auditors

PricewaterhouseCoopers Audit

Marc Ghiliotti
Partner

Ernst & Young et Autres

Bruno Perrin
Partner

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8. Risk factors and management

Investors are invited to consider the risks described below, that may have an influence on the operations, financial position, profit and development of the Group.

8.1. Business risk

8.1.1. Risks related to the Group's market structure

8.1.1.1. Audiovisual market

The M6 Group, via its broadcasting activities, operates in a changing audiovisual market, due to digitalisation and the rapid development of free Digital Terrestrial Television (DTT (described in section 1.5.1.2.1. on the structural changes affecting the TV market).

The free-to-air channel offering is made up of 18 channels, with 6 additional channels to be launched at the end of 2012. This growth in content offering leads to audience dispersal, with a consequent fragmentation of the TV advertising market, the only source of revenue for the Group's free channels.

Against this background, the M6 Group has faced increased competition and has sought to strengthen its position by investing in the M6 channel to consolidate its audiences, and by developing a new offering on free DTT with the W9 channel.

The competitive environment of free-to-air channels is changing, following TF1 Group's acquisition in 2010 of 40% of the TMC channel (thus increasing its shareholding to 80%) and of 100% of the NT1 channel from the AB Group, as well as the Canal+ planned acquisition of Bolloré Group's free-to-air TV channels (Direct 8 and Direct Star), announced in September 2011.

The broadcasting activities of the pay channels operate in a more stable competitive environment, with a penetration of the multi-channel (cable-satellite, ads) pay offer of some 48% of households equipped with a TV.

In addition to advertising income, these channels benefit from revenue from cable operators and distribution platforms. The calling into question of these distribution agreements, the majority of which will mature at the end of 2015, could have a significant impact on the profitability of the Group's pay channels.

8.1.1.2. Other Group markets

Concerning other operations and revenue sources, the M6 Group has developed a product and service offering mainly directed at the mass market, and sold across the major national distribution networks. These operations, which do not depend on advertising resources for the majority of their income, are nonetheless sensitive to the economic situation (see section 1.5.2 of this management report).

In addition, certain other Group markets, described in the section 1.5 of this management report, are also subject to pressures from digitalisation, notably the music publishing business (disks) and video publishing. The digitalisation 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, adopted in 2009, and the interprofessional agreements signed with a view to combating illegal downloading more effectively by bringing all selling windows forward and ensuring they remain totally separate, should restrict the opportunities and the interest in illegal downloading.

8.1.2. Development of technologies, changes in use

New technologies, as described in 1.5.1.2.1. of the Management Report, have led to changes in television consumption. The M6 Group is involved in the implementation of all these new broadcasting technologies to support and anticipate the new methods of use, a necessary condition for the preservation of the future of its model.

The continued rollout of high speed and the more general use of the Internet, have led to a change in consumers' habits in the time dedicated to leisure and media. For advertisers, this implicates a new potential audience, and may thus lead to changes in the allocation of their communication budgets.

As a result of these technological developments and their rapid adoption by French people, growth in so-called "convergent" media viewing patterns was noted, characterised by increasing TV content viewing outside of their original viewing channel. The Global TV survey, carried out by Médiamétrie in April and May 2011, underlined the growing significance of computers and mobile phones as complementary screens for watching live programmes. According to this survey, these new consumption patterns are gradually taking hold in the viewers' habits and complement live viewing on TV sets, which remain the preferred medium of 97% of people, along with continuing increase in TV watching times.

In view of the above, it appears however that competition among the various media must be put in perspective, due to:

- the fact that TV usage remains at a high level, and the development of a different TV content viewing pattern, outside their original channel,
- and the complementary features of the various media for an advertiser as a function of his objectives: cover, repeats, commercial targets, power, costs, etc.

8.1.3. Sensitivity to the economic situation

M6 Group, due to the nature of its operations, is highly sensitive to the economic situation, to the extent that:

- 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' income, 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, even if the advertising market is regularly marked by the development of new sectors. 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.
- However, due to its presence in free-to-air DTT through the W9 channel, M6 Group benefits from stronger exposure to the advertising market of this TV segment, whose growth was higher in 2011 than that of the overall TV advertising market.

The M6 Group has, however, from an early stage, implemented a strategy to diversify its revenues, in order to limit its dependence on the advertising market. The Group's sources of non-advertising revenue, which represented 41.1% of consolidated revenue in 2011, 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 equipment purchases (distance-selling division).

8.1.4. Adapting the cost structure and increase in content cost

With a cumulative programme cost of about €400 million for Group channels, the Group is exposed to risks, of upwards movements in the purchase cost of audiovisual rights.

The growth in the cost of programmes, noted in recent years, 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, notably concerning successful products such as series. In addition, technological (transfer to HD reception), regulatory, legal and contractual changes (the collective production agreement for example) may also contribute to an inflation in production and purchase.

However, in order to respond to this risk, a number of years ago the Group set up a purchasing team whose mission is to identify 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 its production companies, mainly C. Productions for programmes and news Studio 89 for entertainment programmes, enabling it to better control the value chain of audiovisual production.

The audiovisual rights acquisition and distribution subsidiary SND, as well as the Summit Entertainment LLC shareholding and the film catalogue and 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, under the helm of Thomas Valentin, Deputy Chairman of the Executive Board, 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 developments.

SND is also exposed to a risk of movement in its purchase price for audiovisual rights it sells. SND seeks to reduce this exposure with an experienced team that identifies the promising projects, even in certain cases before they are shot, and contributes to film financing via purchase of the operating rights for all media (cinema, video, pay and Free TV) for France.

The FC Girondins de Bordeaux (F.C.G.B.) is exposed to the risk of inflation in the prices 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, the efficiency of the club's training centre always ensures that part of the backbone of the team is made up of players trained by the club. In addition, the club 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.

8.1.5. 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, customers are obliged to pay their suppliers within 60 days or within 45 days of the end of the month.

Companies that do not comply with the new payment terms imposed are exposed to certain financial risks and penalties, including late payment penalties, fines and proceedings initiated by the French Ministry of Economy following the filing of a report by the Statutory Auditors.

This law affects M6 as it does any other company. More specifically, since a significant part of contracts signed with its suppliers relate to the purchase of audiovisual rights, featuring very specific and very precise payment terms, meeting these payment terms is of particular importance for the Group.

Risk management and follow-up

In order to meet its settlement terms and to ensure that it always complies with applicable laws, the Group implements a number of steps.

Supplier payment procedures

The Group has put into place a supplier payment procedure governed by internal controls and an IT system to process invoices received that is adapted to the new regulations. 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 financial management 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.

The ageing of the Group's trade payables (excluding audiovisual rights and intra-group suppliers) was as follows:

(€ millions)	31/12/2010	31/12/2011
Trade payables falling due before 1 February	47.0	39.9
Trade payables falling due between 1 February and 28 February	4.4	6.6
Trade payables falling due after 1 March	0.0	0.0
TOTAL	51.5	46.5

This data is consolidated and does not include liabilities relating to the purchase of audiovisual rights, since these liabilities fall due on the basis of operational milestones (including "ready to broadcast", "first broadcast", etc.) and not on calendar dates.

For the Group's main company (Métropole Télévision), the trade payables outstanding, rights excluded but including intra-group payables may be analysed as follows:

(€ millions)	31/12/2010	31/12/2011
Trade payables falling due before 1 February	65.1	42.1
Trade payables falling due between 1 February and 28 February	21.7	31.6
Trade payables falling due after 1 March	0.0	0.0
TOTAL	86.8	73.7

8.2. Market risks

8.2.1. Foreign exchange risk

The foreign exchange risk management policy and related data are set out in Note 22.3 to the consolidated financial statements of this document.

8.2.2. Interest rate risks

The Group is naturally exposed to risks from movements in interest rates. This risk is detailed in Note 22.3 to the consolidated financial statements.

This risk is of little significance however as the Group has very little debt. Liabilities at 31 December 2011 are made up of advances subject to terms and conditions for the production of feature films (€1.3 million) and the share of liabilities of jointly-owned entities (€1.6 million).

8.2.3. Share risk

To the extent that the Group does not own any listed financial asset, 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.

In the case of the Group, only shares held as part of the liquidity contract are therefore currently exposed to share risk. Their net value was €1.6 million at 31 December 2011 for 140,909 shares. A 10% movement in the M6 share price would have a €0.2 million impact on the net value of treasury shares.

8.2.4. 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.

8.3. Counterparty risk

The credit risk for the Group is the bankruptcy of a customer or a banking counterparty.

Trade receivables

Concerning customer risk, the Group applies a prudent prevention and monitoring procedure described in Note 22 of the notes to the consolidated financial statements.

Trade payables

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.

Banking counterparties

Financial transactions are negotiated with carefully selected counterparties as described in the present report in Note 22.3 of the notes to the consolidated financial statements, market risks, 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.

A prudent diversification was thus undertaken for the deposits with mutual funds where surplus cash is invested.

8.4. Liquidity risk

The liquidity risk management policy is set out in Note 22.2 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 2011, Group debt was made up of advances subject to terms and conditions for the production of feature films (€1.3 million) and the share of liabilities of associates (€1.6 million).

At December 2011, the Group’s cash position was €329.4 million and it had €100.0 million in undrawn credit lines.

These lines include early enforceability clauses (covenants) based on the relative level of financial expenses and the ratio between net debt, equity and the equivalent of Ebitda. Since no credit line had been drawn down at year-end, these clauses did not apply.

In addition, due to the Group’s current financial situation, these covenants will definitely not apply.

8.5. Legal risks

8.5.1. Regulatory risks

Risks related to regulatory and contractual obligations

As part of its broadcasting authorisation, the main features of which are specified in Part 1.2. Legal Information, M6 is subject to legal and regulatory authorisations provided by the Law of 30 September 1986 and related application decrees.

The channel is also bound to the regulatory body (CSA) in application of Article 28 of the Law of 30 September 1986.

This agreement sets out the specific rules applicable to M6, due to the extent of the area serviced, of the channel's share in 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 channel meets all its 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 revenue or 5% in case of repeat offence, cancellation of the licence.

In order to minimise risks associated with production and broadcasting quotas, M6 put into place a precise daily 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 channels face numerous challenges and need to adapt to a changing environment (increase in the number of channels, increase in viewing media, increasingly insufficient revenues, competition from powerful new business players), the growing complexity of the audiovisual regulatory framework generates new risks, reflected in new obligations and constraints that reduce investment and programming options; regulations are liable to hamper the development and adaptation and innovation capacity of audiovisual groups.

Risk related to frequency management

The channels granted to historic private networks by the Law of 5 March 2007 as compensation for the early switchoff of the analogue signal have been called into question by a substantiated opinion issued by the European Commission in September 2011. France may challenge this pre-litigation ruling and the networks involved, including M6, retain this right for the time being. In all cases, the damage suffered has not been disputed and historic networks are still entitled to compensation.

No other regulations liable to have a significant impact on the Métropole Télévision Group have been adopted since the start of 2011.

8.5.2. Intellectual property, freedom of press and personal privacy

M6 Group's broadcast of audiovisual programmes, whether produced in-house or by third parties, is susceptible to claims of various natures concerning the violation of provisions relating to laws on intellectual property rights, personal privacy rights and press rights.

No contractual provision can provide M6 Group with total protection against legal recourse, particularly with regard to legal action matters based on the Law of 29 July 1881 on 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, pre-screening and guidelines, which enable this risk to be considerably reduced.

8.5.3. Risks relating to non-observance with 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 relating to live programmes or signal broadcasting.

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. This selection is all the more important that the order relates to purchases or services deemed strategic.

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 2011 as in 2010, the Group did not record any major incident resulting from its non-observance of contractual agreements with third parties.

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 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 control procedures – more particularly those concerning the responsibility of operational and departmental executives – are specifically devoted to covering this risk.

In 2011, as in 2010, the Group did not record any major incident resulting from its non-observance of contractual agreements with third parties.

8.5.4. 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 an on-going trial or litigation will generate costs without an at least equivalent consideration and that a reliable estimate of this cost net of consideration can be made.

At 31 December 2011, the Group thus recognised €25.6 million in provisions for litigations (€20.1 million at 31 December 2010).

These provisions relate to litigations and trials in process with third parties of various natures (legal entities or private individuals who in certain cases had a business or employment relationship with the Group), which may not be presented individually or in detail due to business confidentiality.

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.

8.5.5. Legal and arbitration proceedings

Regualification of employment contracts for candidates in reality television shows

To date, the Group received 38 requests to appear before a number of Labour Courts seeking to re-qualify contracts signed by participants in reality television shows produced by the Group as employment contracts (notably Pékin Express, les Colocataires and the Bachelor).

M6 Group disputes the validity of these claims.

Notification of complaints 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 Authority, 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-competition 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. However, 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.

In a ruling dated 20 September 2011, the Competition Authority stated that the Canal Plus Group had not honoured several commitments taken under the Minister for the Economy, Finance and Industry's ruling of 30 August 2006, which authorised the acquisition of TPS and CanalSatellite by Vivendi Universal and Canal+. In view of the Authority's withdrawal of the authorisation, Canal+ had to submit the request again. As an interested party (group channel distribution), M6 Group will be consulted during the assessment of the proceedings, and will have to participate in the Authority's market tests in 2012.

Appeal before the Conseil d'Etat

Following the settlement of a dispute concerning the distribution of its channels by the Bis satellite package, resolved by the Conseil Supérieur de l'Audiovisuel in 2008, the Group also appealed to the Conseil d'Etat to win acceptance for its right whether or not to enter into contracts or not with a distributor. In a ruling dated 7 December 2011, the Conseil d'Etat voided the SAC's decision of 8 July 2008 and rejected AB SAT's request to urge Métropole Télévisions to make an offer of contract to AB SAT for the M6 channel to be included in its package.

Settlement of a dispute before the Conseil Supérieur de l'Audiovisuel

Within the framework of a referral to the CSA by France Télévisions, relative to the positioning of the France 5 TV channel in the new national service plan of the Numéricable cable operator, the Paris Première channel which had effectively been granted the 5th channel claimed by the public service was party to settlement agreement in 2010. The CSA ruled in favour of Numericable, in a ruling dated 9 November 2011, which rejected the request for dispute settlement from France Télévisions and thus ruled in favour of Paris Première who retains channel no 5 on Numericable.

Other requests to the CSA

The CSA also rejected a request from Paris Première and LCI to have their DTT licence amended (switch from pay to free-to-air TV). Paris Première has however benefited from extended unscrambled timeslots since 2011.

The financial risks arising from all the matters in progress, with the most significant described above, were estimated prudently and provided for where required in the financial statements of the Group (see Note 28 to the consolidated financial statements).

To date, there are no governmental, legal or arbitration procedures, including any procedure known to the Company, that is pending or of which it is 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.

8.6. Major operating risks

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 modernisation of the broadcasting installations and the selection of recognised and reliable suppliers for services to broadcast the signals.

More generally, any exceptional event that could result in no accessibility to the Group's various buildings could have an impact on the business. For this reason, the Group has strengthened the procedures to guarantee continuity of service of its key processes by locating them in a secure and protected external site.

8.6.1. Broadcasting and transmission signal risks

The Group's methods of broadcasting are varied:

- Since the switchoff of the analogue signal on 29 November 2011, M6 has been broadcast in analogue mode since its creation and is also broadcast free in digital mode on the DTT network (Digital Terrestrial Television), in standard definition (SD) or 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 on the DTT network only in standard definition. The W9 signal is also included by the non free-to-air broadcast platforms (cable, satellite, broadband), either in standard definition (SD) or high definition (HD).
- Other Group channels are pay channels offered by the various non free-to-air platforms. Paris Première and TF6 are nevertheless being broadcast in the offerings of DTT pay standard definition.

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 three to seven 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 Paris Première are associated with NT1 and Arte (for its HD signal) in the R4 Multiplex whose corporate name is Multi 4. TF6 is associated with multiplex R6 (SMR 6), of which TF1 is notably a part.

In accordance with the law, the networks that have been rolled out by Multi 4 and SMR 6, supported by 1,626 broadcasting sites, provide nationwide coverage of 95% of the population of Metropolitan France, with a minimum of 91% per district.

HD broadcast was launched on 30 October 2008. M6 is associated with TF1 and France 2 on the Multiplex R5 (MR 5), whose network is under construction, three years later than the first DTT networks. 967 sites are already operational and 70 sites will be rolled out during the first half of 2012 and 172 additional sites will also be rolled out in the second half-year. HD network coverage will continue to expand gradually in order to reach 1,626 sites.

- TDF for Multi 4 and MR 5 operate the top of the network which consists in compressing and multiplexing the signals. TF1 provides this service in the case of SMR 6.
- Multi 4 and SMR 6 use the company Globecast to ensure the upload to the AB3 satellite that transmits the signal to a large number of transmitters. A terrestrial link operated by TDF is used for the multiplex signal of associated channels in MR 5 to transmit from Paris to the regional transmission sites.
- Lastly, the companies TDF, Antalis (a subsidiary of TDF), Towercast (NRJ Group) and Itas-Tim operate the transmission sites of the R4, R5 and R6 networks. Onecast (TF1 Group) was also awarded broadcast contracts by MR 5 and SMR 66.

For their broadcast, the channels thus heavily 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.

More specifically, concerning the free-to-air broadcast M6 and W9, they have no alternative carrier in the event of breakdown of the analogue or R4 networks. However, the setting up of a backup for the R4 network is being analysed.

Antenna systems are not fully sheltered from technical incidents (antennas, guide wave and frequencies multiplexer), and electric supply may be discontinued in the event of a failure of the EDF network.

However, transmission sites are for the most part secured thanks to their multiplicity.

The damage that channels, and first and foremost M6, may be subject to in the event of a transmitter failure is proportional to the viewing audience size served by the transmitter. This is why M6 has negotiated with its service providers very short service times in the event of transmission failure.

8.6.2. Internal control failure, fraud, IT systems, concentration of purchases, etc.

Risk of internal control failure

The Group implements a cautious prevention and follows up policy for this risk, as specified in the report of the Chairman of the Supervisory Board on corporate governance and internal control and risk management procedures (section 7.6).

Risk of fraud

In order to prevent, discourage and detect frauds, the Group has put into place:

- an Ethics Charter which must be observed and was communicated to all Group employees. This Charter details the Company's ethical values and defines the professional principles which Directors and employees must respect in their own conduct and guides their choices in shares they undertake;
- a map of fraud risks within the Group was prepared. This map is the first step in an ambitious action plan implemented to manage the fraud risk as comprehensively and efficiently as possible. Initiated in July 2009 by the Audit Committee, and carried out throughout 2011, the objective of this action plan is:
 - o firstly to define the role of the various stakeholders (Operational Units department, legal department, Finance department and risk management)- this step was completed at the beginning of 2010;
 - o secondly, to determine if the various internal control procedures established by the Group efficiently combat fraud – this stage is still on-going but has already led to adding to the procedures implemented in certain departments and subsidiaries;
 - o lastly, put into place a multi-year testing programme that will complement the internal control audit.
- Group internal control standards, that include many key control points that directly or indirectly target the risk of fraud;
- More generally speaking, all the rules, procedures and controls implemented within the Group's organisations.

These anti-fraud measures cannot eliminate all risks, but are intended to very significantly reduce their occurrence and magnitude.

IT systems risk

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 and generate 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 made secured by:

- Physical facilities protection (access control, fire detection);
- Logical network access control;
- Firewalls and antivirus;
- Daily, weekly, monthly and annual data backup;
- Duplication of broadcasting control room key systems (software and hardware).

This securitisation policy is reviewed on a regular basis in order to equip the Group with the best tools and procedure to combat this risk.

Supplier 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 (increase in purchase prices, supplier bankruptcy, etc.).

The purchases deemed the most strategic within the Group are audiovisual rights purchases or the M6 channel.

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 of which represents less than one third of film, made-for-TV films and series purchases. The top five US studios supplying M6 represent less than two thirds of these purchases. Dependence on these studios is structurally limited by the broadcasting quotas M6 must comply with.

As concerns flow programmes, purchases are spread over many suppliers.

In spite of the limited reliance on any given supplier, the Group pays particular attention in spreading its risks in terms of audiovisual rights procurement. It keeps a permanent watch in this respect in order to identify new programme concepts and alternative suppliers.

8.7. Industrial and environmental risks

M6 Group 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.

Nevertheless, Métropole Télévision Group does take its environmental protection responsibilities seriously, particularly with regard to the recycling of waste produced by its activities, such as the recycling of batteries, laser cartridges, neon lights and videocassettes through the Centre d'Aide par le Travail (see also the paragraphs on environmental responsibility in section 9.3).

8.8. Insurance coverage

M6 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 these efforts, M6 Group has put into place an insurance policies plan focusing on the coverage 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 FC Girondins de Bordeaux and Ventadis, which have their own insurance policies.

Property damage insurance

Policy Industrial and professional block policy

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Coverage: damages to a maximum of €47,750,000 per loss per year of coverage.

Policy: All risks for IT and technical equipment

Insured parties: MÉTROPOLE TELEVISION, its subsidiaries and/or related companies.

Coverage: monetary damages arising from all direct material losses and all direct material damages caused to equipment to a maximum of €34,000,000 per loss per year of insurance.

General public liability insurance

Policy: Operational and professional liability

Insured parties: MÉTROPOLE TELEVISION, its subsidiaries and/or related companies, groups created by or for personnel, legal representatives and servants of the insured;

Coverage: 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.

Board members' general liability insurance

Insured parties: METROPOLE TELEVISION, its senior managers (1) (by law or fact) and Board members of Métropole Télévision and its subsidiaries.

Guarantees: monetary damages arising from Board members and senior management civil liability up to a maximum of €11,500,000 per insured period.

(1) Senior managers and Directors: individuals, past, present or future, ordinarily invested with company powers pursuant to the laws or bylaws of subsidiaries.

In 2011, the annual cost of insurance premiums to the Group amounted to about €605 thousand. All of M6 Group insurance contracts were renewed in 2012 on similar bases as those of 2011.

All other contracts (particularly F.C.G.B. policies, as well as Ventadis policies and production insurance) represented €723 thousand in 2011.

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.

The total value of related premiums totalled €423 thousand for the whole duration of the work and the following ten years.

There are no captive insurance companies within the Group.

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9. Sustainable development and corporate responsibility

9.1. Human resources

9.1.1. Group workforce

9.1.1.1. Workforce

Breakdown of M6 Group workforce by type of contract

	2009	2010	2011
Permanent contracts	1,500	1,594	1,609
Fixed term contracts	205	212	234
Total workforce	1,705	1,806	1,843

At 31 December 2011, the total permanent workforce was 1,843 people, compared with 1,806 at 31 December 2010. In total, the net increase in the workforce was 37 in 2011, broken down as follows for permanent contracts:

Change in number of permanent contracts between 2010 and 2011

2010 permanent workforce	1,594
New hires	115
Intermittent workers made permanent	46
Fixed-term contracts made permanent	37
Departures:	
- resignation	(77)
- redundancy	(40)
- termination by mutual agreement	(43)
- retirement	(1)
- other grounds	(22)
2011 permanent workforce	1,609

In order to ensure gender equality, M6 Group pays particular attention to balancing its workforce. At 31 December 2011, the Group's workforce was made up of 50% of women and 50% of men, distributed as follows:

Breakdown of M6 Group workforce by category and by gender

	2011	of which male	of which female
Employees	774	394	380
Managers	829	375	454
Journalists	156	99	57
Senior executives	84	56	28
TOTAL	1,843	924	919

In addition, the average age of employees was 37 in 2011 (compared to 35 in 2010), 36 for women and 38 for men.

At 31 December 2011, the total permanent workforce of 1,843 can be broken down as follows:

Breakdown of total workforce by division

	2009	2010	2011
Television	820	847	891
Diversification	885	959	952
TOTAL	1,705	1,806	1,843

Breakdown of fixed term contracts

	2010	2011
Fixed-term contracts	185	195
Work experience contract	18	23
Apprenticeships	9	16
Total fixed-term contracts	212	234

M6 remains committed to work/study programmes and catered for and trained 39 young people under work experience contracts or apprenticeships.

Work/study contracts therefore represent 3.70% of Métropole Télévision's headline workforce, in excess of legal obligations.

Event contract worker

	2010	2011
FTE event contract workers and intermittent workers	558	503

The use of event contract workers decreased by 10%, primarily due to permanent contracts being offered to 46 contract workers in 2011.

External labour

The M6 Group uses external service providers for the following:

- General services: reception, post and messages, security, facilities cleaning and maintenance and collective catering;
- IT: IT project maintenance.

The subcontractors concerned employed 198 people in 2011, compared to 189 in 2010 on the Neuilly and Rungis sites. The change was primarily due to external IT service providers (planned rollout of a new ERP for the Financial Department and planned change of ERP for M6 Publicité).

9.1.1.2. Organisation of working time

Since the conclusion of a company agreement in 2000, Group employees benefit from an organisation of their working time calculated in hours or days according to their categories.

Working time by category (excluding specific cases)

	Average annual working time	35 hour week overtime
Employees	1,575 to 1,589 hours	22 or 23 days
Managers	215 days	13 days
Journalists	205 days	11 days
Senior executives	Not applicable	Not applicable

The M6 Group firmly believes that providing its employees with a good work/life balance contributes to the Company's performance, and does not hesitate to offer part-time work:

Part-time work	At 31 December 2011, 95 employees were on a part-time permanent contract, of which 79% were women and 21% were men
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Total absenteeism, excluding paid holidays, represented 7.12% of theoretical hours worked in 2011, a decrease compared to 2010 (7.75%):

Reasons for absence (excl. FCGB)

<i>Types of absence (in working days)</i>	2010	2011
Nb of sick days	13,097	9,766
Nb of days absent for maternity/paternity leave	11,825	10,160
Nb of days absent due to work related accidents	762	606
Nb of unpaid days absent	2,910	2,274
Nb of days absent due to exceptional holidays	2,442	2,964
TOTAL	31,036	25,770
Absenteeism rate	7.75%	7.12%

During 2011, 8,571 supplementary or complementary hours were worked by the employees of the M6 Group.

9.1.2. Group remuneration policy

The pay packages of M6 Group employees are reviewed on an annual basis as part of their individual assessment. Employees may benefit from individual performance-based pay rises. 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 addition to their basic salary, all employees receive a 13th month salary.

In addition to their basic salary, 194 employees benefit from variable remuneration, which is primarily based on financial performance indicators.

9.1.2.1. Changes in average remuneration

The average remuneration of Group employees (excluding F.C.G.B.) in 2011 amounted to €53,967, compared to €53,929 in 2010.

9.1.2.2. Employee savings

Profit-sharing

Three profit-sharing agreements have been signed within M6 Group encompassing the following segments:

- M6 Group excluding Ventadis division and FCGB
- Ventadis division
- FCGB.

In total, the special reserve for profit-sharing for 2010, and paid in 2011, was €8,889 thousand compared to €6,902 thousand paid in 2010 for 2009.

2,678 employees benefited, compared to 2,568 employees in 2010.

Additional profit-sharing contribution

Management signed a specific profit-sharing agreement with trade unions with the purpose of paying an additional contribution for 2010 to employees within the FCGB structure.

The special reserve for additional profit-sharing contribution for the 2010 financial year paid in 2011 was €50 thousand.

249 employees benefited.

Bonus scheme

Bonuses are calculated in application of the group-wide agreement of 27 June 2008. The bonus is based on M6 Group's operating profit, which is the Group's key business performance indicator.

Total bonuses of €1,852 thousand were paid in 2011 to 2,328 employees in respect of 2010.

Group savings plan

The M6 Group set up a Group savings plan where the Group makes individual contributions in respect of every employee. In 2011, the amount paid in respect of this contribution was €996 thousand, compared to €920 thousand in 2010.

In total, the amounts paid by the Group in respect of employee savings amounted to €11,787 thousand in 2011 compared to €11,341 thousand in 2010.

Lastly, the management of employee savings was entrusted to an external organisation, which proposes the following five separate funds, varying 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% Métropole Télévision shares;
- FCPE Impact ISR rendement solidaire, a diversified FCPE (French company savings plan), invested in European markets, of which between 5 and 10% in socially responsible shares.

9.1.2.3. Supplementary defined contribution retirement scheme

Marking its desire to improve loyalty among executive staff and to meet their expectation in enhancing their pension coverage, a supplementary and compulsory defined contribution retirement scheme was put in place in 2007 for this category of personnel.

At the end of December 2011, 84 senior executives of the Group benefited from this scheme.

This scheme enables the creation of an individual retirement account whose objective is the payment of a life annuity.

By setting up this supplementary pension scheme, the Group plays a full role in improving the pensions of executive staff.

9.1.2.4. Total remuneration of 10 highest paid employees

In 2011, a total amount of €5,125 thousand was paid to the 10 highest paid employees (excluding directors and the FCGB), compared to €5,006 thousand in 2010 (benefits in kind included), and including €1,823 thousand for variable remuneration, compared to €1,842 thousands in 2010).

9.1.3. Development of talents

9.1.3.1. Promotion and career development

Integration of new hires

From the time of their arrival, new employees follow a period of integration comprising, in particular, an induction seminar of one and a half days. On this occasion, the Chairman and a number of Operating or Functional Directors explain the fundamentals of their area, thereby enabling the new recruits to understand the diversity and complementary nature of the Group's businesses. This seminar is also the occasion for employees to develop their internal network and understand the opportunities of working in synergy. 140 new employees thus discovered the Group's work opportunities in 2011.

Annual review

As in previous years, all employees had an annual review with their manager. Assessment criteria go beyond results achieved during the year just ended, and focus on know-how specific to each position. This also provides the opportunity to assess the efficiency of training programmes and occupational balance (work load and organisation, work/life balance). Employees also share their desire for promotion and additional training.

The summary of the annual meeting is accessible on the intranet for every employee and is archived since 2008.

The desires expressed during interviews are systematically analysed and acted upon by the Human Resources Department. These include training programmes, promotion, request for a second part of career interview.

Mid-career interview

All employees aged 45 or more are offered a mid-career interview with their Human Resources Officer. The purpose of this interview is to define their mid-term career path and establish the necessary steps to support it.

In-house mobility and promotion

All vacancies are posted on the Group's intranet in order to give priority to internal candidates. In 2011, 118 employees benefited from in-house mobility or promotion within the Group.

Training

M6 develops the skills of its employees with a policy of continuous training, which is based on training in its businesses, management and in mastering languages. In 2011, 716 people benefited from such training, compared to 689 in 2010.

The use of the Individual Right to Training (IRT) is encouraged by the Group. Every full time employee has an IRT of 21 hours per year, which can be accumulated for a period of 6 years and managed on a calendar year basis. In 2011, 133 employees used 3,390 IRT hours.

In 2011, the training budget, IRT included, was €898 thousand (compared to €853 thousand in 2010), being a total of 922 individual training sessions. This training was equitably split between men and women.

In addition, M6 Campus, the Group's own training organisation, which provides in-house training in management, new media, office automation, languages and technical skills, provided training programmes to 327 employees in 2011, compared to 264 in 2010.

9.1.3.2. Trainee policy

In accordance with the French national trainee charter, the Group conducted a number of shares for the benefit of student trainees:

- **Develop partnerships with schools** through the Group's participation to student forums, hosting student promotional activities within the Group's facilities, the participation in examination panels and the organisation of "job dating" (short job interviews).

- **Encourage the training process**

In 2011, the Group received and trained 334 trainees, all covered by contract and paid for a period for the most part of 3 to 6 months. In addition, M6 received 150 pupils from 3rd or 2nd class for periods of one week for observational work experience.

- **Prepare future recruits for the Group and encourage loyalty among trainees**

Before the end of their training period, the young people have an evaluation meeting with their supervisor, which enables the validation of their choice of professional direction as well as their potential and motivation for the Group. Their job applications have priority for filling junior vacancies immediately at the end of their training period or subsequently.

In 2011, 89 trainees were recruited on a contract, permanent, freelance or occasional basis.

9.1.4. Employment and integration of handicapped persons

The M6 Group is committed to integrating handicapped persons. Thus in 2011 and for the 5th consecutive year, the Group participated in the "Semaine pour l'emploi des travailleurs handicapés" (Handicapped workers' week) by, on the one hand, welcoming 13 handicapped employees as part of the "one day, one business in action" programme, and on the other hand, through the intermediary of W9 which used airtime to promote a short programme entitled "j'en crois pas mes yeux" (*I can't believe my own eyes*) as well as a sign-language advertisement filmed by the channel's presenters. In addition, a second event was rolled-out in July: "Handicap, la semaine de tous les défis" (*Disability, a week of challenges*). Over 5 days, at lunch time, each employee attempted to defeat the champions, on their own or in a team, to "brush aside preconceived ideas" with themes such as cooking, dancing, table tennis, etc. Finally, M6 Group, with the help of the Club des DRH and the town of Neuilly-sur-Seine, organised the first edition of the forum "Handicap & entreprises" (*Disability and companies*) on 3 November 2011.

9.1.5. Corporate dialogue

In 2011, M6 Group had 24 employee representation committees and 132 elected representatives:

- 3 committees of employee representatives, 25 elected members,
- 2 works councils, 21 elected members,
- 9 single employee delegations, 61 elected members,
- 10 health and safety committees for working conditions, 25 elected members.

These various employee representative institutions promote regular and active corporate dialogue. In 2011, on average 20 ordinary and extraordinary meetings took place with employee representatives (across the various committees).

Within the ESU, works council committee meetings were held regularly in order to have a better idea of employee issues. The housing committee allowed permanent employees to access rented housing owned by collectors of the “1% housing” scheme.

In 2011, an agreement on the structure of work outside office hours within the various ESU services (STOD DSI, corporate services and station managers) was concluded which allowed for a long-term structure for this type of work and a favourable compensation to be put in place for the employees concerned.

Within Métropole Télévision, the allocation and flexibility of station managers’ working hours were included in a company-wide agreement.

A new Group-wide bonus scheme was also concluded with the various representative groups for the next three financial years, i.e.: until 31 December 2013. This agreement implemented a new calculation of the bonus, based on EBITA, which should be more advantageous for employees as beneficiaries. The basis of the calculation provides that a bonus can be granted to employees if the EBITA for the current year reaches at least 90% of the EBITA for the previous year.

A plan of action relating to gender equality at work was also implemented in December 2011. This three-year action plan has two objectives:

- to increase action in certain areas such as training, recruitment, work/life balance, remuneration,
- to reiterate an equality policy this is already in practise at M6 Group.

Parts of the plan also apply to several areas:

- work/life balance: Management has decided to implement a protection process for pregnant women by organising interviews with HR and the employee’s manager, subject to the employee consenting to it, in the month before the period of maternity leave is due to begin and in the month before the employee is due to return to work. It has been decided to facilitate the relationship with the employee during the period of maternity leave by providing her with a connection to the intranet. More generally, management has made a commitment to the structure of working of hours, to promote respect for personal life, for example with meetings to be set for times during working hours, working week matching school time, etc. An innovative step has also been taken to extend the partial parental leave period to a maximum of 80% of working hours until the child is six years old.
- Remuneration: in order to ensure an objective comparison between men and women, management have implemented a classification structure of 5 levels of responsibility. The aim is to allow for the comparison of situations and to close the gap between employees according to gender and level within the range of + or – 5%.

9.1.6. Health and safety at work

Employee safety and working conditions are the main priority for the 25 elected individuals of the Group's 10 health and safety committees for working conditions. In 2011, 3 of these had their members renewed or were newly established.

Health and safety conditions are monitored on a regular basis, in particular through regular meetings (45 meetings in 2011).

A committee for the quality of life at work was also created to introduce preventative measures in this area and, with the members of the Health & Hygiene Committee, will follow a training course on psychosocial risks.

In 2011, the workstation of about 650 employees was modified as fitting work was carried out or following their transfer to new premises. The health and Safety Committee ensured compliance with workspace, ergonomics, lighting, computer screen orientation and workstation requirements and issued a favourable opinion for all projects.

- Safety hygiene and health training

In 2011, 95 people underwent safety standards training (evacuation, use of fire fighting equipment, first aid at work, etc.). The training of 49 first aid workers was provided by the Group nurse, who was herself trained to that end.

- Occupational health

The daily presence of the qualified nurse in the medical room, in conjunction with internal communication, enabled the renewal of the two annual blood donation campaigns, which represented nearly 127 donations in 2011.

The nurse can offer preventative advice to employees on various subjects via the intranet such as the how best to position yourself if your role involves mainly sedentary work, hand washing, the ill effects of prolonged exposure to the sun, reminder of which vaccinations to get before going abroad and sleeping disorders.

Employees doing shift work for part or all of the night are seen every 6 months by the company doctor, as part of the development of increased health monitoring.

- Work related accidents

The number of work or travel related accidents to permanent and contract employees that led to a cessation of work, was 32 in 2011 with a frequency rate of 7.661 (compared to 7.81 in 2010) and a severity rate of 0.25 compared to 0.2 in 2010. The number of work-related accidents was stable between 2011 and 2010 but the length of stoppage increased from 808 days in 2010 to 1,008 days in 2011 (calendar days).

9.1.7. Professional ethics

Each new recruit is provided with M6 Group's professional ethics code, which goes beyond compliance with laws and contractual commitments and sets a number of professional principles with which each employee must comply in their personal behaviour and to guide their professional choices.

One of these principles is striving to act professionally, loyally and diligently, with neutrality and discretion, both in relation to the Group and the general public, customers and suppliers. Also mentioned is the attitude to adopt in the case of a personal conflict of interest, or when dealing with sensitive information, receiving gifts and invitations and during periods where trading in company shares is forbidden.

9.1.8. Work environment

9.1.8.1. Benefits and services of the Works Council

The Works Council offers a number of benefits to employees: gift-cheques 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.

The Group budget for social activities is:

- for the ESU, 0.9% of total payroll, being €458,420 (compared to €425,695 in 2010);
- for the subsidiaries, 0.72% of total payroll, being €310,986 (compared to €294,364 in 2010).

9.1.8.2. In-house communication

Associate employees with the Group's major projects and advertise work opportunities

Advertising the Group's work opportunities in order to develop synergies among the various operations, the feeling of belonging to the M6 Group and internal mobility is one of the common objectives of in-house media dedicated to employees:

- an intranet portal, which is updated daily, providing news about the Group and its subsidiaries, audience ratings, TV channel programmes, internal activities and company life, industry trends and legal framework, interviews with employees, games promoting the Group's operations, etc. and for every employee, the possibility of managing their holidays, their annual interview and manage their Group Savings Plan.
- A new 100% web-based version of the monthly newsletter, which presents news on all Group entities: new programmes, audience ratings, product launches (publishing, CD/DVDs, derivative products, etc.) partnerships, events, film coproduction's, new websites and distance-selling events. The newsletter is sent to nearly 2,000 employees;

Ask for each employee's opinion and promote each individual's work

With an aim to improve communication and dialogue, an employee Opinion Survey was carried out for the first time within the Group by the Great Place to Work Institute. 78% of employees gave their opinion on various themes such as management, strategy, IT services, working conditions, etc, and therefore expressed their expectations and the positive aspects of their daily work life. A plan of action was then designed according to the results of the survey and the dialogue which followed, and presented to the Employee Representatives; this will be rolled out in 2012.

9.2. Corporate responsibility

The responsibilities and commitments of M6 Métropole Télévision come from the general principles set out in the Law of 30 September 1986 as amended. Pursuant to Article 28-1 of the Law of 30 September 1986 as amended, and following the decision n° 2001-107 of 27 February 2001 in favour of the renewal of the authorisation held by Métropole Télévision without launching a call for candidates, additional requirements were included in the agreement concluded with the Conseil Supérieur de l'Audiovisuel (CSA).

9.2.1. A framework that guarantees a high level of commitment to French society

9.2.1.1. Excerpts of the agreement between the Conseil Supérieur de l'Audiovisuel and M6 Métropole Télévision in terms of general and professional ethics obligations

These obligations, mentioned in the Agreement concluded with the CSA, notably include general and professional ethics obligations that guarantee a major commitment to French society, in relation to the following (please find below excerpts of the M6 Channel's agreement with the CSA, available in full on www.csa.fr):

- The Company is responsible for the content of the programmes that it broadcasts. Pursuant to the constitutional freedom of speech and communication, as well as the company's editorial freedom, the latter watches over compliance with the principles enacted in the following articles.
- The Company ensures that the programmes it broadcasts are selected, designed and produced

under conditions that guarantee its editorial independence, in particular in relation to the business interests of its shareholders (...)

- The Company commits 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 business conditions usually noted in the market (...).

In relation to the plurality of expression of ways of thinking and opinions

- The Company guarantees the plurality of expression of ways of thinking and opinions.

In relation to 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 encourage delinquent or uncivil behaviour, it must respect the general public's various political, cultural and religious sensitivities, it must not encourage discriminatory behaviours based on race, gender, religion or nationality, it must promote the French republic's values of integration and solidarity and take into consideration, in on-air representation, the diversity of origin and the cultures of the French community.
- Every year, the channel informs the CSA of its commitments to encourage the representation of the diversity of French society in its programmes for the coming year.

In relation to 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, avoid smugness in evoking human suffering, and ensure that individuals' testimonies on facts regarding their private life are only collected with their informed consent.

In relation to child and teenager protection

- 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 appreciation of their acceptability in light of child and teenager protection and applies the signalling code accordingly.

In relation to the honesty of information and programmes

- The honesty requirement applies to all programmes. The Company verifies the validity and sources of information. Its origin must be specified as often as possible. Uncertain information must be qualified. 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.

In relation to defending and illustrating 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.

Other Group channels must also abide by a number of regulatory and conventional obligations, both of a quantitative and qualitative nature.

9.2.1.2. Compliance of advertisements

The Group's advertising agency, M6 Publicité, has entrusted ARPP (Autorité de régulation professionnelle de la publicité), by way of an interprofessional 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. This disclosure is given an order number that must imperatively be communicated to M6 Publicité before the broadcast.

As mentioned in its General Terms and Conditions of Sales, M6 Publicité reserves the right to refuse to broadcast or interrupt 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 channels interests or those of its subsidiaries, or if the CSA subsequently deems that an advertisement is non-compliant and forbids 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 advertisement broadcast department.

9.2.2. Information programmes accessible to all

9.2.2.1. Encourage a better understanding of the world

The 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, documentaries and information to provide a deeper knowledge and understanding of the contemporary world, by dealing with diverse subjects such as employment, integration, the economy, science, ecology, consumption, etc.

Capital, Zone Interdite, 66 Minutes, E=M6, Enquête exclusive, le 12.45 and le 19.45 are programmes that illustrate, via the subjects dealt with, M6's commitment to inform and increase awareness of the current social issues and its expertise in deciphering major challenges

9.2.2.2. Programmes accessible to the widest audience

Above all, for M6 accessibility means, in accordance with the law of 11 February 2005 on equal rights and opportunities, the participation and citizenship of people with disabilities, taking into account disabilities, first and foremost by subtitling its programmes for the benefit of the deaf and hard-of-hearing.

Since 2010, M6 makes all of its programmes accessible to people with hearing difficulties (excluding commercial breaks, sponsorship, trailers, songs interpreted live and instrumental music, home shopping and live broadcasts of sporting events between 12pm and 6am).

Since 2011, W9 is also obliged to subtitle all its programmes, the same as for M6.

In addition, since 2009, the new broadcasting control room will enable all Group channels to broadcast specific subtitles and thus provide access to the greatest number of broadcasts by Paris Première, Téva and the 3 music channels.

Furthermore, M6 and W9 signed addendums to their agreements in 2011 to provide for accessibility of certain of their programmes to blind or visually impaired people.

9.2.3. Public awareness of great causes

9.2.3.1. A civil channel with a sense of responsibility and solidarity

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 charitable shares and to increase the general public's awareness of them. In 2011, many humanitarian campaigns, non-governmental and charitable organisations thus broadcast free of charge on M6 and on the digital channels, representing international solidarity causes (Action Contre la Faim, Croix Rouge Française (French Red Cross), Fondation de France, Banques Alimentaires, Secours Catholique, etc.), health issues (the fight against AIDS, the fight against cancer, research on rare diseases, Fondation pour la recherche sur le cerveau, Médecins du Monde, the fight against cystic fibrosis, etc.) and education/culture issues (Unicef, Fondation pour l'enfance, etc.), as well as Médecins Sans Frontières.

Since 2006, M6 has been the official TV sponsor of the Handicap International NGO, airing the organisation's communication on its TV networks and websites.

This support relates to the organisation's two major annual events, the Fir-tree Bag and the kit plio (back-to-school book-covers) which allow people, through ethical and responsible consumption, to participate in the funding of the NGO's missions.

W9, for the third year and with other free DTT channels, continued to support "Pasteurdon", an event aimed at increasing awareness of the Institut Pasteur's research and its need for donations. Fundraising short films and a video featuring scientists, artists and DTT hosts and supporting the Institut Pasteur were broadcast between 14 and 16 October 2011.

The broadcasts by the Group channels are an occasion to create awareness of opinions on certain difficult situations and to bring the support of teams to improve the daily lives of those concerned.

Thus Valérie Damidot (D&CO) and her team contribute each year to improving the living environment of families. In 2011, they more specifically helped sick children in the Robert Debré hospital in with the Cékedubonheur charity, which seeks to improve the quality of life of hospitalised children and teenagers.

M6 associated itself with the Rockcorps programme, which offered a concert ticket in exchange for 4 hours of voluntary work for the benefit of 70 NGOs, then aired a documentary about the concert on 23 November 2011.

Furthermore, M6 provided extensive coverage of concerts held to promote peace and solidarity values, such as the concert for tolerance on 12 November 2011.

9.2.3.2. Prevent, act and increase awareness of public health challenges

For many years, a Group mechanism, set up both on all Group channels and on the Internet, has been put in place to support the Sidaction campaign against AIDS, which ran from 1 April to 3 April 2011. The Group's channels, supported by presenters, has made the Sidaction the keynote of a number of programmes, featuring announcements of the event, calls for donations, special shows, awareness building programmes, broadcasting of fund-raising advertisements, etc.

M6 strives to warn viewers of risks associated with alcohol and drugs in its many magazines and reports.

In accordance with the Food Charter signed on 18 February 2009, in 2011 M6 broadcast more than 22 hours of programming (and over 2 hours on W9), inviting viewers to visit the www.mangerbouger.fr website that promotes healthy food and exercise.

9.2.4. M6 Group, a player with a sense of solidarity

9.2.4.1. The M6 corporate foundation

In 2010, the M6 Group created its own corporate foundation, having decided to get involved in the sensitive topic of prison life.

As the first company to make this choice, the Group exercised its responsibility for a social cause that is consistent with its operations and unites its employees around a project financed by all Group companies.

This foundation was granted a budget of €2.5 million over 5 years and is intended to support the audiovisual activities proposed to inmates and contribute to the Ministry of Justice's integration initiatives, in particular through:

- Audiovisual work training with the aim of a potential integration,
- Work in prison, through a subtitling activity (deaf and hard-of-hearing) of M6 programmes,
- Improving the choice of activities through cultural entertainment and sport,
- The production of a reception film for new arrivals, in order to reduce the shock of prison life,
- Support for non-profit projects of good quality but with little resources,
- And maintaining family relationships between inmates and their relatives by renovating and improving the dedicated areas

Helping and serving inmates: a social necessity

Even though life in prison and professional reintegration attract little media attention, M6 Group's project echoes a strong demand from public authorities, charities and the inmates themselves, and the Foundation developed in partnership with these stakeholders.

M6 Group elected to serve this original yet natural project due to the fact that:

- Television, only authorised in prison since 1985, is, for most inmates, their only window to the outside world. The channel and the M6 Group by extension are legitimate stakeholders due to their role as content editors and use their expertise in an often forsaken environment,
- Prison is a true social issue that deserves dedicated human and financial resources so that beyond its punishing dimension, inmates are allowed to think things through and rebuild their lives to integrate into society once again,
- It is a difficult issue that can only be carried by a Foundation originated by a channel which intends to stand out from the rest.

Key figures of the Foundation

- a €2.5 million budget over 5 years,
- 2 years in operation and already:
 - 11 audiovisual workshops, 80 people undergoing training,
 - 26 entertainment events organised, 1,830-strong audience,
 - 2 show staged and acted by inmates and filmed by FM,
 - 6 charities supported,
 - 66 facilities organising audiovisual activities.

Actions implemented by the Foundation

Concrete on-site actions:

- 80 inmates trained in the 11 audiovisual workshops supported by the (Tarascon, Bourg-en-Bresse, Rennes, Bonneville, Strasbourg, Dijon, Béziers, Varcès, St Quentin Fallavier, Avignon and Poissy),
- 1,830 inmates attended 26 shows, films, cooking classes, etc., organised by the Foundation,
- 3 "new arrivals" reception movies, produced for the Bourg-en-Bresse, Bois d'Arcy and Melun prisons,
- 2 shows, staged and acted by the Melun inmates and Rennes and shot by the M6 Foundation.

Financial help for 6 charities

The M6 Foundation provides financial support to six charities:

a) The **Relais Enfants Parents** charity The Foundation helped 1,350 children to visit their parents in hospital, 180 children to spend Christmas with their parents who are in prison and 150 inmates to make presents for their children.

b) **Mouvement de Réinsertion Sociale** (MRS), a charity that provides individual support and access to self-governing housing to people leaving prison. Since July 2010, the M6 Foundation has, through MRS, enabled 60 inmates to be granted social housing and 10 inmates to start taking driving lessons to facilitate their reintegration into society.

c) The **Yeux de l'Ouïe** charity, which encourages the broadcast, production and promotion of sound and visual work to establish networks to exchange various artistic practices.

d) **L'Oustal**, a charity that helps people released from prison find accommodation and work and facilitate their integration by helping them with administrative formalities (social security, tax, etc.). This is the equivalent of Mouvement de Réinsertion Sociale for South-Western France.

e) **Association Nationale des Visiteurs de Prisons**, with the introduction of training programmes and talking circles for prison visitors.

f) **Les Prisons du Cœur**, a charity that strives to improve conditions of detention, help reintegration and improve the general public's perception of prison life.

A uniting project for employees

The foundation motivates Group employees and brings them together around a rewarding and uniting project, which testifies to our Company's growing awareness of its role in society as a corporate citizen.

15 Group employees thus contribute on a regular basis, through an organisation committee that meets periodically. They give time and share their expertise and experience in their respective fields to develop, put into place and support the 2 employees who work full time for the M6 Foundation.

9.2.4.2. Numerous other initiatives

Group employees are also committed to many other causes, such as breast cancer, by taking part once again this year in La Parisienne race, the "dons de vie" (gifts of life), with the presentation in the Group's premises of actions undertaken by the Laurette Fugain charity, semi-annual blood donations, etc.

9.2.5. Child and youth protection and well-being

This cause is the mainstay of the social commitment of M6 Group, which is involved in a number of initiatives in this area to support sick children, provide remedial courses and prevent dangers.

9.2.5.1. Television, a powerful media

The M6 network is a powerful contributor to the Amber Alert system, implemented in 2005 by all main and radio television channels who signed a memorandum of understanding concerning the Amber Alert mechanism, which had been successful in the United States for a number of years. This requires 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 retrieving the child. This commitment by the Group consists in 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, interrupting programmes, or repeatedly showing photographs to help identification. In 2011, the Alert was raised once.

9.2.5.2. Protecting our young audience

Signalling system

Concerning programming, the protection of children has been promoted since 1989, when M6 took the initiative to create a signalling system stating the target audience of films. It was finally 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 programmes do not contain violence, vulgarity, or anything likely to shock the sensitivity of young viewers. To this end, the Group follows with vigilance the preparation 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 musical clips are viewed and validated by a viewing Committee that gives its recommendations to the signalling Committee, the final arbitrator of the allocation of the 4 categories (everyone, less than 10 years old, less than 12 years old and less than 16 years old).

Once again this year, the M6 network sustained and broadcast the signalling campaign proposed by the CSA.

In addition, pursuant to the terms of the CSA deliberation dated 17 April 2007, M6 has drafted a charter governing the participation of minors to its TV shows, with a view to protecting them and establishing specific reception conditions.

Food charter and fight against juvenile obesity

Under the auspices of the Health Minister and the Minister for Culture and Communication, on 18 February 2009, TV channels, producers and advertisers signed a charter devoted to fighting juvenile obesity in France. This charter, intended for the next 5 years and controlled by the CSA, grants preferential prices to the "Institut national de prévention et d'éducation pour la santé" to broadcast its health 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 food behaviours.

In this third year of application, M6 broadcast numerous programmes, corresponding to more than 22 hours of hourly volume and airing all or part of the PNNS messages (Programme national nutrition santé). Programmes that promote balanced nutritional behaviour were broadcast throughout the year and addressed both parents and children, including the *E=M6* and *100% Mag*, short programmes such as *En Grande Forme* and *Tous ensemble à table* and the cartoon *Chico Chica Bimba Pepper School*, as well as matters such as "Why is it important to practice sports", "Why must we eat breakfast" in *Kid et toi*.

Control

The M6 Group is also 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 an incitement to violence or hatred and, where appropriate, removes them from the websites.

Via the community site for teenagers, Habbo.fr, a virtual bus of the Fil Santé Jeunes organisation is made available to members. Teenagers can thus freely get information or explain a problem to health professionals. Habbo has also set up a team of professionals responsible for containing the site and prevent any abuse or attempt to fraud linked to the use of a payment method proposed by the site.

Over the last four years, the M6 Group has also been a partner of Action innocence, a charity that militates for the prevention of risks posed on children by the internet. This support involves the broadcasting free of charge of their campaign on TV, online and on mobile phones.

Lastly, M6 mobile proposes fixed price offers with unlimited calls at night and weekends with its offer targeting 15/25 year olds. Since November 2007, members of AFOM (French Association of Mobile Phone Operators), of which M6 mobile is a member, due to its M6 Mobile by Orange offer, signed an agreement according to which they commit to automatically propose parental control from the time the phone line is open.

9.2.6. Representing French diversity

In 2011, and in keeping with commitments made in previous years, M6 channel continued its efforts to represent diversity in French society as accurately as possible in its programmes.

The four themes upheld by the Conseil Supérieur de l'Audiovisuel on its diversity scale are as follows:

- socio-professional categories
- visible minorities
- disabilities
- gender equality

In the majority of items tackling these themes, the channel attempted to provide solutions to improve the daily life of those persons represented and promotes all public and private initiatives created with this same objective. Its commitment to representing the diversity of French society is henceforth included in its agreement, but on top of its contractual obligation, M6 channel has been aware of its responsibility to education and respecting diversity for a long time. As a broadcaster, it must consider what it broadcasts about the image of multi-cultural France through promotion of integration values and solidarity but also through the presence of minorities. This mentality also goes for W9. The CSA sees that commitments

made by the channels each year are honoured, basing themselves on the results of diversity scales, of which the first results for M6 and W9 were satisfactory.

9.2.6.1. Integration and diversity

All socio-professional categories are represented at M6 Group in its programming. Therefore, the series *Victoire Bonnot*, co-produced by the channel, follows the story of a provincial secondary school where the head master sees to the smooth running of school life and helps young people cope with their problems. Young people have also been promoted through a short daily programme which follows the professional beginnings of five young apprentices in the form of a real-life documentary show. On 8 October 2011 the magazine *Capital* dedicated a report on unemployment amongst young people and on the integration of young graduates. In 2011, the magazine *C'est ma vie* covered the subject of families who were going on holiday for the first time thanks to the help of charitable organisations.

The promotion of visible minorities is also a real priority for M6 Group. Represented in all aspects, diversity can also be seen in the teams of presenters on the channel, as well as amongst the actors, the artists or simply in the choice of subjects reported on. M6 Group is also a partner of *Concerts pour la tolérance* whose aim is to make the public aware of differences and diversity (broadcast on 12 November 2011), and of the concert Orange Rockcorps, broadcast on 23 October 2011 on M6 channel, in which a diverse set of artists were featured. On 5 March 2011, *Kid & toi*, the educational magazine for young viewers, broadcast a report entitled "how to confront racism". In general, in all M6 programming, we take care to represent diversity amongst all participants. This is particularly the case for *D&Co*, *Nouveau look pour nouvelle vie*, *Pékin Express*, *Un dîner Presque parfait*, *Incroyable Talent* and *Zéro de conduit*.

Finally, the emancipation of women and balance and equality between genders are more than ever central to the campaigns and commitments of M6 and W9, both in the structure of the Group and in its programming. It should be noted that half of M6 Group employees are women, several of whom are members of management, and that M6 respects gender balance in its programming where possible. In addition, during the last season of the magazine *Capital* broadcast in the first part of the evening, amongst the 10 experts who appeared on the programme, three were women and almost half of the experts who take part in *100% Mag* are women. Also note the short programme *Trophée rose des sables*, broadcast on M6, which is a glowing portrait of participants in a 4x4 race in the desert.

9.2.6.2. A strong involvement with disabled people

Here again, 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. In addition, M6 highlights the work and the actions of disabled assistance charities in most of the topics dedicated to this theme. In 2011, the participation of Grégory Cuilleron, the current Ambassador for AGEFIPH, in *Top Chef*, as part of the "employing disabled people" week in November 2011, during which, for the 5th year running, M6 Group took on 13 disabled workers during a day of discovery of a business sector or an occupation, working in tandem with an employee. This week led to a special programming schedule on W9, including sponsorship, a comedy mini-series, messages from presenters in sign-language, videos, tv films against prejudices, and two topics devoted to disabled people in documentaries broadcast on 14 November 2011. Finally, in magazines broadcast at peak viewing times, our writers devoted several reports to the disabled, such as *C'est ma vie*, *100% Mag* and *Zone Interdite*.

9.3. Environmental responsibility

The Métropole Télévision Group does not carry out activities that structurally present a significant impact on the environment. However, on its own scale, M6 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.

To demonstrate its commitment, the M6 Group has adopted an approach in line with the charter proposed by the Minister for Ecology, Jean-Louis Borloo, and addresses many of the issues raised by the charter. In fact, the Group has already made a summary of its CO₂ emissions and broadcast more environmental information.

In addition to equipment installed several years ago to reduce the impact on the environment (water consumption, CO₂ emissions, electric consumption, waste production), new commitments in favour of Sustainable Development were taken on in 2011, such as the implementation of an action plan to limit the use of paper within the Company.

M6 Group also committed to phasing out payslips in spring 2011. It has been proposed to all permanent Group employees to use an electronic drop box and to receive their payslip electronically each month. At 31 December 2011, more than 1/3 of employees were already using this service.

In addition, construction on the office building at 107 Avenue Charles de Gaulle is the object of a HQE (High Environmental Quality) process aimed at user comfort and quality of life as well as respecting the environment. The operation has already obtained HQE certification for the Design and Programme phase. Equipment and materials have therefore been chosen for promoting the comfort of people and 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 adapted to the various premises,
- optimal use of natural light for offices and common spaces,
- optimal use of ventilation outflows and state-of-the-art research on interior finishing materials to ensure good air quality,
- terraces and patios partially covered in trees to conserve biodiversity.

9.3.1. Environmental indicators

The consumption of water resources, raw materials and energy 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.

Thus, in 2002, the Group's principal site was equipped with a regulation valve that led to a 40% reduction in gas consumption since then.

A complete modern management system has been installed to deal with energy consumption. This regulates the temperature and lighting of premises depending on a number of criteria, such as for example their occupancy rate. This centralised management of energy is intended to provide better control by the Group of its consumption.

The latter is very regularly monitored in all areas. Water and energy consumption and CO₂ emissions were the following in 2011:

Water consumption in millions of cubic meters

2009: 22.3 thousand m³

2010: 22.2 thousand m³

2011: 19.9 thousand m³

Electric energy consumption (in kWh)

2009: 9,296,595 kWh

2010: 9,069,870 kWh

2011: 8,728,981 kWh

This reduction in electricity consumption was primarily due to the introduction of new light bulbs and the reduction of lighting power on the stages, resulting in a reduction in electricity production.

CO₂ emissions (in millions of kg)

2009: 0.359 million kg

2010: 0.342 million kg

2011: 0.275 million kg

Gas consumption declined by 20% due to exceptionally mild temperatures in 2011, and the implementation of temperature charts.

Waste produced (in tons) including paper and cardboard sorting.

2009: 372 tons

2010: 324 tons

2011: 328 tons

Paper and cardboard sorting

2009: 210 tons collected in bins

2010: 189 tons collected in bins

2011: 148 tons collected in bins

9.3.2. New developments in recycling

In parallel with this desire to control consumption (water, energy, etc.), M6 also has an active policy of recycling waste arising from its operations (batteries, neon lights, IT hardware, toner cartridges, etc.). The selective sorting, is in place in both the main building at 89, avenue Charles de Gaulle and the building at 46, rue Jacques Dulud. In 2011, 489 kg of batteries were therefore recycled by the Group (vs. 443 kg in 2010).

Similarly, in partnership with the Ligue contre le cancer, used mobile phones were also collected.

In addition, the Ventadis business (Distance Selling), as part of the Waste Electrical and Electronic Equipment (WEEE or W3E), collected a contribution from its customers in addition to the price of equipment with electric or electrical components. This eco-contribution is paid in full to the suppliers who must fund the recycling of old equipment through specialised organisations. In 2011, a total of €1.5 million was collected, compared to €1.6 million in 2010.

9.3.3. Community awareness

The responsibility of a group producing and broadcasting content lies also with a desire to make the general public aware of the challenges of sustainable development.

M6 decided to play an educational role via quality documentaries presenting the current ecological difficulties. These magazines have become flagships for the channel and thus represent a major audience attraction for these subjects among an increasingly generalist audience.

The channel thus continued to broadcast the “**Capital Terre**” show. The programme looked closely at new eating habits and consumption patterns and their sometimes devastating effects on the planet. Throughout the show, the presenter looked at many initiatives that may soon help preserve the planet (“I buy, I throw away: how to consume without plundering the planet”, “Seven billion people on the Earth: what solutions are available to live without oil?”).

Environmental challenges and news were also covered many times in newscasts (Le 12.50 and Le 19.45), such as the Fukushima radio-active cloud, shale gas, oyster farmers impacted by the TK Bremen shipwreck, green algae, etc. Newscasts regularly highlighted unusual climate-related stories and innovations related to the climate: “a company recycles melons”, “how to collect rain water?”, “the Versailles castle to be equipped with a new eco-friendly heating system”, etc.

In addition, the in-house magazine and news documentary production company C Production produced several topics on behalf of M6 around ecology and sustainable development, including “I only eat what I grow”, “Electric car, what are the benefits?”, “They are fighting against cigarette stubs”, “New: plant-based colourings”, “Is it possible to have a green Christmas?”, as part of 100% Mag. The channels’ historic magazines, Capital and Zone Interdite, also broadcast many topics related to sustainable development such as “Electrical goods: are their green promises true?”, “The green cleaning business”, “Interior design: the craze for tiny low-energy light bulbs”, “The saga of organic chains”, etc.

9.4. Economic responsibility

9.4.1. Sustainable mode of profitable growth

The economic responsibility of the M6 Group is to ensure its long term development by exploiting the growth reserves available in the various markets where it has a presence.

Conscious of delivering continuously better financial performance year on year, the Group also seeks to enlarge and consolidate the bases of its future growth in a competitive and technological environment undergoing rapid change.

Thus, in 2011, the M6 Group again successfully continued its growth strategy in all its operations as demonstrated by:

- the bolstered strength of the M6 channel compared to its main competitors: M6 was the only historic nationwide channel to report an increase in audience ratings in 2011,
- the very strong growth of W9, the second free channel of the Group, on the free DTT market,
- the consolidated position of its family of pay channels, with the confirmed success of Paris Première and Téva in particular,
- and an aggressive approach in the area of diversification and audiovisual rights, designed to enhance the Group’s presence in activities that meet the following objectives: complementarity and synergies with TV operations, reduced dependence on the advertising market, asset and brand creation and presence of content on all distribution and viewing networks.

9.4.2. A group actively seeking new growth opportunities within an environment that needs to be preserved

Today, the first challenge for a media group is to encourage innovation in order to adapt to technological changes and changes in viewing patterns and the use of its services. According to a Médiamétrie study (L’année TV 2011), more than 29.4 million people watched a video on a computer in November 2011, corresponding to 28.7% of the time spent visiting the websites of TV channels. More than 14.5 million people have already consumed catch-up TV to watch a programme they have missed or wish to watch again.

This development has led the Group, over the past few years, to make its content and products available on more distribution channels, necessitating investment in networks and digitalisation, as well as ascertaining the existence and the development of a viable business model for these new viewing patterns.

The second challenge consists in preserving the environment in which the Group operates, while at the same time making sure that this preservation does not slow down the necessary adaptation of the business models within a fast changing competitive and technological environment. Within this framework, The Group will continue to encourage cultural diversity, sustain artistic creation, and uphold respect for intellectual property, in order to increasingly participate in the content value chain.

9.4.2.1. Innovate and anticipate new usage

- Catch-up television

Broadband and mobility have transformed the methods of access to content that is ever more varied and available on a considerable number of platforms. The M6 Group is active in the development of these new methods of viewing audiovisual content, and in 2008 successfully launched a catch-up television platform, M6Replay, which enables people to watch the channel's best programmes only one hour after they have been broadcast, free of charge and with a very ergonomic interface. In 2009, this strategy was extended with the launch of three new platforms: W9Replay, M6 Bonus and M6VOD.

- 3G telephony

With the advent of the third generation telephony (3G) and the possibility of downloading editorial content, the mobile phone has become a strategic distribution network for media businesses. The M6 Group, via its subsidiary M6 Web, has carved itself a place of choice in this area as it produces programmes specific to mobile telephony.

- Television on smartphones and tablets (3G and Wifi)

Launched in 2010, the M6 application for iPhone and iPad provides live access to all the programmes of the channel and to M6Replay. The Group thus continues its innovation strategy to better respond to the viewers' new TV consumption patterns.

- High Definition (HD)

Since 2008 and the start of M6's broadcasting in High Definition on Digital Terrestrial Television, as a result of a commitment by the Group to develop the technologies, M6 is now assured of remaining a leader in the technical development of the media sector in the coming years. Internal production is already 100% in HD.

- Connected TV

The Group pays special attention to innovative technological usage, in particular in the budding market of connected TV, notably through its partnership agreement with SONY, which provides the M6Replay service directly from the interface of its connected TV sets.

In 2008, the M6 Group also proceeded with the switchover to a fully High Definition designed digital control room, which combines the latest digital tools with solid and upgradeable automation. It includes the multimedia dimension of the Group and enables the automated delivery of the various medias necessary for all sectors of broadcasting, that are terrestrial analogue television, High Definition and Standard Definition DTT, cable, satellite, television on PC, VoD such as M6 Replay, M6 websites, mobile telephones, etc. In 2009, following M6, W9, TF6, Série Club, Paris Première and Téva were successively broadcast from this unique broadcasting control room, which allows for multilingual broadcasting (French Version and Sub-titled original Version) and multiple subtitling (deaf and hard-of-hearing).

9.4.2.2. Uphold intellectual property

At a time where increased digitalisation of media necessitates new measures to protect works, the M6 Group, a producer and broadcaster of content, seeks to develop an effective policy to combat piracy and to uphold intellectual property.

This policy is based in these two principal areas:

- reduction in the timeframe for broadcasting works, an issue that should be addressed with the forthcoming 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 programme offering.

9.4.2.3. Support creation and new talents

As part of its production and broadcasting obligations, M6 is committed to developing artistic creation and to value its diversity by focusing on young talent in cinema, audiovisual works and music.

The Group thus shares its cinematic investment carried out by M6 Films between established producers and young talent waiting to be discovered. In 2011 M6 Films took part in the financing of many first films directed by Philippe Lellouche (Mes meilleures vacances) and directed by Sylvain Fusée (Philibert), Juliette Arnaud and Corinne Puget or Alexandre de La Patellière (Le Prénom).

On air, the Group is strongly attached to revealing new talent, including young actors in its audiovisual coproductions (Soda, Scènes de ménages), presenters and hosts (Céline Bosquet, Alex Goude, Taïg Chris, Sandrine Corman, etc.) and programme participants (Camélia Jordana, in music, Ruben Sarfati in cooking). This is the Group's trademark, which is accompanied by loyalty to the talent revealed, as shown by the Group's support for their shows, disc productions and new films.

9.4.2.4. Obtain value from assets and work for the 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 restoration work was initiated in 2005 with the purchase of SNC's catalogue of over 400 classic films by the M6 Group. This was continued in 2011, enabling the restoration of 3 additional films, including "Lumière d'été" and "Un peu de soleil dans l'eau froide. A total of 128 films had been fully restored by the end of 2011.

9.4.3. Adapted governance structures

M6 corporate governance principles comply with 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, contributing to preventing any excessive control and thus preserving a balance between shareholders, the cap on the number of voting rights and the organisation of corporate governance is repeated in the bylaws, pursuant to Article 2 of the agreement concluded with the CSA, which states that:

- Within the framework of the provisions of Article 28 and paragraph 1 of Article 39 of the Law of 30 September 1986, no shareholder or group of shareholders acting in concert may hold more than 34% of the total number of voting rights. No bylaw provision may call into question this cap, either directly or indirectly. This is a provision of the authorisation granted pursuant to Article 42-3 of the Law of 30 September 1986, as amended.
- At least a 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.

Lastly, within the M6 Group, there is an internal control mechanism with the objective of providing the means to achieve the objectives, both operational and financial, set by the Executive Board. The various procedures established enable the control of management action as well as the proper conduct of transactions, while preventing risks. This system guarantees reliable and accurate accounting information.

9.4.4. Balanced and transparent relations with partners

The role of the M6 Group with everyone it deals with such as shareholders, advertisers, viewers, customers or suppliers, is to maintain balanced and transparent relations with them.

In that respect, the Ethics Code to which all employees must adhere sets a number of principles referred to in section 9.1.8 of this management report.

9.4.4.1. Shareholders

Since 2004 and the extension of the free float, the M6 Group has stepped up its financial communication policy in order to deliver to all shareholders exact, precise and fair information, 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 supports for individual and institutional shareholders, via a website dedicated to current finances in French and English, completely redesigned in 2008 www.groupem6.fr (Finance).

Shareholders may contact the Company using the dedicated e-mail address: actionnaires@m6.fr.

9.4.4.2. Advertisers

Relations with presenters and advertising agencies are governed by the Law of 1 April 1993, the so-called "Loi Sapin", which guarantees a perfectly transparent advertising market.

9.4.4.3. Suppliers

Relations with suppliers, particularly programme producers are governed by multi-year contracts as regards US studios (films series), that ensures smooth exchange of content. In addition, M6 Group plays a leading part 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.

9.4.4.4. Viewers

In order to strengthen dialogue with viewers and to reply to their queries as soon as possible, the M6 Group has set up a fully dedicated service.

In 2011, the "M6 et vous.fr" website, dedicated to viewers, had 1.8 million hits. A similar site has also been proposed for W9 ("**W9 et vous.fr**").

This procedure is used by the Group to improve its programming service and each day a summary of the various comments is created and distributed to the teams, who are dedicated to reviewing these expectations and viewer feedback.

In addition, more than 27,000 viewer queries were processed by e-mail (56%), by phone (39%) and by post (5%). The number of queries thus dropped by about 50% between 2010 and 2011, demonstrating the change in viewer behaviour since the dedicated site was created.

9.4.4.5. At the service of consumers

The M6 Group, with the development of its Ventadis business (Distance Selling) 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. MisterGoodDeal was thus voted "best customer service of 2012" (Inférence Opérations - Viséo Conseil survey carried out between May and July 2011).

In 2010, Ventadis also achieved the AFAQ ISO 9001 Quality Certification for its "supply chain activities", including customer relations, logistics and the Chilly-Mazarin distribution centre. This certificate was renewed by AFAQ in July 2011, with the extension of its scope to stores and collection points. With more than 400 customer service operators and 50,000 m² of dedicated warehousing, Ventadis thus does everything in its power to provide the best possible service for each of the 3 million parcels shipped every year.

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10. Other disclosures

10.1. Statutory Auditors fees

Statutory Auditors fees for 2011 and other fees billed in 2011 (amounts excl. taxes):

€ thousands)	Ernst & Young				KPMG				PWC				TOTAL			
	2011	2010	% 2011	% 2010	2011	2010	% 2011	% 2010	2011	2010	% 2011	% 2010	2011	2010	% 2011	% 2010
Audit																
Statutory Audit, Certification of parent company and consolidated financial statements	304	249	91%	99%	-	255	-	85%	438	256	98%	97%	742	759	85%	97%
<i>Métropole Télévision</i>	123	78	37%	31%	-	78	-	29%	123	78	28%	29%	246	233	32%	30%
<i>Fully-consolidated subsidiaries</i>	181	171	54%	68%	-	177	-	66%	315	178	71%	67%	496	526	64%	67%
Other related assignments and other audit assignments	29	2	9%	1%	-	13	-	5%	8	9	2%	3%	37	24	5%	3%
<i>Métropole Télévision</i>	-	-	-	-	-	-	-	-	-	1	-	0%	0	1	-	0%
<i>Fully-consolidated subsidiaries</i>	29	2	9%	1%	-	12.75	-	5%	8	9	2%	3%	37	23	5%	3%
Sub-total	333	251	100%	100%	-	267	-	100%	446	265	100%	100%	779	783	100%	100%
Other services																
Legal, fiscal, corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	333	251	100%	100%	-	267	-	100%	446	265	100%	100%	779	783	100%	100%
TOTAL in %	42.7%	32.0%			-	34.2%			57.3%	33.8%						

The Group may need to call in other Statutory Auditors for recently for recently acquired subsidiaries or whose operations are not significant. Such fees totalled €19.7 thousand in 2011 (of which €3 thousand for KPMG), representing 3% of services provide

10.2. Annual information document

In accordance with Article 222-7 of the AMF General Regulations, M6 - Métropole Télévision, a company listed on compartment A of Eurolist, has prepared an information document listing all information published or disclosed to the public over the past 12 months in France, in order to comply with its legal or regulatory obligations in terms of financial instruments, financial instrument issuers and financial instrument markets.

Revenue

15 February 2011	2010 4 th quarter revenue
4 May 2011	2011 1 st quarter revenue
26 July 2011	2 nd quarter and 1 st half-year 2011 revenue
8 November 2011	2011 3 rd quarter revenue
14 February 2012	2011 4 th quarter revenue

Annual and interim financial results

15 February 2011	Annual results at 31 December 2010
12 April 2011	Release of the 2010 Registration Document
26 July 2011	Interim results at 30 June 2011
27 July 2011	Release of the 2011 interim financial report
14 February 2012	Annual results at 31 December 2011

Other press releases

15 February 2011	Press release on the disclosure of the remuneration of the Company's Executive Board members
12 April 2011	Press release on the term and conditions of availability of preparatory documentation for the Combined General Meeting of 4 May 2011
21 April 2011	Acquisition by the M6 Group of the 50% of TCM DA it did not previously own
25 July 2011	Renewal of distribution agreements between the M6 and Canal + groups
29 July 2011	Press release on the allocation of performance shares

24 August 2011 Renewal of the multi-year agreement with CBS for series and feature films

Releases on significant audience ratings are also released within the framework of regulated information and are posted on the Group's website.

Notices

Notification acting as notice of meeting

Publication in the BALO of 30 March 2011 (n°38)

Notice of meeting

Publication in the Petites Affiches of 12 April 2011

Transactions

12 April 2011 Notice of share buyback programme (included in the registration document submitted to the AMF of the same date)

AMF declaration

6 January 2011	Half year report on the liquidity contract at 31 December 2010
6 July 2011	Half year report on the liquidity contract at 30 June 2011
21 July 2011	Monthly disclosure of voting rights: 30 June 2011
28 July 2011	Weekly disclosure of transactions on treasury shares from 27 to 28 July 2011
29 July 2011	Monthly disclosure of transactions on treasury shares: July 2011
August 2011	Weekly disclosure of transactions on treasury shares from 9 to 12 August 2011, from 18 to 19 August 2011, from 22 to 26 August 2011
31 August 2011	Monthly disclosure of transactions on treasury shares: August 2011
September 2011	Weekly disclosure of transactions on treasury shares from 5 to 9 September 2011, from 12 to 16 September 2011, from 19 to 23 September 2011, from 26 to 30 September 2011,
30 September 2011	Monthly disclosure of transactions on treasury shares: September 2011
7 October 2011	Monthly disclosure of voting rights: September 2011
7 October 2011	Weekly disclosure of transactions on treasury shares from 3 to 7 October 2011
4 November 2011	Monthly disclosure of transactions on treasury shares: October 2011
7 November 2011	Monthly disclosure of voting rights: October 2011
28 November 2011	Weekly disclosure of transactions on treasury shares from 22 to 25 November 2011
5 December 2011	Monthly disclosure of transactions on treasury share: November 2011
5 December 2011	Weekly disclosure of transactions on treasury shares from 28 November to 2 December 2011
4 January 2012	Monthly disclosure of transactions on treasury shares from 19 to 23 December 2011
4 January 2012	Monthly disclosure of transactions on treasury shares: December 2011
4 January 2012	Monthly disclosure of voting rights: December 2011
6 January 2012	Half-year report on the liquidity contract at 31 December 2011

Registration document

12 April 2011 AMF submission n° D.11-0282

10.3. Changes in accounting principles

The consolidated financial statements at 31 December 2011 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 2011 are set out in detail in Note 3 to the consolidated financial statements of this document.

Furthermore, the parent company financial statements at 31 December 2011 have been prepared in accordance with the French Chart of Accounts. Changes in standards in force at 31 December 2011 are set out in detail in Note 2 to the parent company financial statements of this document.

10.4. Other information in respect of the parent company financial statements

10.4.1. Tax information

FINANCIAL STATEMENTS AT 31 DECEMBER 2011	Amount (€ thousands)
Total of expenses and charges excluded from deductible expenses (Article 39-4 of the Income Tax Code)	25.9
Total amount of attendance fees excluded from deductible expenses (Article 210 (vi) of the Income Tax Code)	0
Remunerations and other charges relating to the 10 highest paid persons	6,534.5
Gifts and reception costs	425.2
Expenses reported on the special summary of General Expenses (Article 223 (v) of the Income Tax Code)	
Expenses added back to taxable profit	25.9

10.4.2. Corporate information

The Company will provide any shareholder who requests it with a copy of the corporate report provided by Articles L.438-1 and subsequent of the Labour Code.

10.5. Appendices to the Management Report

Documentation required by Law is included in this report in various locations. It may be identified using table 3. iii. of the FINANCIAL REPORT CROSS REFERENCE INDEX AND DOCUMENTS INCLUDED of this document.

FINANCIAL INFORMATION



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CONSOLIDATED FINANCIAL STATEMENTS

A. CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2011

1. Consolidated statement of financial position

ASSETS

<i>(€ millions)</i>	Note n°	31/12/2011	31/12/2010
Goodwill	14	74.8	76.2
Audiovisual rights	15	65.7	58.1
Other intangible assets	15	55.0	59.8
INTANGIBLE ASSETS		195.5	194.1
Land	16	18.6	18.6
Buildings	16	84.3	80.7
Other property, facilities and equipment	16	25.0	25.4
PROPERTY, FACILITIES AND EQUIPMENT		127.9	124.8
Financial assets available for sale	17	23.6	11.5
Other non-current financial assets	18	2.7	2.9
Investments in associates	20	0.2	-
FINANCIAL ASSETS		26.5	14.4
Deferred tax assets	11	29.5	31.4
TOTAL NON-CURRENT ASSETS		379.4	364.7
Broadcast rights inventory	21	165.5	160.8
Other inventories	21	29.3	29.1
Trade receivables	22	292.7	254.5
Current tax		8.2	1.7
Derivative financial instruments	22,3	0.9	1.0
Other current financial assets	18	0.9	0.3
Cash and cash equivalents	23	328.6	376.9
Other current assets	22	169.8	172.1
TOTAL CURRENT ASSETS		995.8	996.6
TOTAL ASSETS		1,375.2	1,361.3

EQUITY AND LIABILITIES

<i>(€ millions)</i>	Note n°	31/12/2011	31/12/2010
Share capital		50.6	51.6
Share premium		-	24.3
Treasury shares		(1.6)	(8.5)
Consolidated reserves		485.3	461.4
Other reserves		9.9	(4.1)
Net profit for the year (Group share)		149.6	157.1
GROUP EQUITY		693.7	681.8
Non-controlling interests		0.1	-
SHAREHOLDERS' EQUITY	24	693.8	681.8
Provisions for liabilities and charges	27 and 28	8.5	7.7
Financial debt	25	1.4	2.0
Other financial liabilities	26	3.4	5.6
Liabilities relating to non-current assets		1.4	0.7
Other liabilities		-	0.8
Deferred tax liabilities	11	4.0	-
TOTAL NON-CURRENT LIABILITIES		18.8	16.8
Provisions for liabilities and charges	28	100.6	97.4
Financial debt	25	1.5	0.3
Other financial liabilities	26	6.3	1.2
Trade payables		341.1	341.9
Other operating liabilities		95.7	88.6
Current tax		0.3	20.8
Tax and social security payable		101.0	97.5
Liabilities relating to non-current assets		16.2	15.0
TOTAL CURRENT LIABILITIES		662.6	662.7
TOTAL EQUITY AND LIABILITIES		1,375.2	1,361.3

FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

2. Consolidated statement of comprehensive income

<i>(€ millions)</i>	Note n°	31/12/2011	31/12/2010
CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
Revenue		1,421.3	1,462.0
Other revenues from recurring operations	8.1	16.4	17.4
Total revenues from recurring operations		1,437.7	1,479.4
Materials and other service purchase	8.2	(794.5)	(818.2)
Personnel costs (including profit sharing plan contributions)		(249.4)	(252.7)
Taxes and duties		(61.7)	(62.5)
Net depreciation/amortisation/provision charges	8.3	(88.1)	(105.1)
Impairment of unamortised intangible assets	8.3 / 14	(2.5)	-
Total operating expenses		(1,196.1)	(1,238.5)
Capital gains on disposals of non-current assets		-	1.5
Operating profit		241.6	242.4
Income generated by cash balances		5.1	3.4
Interest expenses		(1.0)	(0.3)
Revaluation of derivative financial instruments		(0.7)	-
Other financial expenses		(0.4)	(0.2)
Net financial income	10	3.0	2.8
Share of profit of associates	20	(0.1)	0.6
Profit before tax		244.6	245.7
Income tax	11	(94.9)	(88.7)
Net profit of continuing operations		149.7	157.0
Net profit/(loss) from discontinued operations		-	-
Net profit for the year		149.7	157.0
attributable to equity owners of the parent		149.6	157.1
attributable to non-controlling interests		0.1	(0.1)
Earnings per share - basic (€) - Group share	12	1.170	1.223
Earnings per share from continuing operations - basic (€) - Group share		1.170	1.223
Earnings per share - diluted (€) - Group share		1.167	1.219
Earnings per share from continuing operations - diluted (€) - Group share		1.167	1.219
COMPREHENSIVE INCOME			
Consolidated net profit		149.7	157.0
Change in value of derivative instruments		(2.4)	(5.3)
Change in value of assets available for sale	17	20.0	-
Change in value of translation adjustment		(0.4)	1.0
Actuarial gains and losses		0.2	(0.9)
Tax on items directly credited to or debited from equity	11	(3.3)	2.1
Other items of comprehensive income		14.2	(3.1)
Comprehensive income for the year		163.9	153.9
attributable to equity owner of the parent		163.8	154.0
attributable to non-controlling interests		0.1	(0.1)

CONSOLIDATED FINANCIAL STATEMENTS

3. Consolidated statement of cash flows

<i>(€ millions)</i>	Note n°	31/12/2011	31/12/2010
Operating profit		241.6	242.4
Non-current asset depreciation and amortisation		92.8	121.5
Capital gains (losses) on disposals		(10.2)	(15.3)
Other non-cash items*		6.6	5.6
Operating profit after restatement for non-cash items		330.8	354.2
Income generated from cash balances	10	5.1	3.7
Interest paid	10	(0.2)	(0.2)
SELF-FINANCING CAPACITY (BEFORE TAX)		335.7	357.7
Movements in inventories	21	(4.8)	35.3
Movements in trade receivables	22	(40.1)	4.4
Movements in operating liabilities	22	12.1	12.9
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS		(32.9)	52.6
Income tax paid	11	(114.7)	(90.7)
CASH FLOW FROM OPERATIONS		188.1	319.5
Investing activities			
Intangible assets acquisitions	15	(76.9)	(94.4)
Property, facilities and equipment acquisitions	16	(16.2)	(21.4)
Investments acquisitions		(1.2)	-
Cash and cash equivalents arising from subsidiary acquisitions		(7.4)	(6.3)
Cash and cash equivalents arising from subsidiary disposals		-	-
Disposals of intangible assets and property, facilities and equipment	15 /16	20.0	11.8
Disposals of investments		0.3	385.4
Dividends received		7.5	-
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES		(73.9)	275.2
Financing activities			
Share capital increases		(31.8)	-
Current financial assets		(1.3)	0.6
Financial liabilities		(0.3)	(1.9)
Income from the exercise of stock options		-	-
Purchase and sale of treasury shares	24	(0.7)	-
Dividends paid to shareholders of the parent company	13	(128.6)	(302.1)
NET CASH USED IN FINANCING ACTIVITIES		(162.6)	(303.4)
Cash flow linked to discontinuing operations		-	-
Translation effect on cash and cash equivalents		0.1	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	23	(48.3)	291.3
Cash and cash equivalents - start of year	23	376.9	85.6
CASH AND CASH EQUIVALENTS - END OF YEAR		328.6	376.9

* primarily related to the charge recognised pursuant to IFRS 2– Share-based payments

FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

4. Consolidated statement of changes in equity

<i>(£ millions)</i>	<i>Number of shares (thousands)</i>	Share capital	Share premium	Treasury shares	Consolidated reserves Group net profit	Fair value movements Foreign exchange difference	Group equity	Non- controlling interests	Shareholders' equity
BALANCE AT 1 JANUARY 2010	128,954.7	51.6	24.3	(17.7)	764.1	(1.5)	820.8	(0.1)	820.7
Change in value of derivatives						(3.5)	(3.5)	-	(3.5)
Actuarial gains and losses					(0.6)	-	(0.6)		(0.6)
Foreign exchange difference						1.0	1.0		1.0
Other items of comprehensive income		-	-	-	(0.6)	(2.5)	(3.1)		(3.1)
Net profit for the year					157.1		157.1	(0.1)	157.0
Comprehensive income for the year		-	-	-	156.5	(2.5)	154.0	(0.1)	153.9
Dividends					(302.1)		(302.1)		(302.1)
Changes in consolidating company's equity							-		-
Purchases/sales of treasury shares				9.2	(6.0)		3.1		3.1
Total transactions with shareholders		-	-	9.2	(308.1)	-	(298.9)	-	(298.9)
Cost of stock options (IFRS 2)					6.2		6.2		6.2
Free share allocation hedging instruments							-		-
Other movements					(0.2)		(0.2)	0.3	0.0
BALANCE AT 31 DECEMBER 2010	128,957.9	51.6	24.3	(8.5)	618.5	(4.1)	681.8	0.1	681.8
BALANCE AT 1 JANUARY 2011	128,957.9	51.6	24.3	(8.5)	618.5	(4.1)	681.8	-	681.8
Change in value of derivatives						(1.6)	(1.6)	-	(1.6)
Change in value of assets available for sale						16.0	16.0		16.0
Actuarial gains and losses					0.2		0.2		0.2
Foreign exchange difference						(0.4)	(0.4)		(0.4)
Other items of comprehensive income		-	-	-	0.2	14.0	14.2	-	14.2
Net profit for the year					149.6		149.6	0.0	149.7
Comprehensive income for the year		-	-	-	149.8	14.0	163.8	0.0	163.9
Dividends					(128.6)		(128.6)	(0.0)	(128.6)
Changes in consolidating company's equity		(1.0)	(24.3)		(6.4)		(31.8)		(31.8)
Purchases/sales of treasury shares				6.9	(5.0)		1.9		1.9
Total transactions with shareholders		(1.0)	(24.3)	6.9	(140.0)	-	(158.5)	(0.0)	(158.5)
Cost of stock options (IFRS 2)					6.6		6.6		6.6
Free shares allocation hedging instruments							-		-
Other movements					(0.1)		(0.1)	0.1	-
BALANCE AT 31 DECEMBER 2011	126,384.0	50.6	-	(1.6)	634.9	9.9	693.7	0.1	693.8

B. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, the amounts presented in the notes are expressed in millions of Euros.

1. Financial year significant events

On 19 April 2011, M6 Group acquired TF1 Group's 50% shareholding in TCM DA, which operates a catalogue of about sixty films owned by Paramount. M6 Group now owns 100% of the share capital of this company.

On 28 April 2011, the Group made a 34% equity investment in QUICKSIGN, a technological platform devoted to financial services, and an investment of 50% in its subsidiary PANORABANQUE, a service for comparing bank offers.

With a view to continuing the consolidation of its audiovisual rights distribution operations, on 5 May 2011 the Group acquired FILMS DE LA SUANE, a company that owns a catalogue of seven feature films.

As regards the building of the future "Grand Stade de Bordeaux", FCGB will play a part as lessee of the facility upon delivery of the stadium in 2015. A contribution of €20 million will be paid on that date towards the initial funding of the stadium. Early in 2012, this amount was deposited in an escrow account in the name of the City of Bordeaux.

2011 was also marked by the switch-off of analogue broadcasting for the M6 channel. Since November, this channel has been broadcast throughout France via a digital terrestrial signal.

2. Company information

The consolidated financial statements at 31 December 2011 of the Group of which Métropole Télévision is the parent company (the Group) were approved by the Executive Board on 10 February 2012 and reviewed by the Supervisory Board on 14 February 2012. They will be submitted for approval to the next Annual General Meeting on 3 May 2012.

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 the compartment A of the Euronext Paris Stock Exchange (code ISIN FR0000053225). The Company is fully consolidated into the RTL Group, which is listed on the Brussels and Luxembourg stock exchanges.

3. Basis of preparation and presentation of the consolidated financial statements

3.1 Accounting framework

The consolidated financial statements at 31 December 2011 were prepared in accordance with the IAS/IFRS (International Financial Reporting Standards) in force within the European Union at that date. They are presented with comparative figures for 2010 prepared under the same framework.

The IFRS standards adopted by the European Union at 31 December 2011 are available in the section IAS/IFRS, SIC and IFRIC standards and interpretations adopted by the Commission of 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 2011;
- options retained and exemptions used.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS IN FORCE WITHIN THE EUROPEAN UNION, THE APPLICATION OF WHICH IS MANDATORY FOR FINANCIAL YEARS STARTING ON OR AFTER 1 JANUARY 2011

The adoption of these texts only impacts the presentation and the extent of the disclosures presented in the financial statements:

- Revised IAS 24 – *Related party disclosures*, applicable to financial years starting on or after 1 January 2011;
- Annual IFRS improvements, applicable to financial years starting on or after 1 January 2011.

APPLICATION OF NEW STANDARDS PRIOR TO THE DATE ON WHICH THEIR APPLICATION BECOMES MANDATORY

The Group has chosen not to apply in advance any standards, amendments to standards or interpretations, the application of which is not mandatory until after 1 January 2011. The following could apply to the Group:

- Amendments to IFRS 7 – *Disclosures: transfers of financial assets*, applicable to financial years starting on or after 1 July 2011.

STANDARDS PUBLISHED BY THE IASB BUT NOT YET APPROVED BY THE EUROPEAN UNION

The Group may be affected by:

- Revised IAS 27 – *Separate financial statements*, applicable to financial years starting on or after 1 January 2013;
- Revised IAS 28 – *Investments in associates and joint-ventures*, applicable to financial years starting on or after 1 January 2013;
- Amendments to IAS 1 – *Presentation of items of other comprehensive income (OCI)*, applicable to financial years starting on or after 1 July 2012;
- Amendments to IAS 12 – *Deferred tax: recovery of underlying assets*, applicable to financial years starting on or after 1 January 2012;
- Amendments to IAS 19 – *Defined benefit plans*, applicable to financial years starting on or after 1 January 2013;
- IFRS 9 – *Financial instruments (phase 1: Classification and measurement of assets and liabilities)*, applicable to financial years starting on or after 1 January 2013;
- IFRS 10 – *Consolidated financial statements*, applicable to financial years starting on or after 1 January 2013;
- IFRS 11 – *Joint arrangements*, applicable to financial years starting on or after 1 January 2013;
- IFRS 12 – *Disclosure of interests in other entities*, applicable to financial years starting on or after 1 January 2013;

- IFRS 13 – *Fair value measurement*, applicable to financial years starting on or after 1 January 2013.

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.

In addition, IFRS 1 – *First adoption of IFRS*, relating to the first time application of the international reporting framework, allows options in respect of the retrospective application of IFRS at the date of transition (1 January 2004) for the Group. In this regard, the Group has used the following options:

- business combinations prior to 1 January 2004 have not been restated in accordance with IFRS 3 – *Business combinations*;
- IAS 39 has been applied retrospectively as from 1 January 2004.

3.2 Preparation principles

The consolidated financial statements have been prepared in accordance with the historic cost principle, except for derivative instruments, financial assets available for sale and assets measured at fair value through the income statement, which were measured at fair value. Other financial assets were measured at amortised cost.

Except for derivatives measured at fair value, financial liabilities were 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 were 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, the 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 or the known market value of the assets. 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 vary and differ from the 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 interpretation 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:

- give a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the economic substance of transactions;
- are prepared in accordance with the principles of neutrality (objectiveness) and prudence;
- and are complete in all material aspects.

3.4 Presentation principles

PRESENTATION OF THE INCOME STATEMENT

The Group has presented 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 associates;
- net profit from operations held for sale.

PRESENTATION OF THE BALANCE SHEET

In compliance with IAS 1, 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 or less than one year and "non-current" if longer.

PRESENTATION OF CONTINGENT ASSETS AND LIABILITIES

Commitments given in respect of purchases of rights are stated net of advances and account payments paid 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 make provision for options as concerns the measurement and recognition of assets and liabilities.

Within this framework, the Group has retained the following:

- the valuation at historic cost of property, facilities and equipment and intangible assets, without revaluation at each balance sheet date;
- the proportional consolidation of jointly controlled entities, as permitted by IAS 31 - *Interests in joint ventures*;
- the option for measurement at fair value through profit or loss, in accordance with the amendment to IAS 39.

4. Accounting principles, rules and methods

4.1 Consolidation 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 completely integrated. The proportion of net assets and net profit attributable to minority interests is presented separately as non-controlling interest in shareholders' equity in the consolidated balance sheet and in the consolidated income statement.

JOINT VENTURES

Jointly controlled companies (joint control is the shared control of a single entity by a limited number of associates or shareholders, from whose agreement financial and operational decisions are made) are proportionally consolidated, in compliance with IAS 31 – *Financial reporting of interests in joint ventures*, which maintained this option.

Under this method, the Group includes its proportion of the assets, liabilities, income and expenses of the subsidiary under the appropriate heading of the consolidated financial statements.

ASSOCIATES

Associated companies 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.

Associated companies are accounted for under the equity method ("equity-accounted companies") and 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 associate in the balance sheet and records in the consolidated income statement, under a specific line item entitled "Share of profit/(loss) from 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 significant influence is exercised and until significant influence ceases.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When 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 for subsidiaries. In the case of companies consolidated under the proportional consolidation method, intercompany transactions are eliminated to the extent of the Group's ownership level in these companies.

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 entity 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 reserves resulting from this treatment and those resulting from the translation at year end rate of subsidiaries' opening equity are posted to "Other reserves" under consolidated equity and to "Change in value of foreign exchange difference" 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 historic 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*.

The main changes include the following:

- Business combinations carried out since 1 January 2010:

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 generally 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.

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 transaction by transaction business combination, and 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,
- over the net value of the identifiable assets acquired and the liabilities assumed on the acquisition date.

- The acquisition of additional securities after taking exclusive control:

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 holders of the Group's parent company, with the consolidated value of identifiable assets and liabilities of the subsidiary, including goodwill, remaining unchanged.

- The recognition of acquisitions of non-controlling equity interests:

Pursuant to revised IAS 27, 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 minority 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 minority 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 offered 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, in accordance with IFRS 3, 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. Goodwill impairment may be reversed.

4.5 Intangible assets

Intangible assets principally comprise:

- advances and payments on account 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;
- brands.

NON-CURRENT ASSET ADVANCES AND PAYMENTS ON ACCOUNT

Advances and payments on account 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 movie theatre 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 – *Intangible assets*.

The method of amortisation of an asset should reflect the pattern according to which the benefits generated by the asset are consumed. That is why audiovisual rights:

- are amortised according to the pattern of revenues generated, compared to the total estimated revenues, and as a minimum are amortised over the life of the contract, subject to the following limits:
 - 3 years if the company is a distributor of these rights;
 - 5 years if the company is a dealer in these rights;
 - 15 years if the company is a producer of these rights;
 - Amortisation schedules are consistent with industry practices and correspond 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.

COPRODUCTION SHARE OF FEATURE FILMS, DRAMA AND OTHER COSTS

Co-production costs are also capitalised as other intangible assets and are amortised first and foremost as revenue is generated. Assets are amortised on a straight-line basis over 3 years if expected revenue is spread over more than 3 years. Lastly, in the case that revenue is insufficient in light of the book value of the production, the asset's full value is immediately amortised.

In application of IAS 20 – *Accounting for government grants and disclosure of government assistance*, grants received from the Centre National de Cinématographie (CNC) are accounted for as a reduction in the acquisition cost of financed co-production assets, and are subsequently 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 COST 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 four years.

Under IAS 38 – *Intangible assets*, development costs of “active” 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.

BRANDS

Only those 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	4 years
- Office and technical equipment	3 to 5 years

RESIDUAL VALUE

The residual value of an asset is the estimated amount that the Group would obtain from disposal of the asset, after deducting the estimated costs of disposal, at the end of its useful life.

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 unamortized intangible assets is tested at the appearance of indications of impairment, and as a minimum once a year.

The recoverable value is determined on an asset by asset basis, unless the asset in question does not generate cash flows 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 Generation Unit (“CGU”).

A Cash Generating Unit 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 the impairment test.

For sports club players more particularly, the recoverable value of these intangible assets is tested separately, player by player, and in relation to other Ligue 1 players as a whole (French Football League).

Similarly, audiovisual rights recognised as intangible assets are monitored on an individual basis. Only the oldest rights, purchased as part of the acquisition of SNC in 2005 (rights to films made from the 30s to the 60s) are allocated to the CGUs, the establishment of which is consistent with the nature of the rights and their original producer.

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 budget (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).

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

FINANCIAL ASSETS

In accordance with the recommendations of IAS 39 – *Financial instruments: recognition and measurement*, the shares of non-consolidated 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 equity 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 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 two 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 liabilities valued at fair value through the income statement result in the realisation of profit due to short-term variations in price. This applies only to liabilities resulting from short sales of shares or other financial assets or derivatives which are not hedge derivatives.

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.

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.

4.9 Income tax

Income tax includes current tax and deferred tax charges. Tax is recognised against profit 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.

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.

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.

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 examined at each balance sheet date and are adjusted, if necessary, in the light of estimated future taxable profits.

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 tax, 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, broadcast rights and merchandise inventories.

PROGRAMMES AND BROADCASTING RIGHTS

In compliance with IAS 2 – *Inventories*, programmes and broadcast 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 payments on account.

Programmes and broadcast rights are valued at their acquisition costs, reduced at each year end by the amount consumed, as calculated according to the following models.

Métropole Télévision programmes, which constitute the predominant part of the Group's broadcast 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 broadcast 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 broadcast rights.

OTHER INVENTORIES

These inventories comprise products and home shopping products 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

M6 Group has implemented share subscription option plans, as well as free share allocation plans for the benefit of its personnel (see note 9). 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 cost of the benefit is measured once and for all, using the binomial mathematical model in the case of share subscription option plans, at the date of allocation of the options and spread over the vesting period.

In the case of free share allocation plans, the total 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.

In the context of the transition to IFRS and in compliance with the requirements of IFRS 1, the Group has only recognised, in its valuation of the fair value of benefits awarded to employees, those plans granted after 7 November 2002 for which the rights had not yet been vested at 1 January 2005.

4.14 Retirement benefits and other employee benefits

RETIREMENT BENEFITS

The Group only has retirement benefit commitments under defined benefit schemes.

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 costs of unrecognised past services and the fair value of plan assets are subsequently deducted. 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, 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 on the balance sheet date.

In the case that 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

The M6 Group is exposed to foreign exchange rate risk principally when purchasing broadcast rights in a foreign currency. In order to protect itself from foreign currency exchange risk, the Group uses simple derivative instruments guaranteeing it a covered 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 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 decided to apply hedge accounting for 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

Some financial instruments are not treated as hedges according to the definition of IAS 39, 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 Revenue

In compliance with IAS 18 – *Revenue*, 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 on the broadcast of the advertisements which are the subject of the sale; revenue is recognised net of commercial rebates;
- 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; these revenues also include, where relevant, the financial contribution, invoiced to the final customer, relating to the unit costs incurred in the gathering and elimination of waste electrical and electronic equipment ("eco-participation").

When 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 (theatre, video) are recognised on admission or on delivery of the material;
- sports revenues, such as broadcast rights paid by the organisers of competitions, are recognised in line with the sports season with the exception of premiums relating to future ranking which are recognised at the date on which the ranking is acquired;
- mobile telephone revenues are recognised:
 - for the portion relating to signing up, the month of signing of a new subscription and adjusted for attrition rates;
 - and, for the portion relating to monthly operating revenues, spread over the duration of the subscription period to match the revenues received by the Group.

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 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 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 recognised as cash equivalents. As such, they are exposed to a very limited rate risk and their volatility over 12 months is very close to that of EONIA.

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 – *Cash flow statements*.

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 INVESTING 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".

DISCONTINUING OPERATIONS

The effects on the Group's cash of discontinuing operations are shown on a separate line in the cash flow statement, "Cash flow linked to discontinuing operations".

5. Impacts of changes in methods

During the 2011 financial year, the Group did not introduce any change to its accounting methods, except for mandatory IFRS amendments applicable from 1 January 2011 (which had no significant impact, see note 3.1).

6. Business combinations

6.1 Acquisitions during the year

ACQUISITION: 50% TCM

On 19 April 2011, M6 acquired the 50% of TCM that it did not previously own from the joint shareholder TF1, thereby increasing its equity holding in this company to 100%.

The goodwill generated by this transaction was written down, as the revaluation of net assets at fair value evidenced net impairment of €1.3 million.

ACQUISITION: 50% PANORABANQUE AND 34% QUICKSIGN

On 28 April 2011, the Group made a 50% equity investment in Panorabanque through a capital increase, and a 34% equity investment in QuickSign, a company that has developed a technology and a platform implemented by Panorabanque.

Pursuant to IAS 28 – *Investments in associates*, QuickSign is equity-accounted.

Panorabanque is proportionally consolidated as the Group exercises joint control over this company. The goodwill of €0.7 million generated by these transactions was fully written down.

ACQUISITION: 100% LES FILMS DE LA SUANE

On 5 May 2011, Diem 2 acquired 100% of the capital of Films de la Suane. The €2.0 million difference between the acquisition price and net assets acquired was fully allocated to deferred tax assets relating to tax losses carried forward and to the audiovisual rights that make up its catalogue.

ALLOCATION OF ACQUISITION COST

The acquisition cost of these companies was allocated as follows:

	2011
Acquisition cost	2.4
Upward revaluation of securities previously held	0.1
Fair value of assets acquired and liabilities assumed	2.5
Book value of net assets before acquisition	(0.6)
Audiovisual rights	1.2
Other current assets	(0.0)
Current liabilities	(0.6)
Investments in associates	0.3
Deferred tax liabilities	(0.2)
Fair value restatement of assets acquired and liabilities assumed	0.6
Net asset value on acquisition date	0.1
Goodwill	2.5

6.2 Follow up of acquisitions carried out in 2010

Echo 6 was merged into M6 Web on 1 January 2011.

Goodwill generated by the acquisition of MonAlbumPhoto corresponds to synergies expected from the combination of the acquired entity's operations with the Group's TV advertising activities.

7. 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.

The operating segments presented are as follows:

M6 TV NETWORK

This segment includes the M6 TV channel, based on a business model entirely financed by advertising and extensive broadcasting (analogue, SD and HD digital), as well as all the main associated activities, such as the production, co-production and advertising agency activities.

DIGITAL CHANNELS

This segment includes Group channels that are solely broadcast digitally (DTT network or as part of packages broadcast by cable or satellite). These channels were originally termed thematic channels; they have considerably increased their market share, both in terms of audience ratings and advertising revenue over the past few years.

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The business model of the so-called “pay channels” is based on mixed financing (advertising revenue and income from cable operators), whereas that of free channels (free SD DTT broadcasting) is fully dependent on advertising.

DIVERSIFICATION AND AUDIOVISUAL RIGHTS

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 ticket sales, as well as sales to specialised distributors and vendors. The contribution of advertising revenue, 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 non-current assets or inventories.

INCOME STATEMENT

The contribution of each business segment in the income statement is detailed as follows:

	M6 TV Network		Digital channels		Diversification & Audiovisual rights		Elimination and unallocated items		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External revenue	685.3	677.9	184.6	168.9	551.1	614.9	0.3	0.3	1,421.3	1,462.0
Inter-segment revenue	39.1	36.1	3.1	2.6	29.3	23.8	(71.5)	(62.5)	-	-
Revenue	724.4	714.0	187.7	171.5	580.4	638.7	(71.2)	(62.3)	1,421.3	1,462.0
Profit from recurring operations (EBITA) from continuing operations	175.7	162.7	34.3	29.2	42.4	52.9	(7.4)	(2.6)	245.0	242.2
Operating income and expenses relating to business combinations	-	-	-	-	(3.4)	(1.3)	-	-	(3.4)	(1.3)
Income from disposal of subsidiaries and investments	-	-	-	-	-	1.5	-	-	-	1.5
Operating profit (EBIT) from continuing operations	175.7	162.7	34.3	29.2	39.0	53.1	(7.4)	(2.6)	241.6	242.4
Net finance income/(expense)									3.0	2.8
Group share of profit from associates									(0.1)	0.6
Profit before tax (EBT) from continuing operations									244.6	245.7
Income tax									(94.9)	(88.7)
Net profit from continuing operations									149.7	157.0
Net profit									149.7	157.0
Net profit - Group share									149.6	157.1
Non-controlling interests									0.0	(0.1)

STATEMENT OF FINANCIAL POSITION

The contributions of each business segment to the financial position are presented below:

	M6 TV Network		Digital channels		Diversification and Audiovisual rights		Elimination		Total of continuing operations	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets and liabilities										
Segment assets	476.4	485.7	94.4	77.7	440.6	437.5	(133.4)	(161.4)	878.0	839.5
Shareholdings in associates					0.2				0.2	-
Unallocated assets									497.0	521.7
Total Assets	476.4	485.7	94.4	77.7	440.8	437.5	(133.4)	(161.4)	1,375.2	1,361.3
Segment liabilities	332.8	327.0	135.8	110.5	326.5	368.6	(133.4)	(161.4)	661.8	644.7
Unallocated liabilities									19.7	34.8
Total Liabilities	332.8	327.0	135.8	110.5	326.5	368.6	(133.4)	(161.4)	681.4	679.4
Total Net Assets	143.5	158.7	(41.3)	(32.8)	114.3	68.9	-	0.0	693.8	681.8
Other segment information										
Non-current asset acquisitions	14.1	9.8	1.2	2.3	71.8	77.9			87.1	89.9
Depreciation and amortisation	(11.0)	(12.6)	(1.8)	(2.1)	(62.8)	(72.0)			(75.6)	(86.6)
Impairment	(1.4)	0.6	0.6	(0.6)	(7.9)	(21.4)			(8.7)	(21.4)
Other unallocated segment reporting items									4.8	11.4

Unallocated assets relate to cash and other Group financial assets, as well as 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 continental France.

8. Other operating income and expenses

8.1 Other operating income

Other operating income totalled €16.4 million and primarily comprised:

- proceeds from the sale of football players (€8.4 million, compared to €12.4 million in 2010);
- proceeds from the sale of capitalised audiovisual rights (€1.8 million);
- operating grants received (€3.9 million, compared to €2.0 million in 2010).

8.2 Materials and other operating expenses

	2011	2010
Broadcasting rights consumption and programme flows	(219.4)	(222.9)
Cost of sales	(156.6)	(171.0)
Other external services	(417.6)	(424.0)
Operating foreign exchange losses	(0.3)	(0.2)
Other expenses	(0.6)	(0.1)
Cost of sales and other operating expenses	(794.5)	(818.2)

8.3 Amortisation, depreciation, impairment, foreign exchange differences and inventory costs included in operating expenses

	2011	2010
Amortisation and net provisions - audiovisual rights	(51.7)	(64.6)
Amortisation and net provisions - production costs	(5.9)	(8.2)
Amortisation and net provisions - other intangible assets	(16.9)	(25.6)
Depreciation - property, facilities and equipment	(12.5)	(12.3)
Writedown of broadcasting rights	2.8	12.3
Other	(3.8)	(6.7)
Goodwill impairment	(2.5)	-
Total of amortisation and depreciation (net)	(90.5)	(105.1)

8.4 Employee and workforce expenses

	2011	2010
Wages and salaries	(153.4)	(161.3)
Social security charges	(64.9)	(69.5)
Profit-sharing plan contributions	(11.9)	(12.0)
Other employee costs	(19.1)	(10.0)
Employee costs	(249.4)	(252.7)

Other employee costs include provision charges and reversals for retirement, provisions for employee litigations as well as the cost of stock options (IFRS 2).

The “full-time equivalent” (FTE) workforce of wholly-consolidated Group companies was 2,304 in 2011, compared to 2,309 in 2010.

The FTE workforce of jointly-owned companies was 20 in 2011, compared with 24 people in 2010, primarily relating to the share of TF6 and Série Club’s FTEs.

9. Share-based payments

PLANS ALLOCATED IN 2011

Pursuant to the authorisation granted by the Combined General Meeting of 4 May 2011, an allocation of free shares was decided by the Executive Board on 26 July 2011 and 22 December 2011, following approval by the Supervisory Board on 26 July 2011.

The plan of 26 July 2011 covered 342,700 shares, subject to beneficiaries being employed by the Group and the achievement of consolidated net earnings per share objectives in 2011. The number of free shares allocated may be increased to a maximum of 367,820 shares in the event objectives are exceeded.

The plan of 22 December 2011 more particularly concerns employees of the Ventadis division and covers 28,250 shares, subject to beneficiaries being employed by the Group and the achievement of divisional operating profit objectives in 2011. The number of free shares allocated may be increased to a maximum of 37,500 shares (33% more) in the event objectives are exceeded.

Conversely, no allocations of share subscription options were decided in 2011.

VALUATION AT FAIR VALUE OF BENEFITS GRANTED TO EMPLOYEES

Pursuant to IFRS 2 – *Share-based payments* and IFRS 1 – *First-time adoption of IFRS*, the allocation of options to purchase and to subscribe for shares and the allocation of free shares granted since 7 November 2002 have been valued at their fair value at the date of grant.

The fair value of options granted to purchase and to subscribe for shares was based on a binomial model of option valuation.

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 2011, or which expired during the year, and for which, pursuant to IFRS 1 – *First-time adoption of IFRS*, a valuation of the fair value of the benefit granted to employees was carried out, are as follows:

	Model	Reference price	Exercise price	Historic volatility	Free risk rate	Expected yield	Fair value
Share subscription plans							
02/05/07	Binomial	26.55	27.52	37.8%	4.40%	3.99%	7.94
06/05/08	Binomial	15.22	14.73	40.0%	4.39%	6.30%	3.59
Plans granting free shares							
28/07/09		13.00	N/A	N/A	2.49%	4.90%	11.83
23/12/09		18.02	N/A	N/A	1.42%	4.01%	16.63
25/03/10 (*)		18.84	N/A	N/A	1.00%	5.04%	17.03
27/07/10 (*)		17.66	N/A	N/A	1.00%	5.38%	15.79
22/12/10 (*)		18.22	N/A	N/A	1.13%	5.49%	16.25
26/07/11 (*)		15.75	N/A	N/A	1.56%	6.35%	13.79
22/12/11 (*)		11.40	N/A	N/A	1.02%	9.60%	9.42

(*) Risk-free rate: specified term after 2 years

The historic volatility used was determined based on a period equivalent to the maturity of each plan.

The maturity used for the share subscription plan of 2 May 2007 corresponds to its vesting period (4 years) increased by two years, the options being exercisable within a period of two years after the end of the vesting period.

The maturity used for the share subscription plan of 6 May 2008 corresponds to its vesting period (4 years) increased by three years, the options being exercisable within a period of three years after the end of the vesting period.

Based on the attrition rate historically noted, it is also assumed that 15% (plan of 2 May 2007) or 20% (plan of 6 May 2008) of options will not be exercised due to beneficiaries leaving the Group before the exercise date. The cost of share subscription plans was restated based on the actual turnover rate where it exceeds the initial selected rate of 15% or 20%.

The maturity used corresponds to the vesting period (2 years) for all plans granting free shares. In addition, it is assumed that 0% to 15% of the shares will not be delivered due to the departure of beneficiaries during the vesting period. However, the cost of free share allocation plans is restated at the end of the plans based on the actual departure rate.

The balance of options and allocated shares changed as follows during the financial year:

	Allocation at plan date	Maximum allocation	Balance at 31/12/2010	Change based on performance	Allocated	Exercised	Cancelled	Balance at 31/12/2011
Share subscription plans	3,945,075	3,945,075	2,722,384	-	-	(3,533)	(626,117)	2,092,734
28/04/04	861,500	861,500	495,000	-	-	-	(495,000)	-
02/06/05	635,500	635,500	391,500	-	-	-	(23,000)	368,500
06/06/06	736,750	736,750	474,750	-	-	-	(29,000)	445,750
02/05/07	827,500	827,500	614,000	-	-	-	(38,000)	576,000
06/05/08	883,825	883,825	747,134	-	-	(3,533)	(41,117)	702,484
Plans granting free shares	1,149,450	1,309,800	861,739	(11,930)	405,320	(412,544)	(18,290)	824,295
28/07/09	346,700	398,705	369,955	-	-	(362,365)	(7,590)	-
23/12/09	45,650	58,000	49,759	420	-	(50,179)	-	-
25/03/10	22,000	22,000	22,000	-	-	-	-	22,000
27/07/10	328,500	377,775	372,025	-	-	-	-	372,025
22/12/10	35,650	48,000	48,000	(12,350)	-	-	(2,600)	33,050
26/07/11	342,700	367,820	-	-	367,820	-	(8,100)	359,720
22/12/11	28,250	37,500	-	-	37,500	-	-	37,500

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 plan are reference data corresponding to the achievement of performance objectives set within the context of the 2009, 2010 and 2011 plans.

CHARGE RECOGNISED IN 2011

Due to the data set out above and the assessment of the charge resulting from the free share allocation plans, based on the number of shares probably granted, this resulted in the following impact to the line personnel costs in the income statement:

	Personnel cost	
	2011	2010
Share subscription plans		
06/06/06	-	0.1
02/05/07	0.2	1.1
06/05/08	0.6	0.6
Plans granting free shares		
06/05/08	-	0.5
28/07/09	1.3	2.1
23/12/09	0.4	0.4
25/03/10	0.2	0.1
27/07/10	2.7	1.2
22/12/10	0.3	0.0
26/07/11	1.0	-
22/12/11	0.0	-
Total cost	6.6	6.2

10. Net financial income

	2011	2010
Investment income	4.6	3.2
Other interest income	0.5	0.2
Revaluation of derivative instruments	0.0	0.1
Income from disposal of financial assets held for sale	-	-
Other financial income (1)	7.5	0.3
Financial income	12.6	3.8
	2011	2010
Interest on loans from banks and associates	(0.1)	(0.1)
Capitalised interest on pension	(0.4)	(0.3)
Revaluation of derivative instruments	(0.8)	(0.1)
Other financial expense (1)	(8.4)	(0.5)
Financial expense	(9.6)	(1.0)
NET FINANCIAL INCOME	3.0	2.8

The increase in investment income primarily reflects the rise in benchmark interest rates (Eonia and Euribor) and the performance of the strategy of diversifying instruments used. With a stable level of deposits year-on-year (€336 million compared to €330 million in 2010), the Group recorded investment income of €4.6 million, compared to €3.2 million in 2010.

The Group did not draw down any of its credit facilities during the financial year.

(1) the Group also received dividends of \$10.7 million (€7.5 million at the exchange rate applicable on the transaction date) from its 9.1% equity investment in US studio Summit Entertainment. Summit paid an exceptional dividend due to its strong distribution capacity imparted by the good performance of the "Twilight" saga and a comprehensive renegotiation of its debt (see note 17).

11. Income tax

Métropole Télévision has declared itself as the parent company of a tax grouping pursuant to the provisions of Articles 223-a and subsequent of the General Tax Code, as of 1 January 1988.

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 grouping.

The main components of income tax are as follows:

	2011	2010
Income tax payable:		
Tax charge for the year	(87.7)	(101.3)
Deferred tax:		
Creation and reversal of temporary differences	(7.2)	12.6
Total	(94.9)	(88.7)

The deferred tax rate used for 2011 was 34.43% for temporary differences that will be reversed after 2013, and 36.1% for temporary differences that will lapse within the next two years. The rate was 34.43% for 2010.

Deferred tax directly taken to equity (other comprehensive income) was as follows:

	2011	Change	2010
Revaluation to fair value of foreign exchange contracts (cash flow hedges)	(0.3)	(0.2)	(0.1)
Revaluation to fair value of assets available for sale	(4.0)	(4.0)	-
IAS 19 actuarial gains and losses	0.2	(0.1)	0.2
Treasury share forward purchase	3.2	1.0	2.2
Total	(0.9)	(3.3)	2.3

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:

	2011	2010
Net profit - Group share	149.6	157.1
Non-controlling interests	0.0	(0.1)
Income tax	(94.9)	(88.7)
Share of profit (loss) of associates	(0.1)	0.6
Goodwill impairment	(2.5)	-
Cost of stock options and free shares (IFRS 2)	(6.6)	(6.2)
Profit before tax, share of profit of associates, goodwill impairment and IFRS 2 expenses	253.7	251.3
Theoretical tax rate	36.10%	34.43%
Theoretical tax charge	(91.6)	(86.5)
Reconciling items:		
C.V.A.E. tax ⁽¹⁾	(6.4)	(5.4)
Impact relating to the exit of one company from the tax pooling	1.6	2.1
Impact relating to the change in income tax rate	0.5	-
Other differences ⁽²⁾	1.0	1.1
Effective tax charge	(94.9)	(88.7)
Effective tax rate	37.39%	35.31%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The income tax rate applicable to the Group during the financial year increased to 36.1%, from 34.43% in 2010.

The impact on the Group of the change in taxation rate was an increase of €3.8 million in current tax and a decline of €0.4 million in deferred tax.

⁽¹⁾ In 2010, the Group also decided to reclassify CVAE (value added business tax) as income tax. This amounted to €10 million (€6.4 million net of income tax) at 31 December 2011, compared to €8.3 million (€5.4 million net of income tax) at 31 December 2010.

⁽²⁾ Other differences primarily relate to pre-2011 tax credits and uncapitalised losses (for €0.5 million).

The sources of deferred tax at 31 December were as follows:

	2011	2010
Deferred tax assets		
Intangible assets	0.5	0.2
Investments in associates	-	-
Other assets	11.1	8.5
Retirement provisions (non-deductible)	2.6	2.4
Non-deductible provisions	24.5	27.9
Expenses payable non-deductible	5.7	3.3
Derivative instruments	3.1	2.1
Losses brought forward	2.0	1.9
Other	0.4	0.6
Impact of offset of deferred tax assets and liabilities on the balance sheet	(20.4)	(16.2)
Total	29.5	30.6
Deferred tax liabilities		
Catalogues	(8.1)	(7.5)
Brands	(1.5)	(1.9)
Accelerated depreciation and amortisation	(3.4)	(2.9)
Revaluation of assets held for sale	(4.0)	-
Writedown of treasury shares	(2.7)	(2.7)
Other	(4.6)	(1.2)
Impact of offset of deferred tax assets and liabilities on the balance sheet	20.4	16.2
Total	(4.0)	0.0

The deferred tax assets and liabilities of companies included in the tax grouping were offset.

The cumulative losses brought forward of group companies were €23.6 million at 31 December 2011.

The deficits that were capitalised as deferred tax assets amounted to €5.7 million at 31 December 2011.

At 31 December 2011, no deferred tax liability was recognised for taxes which may be due on undistributed profits of certain Group subsidiaries, associated companies or joint ventures.

The payment of dividends by the Group to its shareholders had no fiscal consequences.

12. Earnings per share

	2011	2010
Net profit attributable to shareholders	149.6	157.1
Average weighted number of shares (excluding treasury shares) for basic earnings per share	127,890,194	128,417,609
Potential dilutive effect of share-based payments	395,946	473,848
Average weighted number of shares (excluding treasury shares) adjusted for dilutive effect*	128,286,140	128,891,457
Net earnings per share (€)	1.1701	1.223
Diluted earnings per share (€)	1.1665	1.219

* Only includes dilutive shares (with regard to prevailing market conditions at closing)

Net profit from discontinued operations for the periods presented was nil.

The calculation of diluted earnings per ordinary share takes into account the free shares granted by the plans of 25 March 2010, 27 July 2010, 22 December 2010, 26 July 2011 and 22 December 2011, and the share subscription option plan granted on 6 May 2008. Shares with a dilutive impact totalled 395,946, with a dilutive effect on EPS of €0.36 cents per share.

13. Dividends paid and proposed

	2011	2010
Declared and paid during the year	128.6	302.1
Dividend paid per ordinary share (€)	1.00	0.85
Exceptional dividend paid per ordinary share (€)	-	1.50
Proposed for approval of AGM	126.2	128.6
Dividend paid per ordinary share	1.00	1.00
Exceptional dividend paid per ordinary share (€)	-	-

The dividend paid in 2011 in respect of 2010 (€1) was lower than the average dividends paid in 2010 and 2009 in respect of the 2009 and 2008 financial years (€1.60).

14. Intangible assets

	Audiovisual rights	Other intangible assets	Advances and prepayments	Goodwill	Total 2010
At 1 January 2010, net of amortisation and writedowns	70.6	60.3	13.4	74.3	218.6
Acquisitions	50.7	16.0	15.9	-	82.6
Change in Group structure (gross amounts)	-	0.9	-	3.2	4.2
Disposals	(67.4)	(24.0)	(0.1)	-	(91.5)
Other movements	-	-	-	(1.3)	(1.3)
Reclassification	1.6	4.2	(5.8)	-	0.0
Writedowns	(12.6)	(8.9)	-	-	(21.5)
2010 amortisation charge	(52.0)	(24.9)	-	-	(76.9)
Changes in Group structure - accumulated amortisation charges	0.0	(0.6)	-	-	(0.6)
Reversal of amortisation on disposals	67.2	13.4	-	-	80.6
At 31 December 2010, net of amortisation and writedowns	58.1	36.4	23.4	76.2	194.1
At 1 January 2010					
Gross value	588.9	453.8	13.9	107.9	1,164.6
Accumulated amortisation and writedowns	(518.3)	(393.5)	(0.6)	(33.6)	(946.1)
Net total	70.6	60.3	13.4	74.3	218.6
At 31 December 2010					
Gross value	573.8	485.3	24.0	107.7	1,190.8
Accumulated amortisation and writedowns	(515.7)	(448.9)	(0.6)	(31.5)	(996.7)
Net total	58.1	36.4	23.4	76.2	194.1
	Audiovisual rights	Other intangible assets	Advances and prepayments	Goodwill	Total 2011
At 1 January 2011, net of amortisation and writedowns	58.1	36.4	23.4	76.2	194.1
Acquisitions	28.8	7.1	42.6	-	78.6
Change in Group structure (gross amounts)	24.0	28.4	0.1	2.5	55.0
Disposals	(6.7)	(27.1)	-	-	(33.8)
Other movements	0.0	(0.0)	-	(1.4)	(1.4)
Reclassifications	29.7	10.8	(40.5)	-	0.0
Writedowns	(3.3)	(5.5)	(0.0)	(2.5)	(11.2)
2011 amortisation charge	(48.5)	(17.3)	-	-	(65.8)
Change in Group structure - accumulated amortisation charge	(23.2)	(27.2)	(0.1)	-	(50.6)
Reversal of amortisation on disposals	6.7	23.8	-	-	30.5
At 31 December 2011, net of depreciation and writedown	65.7	29.5	25.5	74.8	195.5
At 1 January 2011					
Gross value	573.8	485.3	24.0	107.6	1,190.8
Accumulated amortisation and writedowns	(515.7)	(448.9)	(0.6)	(31.5)	(996.7)
Net total	58.1	36.4	23.4	76.2	194.1
At 31 December 2011					
Gross value	649.6	544.6	26.2	108.7	1,329.2
Accumulated amortisation and writedowns	(583.9)	(515.2)	(0.7)	(33.9)	(1,133.6)
Net total	65.7	29.5	25.5	74.8	195.5

Audiovisual rights include cinematographic and television rights acquired within the framework of productions or co-productions, as well as in application of distribution agreements for which a fixed amount (guaranteed minimum) was paid to the producer.

Other intangible assets consist of computer software, co-productions and assets related to the transfer fees of football players.

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.

All other intangible assets are amortisable assets.

15. Goodwill impairment tests and intangible assets with an indeterminable life

MOVEMENTS

Goodwill evolved as follows:

	2011	2010
Opening balance net of impairment	76.2	74.3
Acquisitions	2.5	3.2
Disposals	-	-
Allocations	-	-
Goodwill of operations held for disposal	-	-
Other	(1.4)	(1.3)
Impairment	(2.5)	-
Closing balance	74.8	76.2
Opening balance		
Gross value	107.7	107.9
Accumulated impairment	(31.5)	(33.6)
Net	76.2	74.3
Closing balance		
Gross value	108.8	107.7
Accumulated impairment	(33.9)	(31.5)
Net	74.8	76.2

2011 financial year goodwill movements resulted from:

- the adjustment of the liability relating to the Cyréalais earn-out;
- the acquisition of Les Films de la Suane;
- the acquisition of the remaining 50% in TCM.

The impairment recognised relates to TCM and Panorabanque (see note 6.1)

ANALYSIS

Net goodwill is analysed by CGU as follows:

Net value	2011	2010
M6 TV Network	-	-
Digital channels	-	-
Diversification		
Cyréalais	34.3	35.4
Mistergooddeal SA	32.8	32.8
HSS Group	4.0	4.0
MonAlbumPhoto SAS	2.9	2.9
Ventadis	39.7	39.7
SND SA	0.8	0.8
Echo6 SAS	-	0.3
Total	74.8	76.2

The Cyréalais CGU, which was merged into M6 Web on acquisition, remains identifiable through the editorial websites it operates (clubic.com, jeuxvideo.fr, achetezfacile.com).

The Group considers Ventadis as a Cash Generating Unit ("CGU") due to strong synergies derived from the operating merger between HSS and Mistergooddeal: pooling of all support functions, including order taking and delivery, development of HSS Group online sales, which benefited from the expertise of Mistergooddeal, and cross-selling activities. This CGU also includes Mon Album Photo (a direct subsidiary of Mistergooddeal since its acquisition on 1 October 2010) due to the similar features of its business model with that of Mistergooddeal. Furthermore, there are increasing synergies between Ventadis and Mon Album Photo, due to the Ventadis teams gradually taking over support functions.

IMPAIRMENT TESTS

As is the case every year, the Ventadis and Cyréalais CGUs have been subject to an impairment test, in accordance with IAS 36.

The discounted cash flow method (DCF) used to measure the value in use is based on the following factors:

- Common assumptions:
 Use of data derived from the 2011 – 2014 business plan prepared for each CGU as part of the Group's budgeting process in October 2011;
 Revenue growth of 3% in 2015 and 2016;
 EBITA growth of 3% in 2015 and 2016;
 No capital expenditure in 2015 and 2016;
 Constant WCR in 2015 and 2016.
- Assumptions specific to the Ventadis CGU:
 The discount rate used was determined by calculating an average of the weighted average cost of capital (WAAC) used to assess the main quoted comparables of Ventadis. Full funding through equity was assumed. The discount rate before tax was 9.9% in 2011, the same as in 2010, the rate uniformly used in all impairment tests as the WAAC applicable to this CGU.
 The infinite growth rate used was also based on the average noted on the valuation of comparables and was 1.5% for 2011 and 2010 alike.
- Assumptions specific to the Cyréalais CGU:
 The discount rate used was determined by calculating an average of the WAAC used to assess the main quoted comparables of Cyréalais. Since comparables had very little debt, full funding through equity was assumed. The discount rate before tax was 11.03% for 2011, compared to 10.9% for 2010, the rate uniformly used in all impairment tests as the WAAC applicable to this CGU.
 The infinite growth rate used was also based on the average noted on the valuation of comparables and was 2% for 2011 and 2010 alike.

An analysis of the sensitivity of the value in use to testing factors has been conducted but did not show any likely scenario according to which the recoverable value of the CGU would fall below their net book value, as shown by the 2 tables below:

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Ventadis		Discount rate				Cyréal		Discount rate			
		9.4	9.9	10.4	10.9			10.03	10.53	11.03	11.53
G r o w t h	0	167.2	158.3	150.3	143	G r o w t h	0.5	47.3	44.8	42.06	40.5
	0.5	173.8	164.1	155.4	147.5		1	49.1	46.4	44	41.8
	1	181.1	170.5	161.1	152.5		1.5	51	48.1	45.5	43.1
	1.5	189.4	177.7	167.4	158.1		2	53.3	50	47.2	44.6
	2	198.8	185.8	174.4	164.3		2.5	55.8	52.2	49	46.2

net book value measured = € 54.5 million

net book value measured = € 35 million

The sensitivity tests carried out by varying the assumptions for revenue and EBITA growth for 2015 and 2016 but retaining the same growth to infinity and the same discount rates led to a recoverable value of the CGUs that was greater than their net book value.

16. Property, facilities and equipment

	Land	Buildings	Technical facilities	Other PFE	Assets under construction	Total
At 1 January 2010, net of depreciation and writedowns	14.1	73.5	21.0	6.3	0.8	115.7
Acquisitions	4.6	10.7	4.4	2.4	(0.6)	21.4
Change in Group structure (gross amounts)	-	-	0.0	0.0	-	0.1
Disposals	-	(0.1)	(17.4)	(13.6)	-	(31.1)
Depreciation charges) / Reversals 2010	-	(3.5)	(6.4)	(2.4)	-	(12.3)
Changes in Group structure - accumulated depreciation charges	-	-	(0.0)	(0.0)	-	(0.0)
Reversal of depreciation on disposal	-	0.1	17.4	13.6	-	31.1
At 31 December 2010, net of depreciation and writedowns	18.6	80.7	19.0	6.2	0.2	124.8
At 1 January 2010						
Cost or fair value	14.1	107.1	60.6	29.7	0.8	212.3
Accumulated depreciation charges and writedowns	-	(33.6)	(39.6)	(23.4)	-	(96.6)
Net value	14.1	73.5	21.0	6.3	0.8	115.7
At 31 December 2010						
Cost or fair value	18.6	114.8	46.7	18.5	0.2	198.9
Accumulated depreciation charges and writedowns	-	(34.1)	(27.7)	(12.3)	-	(74.2)
Net value	18.6	80.7	19.0	6.2	0.2	124.8

	Land	Buildings	Technical facilities	Other PFE	Assets under construction	Total
At 1 January 2011, net of depreciation and writedowns	18.6	80.7	19.0	6.2	0.2	124.8
Acquisitions	-	7.4	4.7	2.6	1.3	15.9
Change in Group structure (gross amounts)	-	-	-	-	-	-
Disposals	-	(0.4)	(1.0)	(0.1)	-	(1.6)
Depreciation charges) / Reversals 2011	-	(3.5)	(6.5)	(2.4)	-	(12.5)
Changes in Group structure - accumulated depreciation charges	-	-	-	-	-	-
Reversal of depreciation on disposal	-	0.2	1.0	0.1	-	1.3
At 31 December, net of depreciation and writedowns	18.6	84.3	17.2	6.3	1.4	127.9
At 1 January 2011						
Cost or fair value	18.6	114.8	46.7	18.5	0.2	198.9
Accumulated depreciation charges and writedowns	-	(34.1)	(27.7)	(12.3)	-	(74.2)
Net value	18.6	80.7	19.0	6.2	0.2	124.8
At 31 December 2011						
Cost or fair value	18.6	121.8	50.4	20.9	1.4	213.3
Accumulated depreciation charges and writedowns	-	(37.5)	(33.2)	(14.6)	-	(85.4)
Net value	18.6	84.3	17.2	6.3	1.4	127.9

Property, facilities and equipment relating to capital expenditure incurred for the construction of a new building is presented in the "buildings" column.

17. Financial assets held for sale

Financial assets held for sale constitute equity securities held by the Group in non-consolidated companies and receivables which are directly related to them.

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2011						2010					
						(€ millions)					
	Reference currency	Fair value at 1 January	Loss in value recognised through the income statement	Fair value movements through equity	Fair value at 31 December	% held	Fair value at 1 January	Loss in value recognised through the income statement	Fair value movements through equity	Fair value at 31 December	% held
Summit Entertainment	Dollar (\$)	11.4	(7.5)	19.6	23.5	9.06%	11.4	-	-	11.4	9.06%
European News Exchange	Euro (€)	0.1	-	-	0.1	20%	0.1	-	-	0.1	20%
Other		-	-	-	-	-	-	-	-	-	-
TOTAL		11.5	(7.5)	19.6	23.6		11.5	-	-	11.5	

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	2011	2010
Associates' current accounts	2.7	2.9
Impairment of associates' current accounts	-	-
Financial assets at fair value through profit and loss	-	-
Other financial assets	-	-
Other non-current financial assets	2.7	2.9
Associates' current accounts	0.1	-
Impairment of associates' current accounts	-	-
Financial assets at fair value through profit and loss	-	-
Other financial assets	0.8	0.3
Other current financial assets	0.9	0.3

19. Investments in joint ventures

In the course of 2011, Métropole Télévision increased its equity holding in TCM DA to full ownership. This company is now fully consolidated in the Group's financial statements.

Entities in which M6 or one of its subsidiaries has a joint-venture interest are as follows:

% held	2011	2010	Business sector
Série Club	50%	50%	Série Club digital channel
TF6	50%	50%	TF6 digital channel
TF6 Gestion	50%	50%	TF6 management company
HSS Belgique	50%	50%	Home shopping programmes
Panorabanque	50%	-	Online bank comparison engine

The contributions of joint ventures to the Group consolidated balance sheet were as follows:

	2011	2010
Non-current assets	1.1	4.6
Current assets	5.7	9.4
Non-current liabilities	(0.0)	(1.1)
Current liabilities	(9.2)	(11.0)
Net assets	(2.4)	1.9
Contribution by company:		
	2011	2010
Assets		
TF6 - Série Club	6.0	8.1
TCM DA	-	3.2
Other	0.8	2.8
	6.8	14.0
Liabilities		
TF6 - Série Club	(8.1)	(9.0)
TCM DA	-	(0.9)
Other	(1.1)	(2.3)
	(9.2)	(12.1)
Net assets	(2.4)	1.9

The contributions of joint ventures to Group revenue and net profit were as follows:

	2011	2010
Revenue	18.8	25.1
Net profit	(1.3)	2.8
Contribution by company:		
	2011	2010
Revenue		
TF6 - Série Club	12.6	13.2
HSS Belgique	6.2	6.5
TCM DA	-	4.2
Other	-	1.2
	18.8	25.1
Net profit		
TF6 - Série Club	(1.0)	(0.6)
TCM DA	-	2.9
HSS Belgique	0.6	0.5
Other	(0.9)	0.1
	(1.3)	2.8

20. Investments in associates

On 28 April 2011, the Group made a 34% equity investment in QuickSign, a company that has developed a secure client affiliation technology and platform for service companies (banks, consumer credit, etc.).

	2011
Share held in associates' net assets	0.2
Goodwill	-
Deferred taxation	-
Contribution to the Group's net assets	0.2

QuickSign's contribution to the Group's net profit was a loss of €0.1 million.

21. Inventories

	Broadcasting rights	Commercial inventory	Total 2010
Net book value at 1 January 2010	194.8	30.4	225.2
Acquisitions	200.8	173.1	373.9
Subsidiary purchases	-	-	-
Subsidiary disposals	-	-	-
Expensed	(247.1)	(174.6)	(421.8)
Writedown (charge)/reversal 2010	12.3	0.3	12.6
Net book value at 31 December 2010	160.8	29.1	190.0
At 31 December 2009			
Cost or fair value	284.0	37.2	321.2
Accumulated writedown	(89.2)	(6.8)	(96.0)
Net book value at 31 December 2009	194.8	30.4	225.2
At 31 December 2010			
Cost or fair value	237.7	35.7	273.4
Accumulated writedown	(76.9)	(6.5)	(83.4)
Net book value at 31 December 2010	160.8	29.1	190.0
	Broadcasting rights	Commercial inventory	Total 2011
Net book value at 1 January 2011	160.8	29.1	190.0
Acquisitions	257.0	160.1	417.1
Subsidiary purchases	-	-	-
Subsidiary disposals	-	-	-
Expensed	(255.1)	(159.6)	(414.7)
Writedown (charge)/reversal 2011	2.8	(0.4)	2.4
Net book value at 31 December 2011	165.5	29.3	194.8
At 31 December 2010			
Cost or fair value	237.7	35.7	273.4
Accumulated writedown	(76.9)	(6.5)	(83.4)
Net book value at 31 December 2010	160.8	29.1	190.0
At 31 December 2011			
Cost or fair value	239.6	36.2	275.8
Accumulated writedown	(74.1)	(6.9)	(81.0)
Net book value at 31 December 2011	165.5	29.3	194.8

22. Financial instruments

This note presents information on the Group's exposure to each of the following risks, as well as its objectives, policy and assessment procedures and risk management.

22.1 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 duties.

A. TRADE RECEIVABLES

Risk assessment differs across Group operations.

A.1. Advertising revenue

In order to secure its advertising revenues, the main step taken by the M6 Publicité advertising agency is to carry out 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 0.4% of advertising revenue (0.4% in 2010).

In order to further curtail this risk, the M6 Publicité advertising agency imposes late payment penalties on unpaid invoices and has an internal team dedicated to recovering trade receivables.

A.2. Non-advertising revenue

As regards non-advertising revenue, no single customer risk is material enough to significantly impair the Group's profitability.

Nonetheless, personnel 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.

B. BANKING COUNTERPARTIES

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 22.3.

The Group works with leading European banks that benefit from an investment grade rating.

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ASSET DERIVATIVE FINANCIAL INSTRUMENTS

The book value of financial assets represents the maximum exposure to the credit risk at year-end, as follows:

2011			Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Available-for-sale financial assets	23.6	23.6	-	23.6	-	-	-	-
Other non-current financial assets	3.6	3.6	-	-	-	3.6	-	-
Trade receivables	292.7	292.7	-	-	-	292.7	-	-
Other current assets	169.8	169.8	-	-	-	169.8	-	-
Derivative financial instruments	0.9	0.9	-	-	-	-	-	0.9
Cash equivalents	315.8	315.8	315.8	-	-	-	-	-
Bank and cash	12.8	12.8	12.8	-	-	-	-	-
Assets	819.2	819.2	328.6	23.6	-	466.1	-	0.9

2010			Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Available-for-sale financial assets	11.5	11.5	-	11.5	-	-	-	-
Other non-current financial assets	3.2	3.2	0.3	-	-	2.9	-	-
Trade receivables	254.5	254.5	-	-	-	254.5	-	-
Other current assets	172.1	172.1	-	-	-	172.1	-	-
Derivative financial instruments	1.0	1.0	-	-	-	-	-	1.0
Cash equivalents	367.1	367.1	367.1	-	-	-	-	-
Bank and cash	9.8	9.8	9.8	-	-	-	-	-
Assets	819.2	819.2	377.2	11.5	-	429.5	-	1.0

MATURITY OF FINANCIAL ASSETS

The maturity dates of financial assets were as follows at the balance sheet date:

	Closing balance		Neither impaired nor matured		<= 1 month		2 - 3 months	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial assets	3.7	2.9	2.8	2.9	-	-	-	-
Trade receivables - gross	322.8	285.4	195.6	180.2	36.0	29.6	23.2	7.4
Other receivables - gross	174.6	177.5	169.9	171.5	2.2	2.9	-	-
Total	501.1	465.9	368.4	354.6	38.2	32.6	23.2	7.4

	3 - 6 months		6 - 12 months		> 1 year		Gross impaired amount	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial assets	-	-	0.8	-	-	-	-	0.0
Trade receivables - gross	6.6	11.0	6.4	8.1	25.0	22.8	30.0	26.3
Other receivables - gross	-	0.3	-	-	-	0.2	2.5	2.7
Total	6.6	11.3	7.2	8.1	25.0	23.0	32.5	29.1

Trade and other receivables comprise commercial receivables and other receivables linked to operations, such as advances and deposits.

22.2 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.

FINANCIAL INFORMATION

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To that end, as a precautionary measure, the Group avails of financing facilities but does not use credit derivatives.

At 31 December 2011, as in 2010, no credit facility was drawn down.

LIABILITY DERIVATIVE FINANCIAL INSTRUMENTS

The Group's maximum exposure to the liquidity risk at year-end was as follows:

2011			Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Non-current financial debt	1.4	1.4	-	-	-	-	1.4	-
Leases	-	-	-	-	-	-	-	-
Non-current financial liabilities	3.4	3.4	3.4	-	-	-	-	-
Current financial debt	1.5	1.5	-	-	-	-	1.5	-
Current financial liabilities	6.3	6.3	6.3	-	-	-	-	-
Trade and other payables	341.1	341.1	-	-	-	-	341.1	-
Liabilities on non-current assets	17.6	17.6	-	-	-	-	17.6	-
Other current liabilities	95.7	95.7	-	-	-	-	95.7	-
Total liabilities	467.0	467.0	9.7	-	-	-	457.3	-

2010			Analysis by category of instruments					
	Balance sheet value	Fair value	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Non-current financial debt	2.0	2.0	-	-	-	-	2.0	-
Leases	0.0	0.0	-	-	-	-	0.0	-
Non-current financial liabilities	5.6	5.6	5.6	-	-	-	-	-
Current financial debt	0.2	0.2	-	-	-	-	0.2	-
Current financial liabilities	1.2	1.2	0.9	-	-	-	-	0.3
Trade and other payables	341.9	341.9	-	-	-	-	341.9	-
Liabilities on non-current assets	15.7	15.7	-	-	-	-	15.7	-
Other current liabilities	89.4	89.4	-	-	-	-	89.4	-
Total liabilities	456.1	456.1	-	-	-	-	449.3	2.3

DEBT SCHEDULE

Group debt may be analysed as follows by maturity date:

	< 1 year		1 - 5 year		> 5 year		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Other financial liabilities	6.3	1.2	3.4	5.6	-	-	9.7	6.8
Trade and other payables	341.1	341.9	-	-	-	-	341.1	341.9
Other operating liabilities	95.7	88.6	-	0.8	-	-	95.7	89.4
Tax and social contribution payable	101.0	97.5	-	-	-	-	101.0	97.5
Balance owed on non-current asset acquisitions	16.2	15.0	1.4	0.7	-	-	17.6	15.7
Balance owed to associates	-	-	-	-	-	-	-	-
TOTAL	560.2	544.2	4.9	7.0	-	-	565.1	551.2

22.3 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 audiovisual rights purchase contracts, particularly through its cinema distribution activity and purchases of the distance-selling division.

These purchases are primarily denominated in US dollars, and to a lesser extent in Canadian 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.

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.

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A report is prepared every month on the movements in exchange exposure in order to monitor risk management.

Foreign currency purchase flows represented 6.7% of 2011 total purchases.

Foreign currency-denominated revenues are not hedged as they are not significant (less than 0.1% of revenue).

Analysis of exposure to foreign exchange risk

	<i>USD</i> <i>(€ millions)(1)</i>	<i>CAD</i> <i>(€ millions)(1)</i>	Total
Assets	1.1	0.9	2.0
Liabilities	(1.7)	(0.0)	(1.7)
Off-balance sheet	(27.3)	(0.0)	(27.3)
Unhedged position	(27.9)	0.9	(27.1)
Forex hedges	28.6	(0.6)	28.0
Net exposed position	+0.7	+0.2	+0.9
<i>(1) at closing rate:</i>	<i>1.3008</i>	<i>1.34563</i>	

97% of the Group's exposure is hedged.

In order to hedge against market risks, the Group put into place 45 new foreign exchange hedges during the year in relation to its USD-denominated liabilities, for a total value of €52.8 million, corresponding to the full value of commitments undertaken over the period.

The Group's net exposed foreign currency position for all its activities is a put position of €0.9 million, which would yield a €0.1 million loss in the event of an unfavourable and consistent foreign exchange movement of €0.10 against the US and Canadian dollars.

In 2011, via its subsidiary SND, the Group also granted a loan of CAD 1.2 million to a producer over a term of 21 months. 75% of the value of this loan has been hedged.

INTEREST RATE RISK

The Group is exposed to risks pertaining to interest rate movements. 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 2011

<i>(€ millions)</i>	Variable rate			Total
	< 1 year	1 to 5 years	> 5 years	
Variable rate financial assets	328.6	3.7	-	332.3
Other fixed-rate financial assets	-	-	-	-
Total financial assets	328.6	3.7	-	332.3
Variable rate financial debt	(1.5)	(1.4)	-	(2.9)
Other fixed-rate financial debt	-	-	-	-
Total financial debt	(1.5)	(1.4)	-	(2.9)
Net position	327.1	2.3	-	329.4

The Group's variable rate position was positive by €329.4 million at 31 December 2011. This net cash position is primarily comprised of monetary cash instruments and commercial paper.

The financing provided by the Group to its jointly controlled subsidiaries is treated as a financial asset up to the share of ownership held by the joint shareholder. Conversely, the financing provided by the joint shareholder in such jointly controlled companies is recognised as a financial debt in the same proportion.

The full-year impact of a 1% interest rate increase (100 basis points) is estimated at €3.4 million on net financial income. Conversely, a 0.50% decrease in interest rates (50 basis points) would cause a €1.7 million decline on full-year net financial income.

CASH MANAGEMENT POLICY

All cash resources must be able to 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 – Cash flow statement.

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 was particularly topical in 2011 after the rating of many first-rate European institutions was downgraded. Against this backdrop, the Group paid particular attention to the selection process of instruments and to diversifying counterparties, depositaries and management companies.

Certain prudent rules have also been enacted as part of the Group's cash management:

- not to invest more than 20% in a single management company (or in a single company issuing commercial paper);
- select banks holding deposits rated as investment grade (minimum BBB-);
- not to hold more than 5% of the assets of a fund (control ratio);
- invest in funds having the following features:
 - in the case of a management company with which the Group has had business relations for at least two years, the invested fund must have existed for at least two years;
 - the asset managed by the master fund must be valued at more than €1 billion;
 - the year-on-year volatility of the fund is less than 0.25%;
 - concerning the correlation of fund volatility with the fund's benchmark index, the volatility variance must be less than 5 basis points;
 - virtually all securities held by the fund (97%) must be rated as investment grade (minimum BBB-);
 - the percentage of unrated securities must represent less than 5% of the fund.

Nonetheless, due to the Group's current cash position and the yield curve, the Group reserves the right to stimulate income from its cash holdings:

- on the one hand, by departing on a one-off basis and to a limited extent from one of the rules listed above, providing other prudential rules are strictly complied with, and more particularly by increasing the investment of its cash holdings in the same management company to 30% or by investing in funds rated at least B+;
- on the other hand, by investing, in compliance with the prudential rules listed above, in funds that cannot be classified as cash equivalents.

However, the Group did not avail of the latter option in 2011.

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 on a daily basis. On this basis, the Group arbitrates in favour of both the most regular and the most profitable funds, within the framework of the constraints listed above.

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.

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.

FAIR VALUE

Net balance sheet positions of derivatives were as follows:

	2011	2010
	Fair value	Fair value
Forward call contracts		
Métropole Télévision	-	0.9
SND	0.7	(0.3)
HSS	0.2	0.1
TOTAL	0.9	0.7

MATURITIES

The maturity of hedge instruments (measured in euro at the year-end forward hedge rate) was as follows:

	2011			2010		
	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years
Métropole Télévision	0.3	0.3	-	18.0	17.7	0.3
SND	23.6	23.1	0.5	31.2	21.5	9.7
HSS	4.5	4.5	-	5.1	5.1	-
TOTAL	28.4	27.9	0.5	54.3	44.3	10.0

22.4 Financial instrument effect on Income Statement

Effects on profit and loss of financial instruments were as follows:

2011		Analysis by category of instruments					
	Effect on income statement	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Impact on net financial income/(expense)	10.5						
Total interest income	5.1	0.0	-	-	5.1	-	-
Total interest expense	(0.1)	-	-	-	-	(0.1)	-
Revaluations	(0.5)	0.0	-	-	-	-	(0.6)
Net income/(expenses)	6.0	(1.5)	7.5	-	-	-	-
Income/(loss) on disposals	-	-	-	-	-	-	-
Impact on EBIT	(10.9)						
Net capital gains/(losses)	-	-	-	-	-	-	-
Impairment	(10.9)	-	(7.5)	-	(3.4)	-	-
Net income/(loss)	(0.5)	(1.4)	-	-	1.6	(0.1)	(0.6)

2010		Analysis by category of instruments					
	Effect on income statement	Fair value through profit and loss	Available for sale financial assets	Investments held until maturity	Loans and receivables	Debt at amortised cost	Derivative instruments
Impact on net financial income/(expense)	3.1						
Total interest income	3.4	-	-	-	3.4	-	-
Total interest expense	(0.1)	-	-	-	-	(0.1)	-
Revaluations	(0.2)	(0.2)	-	-	-	-	-
Net income/(expenses)	0.0	0.0	-	-	-	-	-
Income/(loss) on disposals	-	-	-	-	-	-	-
Impact on EBIT	(7.0)						
Net capital gains/(losses)	-	-	-	-	-	-	-
Impairment	(7.0)	-	-	-	(7.0)	-	-
Net income/(loss)	(3.8)	(0.2)	-	-	(3.6)	(0.1)	-

23. Cash and cash equivalents

	2011	2010
Deposit with Bayard d'Antin	35.0	35.0
FCP and SICAV mutual funds	280.8	332.1
Cash at bank	12.8	9.8
Total cash and cash equivalents	328.6	376.9

Cash and marketable securities are financial assets held for trading and as such are measured at fair value (fair value through income statement) in accordance with IAS 7.

The FCP and SICAV mutual funds do not contain any unrealised capital gains, as these were realised at 31 December 2011.

In application of the deposit policy described above, virtually all cash is invested in cash mutual funds with an average term of less than 90 days, in commercial papers and in term deposits with investment grade counterparts.

Furthermore, €35 million is deposited with Bayard d'Antin, a related party, as part of a treasury management agreement renewed on 15 November 2011 by letter from Bayard d'Antin.

24. Equity

24.1 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. As part of this policy, the Group strives to retain sufficient cash holdings to meet its day to day financing needs and fund acquisitions. Since the disposal of the Canal+ France shares, the Group avails of substantial surplus cash, well in excess of the above-mentioned requirements, giving rise to a significant investment potential.

To that end, and to exercise caution in light of the liquidity risk, during 2008 M6 put into place two banking credit facilities totalling €85 million; one of these facilities of €35 million matured during the financial year and has not been renewed to date. In addition, the Group also implemented a €50 million credit line with its main shareholder (Bayard d'Antin). None of these credit lines were drawn down in 2011.

As regards remuneration of the shareholders, since at least 2004, the Group has set itself the objective of distributing a dividend of approximately 80% of net earnings per share (from continuing operations, Group share). However, an exceptional dividend distribution may be considered when the Group generates profits of a non-recurring nature, in particular due to the disposal of discontinued assets or operations. Within this framework, and subsequent to the exercise of the put option on the 5.1% held in Canal + France, the Group paid an exceptional dividend of €1.50 per share in the first half of 2010 (totalling €192.8 million).

Furthermore, the Executive Board of Métropole Télévision was granted an authorisation to buy back its own shares by the Ordinary General Meeting of 4 May 2011, with a view to:

- stimulate the secondary market or the liquidity of the Métropole Télévision share through an intermediary investment service provider, through a liquidity contract in compliance with the AFEI's ethical code approved by the AMF,
- 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,
- provide adequate coverage for share option plans and other forms of share allocations to Group employees and/or executive 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,
- provide adequate coverage of marketable securities giving right to Company shares within the framework of current regulations,
- cancel shares, in accordance with the authorisation granted by the Extraordinary General Meeting of shareholders of 4 May 2011.

During the financial year ended 31 December 2011 and pursuant to this authorisation:

- M6 bought back for future cancellation 2,577,508 of its own shares, representing 2% of the share capital, at a total cost of €31.9 million. All these shares were cancelled to reduce the number of shares making up the share capital from 128,957,935 to 126,383,964 shares;
- Transactions were carried out by M6 as part of the liquidity contract:
- M6 bought and delivered shares to cover free share allocation plans.

Within the scope of the next free share plans (2012 and 2013), Métropole Télévision entered into four forward treasury share purchase contracts in relation to 737,000 shares, maturing on 25 March 2012, 27 July 2012, 22 December 2012 and 26 July 2013.

Furthermore, even though it has been granted authorisations by the Shareholders' General Meeting to proceed in specified cases with share capital increases (through the issue of ordinary shares and / or marketable securities providing access to the share capital), the Company currently has no plans to issue new shares, aside from the exercise of share subscription options.

Thus, in 2011, M6 carried out three capital increases totalling 3,533 shares following the exercise of subscription options.

The Company also 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.

24.2 Shares comprising Métropole Télévision's capital

<i>(€ thousands)</i>	Ordinary shares issued	Treasury shares held	Shares outstanding
At 1 January 2010	128,955	681	128,274
Exercised stock options	3	-	
Movement in treasury shares:			
- held for the purpose of allocating free shares		(221)	
- held as part of the liquidity contract		-	
Implementation of the share buyback programme (before cancellation of shares)	-	-	
At 31 December 2010	128,958	460	128,498
Exercised stock options	4	-	
Movement in treasury shares:			
- held for the purpose of allocating free shares		(352)	
- held as part of the liquidity contract		39	
Implementation of the share buyback programme (before cancellation of shares)	(2,578)	-	
At 31 December 2011	126,384	147	126,237

The shares making up the capital of Métropole Télévision are all ordinary shares with one vote each. All shares are fully paid.

Four share subscription plans and five share allocation plans for the benefit of management and senior executives were in place at 31 December 2011 (see note 9).

24.3 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 reserve" caption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The impact on equity, under other reserves and consolidated reserves, was as follows:

Balance of other reserves at 1 January 2010	(1.5)
Exchange gains realised on incomplete transactions	-
New hedges	(4.5)
Former hedge variations	1.0
Maturity of hedges	0.0
Impact of operations on realised profit recorded in equity	-
Movement in assets held with a view to being disposed	-
Movement in available-for-sale assets	1.0
Movement in pension commitments	(0.6)
Total movements of the year	(3.1)
Balance of other reserves at 31 December 2010	(4.6)
Exchange gains realised on incomplete transactions	-
New hedges	(2.0)
Former hedge variations	(0.1)
Maturity of hedges	(0.3)
Impact of operations on realised profit recorded in equity	-
Movement in assets held with a view to being disposed	-
Movement in available-for-sale assets	15.6
Movement in pension commitments	0.2
Total movements of the year	13.3
Balance of other reserves at 31 December 2011	8.7

The €15.6 million positive movement in assets available for sale relates to the revaluation of the Summit securities (see note 17).

25. Financial debt

Movement in net debt is analysed as follows:

	2011	2010
Bank loans		0.1
Others	1.4	1.9
Total non-current liabilities	1.4	2.0
Bank loans		0.1
Others	1.5	0.2
Total current liabilities	1.5	0.3

Group net debt at 31 December 2010 and 2011 is analysed thus, by maturity:

	Total 2011	< 1 year	1 to 5 years	> 5 years
Total financial liabilities	2.9	1.5	0.0	1.4
	Total 2010	< 1 year	1 to 5 years	> 5 years
Total financial liabilities	2.3	0.3	0.1	1.9

Other financial debt primarily includes the following:

- share of liabilities of jointly-held companies (€1.5 million);
- advances subject to conditions received by Diem 2 and M6 Studio (a total of €1.3 million).

The Group currently avails of a medium-term bank facility for a total of €50 million, in order to cover the liquidity risk described in Note 22.2.

Terms and conditions applicable to the drawdown of the Group's credit facility primarily include:

- a clause of change of ownership;
- financial ratio covenants, as follows:
 - net debt / equity < 1;
 - net debt / Ebitda < 2;
 - Ebitda / financial expenses > 8,

which were all complied with at 31 December 2011.

However, this facility was not drawn down at 31 December 2011 and was not used during the financial year.

In addition, the Group put into place a €50 million credit facility with its main shareholder (Bayard d'Antin). This facility had not been drawn down at 31 December 2011 and was not used during the financial year.

26. Financial liabilities

Within the scope of the next free share plans, Métropole Télévision entered into four forward treasury share purchase contracts in relation to 737,000 shares, maturing on 25 March 2012, 27 July 2012, 22 December 2012 and 26 July 2013 (see note 9).

At 31 December 2011, the present value of this financial liability totalled €9.7 million, of which €3.4 million is due in more than one year.

In application of IAS 32 – Financial instruments: disclosures and presentation, this commitment was recognised at its present value as a financial liability and was offset under equity (other reserves).

27. Retirement benefits severance pay

Commitments undertaken in respect of retirement benefits severance pay are not covered by any dedicated insurance contract or assets.

MAIN ACTUARIAL ASSUMPTIONS

%	2011	2010
Discount rate	4.75	4.40
Future salary increases*	3.60	3.60
Inflation rate	2.00	2.00

* median measured on the basis of age and position

The discount rate is established for an average period of 10 years by reference to the Iboxx € corporate bonds AA 10+ index.

INCOME STATEMENT EXPENSES

	2011	2010
Current service cost	(0.7)	(0.6)
Interest expense	(0.4)	(0.3)
Expected return on plan assets	-	-
Net expense	(1.0)	(0.9)

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PROVISION AND PRESENT VALUE OF OBLIGATION

	2011	2010
Value of obligation - opening balance	7.7	5.9
Current service cost	0.7	0.6
Interest expense	0.4	0.3
Benefits paid	(0.0)	(0.0)
Actuarial gain or loss - Changes in assumptions	(0.3)	0.9
Actuarial gains and losses - Experience effect	-	-
Change in Group structure	0.1	-
Value obligation - closing balance	8.5	7.7

The cumulative actuarial differences recognised in other items of comprehensive income totalled €(0.3) million at 31 December 2011.

SENSITIVITY TO ASSUMPTIONS

Sensitivity analyses carried out on pension commitments gave the following results:

Obligation at year-end with a discount rate of + 1%: €7.3 million;

Obligation at year-end with a salary increase rate of + 1%: €9.9 million.

28. Provisions

Provision movements between 1 January 2010 and 31 December 2011 were as follows:

	Provisions for retirement benefits (1)	Provisions for loss from associates	Provisions for restructuring	Provisions for litigations (2)	Provisions for unlikely broadcasting (3)	Other provisions for charges (4)	Total
At 1 January 2010	5.9	0.6	0.6	29.1	27.5	30.1	93.8
Subsidiary acquisitions	-	-	-	-	-	-	-
Subsidiary disposals	-	-	-	-	-	-	-
Charge	0.9	-	-	9.0	36.4	11.7	58.0
Use	-	-	(0.1)	(5.8)	(13.2)	(4.7)	(23.8)
Reversals	-	-	(0.3)	(12.3)	(3.6)	(7.0)	(23.2)
Others	0.9	(0.6)	-	0.1	(0.1)	-	0.3
At 31 December 2010	7.7	-	0.2	20.1	47.1	30.1	105.1
Subsidiary acquisitions	-	-	-	0.6	-	-	-
Subsidiary disposals	-	-	-	-	-	-	-
Charge	1.1	-	-	13.0	32.9	8.5	55.4
Use	-	-	(0.0)	(2.3)	(23.3)	(4.9)	(30.5)
Reversals	-	-	-	(5.7)	(4.4)	(11.1)	(21.2)
Others	(0.3)	-	-	-	-	-	(0.3)
At 31 December 2011	8.5	-	0.1	25.6	52.4	22.5	109.1
Current 2010	-	-	0.2	20.1	47.1	30.1	97.4
Non-current 2010	7.7	-	-	-	-	-	7.7
Total	7.7	-	0.2	20.1	47.1	30.1	105.1
Current 2011	-	-	0.1	25.6	52.4	22.5	100.6
Non-current 2011	8.5	-	-	-	-	-	8.5
Total	8.5	-	0.1	25.6	52.4	22.5	109.1

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Provisions at 31 December 2010 and 2011 are analysed as follows:

	2011	2010
⁽¹⁾ Provisions for retirement benefits:		
- Provisions for M6 TV network retirement benefits	6.0	5.4
- Provisions for Diversification retirement benefits	2.1	1.9
- Provisions for Digital Channel retirement benefits	0.4	0.3
	8.5	7.7
⁽²⁾ Provisions for litigations:		
- Provisions for M6 TV network litigations	9.5	7.8
- Provisions for Diversification litigations	13.2	9.5
- Provisions for Digital Channel litigations	3.0	2.7
	25.6	20.1
⁽³⁾ Provisions for unlikely broadcasting:		
- Provisions for M6 TV network unlikely broadcasting	37.8	33.6
- Provisions for Diversification unlikely broadcasting	1.5	3.0
- Provisions for Digital Channel unlikely broadcasting	13.1	10.5
	52.4	47.1
⁽⁴⁾ Other provisions for charges:		
- Provisions for M6 TV network charges	11.2	16.8
- Provisions for Diversification charges	9.3	9.8
- Provisions for Digital Channel charges	1.5	1.2
- Provisions for other unallocated charges	0.6	2.3
	22.5	30.1

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 unlikely broadcasting” relate to the loss in value of broadcast 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 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:

- a case where broadcasting is unlikely: the programme will not be broadcast for lack of audience potential;
- a 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 channels.

“Other provisions for charges” relate to costs the Group 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 these three types of provisions are the best possible estimate of the future outflow of Group 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.

29. Contingent assets and liabilities

A. PURCHASE OF RIGHTS AND CO-PRODUCTION COMMITMENTS (NET)

These commitments 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 payments on account made.

They are expressed net of advances and deposits paid in that respect for rights that are not yet recognised as inventories.

B. IMAGE 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.

C. 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.

D. 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 partner's share of these liabilities as an off-balance sheet commitment received.

E. SALES OF RIGHTS

These commitments comprise sales contracts of broadcast rights that are not yet available at 31 December 2011.

F. 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.

No significant off-balance sheet commitments have been excluded in accordance with accounting standards in force.

None of the Group's non-current assets have been pledged or mortgaged.

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	< 1 year	> 1 year	Total 2011	Total 2010	Terms and conditions of implementation
Commitments given					
Rights purchase and co-productions commitments (gross)	261.5	479.9	741.4	925.4	Contracts signed
Advances paid for the purchase of rights and co-production commitments	(24.5)	(51.7)	(76.2)	(76.7)	
<i>Purchase of rights and co-productions commitments (net)</i>	<i>237.1</i>	<i>428.1</i>	<i>665.2</i>	<i>848.7</i>	
Image transmission, satellite and transponder rental	22.9	77.3	100.3	163.1	Contracts signed
Non-cancellable leases	8.2	22.1	30.3	35.0	Leases
Responsibility for partnership liabilities	-	6.6	6.6	7.5	SNC liquidation
Others	50.9	2.6	53.6	34.5	
Total commitments given	319.1	536.9	856.0	1,088.8	

Commitments received					
Responsibility for partnership liabilities	-	6.6	6.6	7.5	SNC liquidation
Sales of rights	2.8	4.1	6.8	9.5	Annual maturities
Broadcasting contracts	24.2	48.3	72.5	27.9	Contracts signed
Others	5.9	-	5.9	3.9	
Total commitments received	32.8	59.0	91.8	48.8	

At 31 December 2011, commitments given by the Group totalled €856.0 million, compared to €1,088.8 million at 31 December 2010.

This significant reduction in commitments given (down €232.8 million) primarily resulted from:

- a €183.5 million decline in commitments to purchase broadcasting and co-production rights, net of advances paid, primarily relating to the M6 channel, for €159.7 million, and SND, for €38.1 million. For the latter, this reflected theatre releases expected in 2012 and 2013. These commitments were calculated based on assumptions that include price reviews and the actual value in use of series purchased.
- a €62.8 million decline in commitments relating to contracts for the transmission and broadcasting of TV channels, resulting from the switch-off of the analogue signal in November 2011, the taking into account of the completion of the DTT SD network (R4 multiplex) and the execution of existing contracts for DTT broadcasting.

In addition, at 31 December 2011, other commitments given included the €20 million contribution to the building of the City of Bordeaux's new stadium, expected to be paid by Football Club des Girondins de Bordeaux.

At 31 December 2011, commitments received by the Group totalled €91.8 million, compared to €48.8 million at 31 December 2010, an increase of €43.0 million), of which €44.6 million relating to new commitments received from broadband, cable and satellite TV distributors, contracts having been renewed at the end of 2011.

30. Related parties

30.1 Identification of related parties

Related parties to the Group comprise unconsolidated companies, jointly controlled companies and associates, RTL Group – 48.65% Group shareholder, Bertelsmann AG - RTL shareholder, executive officers and members of the Supervisory Board.

30.2 Transactions with shareholders

LOANS TO SHAREHOLDERS

According to a treasury management agreement concluded between Bayard d'Antin SA and Métropole Télévision dated 1 December 2005, Métropole Télévision may deposit surplus cash with Bayard d'Antin

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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 8 November 2011. M6 thus retains 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.

In order to adhere to the cash depositing policy of Métropole Télévision (described in Note 22.3), the deposit with Bayard d'Antin may not exceed a given ratio of the cash resources of the Métropole Télévision Group.

At 31 December 2011, the current account between M6 and Bayard d'Antin was €35.0 million.

CURRENT TRANSACTIONS

	2011		2010	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Sales of goods and services	4.4	0.1	2.8	1.6
Purchases of goods and services	(24.0)	(0.7)	(28.1)	(1.0)

Sales and purchase transactions with shareholders have been conducted at arms' length. Purchases primarily include the purchase of programmes from production companies of the RTL Group.

The outstanding balances arising from these sales and purchases are the following:

	2011		2010	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Receivables	8.1	0.1	7.8	1.0
Liabilities	7.3	0.4	11.7	0.2

SPECIFIC TRANSACTIONS

No specific transactions were concluded by the Group with its shareholders during the 2011 financial year.

30.3 Transactions with joint ventures

The following transactions have taken place between Group subsidiaries and joint ventures (TF6, Série-Club, Panorabanque and HSS Belgique):

	2011	2010
At 100%		
Sales of goods and services	9.5	10.5
Net financial income	-	-
Purchases of goods and services	-	0.9

Sales and purchase transactions with joint ventures have been conducted at arms' length.

The outstanding balances arising from these sales and purchases are the following:

	2011	2010
At 100%		
Receivables	3.1	4.9
<i>relating to financing</i>	<i>1.0</i>	<i>2.1</i>
Liabilities	4.6	3.7
<i>relating to financing</i>	<i>3.1</i>	<i>3.5</i>

Receivables relating to financing comprise profit of partnerships due to be transferred to the parent company.

30.4 Transactions with associated companies

No significant transactions with QuickSign occurred in the 2011 financial year.

30.5 Transactions with executive officers and directors

The remuneration paid in 2011 to the members of the Executive Board amounted to €3,855,338, of which €2,026,854 was fixed and €1,828,484 variable.

No further share subscription options were allocated during 2011. However, 32,000 free shares were allocated to members of the Executive Board in July 2011.

No Executive Board member exercised any share subscription options during the financial year.

34,730 free shares were transferred during the 2011 financial year to Executive Board members as part of the plan of 28 July 2009 (members present on the allocation date). The retention period of these shares will expire two years after delivery, i.e. on 28 July 2013, subject to the terms and conditions specified in the Management Report (see note 9.3).

In addition, in this respect and in accordance with the same conditions as Group employees, the members of the Executive Board may benefit from a legally binding end of career payment. The overall cost and terms and conditions of determination are described in Note 4.14. of the 2011 Registration Document.

Members of the Supervisory Board were paid attendance fees amounting to €174,757. Moreover, private individual members of the Supervisory Board or representing a legal entity member of the Supervisory Board held 17,437 Group shares at 31 December 2011.

Total remuneration paid to the main executive officers in respect of their duties within the Group, as referred to by IAS 24.16 was as follows:

<i>(€ millions)</i>	2011	2010
Short-term benefits		
Remuneration items	3.4	4.3
Other short-term benefits	0.0	0.0
Long-term benefits	-	-
Severance pay	-	-
Share-based payments	0.4	0.9
Total	3.8	5.3

Furthermore, detailed disclosure of remuneration is provided in Note 9.3 of the Management Report.

31. Subsequent events

On 13 January 2012, the Group sold its equity investment in Summit and recognised the revaluation of its unconsolidated securities in the 2011 financial year (see note 17). The fair value revaluation will be transferred to the income statement in the 2012 financial year.

No other significant event that occurred since 1 January 2012 is likely to have a significant impact on the Company's financial position, results, activities and assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. Consolidation scope

			2011		2010	
Company	Legal form	Nature of operations	% share capital	Consolidation	% share capital	Consolidation
M6 TV NETWORK						
Métropole Télévision - M6	SA	Parent company	-	FC	-	FC
M6 Publicité	SASU	Advertising agency	100.00%	FC	100.00%	FC
M6 Créations	SAS	Production of audiovisual works	100.00%	FC	100.00%	FC
M6 Bordeaux	SAS	Local TV station	100.00%	FC	100.00%	FC
M6 Toulouse	SAS	Local TV station	100.00%	FC	100.00%	FC
C. Productions	SA	Programme production	100.00%	FC	100.00%	FC
M6 Films	SA	Co-production of films	100.00%	FC	100.00%	FC
Métropole Production	SA	Production of audiovisual works	100.00%	FC	100.00%	FC
Studio 89 Productions	SAS	Production of audiovisual rights	100.00%	FC	100.00%	FC
DIGITAL CHANNELS						
M6 Thématique	SA	Holding company - digital operations	100.00%	FC	100.00%	FC
Edi TV - W9	SAS	W9 musical channel	100.00%	FC	100.00%	FC
M6 Génération	SAS	Musical channel	100.00%	FC	100.00%	FC
M6 Communication	SAS	M6 music channels Black - Rock - Hit	100.00%	FC	100.00%	FC
Paris Première	SAS	Paris Première digital channel	100.00%	FC	100.00%	FC
Sedi TV - Téva	SAS	Téva digital channel	100.00%	FC	100.00%	FC
Série Club	SA	Série Club digital channel	50.00%	PC	50.00%	PC
TF6	SCS	TF6 digital channel	50.00%	PC	50.00%	PC
DIVERSIFICATION AND AUDIOVISUAL RIGHTS						
M6 Foot	SAS	Holding company - Sports	100.00%	FC	100.00%	FC
FC Girondins de Bordeaux	SASP	Football club	100.00%	FC	100.00%	FC
33 FM	SAS	Radio programmes editing and broadcasting	95.00%	FC	95.00%	FC
Girondins Expressions	SASU	24/7 channel dedicated to Girondins	100.00%	FC	100.00%	FC
Girondins Horizons	SASU	Travel agency	100.00%	FC	100.00%	FC
M6 Interactions	SAS	By-product rights exploitation	100.00%	FC	100.00%	FC
M6 Editions	SA	Print publications	100.00%	FC	100.00%	FC
M6 Evénements	SA	Staging of shows and events	100.00%	FC	100.00%	FC
Live Stage	SAS	Staging of shows and events	100.00%	FC	100.00%	FC
M6 Web	SAS	Internet content and access provider	100.00%	FC	100.00%	FC
Echo6	SAS	Marketing mobile content	-	M	100.00%	FC
La boîte à News	SARL	Internet content and access provider	-	M	100.00%	FC
QuickSign	SAS	Various specialised, scientific and technical activities	34.00%	EA	-	-
Panorabanque	SAS	Online bank comparison engine	50.00%	PC	-	-
HSS sub-group:						
Home Shopping Service	SA	Home shopping programmes	100.00%	FC	100.00%	FC
M6 Boutique la Chaîne	SNC	24-hour channel	100.00%	FC	100.00%	FC
HSS Belgique	SA	Home-shopping programmes	50.00%	PC	50.00%	PC
HSS Hongrie	SA	Home-shopping programmes	100.00%	FC	100.00%	FC
SETV Belgique	GIE	Home-shopping programmes	100.00%	FC	100.00%	FC
Télévente promotion	SA	Home-shopping programmes	100.00%	FC	100.00%	FC
Unité 15 Belgique	SA	Customer service	100.00%	FC	100.00%	FC
Unité 15 France	SA	Management and promotion of home-shopping	100.00%	FC	100.00%	FC
Mistergooddeal	SA	E-commerce	100.00%	FC	100.00%	FC
MonAlbumPhoto	SAS	Distance selling with specialised catalogue	95.00%	FC	95.00%	FC
M6 Divertissement	SAS	Dormant	100.00%	FC	100.00%	FC
Diem 2	SA	Audiovisual right production/distribution	100.00%	FC	100.00%	FC
Mandarin	SAS	Audiovisual rights portfolio	-	M	100.00%	FC
Les Films de la Suane	SARL	Audiovisual right production/distribution	100.00%	FC	-	-
M6 Studio	SAS	Production of animated feature films	100.00%	FC	100.00%	FC
Société Nouvelle de Distribution	SA	Distribution of films to movie theatres	100.00%	FC	100.00%	FC
Société Nouvelle de Cinématographie	SAS	Audiovisual rights portfolio	100.00%	FC	100.00%	FC
TCM DA	SNC	Audiovisual rights portfolio	100.00%	FC	50.00%	PC
PROPERTY - DORMANT COMPANIES						
Immobilière 46D	SAS	Neuilly building	100.00%	FC	100.00%	FC
Immobilière M6	SA	Neuilly building	100.00%	FC	100.00%	FC
SCI du 107	SCI	Neuilly building	100.00%	FC	100.00%	FC
M6 Diffusions	SA	Holding company - digital operations	100.00%	FC	100.00%	FC
M6 Numérique	SAS	Holding company - digital operations	-	M	100.00%	FC
M6 Développement	SASU	Training organisation	100.00%	FC	100.00%	FC
M6 Récréative	SAS	Dormant company	100.00%	FC	100.00%	FC
TF6 Gestion	SA	TF6 Management company	50.00%	PC	50.00%	PC
SND USA	INC	Holding Company - audiovisual rights	100.00%	FC	100.00%	FC

FC: Full consolidation

PC: Proportional consolidation

EA: Equity accounted

M: Merged

The Group is not a shareholder or participating stakeholder in any special purpose entities.

C. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex
France

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Tour First, 1, place des Saisons
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France

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: € 50,553,585.60

Financial year ended 31 December 2011

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the financial year ended 31 December 2011, on:

- the audit of the accompanying consolidated financial statements of Métropole Télévision;
- the justification of our assessments;
- the specific verifications provided by law.

The consolidated financial statements have been prepared by the Executive Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with accepted professional standards in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining evidence supporting the amounts and disclosures in the financial statements on a test basis or other means of selection. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements for the financial year, prepared in accordance with IFRS as adopted in the European Union, give a true and fair view of the consolidated financial position, assets and liabilities, and net profit of the individuals and entities included on consolidation.

2. Justification of assessments

Pursuant to the application of the provisions of Article L. 823-9 of the Commercial Code relative to the justification of our assessments, we bring to your attention the following matters:

Note 3.3 describes the situations in which the management of your company has used estimates and put forward assumptions within the scope of preparing the financial statements. Our work involved assessing the data and assumptions on which these estimates are based, reviewing the calculations made by your company, and ensuring that the notes to the consolidated financial statements provide suitable information, in particular Notes 4.5, 4.10 and 4.15 relating to audiovisual and broadcasting rights and provisions.

These assessments were made within the framework of our audit, which focuses on the consolidated financial statements as a whole, and accordingly contributed to the issuance of our opinion in the first part of this report.

3. Specific verifications

In accordance with accepted professional standards in France, we have also performed the specific verifications required by law regarding the information in respect of the Group disclosed in the management report.

We have no comments to make concerning the fairness of the information and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 15 February 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Marc Ghiliotti
Partner

Ernst & Young et Autres
Bruno Perrin
Partner

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A. PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2011

1. Balance Sheet - Assets

31/12/2011

<i>(€ millions)</i>	NOTE N°	Gross	Amo & Dep	Net	31/12/2010
Concessions, patents and similar rights		-	-	-	-
Business goodwill		-	-	-	-
Other intangible assets	3.1	115.2	108.9	6.3	3.9
Advances on intangible assets	3.1	1.4	-	1.4	2.0
Technical facilities, equipment & tools	3.2	24.2	16.0	8.2	10.1
Other property, facilities & equipment	3.2	10.6	7.1	3.5	3.4
Assets under construction	3.2	0.4	-	0.4	0.1
Investments	3.3	250.8	25.3	225.5	555.5
Loans	3.3/3.5	0.4	-	0.4	3.7
Other investments	3.3/3.5	1.7	-	1.7	1.8
TOTAL NON-CURRENT ASSETS		404.6	157.4	247.3	580.6
Broadcasting rights inventory	3.4	211.8	61.1	150.7	148.4
Advances & payments on account		78.2	-	78.2	74.8
Trade receivables	3.5	313.9	4.6	309.3	334.6
Other receivables	3.5	192.2	15.1	177.1	30.9
Marketable securities	3.6	282.2	-	282.2	340.6
Bank and cash	3.6	19.7	-	19.7	20.7
Prepaid expenses	3.7	11.6	-	11.6	12.1
TOTAL CURRENT ASSETS		1,109.5	80.8	1028.7	962.0
TOTAL ASSETS		1,514.1	238.1	1,276.0	1,542.7

2. Balance Sheet – Equity and Liabilities

<i>(€ millions)</i>	NOTE N°	31/12/2011	31/12/2010
Share capital	3.8	50.6	51.6
Share premium	3.8	-	24.3
Legal reserves	3.8	5.3	5.3
Other reserves	3.8	-	-
Retained earnings	3.8	346.7	378.2
Financial year net profit	3.8	171.9	103.5
Regulated provisions	3.8	3.3	3.0
TOTAL EQUITY		577.7	565.9
OTHER EQUITY			
Provisions for liabilities		9.9	9.5
Provisions for charges		51.4	52.6
PROVISIONS FOR LIABILITIES AND CHARGES	3.9	61.3	62.0
Bank overdrafts	3.10	4.9	25.6
Trade payables	3.10	229.7	246.3
Advances and prepayments on order	3.10	0.4	-
Income tax and social security liabilities	3.10	63.5	74.9
Liabilities on non-current assets	3.10	0.1	0.0
Other liabilities	3.10	338.1	563.2
Deferred revenues		0.2	4.6
TOTAL LIABILITIES		636.9	914.7
Deferred translation loss		-	-
TOTAL EQUITY AND LIABILITIES		1,276.0	1,542.7

FINANCIAL INFORMATION

PARENT COMPANY FINANCIAL STATEMENTS

3. Income Statement

(€ millions)	NOTE N°	31/12/2011	31/12/2010
Revenue	4.1	687.2	679.6
Amortisation, depreciation & provision reversals		77.8	81.9
Other operating revenues		44.6	48.2
OPERATING REVENUES		809.6	809.7
Merchandise purchase	4.2	308.8	310.1
Other purchases and external charges	4.3	142.2	149.4
Tax, duties	4.4	54.9	54.1
Payroll & employment benefits		71.6	68.9
Non-current asset depreciation and amortisation	3.1/3.2	8.2	8.2
Non-current asset investment writedowns	3.1	1.5	1.4
Current assets provisions charge	3.4/3.5	36.3	38.4
Provisions for liabilities and charges		32.4	34.1
Other expenses	4.5	35.8	32.7
OPERATING EXPENSES		691.9	697.3
OPERATING PROFIT		117.7	112.4
Investments financial income (excluding current account interests)		232.6	32.4
Interest and other financial income		6.4	5.1
Financial provision reversals		3.9	8.0
Foreign exchange gains		0.9	-
Net income from disposal of marketable securities		-	-
FINANCIAL INCOME		243.8	45.5
Interest and financial expenses		156.9	2.3
Financial depreciation, amortisation and provision charges		-	1.8
Foreign exchange losses		0.8	0.1
Net expenses of disposal of marketable securities		0.8	0.2
FINANCIAL EXPENSES		158.6	4.5
NET FINANCIAL INCOME	4.6	85.2	41.0
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		202.9	153.4
Exceptional income - investing & financing activities		18.4	0.1
Exceptional depreciation, amortisation and provision reversals		11.1	5.4
EXCEPTIONAL INCOME		29.5	5.5
Exceptional expenses - investing & financing activities		18.2	9.2
Exceptional depreciation, amortisation and provision charges		5.7	5.6
EXCEPTIONAL EXPENSES		23.9	14.8
NET EXCEPTIONAL INCOME/(EXPENSE)	4.7	5.6	(9.3)
Employee profit sharing plan contributions		3.0	3.8
Income tax	4.8/4.9	33.5	36.8
NET PROFIT		171.9	103.5

B. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Métropole Télévision reported a net profit of €171.9 million with total assets of €1,276.0 million for the financial year ending 31 December 2011.

These annual financial statements were approved by the Executive Board on 10 February 2012 and were reviewed by the Supervisory Board on 14 February 2012.

Unless otherwise stated, the amounts presented in the notes are expressed in millions of Euros.

1. 2011 financial year significant events

On 21 November 2011, as sole shareholder of M6 Numérique, Métropole Télévision decided to dissolve M6 Numérique without liquidation.

It should be noted that M6 Numérique held the Canal+ France shares which were sold in February 2010. In June 2011, M6 Numérique paid a dividend of €190.1 million to Métropole Télévision.

This dissolution resulted in the transfer of all assets and liabilities of M6 Numérique to Métropole Télévision, with retroactive effect for tax purposes to 1 January 2011. This transaction generated a merger loss of €152.2 million in the financial statements at 31 December 2011.

In April 2011, Métropole Télévision acquired 50% of the shares of TCM DA and TCM Gestion and became the sole shareholder of these companies.

The dormant company TCM Gestion was liquidated in December 2011.

As regards the building of the future "Grand Stade de Bordeaux", FCGB will play a part as lessee of the facility upon delivery of the stadium in 2015. A contribution of €20 million will be paid then towards the initial funding of the stadium. Early in 2012, this amount was deposited in an escrow account in the name of the City of Bordeaux. In order to allow this transaction to be funded by the club, Métropole Télévision subscribed to a €20 million capital increase by its subsidiary M6 Foot.

2011 was also marked by the switch-off of the analogue broadcasting of the M6 channel. Since November, this channel has been broadcast throughout France via a digital terrestrial signal.

2. Accounting rules and methods

The financial statements for the financial year are presented in accordance with the French Chart of Accounts and applicable legal and regulatory provisions.

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 regarding the preparation and the presentation of annual financial statements.

In order to comply with the tax authorities' opinion on the treatment of the cost of delivery of free shares in a group of companies, Métropole Télévision now rebills the cost of shares delivered to employees of subsidiaries to the various Group companies.

During 2011, Métropole Télévision therefore rebilled the cost of free shares delivered in the financial years 2007 to 2011 to its subsidiaries, and recognised the estimated share of the cost of current plans and plans to be delivered in 2012 and 2013 as deferred income.

The charge for the year relating to shares delivered or to be delivered to employees of Métropole Télévision was reclassified as personnel costs through a non-recurring expense transfer account, in accordance with appendix 5 of the French Chart of Accounts.
The impact of these transactions is explained in note 4.7.

2.1 Intangible assets

Intangible assets principally comprise computer software and co-production rights.

2.1. Computer software

Computer software is amortised on a straight-line basis over a period of between 1 to 5 years, supplemented by accelerated amortisation.

2.1.2 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 payments on account on the 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 receipt 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 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.

Investments are recorded at their acquisition cost and written down when their value in use is lower than their book value.

In the case that the equity of the company whose securities are being written down is negative, 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.

The acquisition cost of investments acquired with effect from 2007 comprises the purchase cost and the acquisition costs (transfer taxes, fees, commissions and legal costs). These acquisition costs are subject to an accelerated amortisation over 5 years.

2.4 Broadcasting rights inventory

Broadcasting rights are classified as inventory with effect from their opening, which is when the channel is contractually authorised to broadcast the corresponding programmes.

Broadcasting rights not open are disclosed in off-balance sheet commitments at their contract but uninvoiced value. Rights invoiced but not open are recorded as payments on account 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 multi-broadcasts:

- ▶ 1st broadcast: 66% of the contract value;
- ▶ 2nd broadcast: 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 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 their recoverable value is lower than their book value.

Foreign currency denominated receivables and liabilities which are not the subject of a financial hedge are translated at the balance sheet date exchange rate. 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.

2.7 Treasury shares

Pursuant to the authorisation granted by the General Meeting of 4 May 2011, 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 in application of CNC opinion n° 2008-17 of 6 November 2008 (see note 2.11).

2.8 Regulated provisions

Regulated provisions comprise accelerated amortisation in respect of computer software and acquisition costs of investments.

2.9 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 embodying economic benefits will be required, and when a reliable estimate can be made of the amount of the loss or liability.

The amount recognised as a provision is the best estimate of the cash outflow necessary to settle the present obligation on the balance sheet date.

In the case that this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

2.10 Provisions for retirement benefits

The provision for retirement benefits was calculated in accordance with IAS 19 – Employee benefits, using an actuarial method that takes into account the vested rights of all Group employees, their most recent salary and the average probable residual service of the employees.

2.11 Provision for plans granting free shares

In application of CNC 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. The provision is spread out over the entire rights acquisition period.

2.12 Advertising revenues

Advertising revenues are recorded net of commercial discounts, at the time of broadcast of the relevant advertising.

2.13 Off-balance sheet commitments

Off-balance sheet commitments essentially comprise:

- acquisitions of broadcasting rights that are not open and invoiced at 31 December 2011;
- co-production costs for which technical approval has not yet been granted;
- technical broadcast costs invoiced (image transmission) on the basis of contracts with technical broadcasters.

2.14 Financial instruments

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 on 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:

	Business goodwill	Other intangible assets	Advances and payments on account	Total
Amount net of writedowns and amortisation at 31 December 2010	0.0	3.9	2.0	5.9
Acquisitions in the year	-	5.8	3.0	8.7
Disposals in the year	-	(0.2)	(3.5)	(3.7)
Amortisation charge for the year	-	(3.3)	-	(3.3)
Reversal of amortisation on disposals	-	0.1	-	0.1
Provisions for writedowns	-	(1.5)	-	(1.5)
Reversal of provision for writedowns	-	1.5	-	1.5
Amount net of writedowns and amortisation at 31/12/2011	0.0	6.3	1.4	7.7
Gross value at 31/12/2010	-	109.6	2.0	111.6
Accumulated amortisation and writedowns	-	(105.7)	-	(105.7)
Net value at 31/12/2010	0.0	3.9	2.0	5.9
Gross value at 31/12/2011	-	115.2	1.4	116.6
Accumulated amortisation and writedowns	-	(108.9)	-	(108.9)
Net value at 31/12/2011	0.0	6.3	1.4	7.7

Increases noted in intangible assets primarily relate to the setting up of a new accounting package in July 2011.

3.2 Property, facilities and equipment

The movements in property, facilities and equipment were as follows:

	Technical facilities	Other	In progress	Total
Amount net of depreciation at 31/12/2010	10.1	3.4	0.1	13.7
Acquisitions in the year	1.8	1.2	0.6	3.6
Disposals in the year	(0.1)	(0.0)	(0.4)	(0.4)
Depreciation charges	(3.8)	(1.1)	-	(4.9)
Release of depreciation on disposals	0.1	-	-	0.1
Provisions for writedowns	-	-	-	-
Reversal of provisions for writedowns	-	-	-	-
Amount net of depreciation at 31/12/2011	8.1	3.5	0.4	12.0
Gross value at 31/12/2010	22.4	9.4	0.1	31.9
Accumulated depreciation and writedowns	(12.3)	(6.0)	-	(18.3)
Net value at 31/12/2010	10.1	3.4	0.1	13.7
Gross value at 31/12/2011	24.2	10.6	0.4	35.1
Accumulated depreciation and writedowns	(16.1)	(7.1)	-	(23.2)
Net value at 31/12/2011	8.1	3.5	0.4	11.9

3.3 Investments

The movements in the various investments were as follows:

	Equity investments	Loans	Other	Total
Amount net of writedowns at 31/12/2010	555.5	3.7	1.8	561.1
Acquisitions in the year	20.2	0.4	0.6	21.1
Disposals in the year	(354.2)	(3.7)	(0.7)	(358.6)
Depreciation charges	-	-	-	-
Release of writedowns on disposals	3.9	-	-	3.9
Amount net of writedowns at 31/12/2011	225.5	0.4	1.7	227.6
Gross value at 31/12/2010	584.8	3.7	1.8	590.3
Accumulated provisions for writedowns	(29.2)	-	-	(29.2)
Net value at 31/12/2010	555.5	3.7	1.8	561.1
Gross value at 31/12/2011	250.8	0.4	1.7	252.9
Accumulated writedowns	(25.3)	-	-	(25.3)
Net value at 31/12/2011	225.5	0.4	1.7	227.6

The significant movements in equity investments were due to:

- the transfer of all assets and liabilities of M6 Numérique to Métropole Télévision, which resulted in the shares in M6 Numérique being eliminated from the ledgers of Métropole Télévision, for €343.7 million (see note 1).
- the disposal of equity securities in the subsidiary Mandarin, valued at €9.8 million, to its subsidiary Diem 2.
- the subscription to the €20 million capital increase of M6 Foot.

The €3.7 million loan granted by M6 to its Immobilière M6 subsidiary at the time of acquisition of the head office of the M6 Group in 1997 was repaid in full during the 2011 financial year.

3.4 Inventory and work-in-progress

This comprises broadcasting rights that are open and not consumed.

The movements in the year were as follows:

	31 Dec. 2010	Acquisitions	Decreases/transfers	Invalid rights	31 Dec. 2011
Inventories	208.6	200.0	(186.2)	(14.6)	207.7
Work-in-progress	4.6	56.9	(57.4)	-	4.0
Total	213.1	256.8	(243.6)	(14.6)	211.8

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 €61.1 million at 31 December 2011.

This provision can be analysed as follows:

	31 Dec. 2010	Increases	Reversals	31 Dec. 2011
Provisions to writedown inventories	61.0	32.6	(35.5)	58.2
Provisions to writedown work-in-progress	3.7	0.1	(0.9)	2.9
Total	64.7	32.8	(36.4)	61.1

3.5 Receivables

The change in other receivables primarily reflects the day-to-day financing transactions of the Group's subsidiaries, the net amount of which was previously recorded under liabilities.

The maturity of all receivables is as follows:

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	Gross value	Due within 1 year	Due after 1 year
Non-current assets			
Intercompany receivables	-	-	-
Loans	0.4	-	0.4
Other investment receivables	1.7	-	1.7
Total	2.1	-	2.1
Current assets			
Trade receivables	313.9	309.3	4.6
Other receivables	192.2	192.2	-
Total	506.1	501.4	4.6
Total receivables	508.2	501.4	6.7

Trade and other receivables in current assets were the subject of writedown provisions as follows:

	1 Jan. 2011	Increases	Reversals (used)	Reversals (unused)	31 Dec. 2011
Provisions to writedown trade receivables	4.3	3.5	(1.1)	(2.1)	4.6
Provisions to writedown other receivables	15.1	-	-	-	15.1
Total	19.4	3.5	(1.1)	(2.1)	19.7

The provision to writedown other receivables relates to a writedown of current accounts with the following companies:

- M6 Films for €6.0 million;
- Métropole Production for €8.9 million;

The equity securities of these companies were also written down in full.

3.6 Cash and marketable securities

They are analysed as follows:

	31/12/2011	31/12/2010
Treasury shares	0.1	6.7
Liquidity contracts (treasury shares and other marketable securities)	2.6	3.4
Investment funds, SICAV	279.5	330.5
Cash	19.7	20.7
Cash and marketable securities	301.9	361.3
Provision for treasury shares writedown	-	-
Net cash and marketable securities	301.9	361.2

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412,543 shares were granted in 2011 as part of the free share plan set up in May and December 2009, 223,253 of which were granted to individuals employed by subsidiaries.

At 31 December 2011, Métropole Télévision still directly held 6,328 treasury shares. These shares will be granted when the subsequent plans granting free shares mature.

In application of CNC Opinion n°2008-17, the net book value of the 6,328 shares to service the free share allocation plans was fixed at their acquisition price, being €0.1 million.

Marketable securities do not include any unrealised gains, as these were realised at 31 December 2011.

3.7 Prepaid expenses

Prepaid expenses primarily include sports programmes and rights billed in 2011, to be broadcast at a later stage.

3.8 Equity

The movements in the year were as follows:

	31/12/2010	Dividends paid	Other movements		31/12/2011
			Additions	Reductions	
Share capital	51.6	-	0.0	(1.0)	50.6
Share premium	24.3	-	0.1	(24.4)	-
Legal reserve	5.3	-	-	-	5.3
Long term capital gain	-	-	-	-	-
Other reserves	-	-	-	-	-
Retained earnings	378.2	(25.0)	-	(6.4)	346.7
Profit for the year	103.5	(103.5)	171.9	-	171.9
Equity excluding regulated provisions	562.9	(128.6)	172.0	(31.9)	574.5
Regulated provisions	3.0	-	1.7	(1.4)	3.3
Total equity	565.9	(128.6)	173.7	(33.3)	577.7

During the 2011 financial year, 3,533 shares were created following the exercise of share subscription options and 2,577,508 shares were cancelled under the share buyback programme.

This resulted in reductions of €1.0 million, €24.4 million and €6.4 million in share capital, reserves and retained earnings, respectively.

At 31 December 2011, the share capital comprised 126,383,964 ordinary shares of €0.40 each.

The regulated provisions relate to accelerated amortisation of licences and acquisition costs of investments.

3.9 Provisions for liabilities and charges

The movements in provisions during 2011 were:

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	1 Jan. 2011	Increases	Reversals (used)	Reversals (unused)	31 Dec. 2011
Provisions for litigation	3.5	3.3	(0.7)	(1.5)	4.6
Provisions for plans granting free shares	6.0	4.0	(4.7)		5.3
Provisions for retirement benefits	3.1	0.4			3.5
Other provisions for charges	49.4	30.1	(23.9)	(7.8)	47.9
Total provisions for liabilities and charges	62.0	37.9	(29.3)	(9.3)	61.3

Litigations included in the “provisions for litigations” 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 total €4.5 million for the plan maturing in 2012 and €0.8 million for the plans maturing in 2013.

The other provisions for charges primarily relate to the writedown of audiovisual rights that Métropole Télévision is committed to buy but are not yet posted to assets.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) 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 ratings and revenue targets of each programme, as defined by the management of programming of each Group channels.

“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.

3.10 Liabilities

The change in other liabilities reflects the day-to-day financing of the Group's subsidiaries and the effect of the transfer of all assets and liabilities of M6 Numérique to Métropole Télévision.

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
Bank overdrafts	4.9	4.9	-	-
Trade payables	229.7	229.7	-	-
Income tax and social security liabilities	63.5	63.5	-	-
Liabilities on non-current assets	-	-	-	-
Other liabilities	338.1	338.1	-	-
Total	636.2	636.2	-	-
Accrued expenses included within the above:				
- trade payables	39.9			
- income tax and social security	18.7			
- liabilities on non-current assets	-			

4. Notes on the parent company income statement

4.1 Revenue

Advertising revenues are recorded net of commercial discounts and are analysed thus:

	2011	2010
TV advertising and sponsorship revenues	681.4	674.4
Other revenues	5.7	5.1
Total revenue	687.2	679.6

Analysis by geographic region (*)

France	91.71%
Europe	5.66%
Other countries	2.63%

(*on the basis of invoicing)

4.2 Purchases of merchandise and inventory movements

The purchases of merchandise relates to the acquisition of broadcasting rights of a specific nature. These rights relate 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 analogue and digital broadcast of the channel as well as remuneration of the advertising service.

4.4 Tax and duties

Business taxes paid by the channel are recorded under this heading of the income statement. Of €54.9 million in 2011, €36.9 million related to the contribution to the support account for the Centre National de Cinématographie (National Cinematographic Centre), compared to €36.5 million in 2010.

4.5 Other expenses

This comprises payments to various copyright companies for a total of €33.9 million, compared to €31.8 million in 2010.

4.6 Financial income

Financial income can be analysed as follows:

	2011	2010
Dividends from equity investments	232.6	32.4
Merger loss	(152.2)	-
Net expense on cash pooling	(2.8)	(1.1)
Income from marketable securities	3.7	3.6
Provisions for writedown of investments	3.9	2.0
Provisions for writedown of current accounts	-	(0.1)
Provisions for subsidiaries' liabilities	-	-
Provisions for writedown of treasury shares	-	4.4
Exchange differences	-	(0.1)
Total financial income	85.2	41.0

The difference in valuation of the treasury shares held, due to the decline in the Métropole Télévision share price, generated a loss of €0.8 million. This is included in net interest and investment income of €3.7 million.

As reported in note 1, 2011 was marked by the collection of an exceptional dividend of €190.1 million and the recognition of a merger loss of €152.2 million following the transfer of all assets and liabilities of M6 Numérique to Métropole Télévision.

4.7 Net exceptional income/(expense)

Net exceptional income/(expense) may be analysed as follows:

	2011	2010
Net provision charges (including accelerated depreciation and amortisation)	5.4	(0.2)
Capital gains and losses on disposal of non-current assets	(6.5)	0.1
Writedown of treasury shares	(7.6)	(9.2)
Reinvoicing to subsidiaries of cost of shares allocated to their employees in 2011	2.4	-
Reinvoicing to subsidiaries of cost of shares allocated to their employees in previous financial years	11.9	-
Total net exceptional (income)/(expense)	5.6	(9.3)

4.8 Income tax

Since 1 January 1988, Métropole Télévision has declared itself as the parent company of a tax grouping pursuant to Articles 223A and subsequent 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.

MonAlbumPhoto elected to enter the Group's consolidation scope as from 1 January 2011. Following their respective mergers into other Group companies, M6 Numérique and Mandarin exited the tax grouping during the financial year.

The tax grouping 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.

In the 2011 financial statements, the theoretical income tax charge was €51.2 million, decreased by a tax grouping gain of €17.2 million and a €0.5 million sponsorship tax credit.

Furthermore, the Company is liable for a Group tax payment of €81.6 million for 2011.

Income tax can be analysed as follows:

	Profit before tax	Income tax
Profit from ordinary activities	202.9	29.2
Net exceptional income/(expense)	5.6	4.3
Profit before tax and employee profit-sharing	208.5	-
Company income tax	-	33.5

Profit from ordinary activities includes the payment of dividends by M6 Numérique and the merger loss relating to the transfer of all assets and liabilities of M6 Numérique to Métropole Télévision. These accounting effects were added back to taxable profit due to this transaction taking retroactive effect as from 1 January 2011.

4.9 Future tax liability at the end of the year

	Deferred tax assets	Deferred tax liabilities
Description of temporary differences		
Regulated provisions	-	(1.1)
Tax on non-deductible provisions	19.6	-
Tax on long-term capital losses	-	-

The future tax liability was measured using a corporate tax rate of 34.43% for temporary differences that will be reversed after 2013, and 36.1% for temporary differences that will be reversed within the next two years.

5. Other notes

5.1 Balance sheet items arising from transactions with related and associated companies

	Related companies	Associated companies
Investments	568.9	0.2
Loans	-	-
Advances and prepayments	-	-
Trade receivables	95.5	-
Other receivables (1)	124.8	-
Trade payables	81.7	1.7
Liabilities relating to non-current assets	-	-
Other debts - subsidiaries' current accounts (2)	201.2	0.9
Finance expenses	4.7	-
Finance income	1.4	-
(1) including subsidiaries' current accounts	122.1	-
(2) including subsidiaries' current accounts	196.1	0.9

Related companies are entities in which the Company owns an equity holding in excess of 50%. Associated companies 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 were carried out at arm's length.

5.3 Off-balance sheet commitments

At 31 December 2011, off-balance sheet commitments, by description and maturity, were as follows:

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	Commitments at 31/12/2011	Due within 1 year	Due in more than 1 year	Commitments at 31/12/2010	Terms and conditions of implementation
Commitments given	744.9	243.6	501.4	937.4	
Purchase of broadcast rights	562.8	140.1	422.8	718.4	Contracts signed
Co-production commitments	85.3	85.3	-	77.6	Contracts signed
Contracts for broadcast (1)	56.1	11.1	45.0	99.2	Contracts signed
Contracts for future purchases of shares (4)	10.1	3.7	6.4	6.8	Contract term
Liability for partnership responsibilities	-	-	-	0.3	SNC liquidation
Commercial commitments (2)	6.1	3.2	2.9	10.3	Contracts signed
Donations to the corporate foundation	0.7	0.2	0.5	0.9	Bylaws signed
Joint and several guarantee (3)	23.8	-	23.8	23.8	Contracts signed
Commitments received	2.4	-	2.4	-	
Liability for partnership responsibilities	-	-	-	0.3	SNC liquidation
Sales commitments	-	-	-	0.7	Annual due dates
Joint and several bank guarantee (3)	2.4	-	2.4	2.4	Contracts signed

(1) These 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.

(2) Commercial commitments relate mainly to contracts for the rental of premises.

(3) Within the framework of the construction of a building by SCI du 107, a wholly-owned subsidiary of Métropole Télévision, the latter provided a joint and several guarantee for SCI du 107's commitments to the contractor and received a bank guarantee.

(4) See note 5.6

5.4 Directors' remuneration

	Amount in €
Directors' remuneration	3,345,826

In addition, in this respect and under the same conditions as Company employees, the 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:

	2011 salaried employees	2010 salaried employees
Permanent workforce	575	556
Employees	50	57
Supervisors	133	124
Managers	297	284
Reporters	95	91
Temporary workforce (full time equivalent)	125	142
Total	700	698

At 31 December 2011, the cumulative hours relating to individual training rights amounted to 50,968 hours. 753 ITR (Individual Training Right) hours were used during the financial year.

5.6 Share subscription plans and plans granting free shares

The share subscription plans are serviced through the issue of new shares.
Plans granting free shares are serviced using outstanding shares.

The main features of plans in force at 31 December 2011 are as follows:

	Number of shares granted at plan date	Maximum allocation	Balance at 31/12/2010	Performance- based allocation	Granted	Exercised	Cancelled	Balance at 31/12/11
Share subscription plan	3,945,075	3,945,075	2,722,384	-	-	(3,533)	(626,117)	2,092,734
28/04/04	861,500	861,500	495,000	-	-	-	(495,000)	-
02/06/05	635,500	635,500	391,500	-	-	-	(23,000)	368,500
06/06/06	736,750	736,750	474,750	-	-	-	(29,000)	445,750
02/05/07	827,500	827,500	614,000	-	-	-	(38,000)	576,000
06/05/08	883,825	883,825	747,134	-	-	(3,533)	(41,117)	702,484
Plans granting free shares	1,149,450	1,309,800	861,739	(11,930)	405,320	(412,544)	(18,290)	824,295
28/07/09	346,700	398,705	369,955	-	-	(362,365)	(7,590)	-
23/12/09	45,650	58,000	49,759	420	-	(50,179)	-	-
25/03/10	22,000	22,000	22,000	-	-	-	-	22,000
27/07/10	328,500	377,775	372,025	-	-	-	-	372,025
22/12/10	35,650	48,000	48,000	(12,350)	-	-	(2,600)	33,050
26/07/11	342,700	367,820	-	-	367,820	-	(8,100)	359,720
22/12/11	28,250	37,500	-	-	37,500	-	-	37,500

The exercise price of share subscription options all exceeded the share price at 31 December 2011.

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 2009, 2010 and 2011 plans.

The number of shares to be permanently vested within the framework of the plan of 28 July 2008 and 23 December 2009 was 362,365 and 50,179, respectively, due to financial objectives being exceeded.

The granting of 412,544 free shares generated a charge of €7.6 million, compared to €9.2 million in 2010. After the rebilling of the shares delivered to employees of subsidiaries, Métropole Télévision incurred a charge of €3.5 million in 2011 and €4.2 million in 2010.

Due to the likelihood that financial objectives will be achieved and taking account of the employee departures already noted and projected, the number of shares to be permanently vested within the framework of the various outstanding plans has been estimated to date as follows:

- Plan of 25 March 2010: 22,000 shares
- Plan of 27 July 2010: 372,025 shares

- Plan of 22 December 2010: 33,050 shares
- Plan du 26 July 2011: 359,720 shares;
- Plan du 22 December 2011: 37,500 shares.

In order to serve the current free share plans, Métropole Télévision entered into forward treasury share purchase contracts in relation to 737,000 shares, maturing between 31 March 2012 and 26 July 2013. More detail regarding the valuation of these contracts is provided in note 5.3.

5.7 Attendance fees

The amount of attendance fees paid during the year was €174,757.

5.8 Earnings per share (in euro)

	31/12/2011	31/12/2010
Profit after tax, employee profit sharing, before amortisation, depreciation charges and provisions	1.35	0.77
Profit after tax, employee profit sharing, amortisation, depreciation charges and provisions	1.36	0.80
Ordinary dividend per share	1.00	1.00

6. Consolidation of accounts

Métropole Télévision is the parent company of a consolidated group. Furthermore, its financial statements are fully consolidated into the financial statements of the RTL Group.

7. Statutory Auditors' fees

The fees paid in respect of the 2011 Statutory Auditors' assignments totalled €196,000, equally split between Pricewaterhouse Coopers Audit and Ernst and Young. A complementary assignment to audit was carried out during the financial year, at a cost of €50,000, in relation to the setting up of a new accounting package.

8. Subsequent events

No significant event occurred since 1 January 2012 is likely to have a significant impact on the Company's financial position, results, activities or assets.

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9. Subsidiaries and associates

(€ thousands)	Siren no	Share capital	Reserves Retained earnings	Share capital % ownership	Gross	Book value of share owned Net	Loans and advances granted and outstanding	Guarantess and sureties given by the company	Revenue 2010	Revenue 2011	Net profit 2010	Net profit 2011	Dividends received
Subsidiaries													
M6 PUBLICITE sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	340949031	50	3,315	99.99	38	38	75	-	78,152	81,153	30,741	29,717	28,325
M6 FILMS sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	380727404	60	(6,663)	99.98	166	-	8,383	-	1,470	1,086	(717)	475	-
METROPOLE PRODUCTION sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	382477131	50	(9,527)	99.98	1,150	-	19,580	-	29,188	24,825	(394)	(1,101)	-
C. PRODUCTIONS sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	407908656	50	494	99.97	38	38	2,987	-	32,206	33,039	235	(534)	-
M6 INTERACTIONS sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	388909459	34,050	38,702	100.00	34,007	34,007	-	-	34,366	27,821	22,093	14,125	3,690
M6 THEMATIQUE sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	403105109	57,615	6,288	100.00	113,988	113,988	-	-	2,653	3,115	7,374	13,968	6,914
IMMOBILIERE M6 sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	399476357	9,600	10,006	100.00	9,147	9,147	431	-	7,282	7,283	1,598	1,528	-
M6 FOOT sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	423133784	38,360	(18,228)	100.00	39,128	20,042	-	-	-	-	23	45	-
SCI 107 sci 89, Avenue Charles de Gaulle - 92200 NEUILLY	421699133	5,002	(2,096)	99.90	5,002	5,002	25,314	-	58	52	436	(265)	-
M6 DEVELOPPEMENT sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428115224	40	(79)	99.99	40	40	325	-	850	932	(4)	4	-
M6 STUDIO sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428115299	45	(5,803)	99.99	45	45	10,250	-	2,475	1,879	(168)	(1,697)	-
IMMOBILIERE 46 D sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	493897516	26,040	(4,000)	100.00	26,040	26,040	14,149	-	2,548	2,532	(103)	(179)	-
M6 BORDEAUX sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	433503364	40	6	100	40	40	38	-	132	303	(12)	3	-
M6 TOULOUSE sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	433503414	40	(9)	100	40	40	199	-	318	404	(11)	18	-
M6 RECREATIVE sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	493869002	40	(28)	100.00	40	40	-	-	90	93	(3)	(15)	-
DIEM 2 sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	400372512	3,330	(1,655)	100.00	3,383	3,383	5,819	-	1,468	3,215	963	2,180	-
M6 SHOP sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	538615030	10	30	100.00	40	40	-	-	-	-	-	-	-
SOCIETE NOUVELLE DE CINEMATOGRAPHIE sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	775670623	882	(1,150)	100.00	12,914	9,800	-	-	2,053	2,700	(723)	520	-
TCM DROITS AUDIOVISUELS enc 89, Avenue Charles de Gaulle - 92200 NEUILLY	409528924	240	-	100.00	775	775	5,994	-	9,152	400	5,682	(3,175)	-
STUDIO 89 sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	428895122	1,040	99	100.00	2,926	141	8,833	-	39,374	38,895	998	(791)	-

FINANCIAL INFORMATION

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Equity investments

SOCIETE NOUVELLE DE DISTRIBUTION sa 89, Avenue Charles de Gaulle - 92200 NEUILLY	414857227	18,271	19,624	7.12	1,650	1,650	5,617	-	119,852	103,810	3,812	6,900	25
M6 WEB sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	414549469	740	13,339	6.75	50	50	-	-	100,772	105,122	18,315	21,495	700
EUROPEAN NEWS EXCHANGE sa 45 bld Pierre Frieden 1543 LUXEMBOURG-KIRCHBERG		496	62	20.00	100	100	-	-	NC	NC	NC	NC	-
MULTIPLEX R4 (MULTI 4) sas 89, Avenue Charles de Gaulle - 92200 NEUILLY	449753979	62	6	16.75	10	10	-	-	30	50	0	9	-
MULTIPLEX R5 sas 1, quai Point du Jour - 92100 BOULOGNE	505128777	38	-	33.33	13	13	-	-	NC	NC	NC	NC	-

C. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young et Autres
Tour First, 1, place des Saisons
92400 Courbevoie
France

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: € 50,553,585.60

Financial year ended 31 December 2011

Statutory Auditors' report on the parent company financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you for the financial year ended 31 December 2011, on:

- the audit of the accompanying financial statements of the Métropole Télévision – M6 company;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been prepared by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the annual financial statements

We conducted our audit in accordance with accepted professional standards in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining evidence supporting the amounts and disclosures in the financial statements on a test basis or other means of selection. An audit also involves assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion, in light of French accounting principles and methods, the annual financial statements give a true and fair view of the financial position, assets and liabilities, and net profit of the company from the transactions for the financial year then ended.

2. Justification of assessments

Pursuant to the application of the provisions of Article L. 823-9 of the Commercial Code relative to the justification of our assessments, we bring to your attention the following matters:

- Notes 2.1.2 and 2.4 disclose the Company's principles and methods for accounting for its co-productions and broadcasting rights,

- Note 2.3 relating to accounting rules and methods discloses the Company's methods for accounting for its financial assets at the end of the financial year,
- Note 2.9 discloses the Company's method for the assessment and recognition of provisions for liabilities and charges.

These assessments were made within the framework of our audit, which focuses on the financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of our report.

3. Specific verifications and information

We have also performed the specific verifications required by law, in accordance with professional standards in France.

We have no comments to make concerning the fairness and consistency with the annual financial statements of the information given in the management report and in the documents sent to the shareholders concerning the financial situation and the annual financial statements.

Concerning the information provided in accordance with provisions of Article L.225-102-1 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.

As required by law, we ensured that the information concerning equity investments, controlling interests and the identity of shareholders was provided to you in the management report.

Paris La Défense and Neuilly-sur-Seine, 15 February 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Marc Ghiliotti
Partner

Ernst & Young et Autres
Bruno Perrin
Partner

D. FIVE-YEAR FINANCIAL RESULTS SUMMARY

FINANCIAL YEAR END NUMBER OF MONTHS	31/12/2011 12 months	31/12/2010 12 months	31/12/2009 12 months	31/12/2008 12 months	31/12/2007 12 months
Closing financial year capital (€)					
Share capital	50,553,586	51,583,176	51,581,876	51,581,876	51,973,876
Number of ordinary shares outstanding	126,383,964	128,957,839	128,954,690	128,954,690	129,934,690
Financial results (€ millions)					
Revenue (ex-VAT)	687.2	679.6	615.7	668.6	688.1
Profit before tax, employee profit sharing and amortisation, depreciation and provisions charges	207.5	139.8	170.9	276.7	240.8
Income tax	33.5	36.8	39.5	18.2	54.9
Employee profit sharing plan	3.0	3.8	3.5	1.9	3.3
Net profit	171.9	103.5	78.5	234.7	161.0
Dividends paid	126.2	128.6	302.1	109.3	129.7
Earnings and dividends per share (€)					
Basic earnings per share – profit after tax, employee profit sharing, before amortisation, depreciation and provision charges	1.35	0.77	0.99	1.99	1.41
Basic earnings per share –net profit	1.36	0.80	0.61	1.82	1.24
Ordinary dividend per share	1.00	1.00	0.85	0.85	1.00
Exceptional dividend per share	-	-	1.50	-	-
Workforce					
Average workforce size	700	697	692	714	684
Total amount of payroll*	44.5	44.4	40.7	41.9	37.7
Total employment benefits costs (social security, social welfare, etc)*	24.4	20.5	19.4	20.1	17.3

* (€ millions).

E. PARENT COMPANY CASH FLOW STATEMENT

4. Cash flow statement

(€ millions)	31/12/2011	31/12/2010
. Financial year net profit	171.9	103.5
. Depreciation, amortisation & provision charges	(1.0)	0.0
. Gains & losses from non-current assets disposal	158.7	(0.1)
CASH FLOW FROM OPERATIONS	329.6	103.5
Movements in working capital requirements		
. Inventories	1.4	46.5
. Trade receivables	(123.7)	10.0
. Operating liabilities	(64.3)	396.6
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	(186.6)	453.2
NET CASH FROM OPERATING ACTIVITIES	143.0	556.7
INVESTING ACTIVITIES		
. Intangible assets acquisitions	(5.8)	(1.8)
. Property, facilities & equipment disposals	(3.0)	(4.2)
. Investment acquisitions	(21.1)	(0.0)
. Intangible assets and property, facilities & equipment disposals	0.0	0.1
. Investments disposals/writedowns	8.5	3.4
NET CASH USED IN INVESTING ACTIVITIES	(21.4)	(2.5)
FINANCING ACTIVITIES		
. Share capital increase	0.1	-
. Other equity reductions	(31.9)	-
. Costs to be amortised over several financial years	-	-
. Proceeds from new borrowings	-	-
. Financial debt repayments	-	-
. Dividends paid	(128.6)	(302.1)
NET CASH USED IN FINANCING ACTIVITIES	(160.4)	(302.1)
Net change in cash and cash equivalents	(38.7)	252.1
Cash and cash equivalents - start of year	335.7	83.6
CASH AND CASH EQUIVALENTS - END OF YEAR	297.0	335.7

F. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young et Autres
Tour First, 1, place des Saisons
92400 Courbevoie
France

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: € 50,553,585.60

Financial year ended 31 December 2011

Statutory Auditors special report on regulated agreements and commitments

To the Shareholders,

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 and essential terms and conditions of 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 carried out 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

Agreements and commitments authorised during the financial year

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 RTL Group, acting on behalf of Immobilière Bayard d'Antin S.A.

Persons concerned

Gerhard Zeiler, Remy Sautter, Elmar Haggen, Vincent de Dorlodot, Philippe Delusinne, Andrew Buckhurst and Christopher Baldelli, representative of Immobilière Bayard d'Antin S.A.

Nature and purpose

Your Company concluded an agreement with the 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 5% of the share capital, in particular with a view to cancelling them.

Terms and conditions

This agreement, which was signed on 31 May 2011, following authorisation by the Supervisory Board on 4 May 2011, is part of the share repurchase programme pursuant to Article L.225-209 of the Commercial Code of up to 5% of its share capital, authorised by the General Meeting of 4 May 2011, 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 (RTL).

In 2011, 960,000 shares were bought back under this agreement.

This agreement expires on 31 May 2012.

2 Cash management agreement between Bayard d'Antin and your Company, renewed on 15 November 2011

Persons concerned

Gerhard Zeiler, Remy Sautter, Elmar Haggen, Vincent de Dorlodot, Philippe Delusinne, Andrew Buckhurst, Axel Duroux and Christopher Baldelli, representative of Immobilière Bayard d'Antin S.A.

Nature and purpose

Your Company entered into a cash management agreement on 1 December 2005, which was renewed on 12 December 2006, 14 December 2007, 15 December 2008, 19 February 2010, 15 November 2010 and 15 November 2011.

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 Métropole Télévision 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 the conditions in force with the RTL Group which are based on EURIBOR plus a margin, depending on the period of the deposit or the loan.

During the year ended 31 December 2011, an average amount of €35 million was deposited under this agreement, generating a financial income of €482,689.

The renewal of the agreement dated 15 November 2011 and relative to the 2012 financial year was authorised by the Supervisory Board on 8 November 2011.

Agreements and commitments authorised since the end of the financial year

We were also made aware of the following agreements and commitments, authorised since the end of the financial year, which received prior approval from your Supervisory Board:

Commitments made for the benefit of a member of the Executive Board in the event of cessation of his duties, following his appointment by the Supervisory Board on 14 February 2012.

Persons concerned

Robin Leproux, member of the Executive Board.

Nature and purpose

Following the appointment of Robin Leproux as member of the Executive Board by the Supervisory Board on 14 February 2012, your Company made the same commitments as those made for the benefit of the other members of the Executive Board, in compliance with the consolidated AFEP /MEDEF Code of Corporate Governance.

Terms and conditions

The compensation for Robin Leproux is now equal to the difference between twenty four months of gross monthly remuneration calculated on the basis of the total 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. The entitlement to severance pay is to be acquired gradually over the first twenty four months of employment, and may not subsequently exceed the amount thus established.

Directors' fees are excluded from the calculation base to the extent that the contractual compensation he benefits from is attached to his employment contract. The payment of severance pay is limited to cases in which he is not dismissed due to a serious fault or gross negligence, and subject to strict compliance with a performance condition to be achieved by the Group over the last 36 months preceding the termination of his duties. The changes thus introduced to the compensation packages of Robin Leproux were formalised by the signing of an addendum to his employment contract.

This agreement was authorised by the Supervisory Board meeting of 14 February 2012.

Agreements and commitments already approved by the Annual General Meeting

We have not been notified of any agreement or commitment that has already been authorised by the General Meeting and whose execution continued in the 2011 financial year.

Paris La Défense and Neuilly-sur-Seine, 29 March 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Marc Ghiliotti
Partner

Ernst & Young et Autres
Bruno Perrin
Partner

LEGAL INFORMATION



Company information



1.1	Bylaws environment	p.262
1.2	Regulatory Environment	p.266

1. Company information

1.1. Bylaws environment

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

COMPANY NAME

MÉTROPOLE TÉLÉVISION – (M6)

HEAD OFFICE AND REGISTERED OFFICE

89, avenue Charles-de-Gaulle
92575 NEUILLY-SUR-SEINE Cedex France
Telephone: + 33 (0)1 41 92 66 66

LEGAL FORM

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

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 COMMERCE 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

INSPECTION OF DOCUMENTS

Legal documents concerning the Company may be inspected at the registered office.

FINANCIAL YEAR

From 1 January to 31 December.

COMPETENT COURTS

The competent courts will be those of the Company's registered office in the event of litigation where the Company is defendant and these courts will be designated in accordance with the location and nature of the litigation, unless otherwise specified by the Code of Civil Procedure.

CORPORATE PURPOSE (ARTICLE OF THE BYLAWS)

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. Also, any related or complementary aims likely to further the development of the Company's objectives or assets.

EXECUTIVE BOARD (ARTICLE 15 to 19 OF THE BYLAWS)

The Company is managed by the Executive Board, which carries out its duties under the oversight of the Supervisory Board.

The Executive Board comprises between two and five natural persons, aged less than 70 years and appointed by the Supervisory Board for a period of 5 years.

The Supervisory Board appoints a member of the Executive Board as Chairman. The Executive Board meets as often as required in the interest of the Company. At least half the members must be in attendance to validate submissions, which must be approved by a majority of members in attendance.

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.

SUPERVISORY BOARD (ARTICLE 20 to 24 OF THE BYLAWS)

The Supervisory Board comprises a minimum of three and a maximum of fourteen members, either natural persons or legal entities.

Board members are appointed by an Ordinary General Meeting for a period of 4 years. As an exception and solely for the purpose of establishing staggered terms of office for Board members, the Ordinary General Meeting may appoint one or several members of the Supervisory Board for terms of one (1), two (2) or three (3) years.

In the event of a vacancy, death or resignation of one of its members, the Board may appoint members on a provisional basis between two General Meetings, subject to approval from the following General Meeting.

One third of members must be deemed independent.

The Supervisory Board elects from amongst its natural person members a Chairman and a Vice-Chairman, in charge of convening and directing meetings. The Board meets as often as required upon notice of its Chairman, or failing that, its Vice-Chairman.

At least half of Board members must be in attendance to validate decisions, which are taken by a majority of the votes of attending and represented members.

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.

STATUTORY ALLOCATION OF PROFITS (ARTICLE 40 OF THE BYLAWS)

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:

- a) 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;
- b) 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.

In accordance with legal provisions, the General Meeting called to approve the annual financial statements may grant shareholders the option to receive payment in cash or in shares for all or part of the dividend or interim dividend payment, in accordance with terms and conditions set forth by Law.

GENERAL MEETINGS (ARTICLES 27 to 29 OF THE BYLAWS)

Notice of meetings - attendance and exercise of voting rights

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 share-offer period).

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 notice 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 by post, 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.

All of the Company's shareholders whose shares are fully paid up may participate in 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 and pursuant to the provisions of Article L.225-106 of the Commercial Code.

The right to attend General Meetings is subject to the accounting record of the shares in the name of the shareholder or the intermediary on his/her behalf, on the third 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. The registration of bearer shares is noted by a certificate of shareholding issued by an authorised intermediary.

Proxy and postal voting forms are prepared and addressed in accordance with legislation in force. The owners of the shares 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.

LIMITATION OF VOTING RIGHTS (ARTICLE 35 OF THE BYLAWS)

Subject to the provisions below, the voting rights conferred on shares is proportional to the share capital they represent, and each share carries the right to one vote.

No shareholder, or group of shareholders acting in concert, may hold more than 34% of the total number of voting rights. In the event that a shareholder, either alone or in concert with others, holds over 34% of the share capital, the number of votes available to this shareholder in 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.

JURISDICTION AND SCOPE OF DECISIONS OF THE GENERAL MEETING (ARTICLE 36-37 OF THE BYLAWS)

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.

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

REQUIREMENTS FOR HOLDINGS EXCEEDING THE STATUTORY THRESHOLD (ARTICLE 11 OF THE BYLAWS)

Shares are freely negotiable.

Shares are transferred by transfer from account to account 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.

Any individual or legal entity, acting alone or with others, 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.

If not declared under the above conditions, the shares in excess of the relevant threshold will be deprived of voting rights under the conditions laid down by the Commercial Code relating to the crossing of statutory thresholds. 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 paragraph 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 licenced to operate an audiovisual communication service, or of any other provisions under law.

RIGHTS AND OBLIGATIONS ATTACHED TO SHARES (ARTICLE 12 OF THE BYLAWS)

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.

PROCEDURE FOR THE IDENTIFICATION OF BEARER SHARES (ARTICLE 10 OF THE BYLAWS)

The company may at any time request that the main custodian of its financial instruments provide the information referred to by law pertaining to the identity of the owners of shares that confer immediate or future voting rights at General Meetings.

1.2. Regulatory Environment

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

1.2.1. Ownership of the share capital

Under the terms of Article 39 of Law n°86-1067 of 30 September 1986, as amended, 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 licenced to operate a national television service by Free-to-Air 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 the same Article, when an individual or entity holds, directly or indirectly, more than 15% of the capital or voting rights of a company licenced to operate a national television service by free-to-air terrestrial transmission in analogue mode, it shall not hold, directly or indirectly, more than 15% of

the capital of another company holding a similar authorisation. No such limitations are imposed on digital channels.

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 licenced to operate a national television service by terrestrial free-to-air transmission (subject to the international commitments of France, excluding notably European community or European economic area nationals).

1.2.2. Authorisations to use free-to-air frequencies

- M6

M6 is a privately owned Free-to-Air terrestrial TV network which was initially licenced to broadcast for a duration of ten years from 1 March 1987 (expired on 28 February 1997) under the licencing 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.

M6's broadcasting licence was renewed in July 1996 and July 2001 for two consecutive terms of five years from 1 March 1997 and 1 January 2002. These broadcasting licence renewals were the subject of negotiations with the CSA in accordance with the provisions of the Law of 30 September 1986.

On 10 June 2003, M6 received an authorisation to continue its terrestrial digital service, effective from 31 March 2005. As a result, M6 authorisation was renewed until 28 February 2012, in accordance with Article 82 the Law 2000-719 of 1 August 2000.

In addition, M6 received a further five-year authorisation from the termination of its analogue service, as its terrestrial digital service at 30 November 2011 had been extended to 95% of Metropolitan France territory. This is complemented by a minimum coverage of 91% of every district.

The channel's service has been broadcast in High Definition since 31 October 2008.

- W9

W9 is a privately owned Free-to-Air terrestrial TV network which was initially licenced to broadcast for a duration of ten years from 10 June 2003 (call for tender of 24 July 2001) under the licencing regime set forth by Article 30 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 9 June 2018, pursuant to Article 97 of the above-mentioned 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.

- Other authorisations

The M6 Group also hold authorisations for the Paris Première and TF6 pay channel, with the latter being jointly-controlled with TF1.

1.2.3. Investment obligations in the production of audiovisual and cinematographic works and broadcasting

The Group's investment obligations in audiovisual and cinema productions, as well as its broadcasting obligations are defined by Decree No. 2010-747 of 2 July 2010 amending Decrees No. 2009-1271 of 21 October 2009 and Decree No. 2001-609 of 9 July 2001, known as the "Production" decree, Decree No. 90-66 of 17 January 1990, as amended, known as the "Broadcasting" decree, and its agreement signed with the Conseil Supérieur de l'Audiovisuel.

■ Provisions applicable to M6

The M6's channel regime for obligations in 2011 was as follows:

A. 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 heritage 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 should be invested in so-called independent productions. 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.
- In addition, a company is also considered independent from M6 if, over the previous three years, it has not realised more than 80% of its cumulative hourly volume of audiovisual production or its cumulative audiovisual producer revenue with M6. This provision, however, does not apply to companies whose audiovisual producer revenues are, on average, less than €10 million for the previous three years or during the first three years that the company is in operation.
- 66% 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.

B. Cinematographic 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.

C. 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 9pm;

- 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 hours of 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 origin.
- To broadcast, as an annual average, between 4pm and midnight, 40% of programmes in high definition in 2009, 50% in 2010, 60% in 2011, and 80% from 2012 onwards, the year following the final year of analogue broadcasting.

D. Musical programming obligations

For musical programming obligations, in 2011, M6 was obliged to:

- Broadcast a minimum of 20% of musical programming per 24-hour period, in particular between 4pm and midnight, and broadcast at least 50% of original French work;
- Prebuy and broadcast 100 music videos dedicated to French language artists, of which 70 music videos had to be dedicated to new talent;
- Invest €21.34 million in musical programming.

■ Provisions applicable to W9

The W9 channel's regime for obligations in 2011 was as follows:

A. Audiovisual production

- Invest 14% of advertising revenue in the production of European audiovisual works or original French language works, of which at least 7% 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 heritage 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 until 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 so-called independent productions.
- 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).
- Dedicate at least 5% of net annual revenue for the previous year to original French language or European music.

B. Cinematographic 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,

- 75% invested in pre-purchase or co-production must be dedicated to cinematographic works that are independently produced.

C. 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 hours of 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.

D. Musical programming obligations

W9's agreement states that its programming primarily focuses on mainstream music, aimed 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. The publisher is to develop the volume of music-related programming, especially at peak viewing times. At least 30% of music video programming is to be dedicated to new French language talent and a music show dedicated to new talent must be broadcast on a regular basis.

1.2.4. Other obligations common to M6 and W9

▪ Accessibility of programmes

A. 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 audience ratings of more than 2.5% are made accessible to the deaf and hard-of-hearing, with the exception of advertising slots, mentions of sponsorship, live singing performances and instrumental music pieces, trailers, home shopping and commentaries on live transmission of sporting events between midnight and 6 am, via a progressive increase until 2010.

In 2011, M6 subtitled all its programming (excluding advertising, sponsorships, trailers, songs and music broadcast live, as well as instrumental music, home shopping, sports competitions broadcast live between midnight and 6 am.

B. 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, on 7 October 2011 the CSA and M6 signed an amendment to the Channel's agreement to include obligations for the broadcasting of programmes in audio-description. The number of original programmes to be broadcast with audio-description in 2011 and 2012 was set at twelve, and, from 2013 onwards at fifty-two programmes per year, of which twenty must be original with audio-description. The stakeholders are to pay particular attention to peak viewing times and programmes aimed at children and teenagers.

The amendment to W9's agreement sets the number of original programmes to be broadcast in audio-description at one in 2011, six in 2012 and 12 from 2013 onwards.

▪ Signalling code

As part of its mission 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 year olds), III (+12) and IV (+16). M6 and W9 are not authorised to broadcast programmes

classified as category V (+18).

▪ Advertising commitments

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.

A number of amendments were made between 2008 and 2010 to the advertising regulations that apply to M6 and W9.

The Decree n° 2008-1392 of 19 December 2008 amending the regulations applying to television advertising, sponsorship and home shopping authorised:

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

In addition, the Law n°2009-258 of 5 March 2009 relating to audiovisual communication and new public television services proceeded with:

- the reform of the public television service by providing for the partial elimination of commercial advertising on the national channels of France Télévisions between 8pm and 6am with effect from 5 January 2009;
- the transposition of the SMA directive by extending the competence of the CSA to on-demand audiovisual media services,

and also provided for:

- the introduction of a second advertisement break during audiovisual and cinematographic works;
- the authorisation of product placement, in accordance with the terms and conditions defined by the CSA in its decision dated 16 February 2010, the draft of which was subject to consultation with the television channels. It states that product placement is authorised within this framework in film works, audiovisual drama and music videos, providing these programmes are not intended for children.

▪ Sector-specific taxes to which M6 and W9 are subject

In 2011, the M6 and W9 channels were not subject to new taxes.

The most recent tax changes are as follows:

- tax on advertising broadcast on TV channels (*302 bis KG of the General Tax Code*) for the benefit of France Télévisions. The rate of 3% of advertising revenue (where this amount exceeds €11 million), will apply when daytime advertising on France Télévisions' nationwide networks ends. In the meantime, the rate was 0.25% for W9 until the digital signal switchoff on 30 November 2011. The rate was 0.5% for M6.
- tax on premium rate calls as part of TV game shows and competitions (*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.

In addition, M6 and W9 are liable for the following taxes:

- the tax on television services (*302 Bis KB of the General Tax Code*), named “Cosip tax”, for the benefit of the CNC. The rate applicable to M6 in 2011 was 5.7% of revenue from advertising, self-promotion and premium rate calls, after a flat-rate rebate of 4%. A rate of 5.5% applies to W9.
- the tax on advertising broadcast by radio or television (*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 (*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.

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2. Combined Annual General Meeting

2.1. Summary and Agenda of the Combined Annual General Meeting of 3 May 2012

The Combined Annual General Meeting of the Company has been convened for 3 May 2012 and the agenda will be as follows:

Reports of the Executive board:

- on the Group's activities during 2011;
- on the resolutions to be presented at the General Meeting;
- on the allocation of free shares to certain employees and/or executive officers during the year;
- on the allocation of share purchase options to certain employees and/or executive officers to be validated.

Supervisory Board's report to the General Meeting

Chairman of the Supervisory Board's report on corporate governance and on the internal control and risk management procedures

Statutory Auditors' Reports:

- report on the consolidated financial statements for the year ended 31 December 2011;
- report on the parent company financial statements for the year ended 31 December 2011;
- report prepared in application of Article L. 225-235 of the Commercial Code on the report of the Chairman of the Supervisory Board regarding corporate governance and the internal control and risk management procedures;
- 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 by resolution 19.

Votes on resolutions:

Resolutions submitted for approval by the General Meeting:

Resolutions for the Ordinary General Meeting:

- | | |
|-----------------------------|---|
| 1 st resolution: | Approval of the parent company financial statements for the year ended 31 December 2011 |
| 2 nd resolution: | Approval of the consolidated financial statements for the year ended 31 December 2011 |
| 3 rd resolution: | Allocation of profits and setting of dividend |
| 4 th resolution: | Approval of regulated agreements and commitments |
| 5 th resolution: | Approval of the commitment undertaken by the company for the benefit of Robin Leproux in the event of termination of his duties |
| 6 th resolution: | Renewal of the term of office of Albert Frère as member of the Supervisory Board |
| 7 th resolution: | Appointment of Mouna Sepehri as member of the Supervisory Board to replace Jean Laurent |
| 8 th resolution: | Re-appointment of Delphine Arnault as member of the Supervisory Board |
| 9 th resolution: | Re-appointment of Gérard Worms as member of the Supervisory Board |

- 10th resolution: Re-appointment of Guy de Panafieu as member of the Supervisory Board
- 11th resolution: Re-appointment of Rémy Sautter as member of the Supervisory Board
- 12th resolution: Ratification of the co-option of Guillaume de Posch as member of the Supervisory Board, to replace Gerhard Zeiler, and renewal of his term of office
- 13th resolution: Re-appointment of Philippe Delusinne as member of the Supervisory Board
- 14th resolution: Appointment of Christopher Baldelli as member of the Supervisory Board, to replace Andrew Buckhurst
- 15th resolution: Re-appointment of Vincent de Dorlodot as member of the Supervisory Board
- 16th resolution: Re-appointment of Elmar Heggen as member of the Supervisory Board
- 17th resolution: Setting the amount of the Directors' fees payable to the members of the Supervisory Board
- 18th resolution: Authorisation to be given to the Executive Board for the buyback of its own shares by the Company, within the scope of Article L. 225-209 of the Commercial Code,

Resolutions for the Extraordinary General Meeting:

- 19th resolution: Authorisation to be given to the Executive Board to cancel its own shares, within the scope of Article L. 225-209 of the Commercial Code
- 20th resolution: Powers for formalities.

2.2. Executive Board Report to the Combined General Meeting of 3 May 2012

Ladies and Gentlemen,

We have called you to this Combined General Meeting to submit the following resolutions for your approval:

In ordinary session:

In the **1st resolution** shareholders are invited to approve the financial statements of the Company for the year ended 31 December 2011, which ended with a profit of €171,931,814.

This resolution also concerns the approval of the expenses and charges stipulated in Article 39-4 of the General Tax Code in the amount of €25,932, as well as the corresponding tax charge of €9,361.

In the **2nd resolution** shareholders are invited to approve the consolidated financial statements for the year ended 31 December 2011, which disclose a profit attributable to the Group of €149,644,340.

In the **3rd resolution** shareholders are invited to allocate Métropole Télévision SA profits of €171,931,814 for the financial year ended 31 December 2011. This profit, together with the retained earnings of €346,718,054, thus brings the total distributable profit to €518,649,868. It is proposed to distribute €126,383,964 in dividends, leaving a balance of €392,265,904.

As a result, the dividend shall be €1 per share.

If this proposal is adopted, the coupon detachment (ex-dividend) date will be 10 May 2012 and the dividend will be paid on 15 May 2012.

In the **4th resolution** shareholders are invited to approve the regulated agreements and commitments covered by Articles L. 225-86 and subsequent of the Commercial Code and concluded during 2011, as mentioned in the conclusions of the Statutory Auditors' Special Report.

In the **5th resolution** shareholders are invited to approve the commitments undertaken by the company for the benefit of Robin Leproux, member of the Executive Board, in the event of termination of his duties. The terms and conditions of this commitment are notably described in the Statutory Auditors' Special Report.

In **resolutions 6 to 16** shareholders are invited to approve the renewal of the terms of office of 9 members and the appointment of 2 new members of the Supervisory Board, including one female applicant, ahead of the next April 2013 deadline of the AFEP-MEDEF Code, which recommends that at least 20% of Board members be female pursuant to Law n°2011-103 of 27 January 2011.

Therefore, to allow for the introduction of staggered terms of office in compliance with Article 20.2 of the bylaws, it is proposed:

- to renew the terms of office of Gérard Worms, Guy de Panafieu, Rémy Sautter and Vincent de Dorlodot **for a period of 2 (two) years,**
- to renew the term of office of Albert Frère **for a period of 3 (three) years,**
- to appoint, **for a period of 3 (three) years,** Christopher Baldelli, former permanent representative of Immobilière Bayard d'Antin, who is being replaced by Catherine Lenoble,
- to renew the term of office of Guillaume de Posch, co-opted at the Supervisory Board Meeting of 27 March 2012 as a replacement for Gerhard Zeiler, who resigned, **for a period of 4 (four) years,**
- to renew the terms of office of Philippe Delusinne, Elmar Heggen and Delphine Arnault **for a period of 4 (four) years,**
- and lastly, to appoint Mouna Sepehri **for a period of 4 (four) years.**

At the end of each of these periods, each member may be reappointed for a further term of 4 (four) years, in accordance with the bylaws.

The **17th resolution** submitted for approval by the shareholders relates to the overall amount of attendance fees to be allocated to the Supervisory Board, which is to be increased from €180,000 to €236,000 due to the time dedicated by members to the various Board and Committee meetings.

The **18th resolution** submitted for approval by the shareholders relates to the authorisation to be given to the Executive Board to have the Company 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.

It enables the purchase of up to 5% of the share capital at a maximum price of €22 per share during a period of 18 months. The maximum amount of this transaction is thus set at €139,022,360. The report of the Executive Board includes the features of the buyback programme proposed this year and provides information on the use of the previous programme.

In extraordinary session:

The **19th resolution** submitted for approval by the shareholders relates to the authorisation to be given to the Executive Board to reduce the share capital by cancellation of treasury shares, themselves bought back within the limit of 5% of the share capital of the Company, as calculated on the day of the cancellation, after deducting potential cancellations carried out within the last 24 months.

The following delegations and authorisations to be granted by resolutions 18 and 19 will supersede previous authorisations of the same nature granted to the Executive Board by the General Meeting of 4 May 2011.

In the **20th resolution** shareholders are asked to confer powers to complete formalities.

We trust that these proposals will receive your support.

Neuilly sur Seine, 27 March 2012.

The Executive Board

2.3. Supervisory Board Report to the Combined General Meeting

Ladies and Gentlemen,

At this Combined General Meeting called in accordance with the law and the bylaws, we present to you the reports of the Executive Board and the Statutory Auditors for the year ended 31 December 2011.

In accordance with Article L.225-68 of the Commercial Code, we bring to your attention our observations regarding the Executive Board Report and the financial statements for the year ended 31 December 2011.

In addition we bring to your attention the work of the Supervisory Board.

1. Observations on the work of the Supervisory Board

The Executive Board Report to the General Meeting does not call for any specific comments by the Supervisory Board.

The financial statements for the year ended 31 December 2011, as presented to you, have been reviewed by the Audit Committee and certified by the Statutory Auditors. The Supervisory Board has no comments to make.

The Supervisory Board would like to emphasise the Group's strong performance, particularly the increase in the audience share of its various channels.

The Board has reviewed the proposed resolutions to be submitted to the General Meeting and invites you to approve them in order to give the Executive Board the necessary means by which to fulfil its role.

Renewal of the term of office of Board Members

The terms of office of 11 out of 13 members of the Supervisory Board will expire at the end of the next General Meeting. Therefore, the Executive Board proposes to renew the terms of office of 9 members: Albert Frère, Gérard Worms, Guy de Panafieu, Rémy Sautter, Guillaume de Posch (co-opted during the Meeting of 27 March 2012, as a replacement for Gerhard Zeiler, who resigned), Philippe Delusinne, Vincent de Dorlodot, Elmar Heggen and Delphine Arnault.

In addition, it also proposes to appoint two new members:

- Mouna Sepehri, as a replacement for Jean Laurent,
- Christopher Baldelli, whose replacement by Catherine Lenoble as permanent representative of Immobilière Bayard d'Antin was notified to the Company on 23 March 2012 with effect from 2 May 2012, as a replacement for Andrew Buckhurst.

To ensure terms of office are staggered and are subsequently renewed by one third, it will be proposed to the General Meeting to appoint 4 members for a term of 2 years (ending in 2014), 2 members for a term of 3 years (ending in 2015, it being specified that members were appointed in 2011 for a term of four years) and 5 members for a term of four years (ending in 2016).

In accordance with the AFEP-MEDEF Governance Code, the Board reviewed the independence of each members whose term of office renewal is proposed to the General Meeting.

Following this review, and in light of the independence criteria defined within the Supervisory Board's internal regulations, the Board noted that Albert Frère, Gérard Worms, Guy de Panafieu, Delphine Arnault and Mouna Sepehri are independent and also confirmed that Rémy Sautter, Guillaume de Posch, Philippe Delusinne, Vincent de Dorlodot, Elmar Heggen and Christopher Baldelli are not independent members.

The Supervisory Board invites you to approve the resolutions proposed by the Executive Board.

2. Work of the Supervisory Board

In application of legal regulations and following the review of the parent company financial statements and the Executive Board Report, upon which it has just informed you of its observations, the Executive Board periodically reports to the Supervisory Board on Company operations. The Supervisory Board authorises major investments, the granting of security and partial or total disposals of shareholdings and property assets and rights.

Aside from these duties, the key undertakings of the Supervisory Board since the last Annual General Meeting of shareholders were as follows:

- the half-year and full-year financial statements;
- the budget for 2012;
- the quarterly financial position at 31 March 2011 and 30 September 2011;
- the main investment projects, particularly in programming;
- the renewal of the share buyback agreement with a view to cancelling the said shares and the master cash management agreement with RTL;
- the renewal of the authorisation granted to the Executive Board to grant deposits, guarantees and sureties;
- the appointment of Robin Leproux as member of the Executive Board, following Catherine Lenoble's retirement;
- the co-option of Guillaume de Posch as member of the Supervisory Board, as a replacement for Gerhard Zeiler, who resigned.

We have no further comments to make.

Neuilly-sur-Seine, 27 March 2012.

The Supervisory Board

2.4. Resolutions presented to the Combined Annual General Meeting

In ordinary session:

First resolution

Approval of parent company financial statements for the year ended 31 December 2011

After reviewing the Executive Report prepared by the Executive Board, the Statutory Auditors' Report on the parent company financial statements at 31 December 2011, the observations of the Supervisory Board, as well as the report of the Chairman of the Board, the Ordinary General Meeting hereby:

- approves the financial statements for the year ended 31 December 2011 as presented, which show a net profit of €171,931,814,
- accordingly, approves the transactions reflected in the financial statements and/or summarised in the reports,
- specifically approves the overall total of €25,932, the expenses and charges set forth in Article 39-4 of the General Tax Code and the corresponding tax charge of €9,361.

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2011

After reviewing the Executive Report prepared by the Executive Board, the observations of the Supervisory Board and the Statutory Auditors' Report on the consolidated financial statements, the Ordinary General Meeting hereby approves the consolidated financial statements for the year ended 31 December 2011, prepared in accordance with Articles L. 233-16 and subsequent of the Commercial Code as presented, which show a net profit of €149,644,340.

Third resolution

Allocation of profits and setting of dividend

The Ordinary General Meeting approves the allocation of profit of Métropole Télévision SA as proposed by the Executive Board as follows:

Origin

- Net profit for the year	€171,931,814
- Retained earnings brought forward from prior years	€346,718,054

Allocation

- Dividends	€126,383,964
- Retained profit carried forward	€392,265,904

Retained earnings therefore increased from €346,718,054 to €392,265,904.

As a result, an overall gross dividend of €1 will be payable to shares eligible for a dividend, it being noted that in the event of a change in the number of shares eligible for dividend compared to the 126,383,964 shares comprising the share capital at 31 December 2011, the total amount of dividends will be adjusted accordingly and the amount carried forward will be determined on the basis of dividends effectively paid.

It should be noted that the full amount thus distributed is eligible for the 40% tax relief referred to in Article 158-3-2 of the General Tax Code.

It should be noted that the full amount thus distributed is eligible for the 40% tax relief referred to in Article 158-3-2 of the General Tax Code.

The ex-dividend date will be 10 May 2012.

The payment of dividends shall be made on 15 May 2012.

For reference, 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	ELIGIBLE FOR TAX RELIEF		DISTRIBUTION NOT ELIGIBLE FOR TAX RELIEF
	DIVIDENDS	OTHER DISTRIBUTIONS	
2008	€109,611,486.5* being €0.85 per share	–	–
2009	€303,043,521* being €2.35 per share	–	–
2010	€128,957,939 being €1 per share	–	–

* not taking into account undistributed dividends attributable to treasury shares.

Fourth resolution

Approval of regulated agreements and commitments

After reviewing the Statutory Auditors' Special Report, the Ordinary General Meeting hereby approves the new agreements and commitments mentioned in that Report.

Fifth resolution

Approval of the commitment undertaken by the company for the benefit of Robin Leproux in the event of termination of his duties

Deliberating on the Statutory Auditors' special report on regulated agreements and commitments submitted to it, the General Meeting approves the commitment made by the Company for the benefit of Robin Leproux, member of the Executive Board, in relation to compensation liable to be paid should his duties be terminated.

Sixth resolution

Renewal of the term of office of Albert Frère as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Albert Frère as member of the Supervisory Board for a period of 3 (three) years, until the General Meeting called in 2015 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Seventh resolution

Appointment of Mouna Sepehri as member of the Supervisory Board, as replacement for Jean Laurent

The Ordinary General Meeting decides to appoint Mouna Sepehri, a dual French and Iranian national, born 11 April 1963 in Babol (IRAN), with an address at 24 avenue Charles Floquet, Paris 75017, as member of the Supervisory Board to replace Jean Laurent, for a term of 4 (four) years, until the General Meeting called in 2016 to approve the financial statements for the year just ended.

Eighth resolution

Renewal of the term of office of Delphine Arnault as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Delphine Arnault as member of the Supervisory Board for a further period of 4 (four) years, until the General Meeting called in 2016 to approve the financial statements for the year just ended.

Ninth resolution

Renewal of the term of office of Gérard Worms as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Gérard Worms as member of the Supervisory Board, for a further period of 2 (two) years, until the General Meeting called in 2014 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Tenth resolution

Renewal of the term of office of Guy de Panafieu as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Guy de Panafieu as member of the Supervisory Board, for a further period of 2 (two) years, until the General Meeting called in 2014 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Eleventh resolution

Renewal of the term of office of Rémy Sautter as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Rémy Sautter as member of the Supervisory Board, for a further period of 2 (two) years, until the General Meeting called in 2014 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Twelfth resolution

Ratification of the co-option of Guillaume de Posch as member of the Supervisory Board, to replace Gerhard Zeiler, and renewal of his term of office

The Ordinary General Meeting decides to ratify the co-option of Guillaume de Posch as member of the Supervisory Board, which took place at the Supervisory Board meeting of 27 March 2012, to replace Gerhard Zeiler, who resigned his duties, for the remainder of the latter's term of office, which will expire at the close of this General Meeting, and renew this term of office for a further term of four (4) years, until the General Meeting called in 2016 to approve the financial statements for the year just ended.

Thirteenth resolution

Renewal of the term of office of Philippe Delusinne as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Philippe Delusinne as member of the Supervisory Board for a further period of 4 (four) years, until the General Meeting called in 2016 to approve the financial statements for the year just ended.

Fourteenth resolution

Appointment of Christopher Baldelli as member of the Supervisory Board, to replace Andrew Buckhurst

The Ordinary General Meeting decides to appoint Christopher Baldelli, a French national, born 10 February 1965 in Sarralbe (57), with an address at 10 avenue Charles de Gaulle – 92 100 Boulogne, as member of the Supervisory Board to replace Andrew Buckhurst, for a term of 3 (three) years, until the General Meeting called in 2015 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Fifteenth resolution

Renewal of the term of office of Vincent de Dorlodot as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Vincent de Dorlodot as member of the Supervisory Board, for a further period of 2 (two) years, until the General Meeting called in 2014 to approve the financial statements for the year just ended, pursuant to Article 20.2 of the bylaws permitting terms of office to be staggered.

Sixteenth resolution

Renewal of the term of office Elmar Heggen as member of the Supervisory Board

The Ordinary General Meeting decides to renew the term of office of Elmar Heggen as member of the Supervisory Board for a further period of 4 (four) years, until the General Meeting called in 2016 to approve the financial statements for the year just ended.

Seventeenth resolution

Setting the amount of the Directors' fees payable to the members of the Supervisory Board

The Ordinary General Meeting sets the amount of Directors' fees payable to the members of the Supervisory Board at €236,000.

This decision, which applies to the current year, will remain valid until a decision is made to the contrary.

Eighteenth resolution

Authorisation to be given to the Executive Board for the purchase of its own shares by the Company within the scope of Article L. 225-209 of the Commercial Code

After reviewing the Executive Board's Report, and in accordance with the provisions of Article L. 225-209 and subsequent of the Commercial Code, the Ordinary General Meeting authorises the Executive Board, for a period of eighteen months, to buy back Company shares, on one or more occasions as and when decided by the Executive Board, up to a limit of 5% of the share capital, based either on current share capital, or as adjusted to take account of any potential capital increase or reduction transactions that could take place during the period.

This authorisation terminates the prior authorisation granted to the Executive Board by the Ordinary General Meeting on 4 May 2011 in its seventh resolution.

The acquisition of shares may be made in order to:

- stimulate the active secondary market or liquidity of the Métropole TV share through a liquidity contract managed by an intermediary investment service provider, in compliance with the AMAFI's ethical code approved by the AMF,
- retain shares purchased and ultimately use them via exchange or payment within the framework of acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's share capital,
- ensure adequate coverage for share option plans and other forms of share allocations to Group employees and/or executive officers within the conditions and according to the methods permitted by law, notably by sharing in the profits of the entity, through a group savings plan or by granting free shares,
- ensure adequate coverage of marketable securities giving right to Company shares within the framework of current regulations,
- cancel shares subject to approval of the 19th resolution by this Extraordinary General Meeting of shareholders.

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 acquisition of these shares may be specifically carried out during a period of a public offering in accordance with Article 232-15 of the AMF General Regulations, if on the one hand the offer is fully paid in cash, and on the other hand, if the buyback transactions are carried out as part of the continuing implementation of the current plan and are not likely to make the bid fail.

The Company retains the right to use options or derivative products within the framework of applicable regulations.

The maximum purchase price is set at €22 per share. In the event of an increase in capital through the allocation of free shares or a division or consolidation of shares, 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 therefore set at €139,022,360.

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.

In extraordinary session:

Nineteenth resolution

Authorisation to be given to the Executive Board for the purchase by the Company of its own shares within the scope of Article L. 225-209 of the Commercial Code

After reviewing the Executive Board's Report and the Statutory Auditor's Report, the Extraordinary General Meeting:

1°) - Authorises the Executive Board to cancel, at its own discretion, on one or more occasions and within the limit of 5% 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, being until 2 May 2014,

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.

Twentieth 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.

2.5. Special report of the share capital reduction provided by the 19th resolution of the 2012 Combined General Meeting

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young et Autres
Tour First, 1, place des Saisons
92400 Courbevoie
France

Métropole Télévision S.A.

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: €50,553,585.60

Financial year ended 31 December 2011

Statutory Auditors' report on the share capital reduction (Combined General Meeting of 3 May 2012 – nineteenth resolution)

To the Shareholders,

As Statutory Auditors of your Company and in execution of our assignment, as per by Article L. 225- 209 of the Commercial Code in the event of capital reduction 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 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 5% of its share capital and by twenty four-month periods.

We have performed the due diligence procedures that we deemed necessary in the light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable 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 equal treatment of all shareholders, are compliant.

We have no comments to make on the reasons for and the terms and conditions of the proposed capital reduction.

Paris La Défense and Neuilly-sur-Seine, 29 March 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Marc Ghiliotti
Partner

Ernst & Young et Autres
Bruno Perrin
Partner

3.1**Person responsible for the Registration Document****p.288****3.2****Information included by reference****p.288****3.3****Person responsible for financial information****p.288**

3. Other legal information

3.1. 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 are established in accordance with professional accounting standards applicable in France and give a fair view of the assets, financial situation 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 page 292 of this document, gives a true view of the business situation, performance and financial situation 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 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.

The consolidated financial statements for the year ended 31 December 2009 were subject to a report issued by the Auditors, as shown on pages 211-212 of the Registration Document filed with the AMF 26 March 2010 under D.10-0176, which contains one observation.

The consolidated financial statements for the year ended 31 December 2010 presented in this document were subject to a report by the Statutory Auditors, as shown on pages 225-226, which contains one observation.

Neuilly-sur-Seine, 10 April 2012

Nicolas de Tavernost

Chairman of the Executive Board

3.2. 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 2010 and the relevant report of the Statutory Auditors included in pages 166 to 226 of the 2010 registration document, registered with the AMF on 12 April 2011 with number D.11-0282, as well as financial information on pages 11 to 162 of the same registration document for 2010.
- The parent company financial statements for the year ended 31 December 2009 and the relevant Statutory Auditors' report included in pages 154 à 212 of the 2009 registration document, registered with the AMF on 26 March 2010 with number D.10-0176, as well as financial information on pages 11 to 151 of the same registration document for 2009.

3.3. Person responsible for financial information

Jérôme Lefébure

Chief Financial Officer

Tel: + 33 (0) 1 41 92 64 30

Fax: + 33 (0) 1 41 92 64 59

E-mail: jlefebure@m6.fr

CROSS-REFERENCE TABLES



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1. DESCRIPTION OF THE BUYBACK PROGRAMME

- i. **Statement of the previous buyback programme**
This information is available on pages 69 and 70 of this Registration Document.
- ii. **Breakdown by objective of shares held by the Company at present**
This information is available on pages 69 to 72 of this Registration Document.
- iii. **New buyback programme**
This information is available on pages 70 and 71 of this Registration Document.

2. INFORMATION PUBLISHED IN THE LAST TWELVE MONTHS (STATEMENT OF ANNUAL COMMUNICATIONS)

This information is available on pages 165 and 166 of this Registration Document

3. ANNUAL FINANCIAL REPORT

- i. **Parent company financial statements**
The parent company financial statements for the year ended 31 December 2011 are available on pages 233 to 251 of this Registration Document.
- ii. **Consolidated financial statements**
The consolidated financial statements for the year ended 2011 are on pages 170 to 226 of this Registration Document.
- iii. **"Management Report" according to Article 222-3-3 of the AMF General Regulations**
 - a. True and fair view of the business, sales and financial position of the Group and the companies included in the consolidation scope and a description of major risks and uncertainties.
This information is available on pages 8 to 61, 108 to 123, and 128 to 140 of this Registration Document.
 - b. Information that could have an influence in a public offering context
N/A
 - c. Information on the buyback programme situation at year-end
This information is available on pages 69 to 72 of this Registration Document.
 - d. Statement of the persons responsible for the Annual Report
This information is available on page 288 of this Registration Document.
 - e. Social and environmental information
This information is available on pages 142 to 162 of this Registration Document.
 - f. Statement of reasons for the resolutions proposed by the Executive Board
This information is available on pages 276 to 279 of this Registration Document.
 - g. Resolutions proposed by the Executive Board to the General Meeting
This information is available on pages 280 to 284 of this Registration Document.

h. Summary of financial results of the last 5 years

This information is available on page 254 of this Registration Document.

i. Chairman's report on corporate governance and internal control

This information is available on pages 108 to 123 of this Registration Document.

iv. Reports of the Statutory Auditors on parent company and consolidated financial statements

This information is available on pages 227 to 228, and 252 to 253 of this Registration Document.

4. FEES OF STATUTORY AUDITORS

This information is available on page 164 of this Registration Document

MÉTROPOLE TÉLÉVISION

Public limited company
governed by an Executive Board and a Supervisory Board
with share capital of €50,553,585.60

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