TOGETHER

GROUPE

2018 REGISTRATION DOCUMENT
MÉTROPOLE TÉLÉVISION

INCLUDING THE ANNUAL FINANCIAL REPORT

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The elements of the annual financial report are identified in the table of contents using the pictogram RFA

2018

Registration Document Métropole Télévision

Including the Annual Financial Report

Established in 1987 around the M6 channel, M6 Group is a powerful multimedia group which focuses on three areas: television (7 channels including M6, the 2nd largest commercial channel in the French market), radio (3 stations including RTL, the leading radio station in France) and digital (more than 30 online media services including mobile applications and IPTV services).

Leveraging its brands and content, M6 Group has gradually expanded its operations through targeted diversification activities (content production and acquisition, cinema, e-commerce, music, shows, etc.) and innovative offerings such as 6play, its digital platform.

Conscious of developing synergies between its brands, and of responding to the expectations of its various audiences while always keeping an eye on the future, it has emerged as a content publisher firmly anchored in the new technology era.

The French version of this Registration Document was filed with the French Financial Market Authority (AMF) on 06 March 2019, in accordance with Article 212-13 of the AMF General Regulations. It may be used for the purpose of a financial transaction, if completed by an information notice approved by the AMF.

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

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

2018 was a year of consolidation.

Today, we are a powerful multimedia group connecting with 96% of the French population every month. Thanks to our agility and vision, we are adapting our model to the extraordinary changes at play within the industry. Placing content at the heart of our operations has proved to be the right strategy and has enabled our media to remain remarkably robust.

Our iconic brands continue to develop, season after season.

In both radio and television, live and on-demand, our flagship programmes have achieved outstanding growth.

M6 has more than 10 iconic brands. They include *Capital* and *Zone Interdite*, launched more than 25 years ago and which continue to deliver record audiences. *Scènes de ménages* attracts almost 4 million viewers every evening and French viewers voted it their favourite series in 2018. *L'Amour est dans le pré*, *Top Chef*, *La France a un incroyable talent*, as well as the *12'45* and *19'45* news bulletins, are all formats posting growth on our targets.

RTL, RTL2 and Fun Radio, acquired in 2017 and integrated into the Group, have posted excellent performances in terms of both audience and image. RTL was voted radio station of the year and achieved its best season in 10 years, thus retaining its ranking as the leading station in France.

Our diversification strategy is enjoying continued success.

M6 Digital Services has posted very healthy performances, driven in particular by Radins.com and IGraal which has confirmed its position as the leading cashback site in France.

Production companies Studio 89 and C. Productions are developing more and more content for the Group with innovative formats. Golden Network is going from strength to strength and has established itself as the production studio for Millennials. M6 Studio had a record year with the success of *Asterix: The Secret of the Magic Potion*, which generated almost 4 million cinema admissions.

We are shifting the scope of our business to optimise performance.

Two significant disposals have been completed: firstly, that of Girondins de Bordeaux, allowing us to refocus on our core media business, and secondly, that of MonAlbumPhoto, following an excellent trajectory within the Group.

The proposed acquisition of Lagardère's Television division would enable us to become the leader in the younger viewer segment while simultaneously strengthening our position in on-demand television. This unique opportunity would also allow the Group to continue expanding its international operations.

In 2019, we will maintain our focus and continue to grow together.

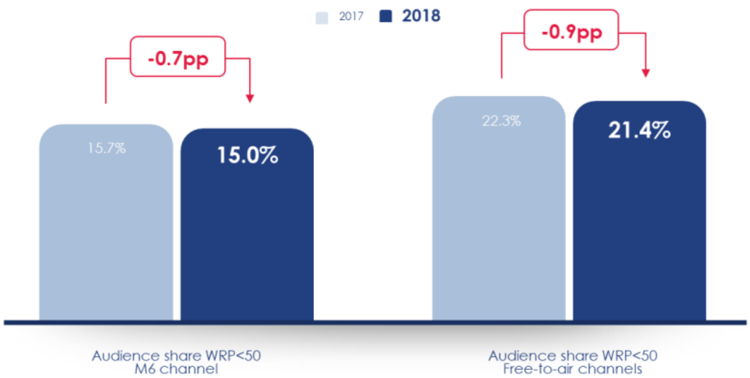
Nicolas de TAVERNOST

1 M6 GROUP PRESENTATION

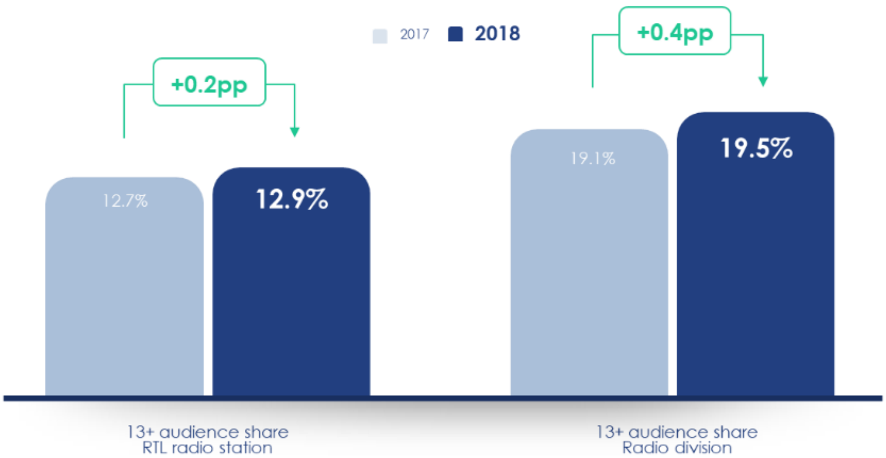
1.1 KEY FIGURES

1.1.1 Operating indicators[1]

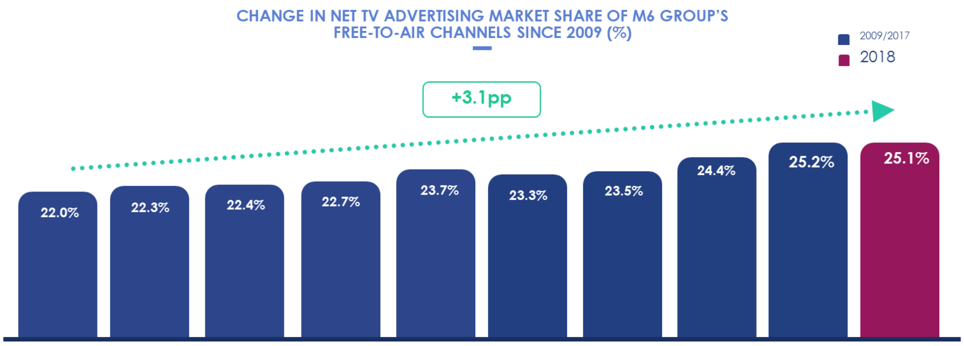
AUDIENCE SHARE WRP<50 M6 CHANNEL & FREE-TO-AIR CHANNELS



13+ AUDIENCE SHARE RTL & RADIO DIVISION

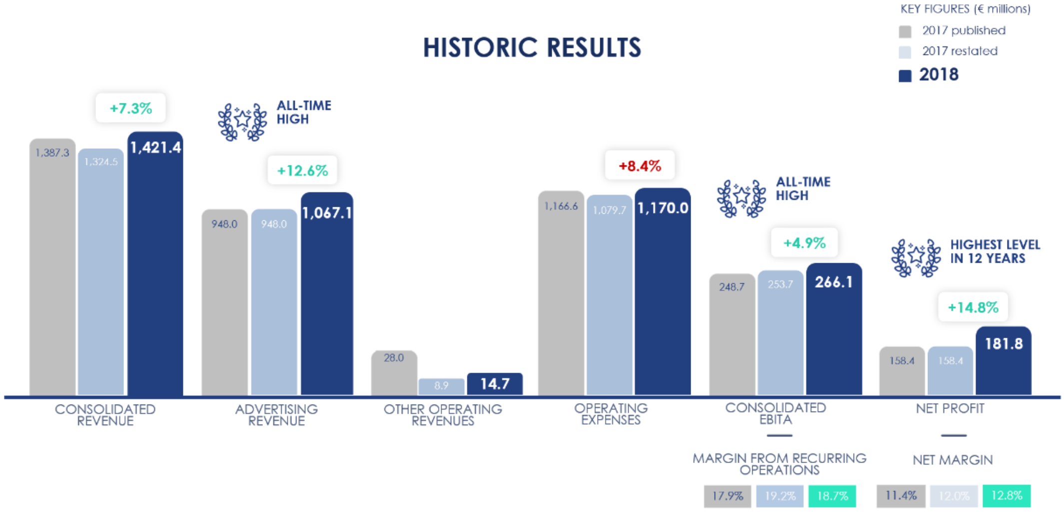


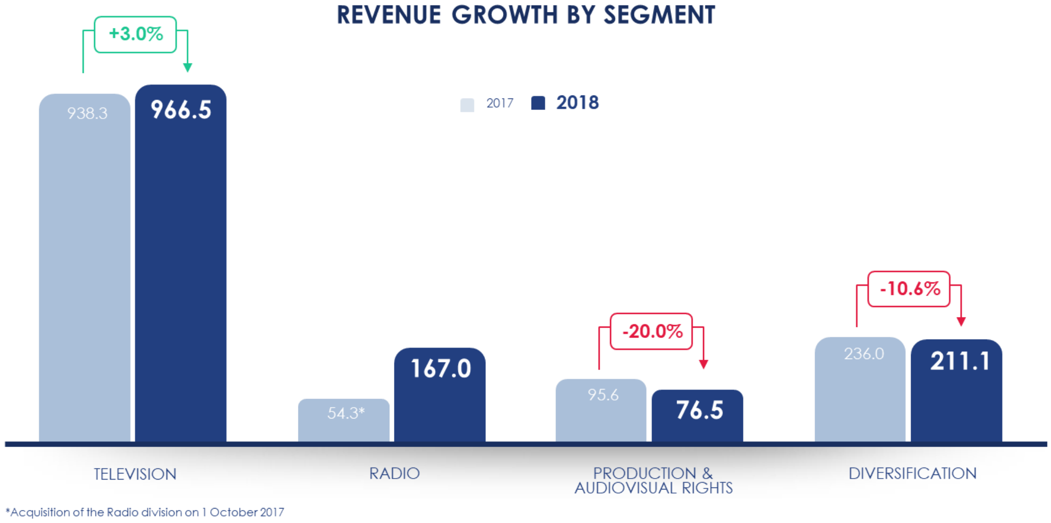
M6 GROUP FREE-TO-AIR CHANNELS SAW THEIR ADVERTISING MARKET SHARE STABILISE AT A HIGH LEVEL

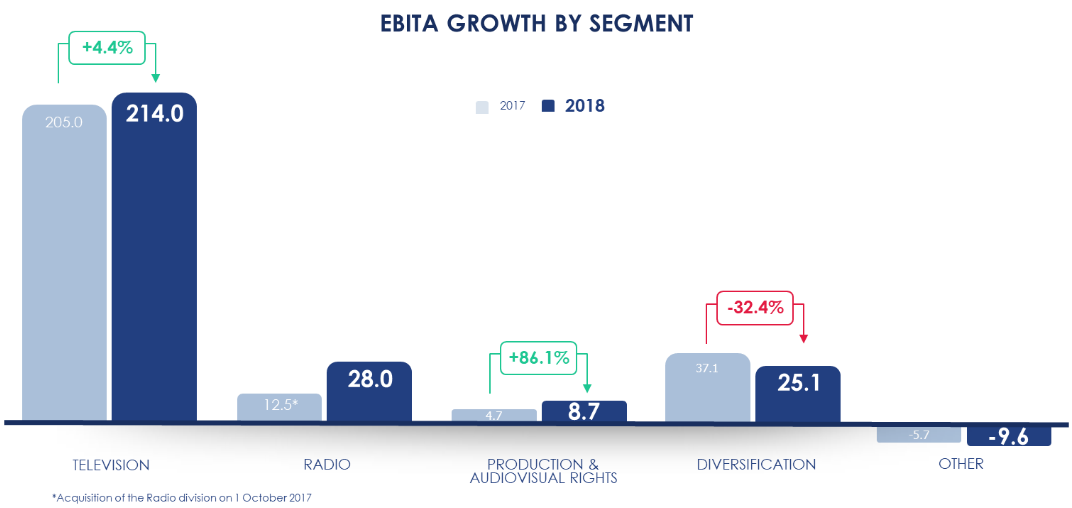


1 *Sources: Médiamétrie for TV and Radio audience figures (WRP<50: Women Responsible for Purchasing under the age of 50) / IREP for the net TV advertising market (and M6 estimate for 2018 based on a market which grew 1.1%)*

1.1.2 Financial indicators[2]







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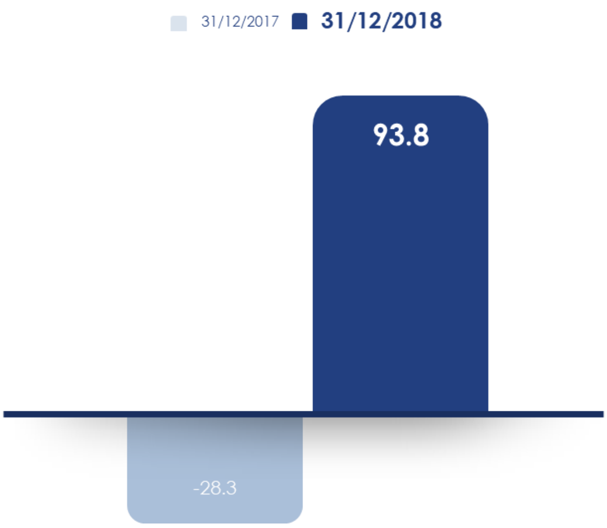
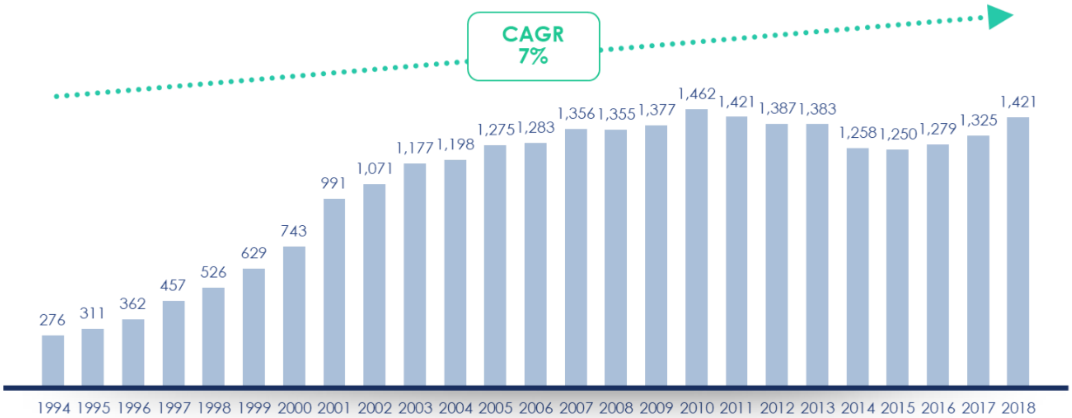
2 *EBITA is defined in section 5.1.1 of this Management Report*

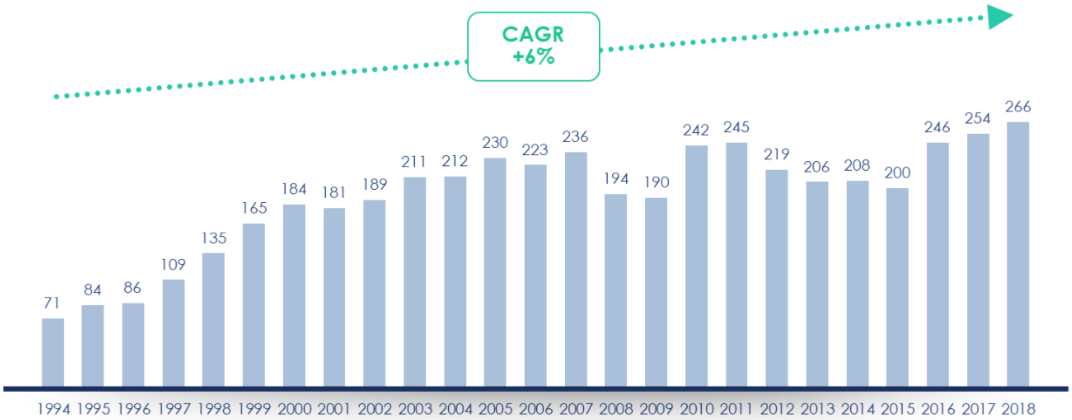
NET CASH POSITION



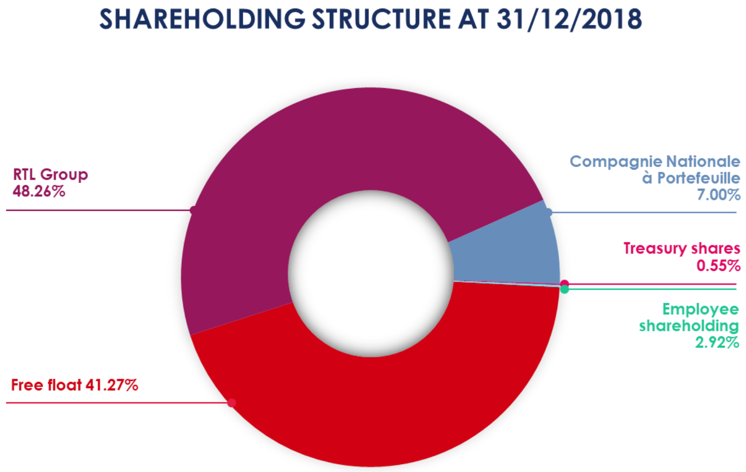
REVENUE GROWTH SINCE 1994 (IPO)

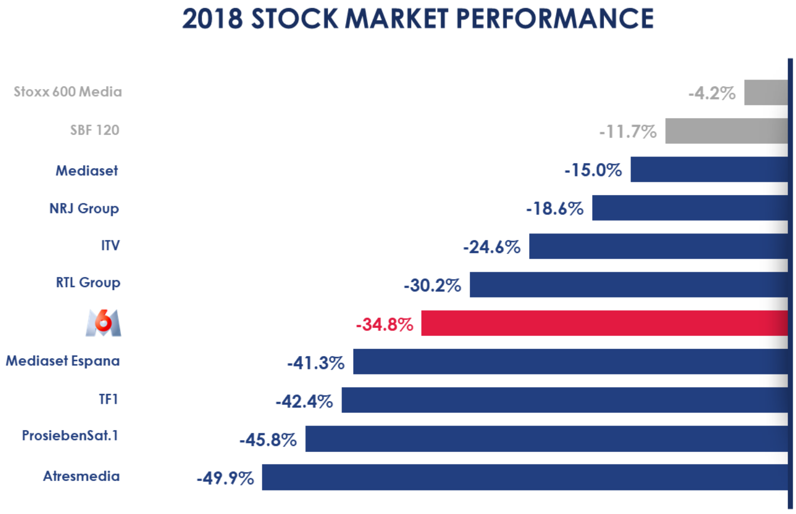


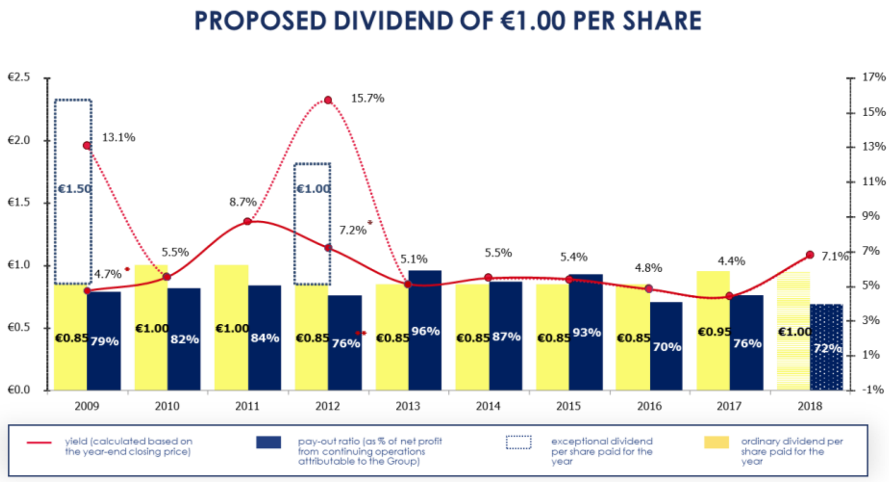
EBITA GROWTH SINCE 1994 (IPO)



1.1.3 Stock market indicators[3]





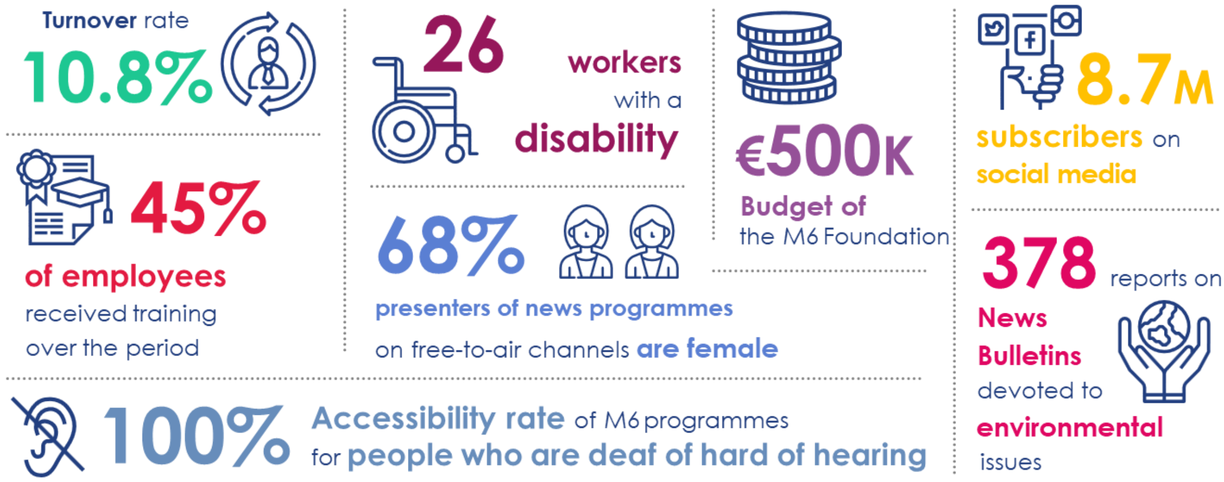


** Pay-out ratio excluding exceptional dividend*

***79% excl. Summit*

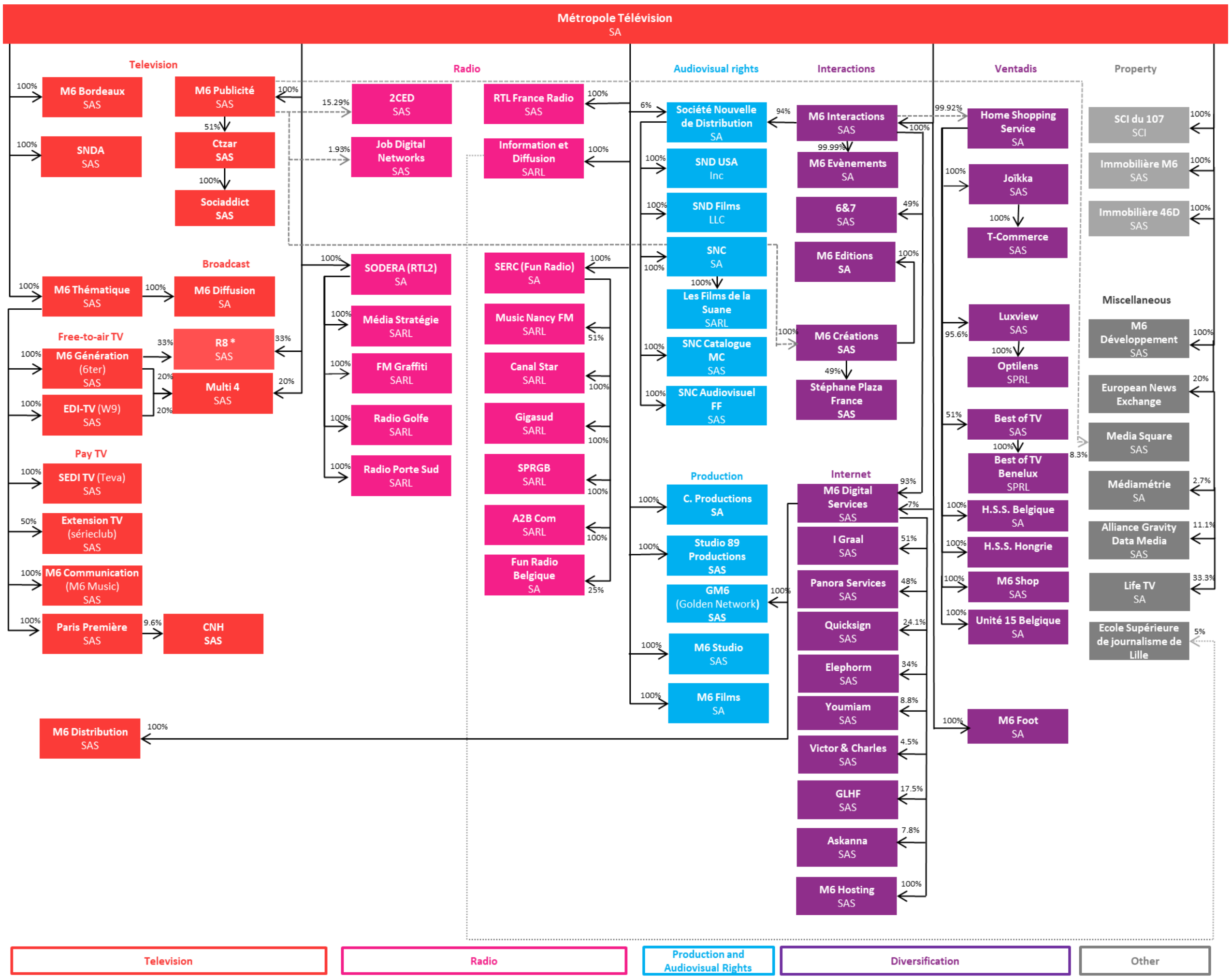
3 *Sources: Euroclear for the shareholding breakdown / Euronext for share price trends*

1.1.4 Non-financial indicators



1.2 GROUP STRUCTURE AT 31 DECEMBER 2018

(% of share capital)



** Organisation in liquidation at 31/12/2018*

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

1.3 GROUP STRUCTURE

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

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

In this regard, the following companies were merged early in 2018, with a retroactive effect for tax and accounting purposes:

- On 30 April 2018, Ediradio was merged into Métropole Télévision;
- On 30 April 2018, RTL net was merged into M6 Web;
- On 31 May 2018, IP France, IP Régions and Mediapanel were merged into M6 Publicité;
- On 31 May 2018, RTL Spécial Marketing was merged into M6 Interactions;
- On 31 May 2018, Parisonair was merged into M6 Événements;
- On 22 October 2018, SCP was merged into M6 Publicité.

On 9 July 2018, M6 Web acquired 100% of Altima Hosting, which specialises in web hosting and managed IT services, to strengthen its Digital Services business based in Lille.

On 26 July 2018, M6 Group announced that it had finalised the sale of 100% of monAlbumPhoto (including the Printic business, merged into monAlbumPhoto on 20 April 2018).

On 6 June Audience Square was merged into La Place Media, thereby creating the digital marketplace Media Square, in which M6 Publicité currently holds an 8.3% stake.

On 19 September 2018, M6 Group, through its M6 Publicité advertising agency, announced that it had acquired a majority (51%) stake in Ctzar, a pioneering influence marketing agency, and its international Sociaddict network of over 15,000 influencers.

On 6 November 2018, M6 Group finalised the disposal of Football Club des Girondins de Bordeaux and all its subsidiaries.

On 31 December 2018, M6 Group acquired 50% of HSS Belgique from RTL Belgium, thus increasing its stake in the subsidiary to 100%.

Furthermore:

- On 5 March 2018, Mandarin Cinéma became SNC Catalogue MC;
- On 5 March 2018, Fidélité Films became SNC Audiovisuel FF;
- On 26 June 2018, M6 Talents became M6 Distribution;
- On 10 September 2018, M6 Divertissements became Joikka;
- On 22 October 2018, Métropole Télévision transferred the entire share capital of M6 Distribution to M6 Web;
- On 28 December 2018, SNC Catalogue MC, SNC Audiovisuel FF and SNC were transferred to Société Nouvelle de Distribution (SND) by Métropole Télévision;
- On 28 December 2018, SNDA was transferred by SND to Métropole Télévision;
- On 31 December 2018, Altima Hosting became M6 Hosting;
- On 31 December 2018, M6 Web became M6 Digital Services.

1.4 HIGHLIGHTS OF THE YEAR

1.4.1 History of key dates

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

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

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

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

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

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

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

2000: Creation of the M6 Web subsidiary.

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

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

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

2008: Launch of “M6Replay”, the first catch-up TV service in France.

2009: Football Club des Girondins de Bordeaux crowned French Ligue 1 champion for the 2008-2009 season. M6 aired Le 19’45, the channels’ new hosted newscast, for the first time.

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

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

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

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

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

2016: The M6 channel achieved its best historical audience, with an average of 20.8 million viewers for the final of Euro 2016 between Portugal and France. Sale of the websites happyview.fr and malentille.com to Alain Afflelou Group. Acquisition of the majority of the capital of the cashback company I Graal.

2017: M6 celebrated its 30th anniversary. Launches of the 6&7 record label and of Golden Network, the digital production studio dedicated to Millennials. Acquisition of the radio division of RTL Group in France (RTL, RTL2 and Fun Radio).

1.4.2 2018 financial year highlights

January

3: M6 Group and Altice-SFR announced the signing of a new comprehensive agreement for the distribution of M6 Group channels and their associated services to SFR subscribers.

16: M6 Group and Canal+ Group announced the signing of a comprehensive partnership for the inclusion of M6 Group content within Canal packages.

18: M6 Group and Orange announced the signing of a new comprehensive agreement covering the distribution of all M6 Group channels and related on-demand services.

24: M6 Group announced a new partnership with UEFA and became the official sponsor the French national team for the 2018-2019 to 2021-2022 seasons.

26: M6 Group was voted “Best Employer in France 2018” in the Media/Communications category according to the Institut Statista survey published in Capital magazine.

February

19: M6 Group announces the signing of an agreement for the distribution of its channels and related services to Bouygues Télécom subscribers.

22: M6 Group, via its subsidiary M6 Web, acquired a minority shareholding in Glory4Gamers, an organiser of online and off-line e-sport competitions for enthusiasts, which has more than 500,000 players.

March

4: 6ter achieved its all-time primetime audience record with the film *Sister Act*, which attracted 1 million viewers.

April

3: M6 Group and Free announced the signing of a new comprehensive agreement for the distribution of M6 Group channels and their associated services to Free subscribers.

19: Elmar Heggen, *Chief Financial Officer* and *Deputy Chief Executive Officer* of RTL Group, appointed Chairman of the Supervisory Board of M6 Group.

24: With Jean-Christophe Fromantin, Mayor of Neuilly-sur-Seine in attendance, Nicolas de Tavernost and Christopher Baldelli unveiled the new offices of the radio stations RTL, RTL2 and Fun Radio.

May

3: W9 achieved its all-time record audience with the second leg of the UEFA Europa League semi-final between FC Salzburg and Olympique de Marseille, which attracted an audience of 4.7 million.

16: M6 Publicité was voted “Sales House of the Year” by Stratégies at the Media Changers Awards.

17: The M6 channel broadcast the UEFA Europa League final between Olympique de Marseille and Atlético Madrid and achieved an audience of 6.7 million viewers (new audience record for a match in the tournament since 2004).

June

15: The M6, France Télévisions and TF1 Groups joined forces to create a French OTT platform, Salto. Salto.

26: Golden Network launched 5 new news platforms designed for social networks: GoldenNews, GoldenPop, GoldenFood, GoldenGenius and Wondher.

28: Announcement of the winners, selected from 207 entries, of the 3rd edition of the writing competition *Au-Delà des Lignes*, (Beyond the Lines) organised by the M6 Foundation with the Ministry of Education and the Ministry of Justice to help combat the exclusion of prisoners who struggle with writing.

July

19: At the end of the April-June 2106 audience wave, M6 Group’s Radio division completed its best season in 10 years. RTL, the undisputed leader across all criteria, notably recorded its best audience share for 10 years, at 13%.

26: M6 Group transferred monAlbumPhoto, a leading e-commerce player in France in the printing and processing of photo albums and personalised photo products, to the Dutch group Albelli.

30: M6 Group signed an agreement with MGM, for the operation of the Audition Secrète format – developed internally by the production company Studio 89 – in 12 countries.

September

3: RTL was voted “Best Radio Station” for the second consecutive year at the Grand Prix des Médias CB News 2018 awards ceremony.

9: The France v. Germany match marked the M6 channel’s broadcast of its first match as official partner of the French national team and achieved an audience of 6.6 million viewers.

12: The sales houses of the France Télévisions, M6 and TF1 Groups launched Sygma – Data Video Access, standardised and secured access to the data logged in programmatic advertising.

19: M6 Group, through its M6 Publicité sales house, acquired a majority stake in the influence marketing agency Ctzar and its international Sociaddict network of over 15,000 influencers.

21: M6 Group continued to innovate in news and strengthened its commitment in the field of disability, launching *Le 10 minutes*, a new sign language news magazine show broadcast on 6Play.

November

6: M6 Group sold Football Club Girondins de Bordeaux to the US investment fund General American Capital Partners.

December

5: Release of the film *Asterix: The Secret of the Magic Potion*, produced by M6 Studio and distributed by SND.

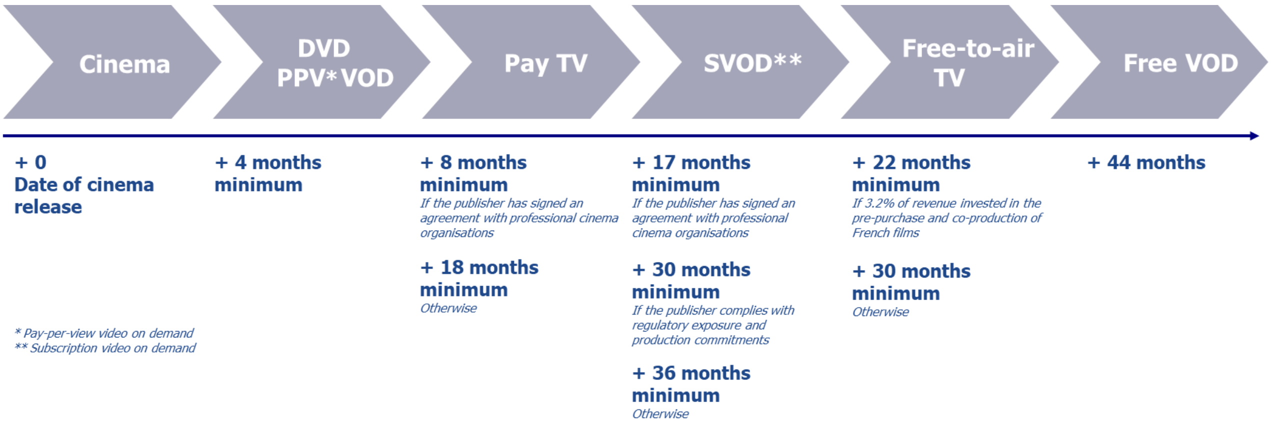
1.4.3 Main legal and regulatory developments in 2018

By virtue of its corporate purpose and status as an operator of free-to-air television and radio broadcasting licences, the Company is governed by a specific legal and regulatory regime which applies in addition to ordinary provisions, as specified in section 1.6.2 of this document. The main legal and regulatory developments introduced in 2018 are set out below.

1.4.3.1 Agreement on media chronology

On 21 December 2018, M6 Group, along with the leading pay and free-to-air television groups, cinema organisations (operators, distributors and producers) and video on demand publishers, signed a new agreement on media chronology. The Ministry of Cultural Affairs has already announced that this agreement will be subject to an extension order that will make it mandatory for the entire industry for a duration of 3 years.

Media chronology



1.4.3.2 Agreement between M6 Group and producers

On 2 February 2017, M6 Group, SATEV, SPECT, SPFA, SPI and USPA signed an agreement that reaffirms M6 Group’s commitments in the field of audiovisual production. This agreement was incorporated into the agreements concluded by M6, W9 and Paris Première with the Conseil Supérieur de l’Audiovisuel (CSA). The corresponding amendments were approved by the CSA in four decisions dated 20 December 2017 and published in the Journal Officiel on 7 June 2018.

1.4.3.3 Other legal and regulatory developments

Several laws, decrees and other pieces of legislation enacted over the course of 2018 are likely to alter the regulatory framework in which the Group carries out its activities:

- Law n° 2016-925 of 7 July 2016 relating to creative freedom, architecture and heritage amended the provisions of the Law of 30 September 1986 relating to the broadcast of French language songs by private radio stations. Via a **decision dated 25 April 2018**, the CSA set out the implementation rules of these provisions for certain specialist radio stations, notably stations specialised in discovering new music artists.
- The Law n° 2018-493 of 20 June 2018 transposes European Union Regulation n° 2016/679 (General Data Protection Regulation), which was adopted by the European Parliament on 27 April 2016 and came into force on 25 May 2018. These texts establish a new legal framework for the collection and use of the personal data of individuals in France and throughout the European Union.

- The planned reform of the **AVSM** (Audiovisual Media Services) **Directive** was adopted by the European Parliament and the EU Council on 2 October 2018 and 9 November 2018 respectively. The new Directive specifically provides for:
- The extension of the scope of the Directive to cover video sharing platforms and social media sites;
- The requirement for a quota of 30% European works in the catalogues of on-demand audiovisual media services (ODAVMS);
- The application of the rules of the country targeted for contributions to audiovisual media services to fund creation;
- A relaxing of EU regulations governing the broadcasting of advertising.

The government has already announced that it will be transposed into French law in a bill to be introduced in the course of 2019.

- By a decision dated 12 December 2018, the CSA extended to radio stations and ODAVMS belonging to audiovisual groups the practice referred to as "cross-promotion" which in 2008 was approved between the television channels of a single group.
- Law n° 2018-1202 and Organic Law n° 2018-1201 **relating to combatting the manipulation of information** were enacted on 23 December 2018. They allow an applicant or a party to refer a matter to the urgent applications judge to bring an end to the broadcast of "misinformation" (fake news) during the three months preceding a national election These two laws also strengthen the jurisdiction of the CSA which could suspend the broadcast of television services broadcast by a foreign State and which damage the Nation's fundamental interests or participate in a campaign to destabilise its institutions.
- The **2019 Finance Act** (Law n° 2018-1317) enacted on 30 December 2018 removed taxes on commercials broadcast on television and radio as provided for by Articles 302 bis KA, KD and KG of the French General Tax Code from 1 January 2020.

M6 Group is also participating in the work of the fact-finding mission on "New regulations of audiovisual communication in the digital era" set up by the National Assembly's Cultural Affairs Committee to consider a review of the Law of 30 September 1986.

M6 Group is also closely monitoring several potential regulatory or legislative changes that could modify the regulatory framework in which the Group operates, in particular at European level:

- On 13 December 2018, the European Parliament, Council and Commission announced that they had reached agreement on the draft reform of the Satellite and Cable Directive. The text, which is still to be formally validated by the Council and Parliament, specifically provides that the country of origin principle be applied to copyright for news programmes and for programmes entirely financed and controlled by broadcasters;
- The draft Directive on Copyright within the single digital market is still being negotiated by the EU Parliament, Council and Commission.

1.4.3.4 Development of digital terrestrial television

By a decision dated 25 July 2018, the Conseil Supérieur de l'Audiovisuel launched a call for applications for the production of digital terrestrial multiplexed radio services.

The aim of such broadcasting in DAB+ is to complement broadcasting in FM mainly on roads and motorways to allow uninterrupted listening for audiences on the move.

Within this framework, M6 Group's radio stations submitted applications for RTL, Fun Radio and RTL2 in order to have coverage to broadcast their programmes across all mainland France. These two applications are currently being considered by the Conseil supérieur de l'audiovisuel.

1.5 GROUP MARKETS AND OPERATIONS

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

The programming of M6, the second largest commercial channel in the market, is complemented by the other free-to-air channels, W9 and 6ter. The family of pay TV channels (Paris Première, Téva, sérieclub, M6, and M6 Boutique La Chaîne) enhances the Group's range of programming, with extensive presence across all broadcast platforms. All these channels are available on the 6play entertainment platform.

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

Moreover, the Group decided very early on to position itself on the production and audiovisual rights distribution markets, notably in order to provide the TV channels with high quality content.

Lastly, building on its brands, content, and air and advertising time available across all its media, M6 Group has gradually expanded its activities by means of diversification.

Conscious of developing synergies in its programmes, and of responding to and anticipating the expectations of its various audiences as well as their new viewing patterns, M6 Group has emerged as a content publisher firmly anchored in the new technology era.

1.5.1 Television

1.5.1.1 Business presentation

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

- Free-to-air channels (M6, W9 and 6ter), accessible without subscription via a digital signal, mainly funded by the advertising investments of advertisers who seek to optimise the efficiency and cost of their media campaigns. These channels are also, to a lesser extent, financed by revenue paid by distribution platform operators (primarily cable, satellite and IPTV operators), in accordance with the terms and conditions of commercial agreements between editors and distributors;
- Pay-TV channels (Paris Première, Téva, sérieclub, M6 Music) which rely on mixed financing, derived from both advertising revenues and distribution revenues from telecoms operators. The Paris Première channel also has a pay DTT licence.
- A TV entertainment platform, 6play, which offers the entire video output of the Group's channels via catch-up television services, as well as specific online channels, and financed by both advertising and by distribution revenues.

In addition, M6 Publicité – M6 channel's historical sales house, whose development it has supported – is currently responsible for marketing television, radio and internet advertising space.

Métropole Télévision, parent company of M6 Group, broadcasts the M6 channel. It decides its programming strategy, its acquisition and production policies, and its schedule structure. It also collects the revenues from the advertising and promotion broadcast on the channel. Moreover, Métropole Télévision defines the policy directions pursued by the various Group entities and manages the cross-company administrative and support functions. The entire Group's strategic financial assets are predominantly held by the parent company.

1.5.1.2 Market trends in the TV business and Group positioning

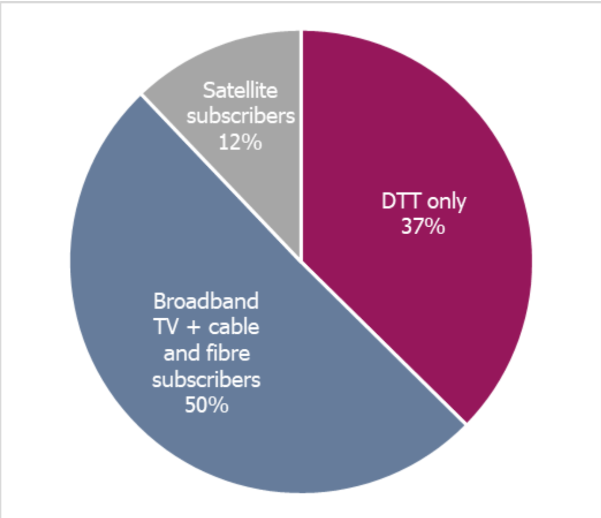
STRUCTURAL CHANGES IN THE TV MARKET

CONSTANTLY IMPROVING HOUSEHOLD EQUIPMENT

Today, practically all French households have a television. With an ownership rate of 94%4, it remains the most popular screen type within households. Furthermore, the vast majority of households are equipped with a 16/9, HD flat screen. This trend has been fuelled in particular by the development of the range of HD programming and the drop in the price of televisions.
Consumers are also making increasing use of alternative screens, most often computers (86% of households), but also smartphones (72%, up 3.1% year-on-year) and tablets, present in 49% of households (up 1.2% year-on-year). French people are also equipped with increasing numbers of screens, with an average of 5.6 per household. This trend reveals the growing diversity of media types offering access to audiovisual content.

77% of households own a connected television. which can be linked directly (a "Smart TV", as is the case for 33% of households with a television), or via a decoder in their provider's box (79%), games console (37%) or a third-party device (18%). It should be noted that the leading use of boxes (other than watching television over-the-air) is catch-up TV (94% of households with boxes use it), far ahead of S-VOD (60%).

CHANGING RECEPTION METHODS



Source Médiamétrie, Home Devices Study, 2018

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

The rate of terrestrial reception has now been overtaken by that of wired distribution (IPTV, cable and fibre optic): the proportion of households receiving television exclusively via terrestrial means continued to fall (37% of households during the second quarter of 2018 compared with 39% one year earlier), while the proportion of those receiving television exclusively via the Internet continued to grow (50% of households compared with 48% during the second quarter of 2017).

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

INDIVIDUAL TELEVISION SCREEN VIEWING TIME (4+ YEAR OLDS)

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

Since 2014, Individual Viewing Time has included the viewing of catch-up TV on television screens, the usage of which is growing rapidly.

In 2018 daily viewing time fell 6 minutes to 3 hours 36 minutes[5], , affected by record temperatures (2018 was the hottest year since 1900), but grew 12 minutes over 10 years.

Amongst young people, the decline is more marked (down 12% year-on-year for 15-24 year olds). Conversely, amongst the over 50s, viewing time remained at a record level (5 hours 6 minutes). The overall fall in viewing time was mainly due to a fall in the number of times the television is turned on. Time spent in front of the TV by those who decide to switch it on has actually remained fairly stable over the last 10 years[6].

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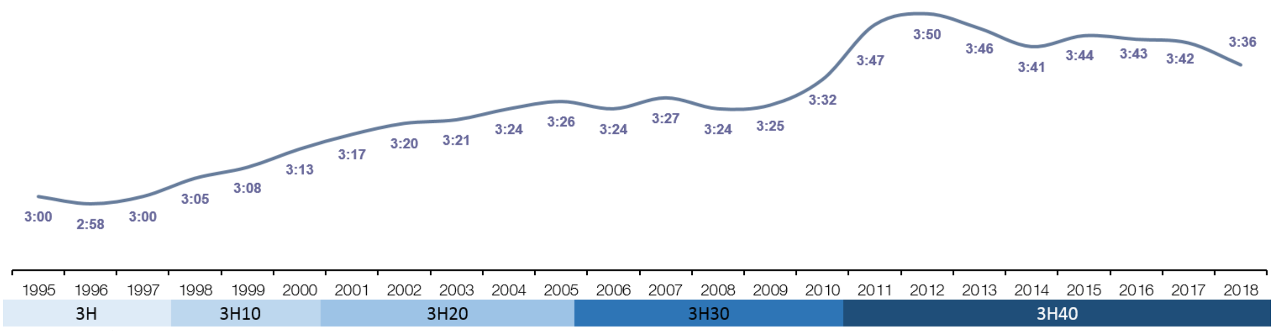
4 *Source: CSA – Monitoring household audiovisual equipment – first six months of 2018.*
5 *Source: Médiamétrie*
6 *Source: Médiamétrie – restit-tv – daily use of the TV (CR%) and Daily Viewing Time per Viewer (DVTV) since 2008*



Source: Médiamétrie

But television usage is also expanding via other media. As such, in 2018, Individual Viewing Time across 4 screens (television, computer, tablet, smartphone) stood at 3 hours 46 minutes.[7]

The majority of "video" viewing time spent on the four screens is devoted to watching television programmes (86%), far ahead of VOD and S-VOD (4%).

Television nevertheless remains a very powerful media: as such, 90% of French people's "viewing" time is devoted to TV content (live + replay).

Lastly, during the daily audience peak (at 9.29pm), 23.9 million French people are in front of their televisions, a figure that has remained stable over the last 10 years (24.1 million in 2008).

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

Almost one in two French people watch television in a different way: every day in 2018, more than 7.2 million French people watched programmes via catch-up, each spending in excess of an hour (1 hour 3 minutes).

And in parallel, use of S-VOD became more widespread. As such, between January and September 2018, 15.9% of French internet users said they had watched a programme via S-VOD during that time (vs. 10.5% for January¬ - September 2017). Every day, 4.6 million French people use an S-VOD service[8].

All these developments in relation to ownership, reception methods and technology have led to a change in the breakdown of audience share between the "traditional" analogue channels and "other TV", made up of:

- Cable and satellite pay channels, whose nationwide 4 plus year old audience share was 10.1% in 2018, compared with 12.2% in 2010[9];
- Free DTT channels, whose nationwide 4 plus year old audience share was 30.6% in 2018, compared with 19.7% in 2010, driven by HD DTT channels since 2012.

Overall in 2018, changes in TV audience shares on the 4 plus year old target (i.e. all audiences) were as follows, reflecting the so-called "audience fragmentation" phenomenon: traditional channels attracted 59.3% of the nationwide TV audience, compared to 40.7% for "Other TV".

Nationwide audience share (4+ year olds)[10]:

%	2018	2017	2016	2015		2010
M6	9.1%	9.5%	10.2%	9.9%		10.4%
TF1	20.2%	20.0%	20.4%	21.4%		24.5%
France 2	13.5%	13.0%	13.4%	14.3%		16.1%
France 3	9.4%	9.1%	9.1%	9.2%		10.7%
Canal+	1.2%	1.2%	1.7%	2.6%		3.1%
France 5	3.5%	3.6%	3.4%	3.4%		3.2%
Arte	2.4%	2.2%	2.3%	2.2%		1.6%
TOTAL traditional channels audience share *	**59.3%**	**58.5%**	**60.6%**	**62.9%**		**68.1%**
W9	2.6%	2.6%	2.5%	2.6%		3.0%
TMC	3.0%	3.2%	3.0%	3.1%		3.3%
NT1 / TFX	1.9%	2.0%	1.9%	2.0%		1.6%
NRJ 12	1.5%	1.6%	1.7%	1.8%		1.9%
Virgin 17 / Direct Star / D17 / C Star	1.1%	1.2%	1.2%	1.2%		1.0%
Gulli	1.7%	1.6%	1.6%	1.6%		2.2%
France 4	1.6%	1.8%	1.9%	1.7%		1.6%
Direct 8 / D8 / C8	3.0%	3.3%	3.4%	3.4%		2.0%
i>Télé / Cnews	0.7%	0.6%	0.9%	1.0%		0.7%
BFM TV	2.6%	2.7%	2.3%	2.2%		0.9%
6ter	1.6%	1.7%	1.4%	1.1%		n.a
HD1 / TF1 Séries Films	1.8%	1.9%	1.8%	1.2%		n.a
RMC Découverte	2.2%	2.1%	1.8%	1.3%		n.a
Numéro 23 / RMC Story	1.4%	1.2%	0.8%	0.6%		n.a
Chérie 25	1.1%	1.1%	1.1%	0.7%		n.a
L'Equipe 21 / L'Equipe	1.2%	1.1%	0.9%	0.6%		n.a
LCI	0.7%	0.6%	0.3%			
TOTAL DTT channels audience share	**30.6%**	**31.5%**	**29.4%**	**27.1%**		**19.7%**
TOTAL cable and satellite channels audience share *	**10.1%**	**10.0%**	**10.0%**	**10.0%**		**12.2%**
TOTAL	**100%**	**100%**	**100%**	**100%**		**100%**

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

7 *Source: Médiamétrie – L'année TV 2018*
8 *Source: Médiamétrie – L'année TV 2018*
9 *Source: Médiamétrie*
10 *Source: Médiamétrie*

On the commercial target, this audience fragmentation is even more stark. Thus, in 2018, the traditional channels represented only 53.9% of audiences (down 14 pp in eight years).

Nationwide audience share WRP<50[11]:

%	2018	2017	2016	2015		2010
M6	15.0%	15.7%	16.0%	15.4%		16.5%
TF1	22.5%	22.1%	22.4%	23.4%		28.1%
France 2	8.4%	8.3%	8.6%	9.8%		12.0%
France 3	4.0%	3.7%	3.9%	4.0%		6.0%
Canal+	1.0%	0.9%	1.5%	2.4%		2.6%
France 5	2.0%	2.0%	2.0%	1.9%		2.1%
Arte	1.0%	0.9%	0.9%	1.0%		0.6%
TOTAL traditional channels audience share *	**53.9%**	**53.6%**	**55.4%**	**57.8%**		**67.9%**
W9	3.8%	4.0%	3.8%	3.8%		3.9%
TMC	4.1%	4.3%	3.8%	3.6%		3.6%
NT1 / TFX	3.3%	3.5%	3.5%	3.2%		1.6%
NRJ 12	2.3%	2.5%	2.5%	2.5%		2.5%
Virgin 17 / Direct Star / D17 / C Star	1.4%	1.5%	1.5%	1.3%		1.3%
Gulli	1.6%	1.7%	1.5%	1.5%		2.1%
France 4	1.8%	2.0%	2.0%	2.0%		1.8%
Direct 8 / D8 / C8	3.2%	3.8%	4.0%	4.1%		2.0%
i>Télé / Cnews	0.4%	0.3%	0.6%	0.7%		n.c
BFM TV	2.1%	2.0%	1.9%	2.0%		n.c
6ter	2.6%	2.6%	2.4%	2.1%		n.a
HD1 / TF1 Séries Films	2.5%	2.2%	2.3%	1.8%		n.a
RMC Découverte	1.7%	1.6%	1.6%	1.2%		n.a
Numéro 23 / RMC Story	1.3%	1.1%	1.0%	0.9%		n.a
Chérie 25	1.1%	1.1%	1.0%	0.9%		n.a
L'Equipe 21 / L'Equipe	0.6%	0.5%	0.4%	0.3%		n.a
LCI	0.2%	0.2%	0.1%	n.a		n.a
TOTAL DTT channels audience share	**35.2%**	**36.1%**	**35.1%**	**32.5%**		**21.0%**
TOTAL cable and satellite channels audience share *	**10.9%**	**10.3%**	**9.9%**	**9.7%**		**11.7%**
TOTAL	**100%**	**100%**	**100%**	**100%**		**100%**

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

ADVERTISING MARKET

A GRADUAL RECONFIGURATION OF THE MARKET

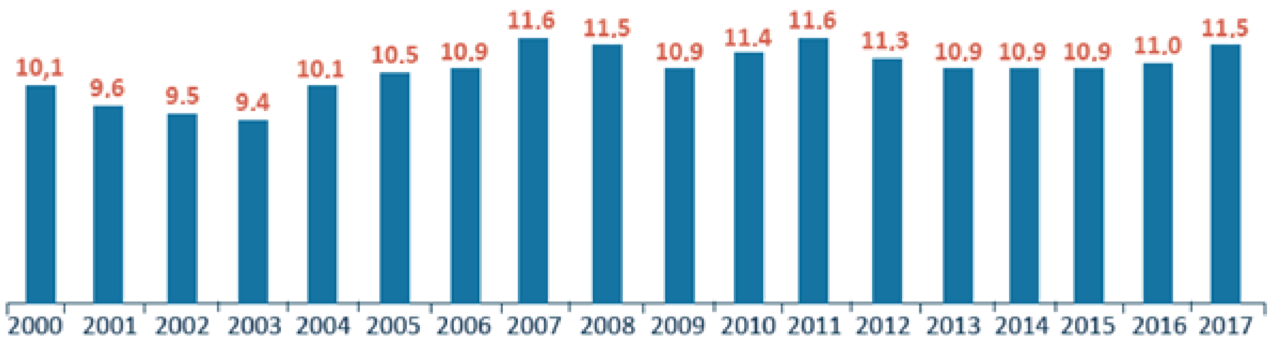
The resultant technological innovations and rapid changes to habits have altered the advertising market which has been significantly reconfigured over the past dozen or so years in favour of the Internet.

The press, historically the top medium chosen by advertisers, was the main loser from this market upheaval. Its advertising revenues fell 56% in 12 years[12].

Against this backdrop, the medium of TV proved most resilient with a market share of 29% in 2017, stable in relation to 2016, and to be compared with 31% in 2005.

Radio's market share was stable in 2017 compared with 2016, and has restricted its decline over the past 12 years.

Annual multi-media advertising revenue, 2000 – 2017
(Billions of current euros)

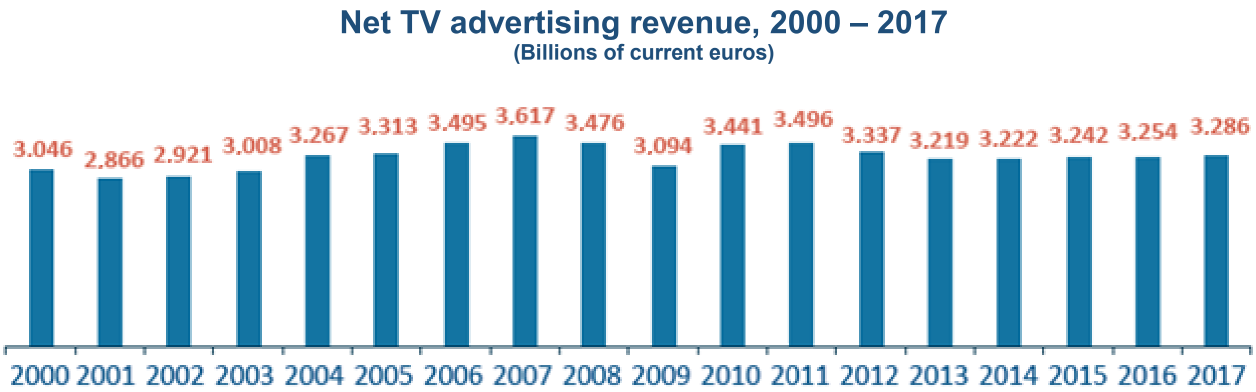


Source: Source IREP - Processed by CSA (net revenues)

Although the advertising market seems to have posted visible growth over the past 17 years, in reality it has suffered two cyclical crises: the bursting of the dot.com bubble in the early 2000s and the effects of the financial crisis that happened in 2008-2009.

11 *Source: Médiamétrie*
12 *Source IREP - Processed by CSA*

In 2017, the multimedia advertising market had still not returned to its peak of 2007, standing 9% below it.



Source: IREP - Processed by CSA

CHANGES IN THE MULTIMEDIA AND TV ADVERTISING MARKET BETWEEN 2017 AND 2018

Advertising expenditure (gross) – Multimedia[13]:

	2018		2017		2016
	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)
Total TV *	**14,025.9**	**6.6%**	**13,155.5**	**6.2%**	**12,389.7**
incl. traditional channels	*7,476.1*	*5.2%*	*7,106.7*	*0.1%*	*7,097.2*
incl. DTT channels	*5,621.8*	*6.8%*	*5,264.2*	*15.9%*	*4,541.0*
incl. Cab/Sat channels	*927.9*	*18.3%*	*784.6*	*4.4%*	*751.5*
Press	6,385.7	-5.0%	6,723.8	-3.7%	6,984.9
Radio	**5,147.5**	**3.9%**	**4,955.0**	**-0.9%**	**4,998.0**
Outdoor advertising	2,400.0	-4.1%	2,503.7	-7.7%	2,713.9
Cinema	571.6	0.6%	568.4	11.4%	510.0
TOTAL EXCL. INTERNET **	**28,530.7**	**2.2%**	**27,906.3**	**1.1%**	**27,596.5**

** including self-promotion*

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

Developments in the multiyear multimedia advertising market, internet excluded (press, television, outdoor advertising, radio and cinema) highlighted the following trends:

- Gross advertising expenditures increased slightly. This figure however masks mixed trends amongst the various media: television, radio and cinema saw their gross advertising revenues increase, whilst press revenues and outdoor advertising fell.
- Television had a greater market share over the year, and in 2018 represented 49% of multimedia investments, internet excluded (gross data). Television reaffirmed its position as the leading advertising medium (internet excluded) and the benchmark medium in France.
- In addition, according to the online advertising watchdog, the net market for online advertising, search engines excluded (display and other levers, such as affiliation, emailing and price comparison services) was worth €2,601 million[14], a year-on-year increase of 23%, and now represents 20.9% of the multimedia advertising market.

Video display (47% increase in revenues to €847 million) is one of the major growth drivers in online advertising.

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

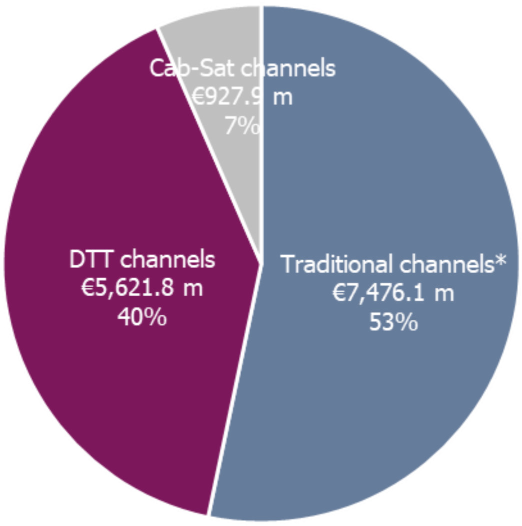
According to the Group's estimates, net advertising investments in television may have grown 1.0% / 1.5% in 2018.

The different types of channels developed differently. Thus, DTT channels progressively gained market share, reaching 40% in 2018, while traditional channels currently account for 53% of gross advertising investments in television.

13 *Source: Kantar Media*
14 *19th Observatoire de l'e-pub SRI, 31 January 2019*

In addition, the cable and satellite channels represented 7% of the gross television advertising investments in 2018.

Advertising expenditure (gross) – TV: market share analysis by segment[15]:



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

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

GROSS traditional channel TV expenditure (traditional channels, excluding self-promotion and regional channels[16]:

	2018		2017		2016		2015		2014
	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)	(% change)	(€ millions)
M6	**2,144.9**	**+1.5%**	**2,113.6**	**+8.4%**	**1,949.1**	**+6.2%**	**1,834.8**	**+4.8%**	**1,751.0**
TF1	3,667.6	+2.9%	3,563.1	-0.2%	3,569.2	-0.2%	3,576.3	+2.1%	3,502.6
France 2	389.1	+4.4%	372.6	+1.9%	365.8	+10.8%	330.1	+17.8%	280.2
France 3	148.4	-2.1%	151.6	+4.4%	145.2	+5.6%	137.5	-4.9%	144.6
France 5	51.6	+7.9%	47.8	+13.5%	42.1	+13.2%	37.2	+16.1%	32.1
TOTAL *	**6,401.7**	**+2.4%**	**6,248.7**	**+2.9%**	**6,071.4**	**+2.6%**	**5,915.8**	**+3.6%**	**5,710.5**

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

GROSS traditional channel TV advertising market shares (traditional channels, excluding self-promotion and regional channels)[17]:

	2018		2017		2016		2015		2014
	Market share	(% change)	Market share	(% change)	Market share	(% change)	Market share	(% change)	Market share
M6	**33.5%**	**-0.3pp**	**33.8%**	**+1.7pp**	**32.1%**	**+1.1pp**	**31.0%**	**+0.4pp**	**30.7%**
TF1	57.3%	+0.3pp	57.0%	-1.8pp	58.8%	-1.7pp	60.5%	-0.9pp	61.3%
France 2	6.1%	+0.1pp	6.0%	-0.1pp	6.0%	+0.4pp	5.6%	+0.7pp	4.9%
France 3	2.3%	-0.1pp	2.4%	+0.0pp	2.4%	+0.1pp	2.3%	-0.2pp	2.5%
France 5	0.8%	+0.0pp	0.8%	+0.1pp	0.7%	+0.1pp	0.6%	+0.1pp	0.6%
TOTAL	**100%**		**100%**		**100%**		**100%**		**100%**

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

DTT CHANNELS: DISTRIBUTION OF ADVERTISING MARKET SHARE (GROSS DATA IN %)[18]

The breakdown of the gross advertising market for DTT channels, which totalled €5,621.8 million in 2018, an increase of 6.8%, reflects the breakdown of the audience share of each of the channels, as well as the strength of the Puissance TNT advertising offer, the advertising medium that delivers the highest GRP on DTT.

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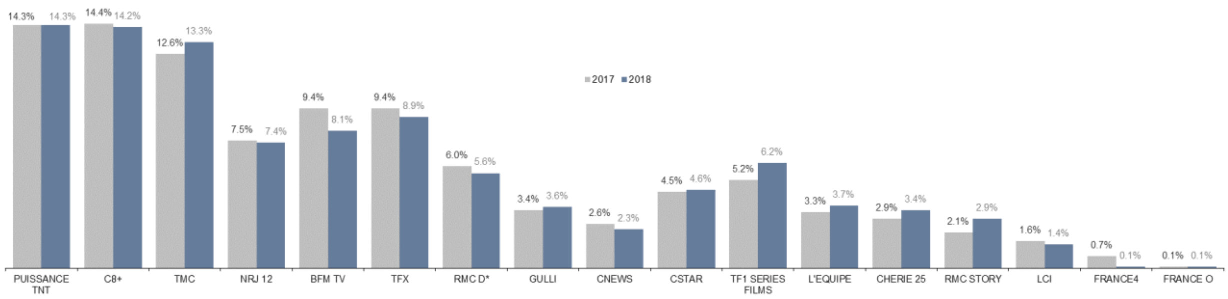
15 Source: M6 / Kantar Media estimates
16 Source: Kantar Media, gross data for TF1, M6 and Canal+, net for FTV
17 Source: Kantar Media, gross data for TF1 and M6, net for FTV
18 Source: Kantar Media, DTT channels excluding self-promotion

It was as follows:

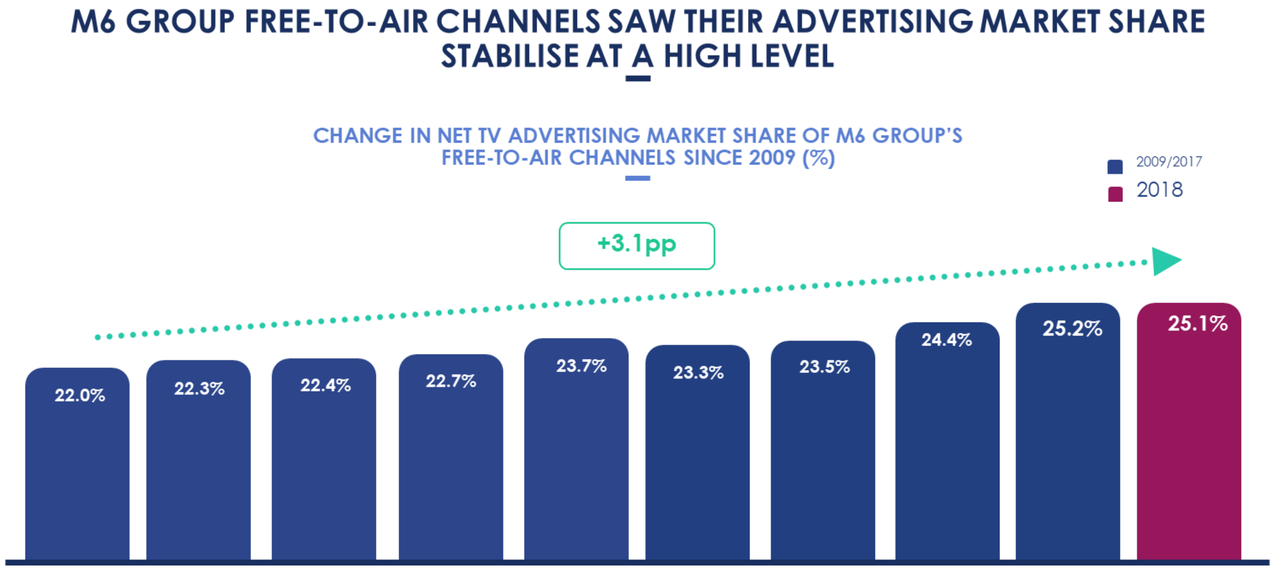


** Since 1 January 2017, the Canal sales house has been marketing C+ and C8 screens under a single medium, C8+, medium belonging to the DTT environment.*

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

The distribution of the gross advertising market of cable and satellite channels, which totalled €927.9 million in 2018, potentially involves more than a hundred channels.

1.5.1.3 M6 Group TV market positioning and strategy in 2018[19]



Source: IREP + M6 estimates for 2018 (based on TV advertising market growth of 1.1%)

Overall, the Group's sales house, M6 Publicité, achieved a total market share of 23.6%[20] in 2018 (gross advertising market share, measured by adding terrestrial, DTT, cable and satellite revenue), estimated by M6 to be 25.1% in net figures (free-to-air channels only), across the entire TV advertising market, thus retaining its rank as the number two French sales house.

In 2018, M6 Group's family of free-to-air channels achieved an average audience share of 13.3% across all audiences and 21.4% on the commercial target of women under 50 responsible for purchases.

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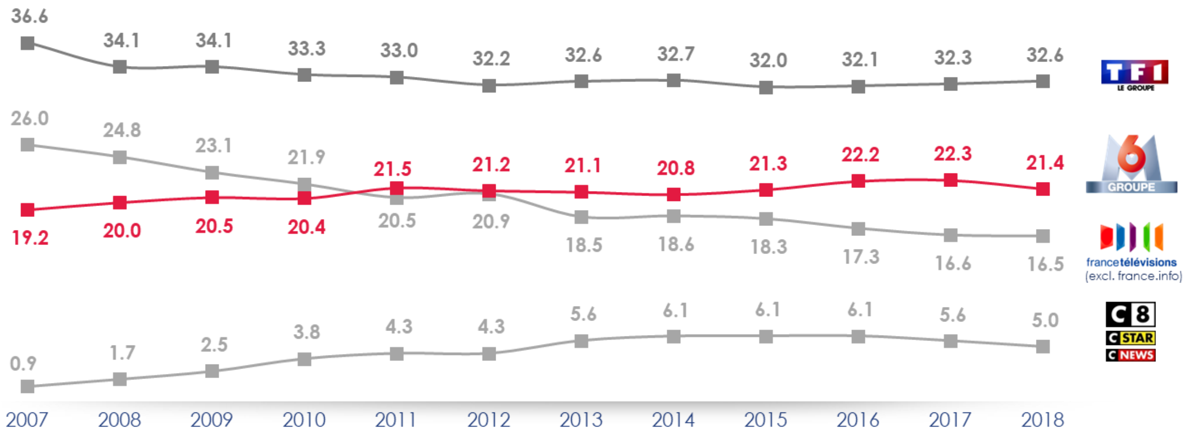
19 Source of all audience data: Médiamétrie
20 Source: Kantar

2018: M6, N° 2 CHANNEL ON THE COMMERCIAL TARGET

FULL-YEAR WRP<50 AUDIENCE SHARE OF TV GROUPS (%)



FREE-TO-AIR TELEVISION

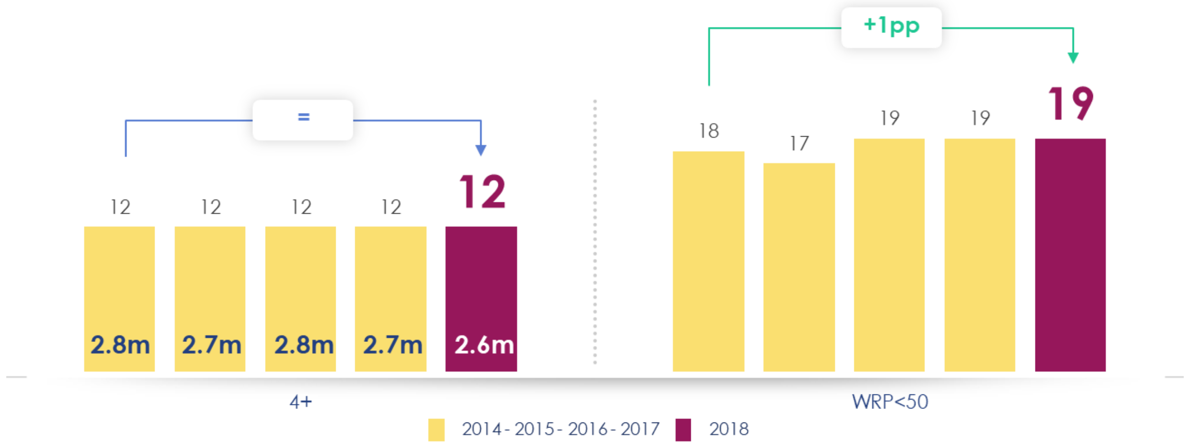
M6

The M6 channel maintained its second placed ranking amongst WRP<50, with a 15.0% audience share, despite the fall in its audience figures during periods of the day with lower advertising spend (morning and afternoon).

M6 held up very well during the strategic primetime slot, remaining stable over the past 5 years.

2018: FOR THE PAST 5 YEARS, THE M6 CHANNEL HAS REMAINED STABLE DURING PRIMETIME, AT A GOOD LEVEL ON THE COMMERCIAL TARGET

AUDIENCE SHARE 4+ / WRP<50 (%) / AUDIENCE IN MILLIONS OF VIEWERS – 9.10PM-11PM TIMESLOT - CONSOLIDATED AUDIENCE FIGURES

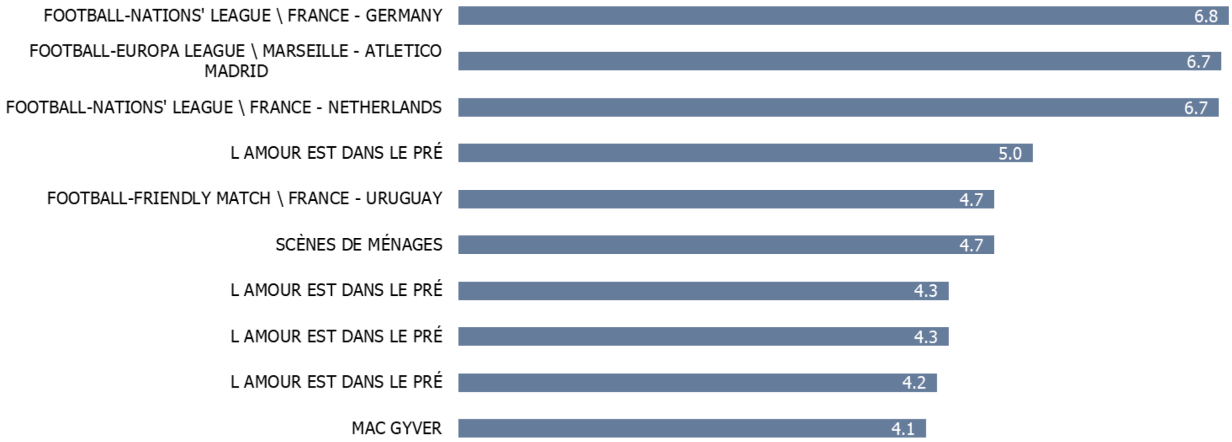


These results are an indication of the Group's desire to invest in content and to develop entertainment brands, which will ensure its long-term success in the face of changing habits. The channel thus succeeded in developing its leading traditional brands:

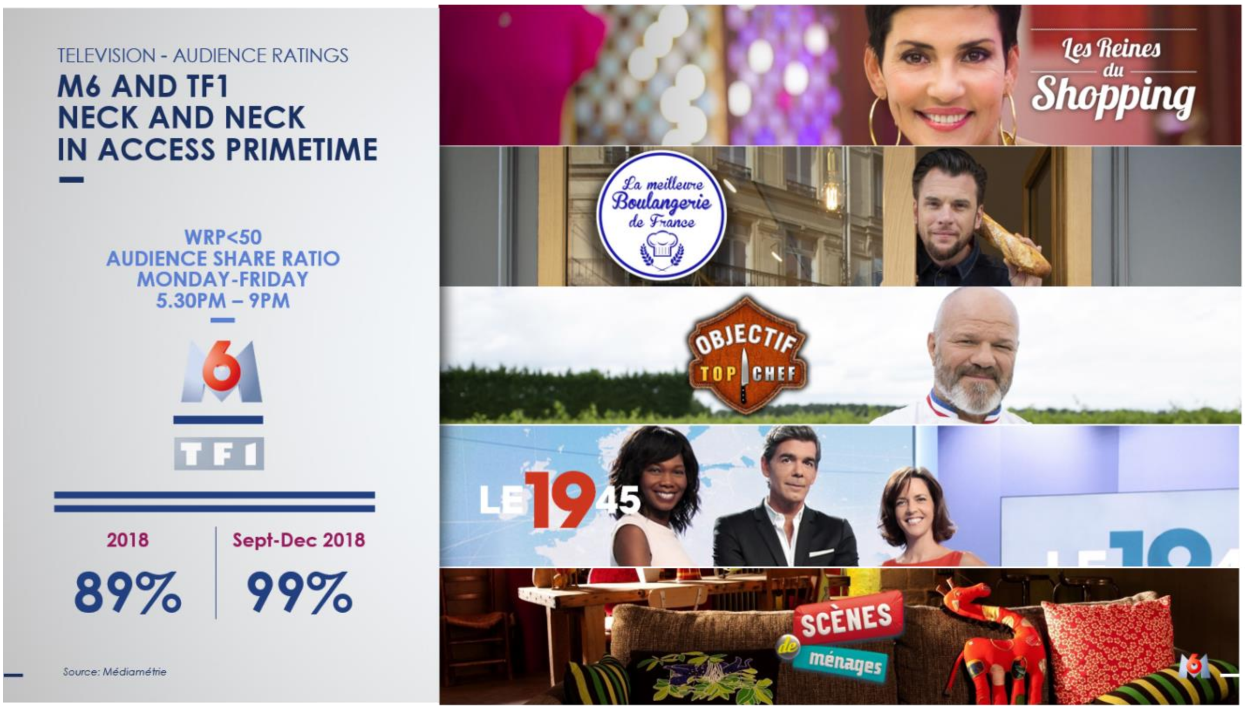
- *La France a un incroyable talent*: 2nd best ever season amongst WRP<50 (22%) and 3.7 million viewers on average;
- *Le Meilleur Pâtissier*: 2nd best ever season amongst WRP<50 (28%) and 3.2 million viewers on average;
- *Top Chef*: best season amongst WRP<50 in 5 years (24%) and 3.1 million viewers on average;
- *Pékin Express*: best ever season amongst WRP<50 (28%) and 2.9 million viewers on average;
- *Zone interdite*: best season amongst WRP<50 since 2009 (19%) and 2.4 million viewers on average;
- *Capital*: best season amongst WRP<50 since 2009 (17%) and 2.4 million viewers on average.

In addition, the M6 channel continued to invest in event-driven content in 2018. The channel is now the official broadcaster of the French men's national football team. As such, over the second half-year it broadcast 3 matches, which secured 3 of its 5 highest audience ratings in 2018.

Top ten M6 audience ratings in 2018 (millions of viewers):



In the early primetime slot, M6 continued to perform at a high level thanks to the consistency and strength of its programme scheduling. This key timeslot, also highly prized by advertisers, takes audiences through to primetime.



W9

In the highly competitive free DTT market, M6 Group continued to consolidate the positioning of W9 as a leading DTT channel, with a view to making it a general-interest channel for under 50 year-old audiences. The average age of the channel's viewers stood at 46.

Having completed its best season in 4 years in June, W9 successfully maintained its audience share across the entire viewing public (aged 4 and over) at 2.6% in 2018, where its main private rivals stumbled. On the commercial target of women under 50 responsible for purchasing, W9 was the second biggest DTT channel with an audience share of 3.8%.

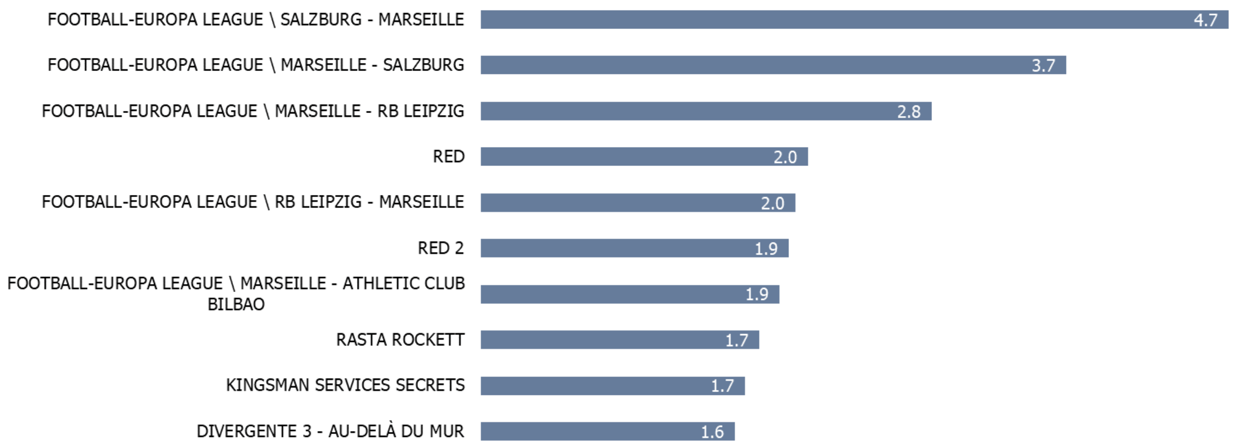
In primetime, W9 posted growth, averaging 0.7 million viewers (3.3% audience share), representing the best performance of the so-called DTT channels. This strategic timeslot benefited from the healthy performances of magazine programmes, whose range is the strongest on DTT, due in particular to *Enquêtes criminelles* and *Enquêtes d'action*, films, driven by the major US franchises, and the Europa League, thanks to which W9 achieved its all-time best audience with the semi-final between RB Salzburg and Olympique de Marseille, which drew an audience of 4.7 million viewers.

W9 also confirmed its leadership in the digital sector, with 88 of the 100 highest audiences achieved by television programmes viewed via online screens, and a particularly strong presence on social media. This momentum was driven by the daily reality TV offering which in 2018 remained the most popular on DTT, attracting an average audience of 1 million for new episodes relating to its 4 enduring shows over the seven days after their broadcast: L*es Princes et les Princesses de l'amour* (seasons 5 and 6), *Les Marseillais Australia* (season 7), *Moundir et les apprentis aventuriers (*season 3) and *Les Marseillais vs le reste du monde* (season 5).

W9's image and reputation continues to grow: in 2018 the channel having confirmed its status as France's most well-known DTT channel. This solid performance is the result of an active and creative policy of producing ground-breaking programmes in access prime-time (*Un dîner presque parfait,* reality TV), in parallel with varied primetime programming, built around several pillars (films, series, sport, and magazines) and new shows embodied by modern and dynamic figures, from the worlds of music, entertainment and humour.

W9 is also the channel that offers the most regular sport on DTT. Having broadcast the Europa League free-to-air until the 2017-18 season, W9 now screens the French Women's team's football matches as well as a selection of the best men's football internationals.

Top ten W9 audience ratings in 2018 (millions of viewers):



6TER

Having completed its all-time best season in June, 6ter succeeded in maintaining its audience share at 1.6% in the 4+ age range in 2018. As with each year since its creation, it was ranked as the leading HD DTT channel on the commercial target, with an audience share of 2.6%. This level allowed it to consolidate, for the second consecutive year, its position as the fifth largest DTT channel across all age ranges combined in the WRP<50 category.

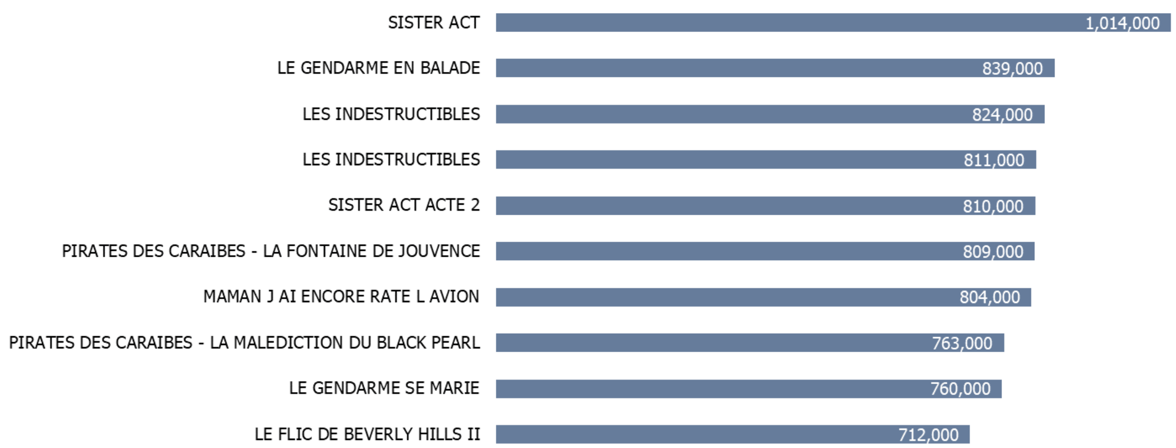
In early primetime, 6ter recorded growth, with an average of close to 0.350 million viewers. The slot, at its highest historic level amongst the over 4s and WRP<50, benefited from the launch of new brands, such as *Familles extraordinaires* and *Vous avez un colis*, as well as the healthy performance of US series and films.

Access primetime, another strategic timeslot, also posted growth on the commercial target thanks in particular to the success of the documentary series, *Les Mamans*. The audience for the programme launched in mid-2018 increased by 50% between the first and second seasons.

Moreover, 6ter's digital presence grew considerably, with the channel recording more than 57 million videos viewed in 2018 on 6play, meaning double that achieved in 2017.

6ter's family friendly image continued to grow stronger. In 2018, the channel recorded the best progress in terms of awareness of all the DTT channels. This performance was the result of an active policy of original programmes, with the successful introduction of new reality TV shows during the year (*Les Mamans*, *Familles extraordinaires* presented by Élodie Gossuin, *Vous avez un colis*), and a primetime schedule that continued to be diverse, built around several cornerstones: cinema and TV films, series and family entertainment shows (*Norbert Commis d'office*).

Top ten 6ter audience ratings in 2018 (number of viewers):



PUISSANCE TNT

In 2014, M6 Publicité introduced a unique solution in France to synchronise advertisements on its two free-to-air DTT channels - W9 et 6ter – through its "Puissance TNT" offer, thereby successfully positioning itself as the leader in this category of channels by offering the most powerful advertisements on DTT.

Across 2018 as a whole, Puissance TNT was the leading advertising package amongst the under 50s: it generated the strongest DTT slots in the under 50s[21] and women under 50 responsible for purchases categories.

6PLAY

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

- A comprehensive entertainment offering for the whole family in a single service through which all M6 Group's channels can be enjoyed both live and via catch-up, as well as the radio stations RTL2 and Fun Radio in a 100% video format, and a VOD catalogue with over 1,000 hours of TV programmes and original series;
- Technology at the forefront of innovation. 6play is the first catch-up to export its technical platform as a white label solution (Croatia, Belgium, Hungary, etc.).

In 2018, **6play** established itself as the essential replay service within the French audiovisual landscape:

- More than 1.4 billion videos viewed over the year;
- Average daily viewing time of 1 hr 14 per user on the TV screen, representing the best performance among the replay TV services[22],
- A markedly higher contribution to the television audiences of the Group's channels (5.6% on the WRP<50 target and 5.8% on the Millennials target[23]) than that of other channels' replay services.

In addition to the flagship programmes of M6 Group's linear channels, 6play continues to enhance its catalogue with new content not broadcast on the network, in all the areas popular amongst its users. In 2018, 6play launched more than 60 new brands.

In 2018, 6play also rolled out a strategy popular with both users (15 million videos viewed in this way on "*Manon + Julien = Bébé Fraté*", the spin-off of a reality TV series) and the market (6play won the "Best Digital Extension of a TV Programme Excluding Primetime" at the SMA Awards).

With more than 25 million accounts created and more than 150 identified user profile types, 6play can today leverage genuine expertise in marketing engineering to offer a totally personalised experience: multi-screen playback (from the same point), recommendations, favourites, etc.

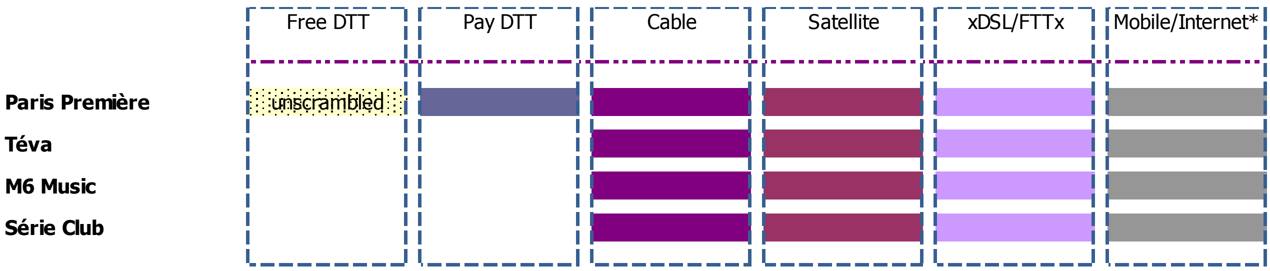
DIGITAL PAY CHANNELS

Digital pay channels are distributed on all broadcasting platforms and media (cable, satellite, IPTV, mobile, internet), with a view to maximising the potential of subscribing households/individuals. This distribution was increased for all the Group's pay-TV channels at the end of 2016 with the integration of the TV by CANAL packages offered from the most basic Free and Orange subscriptions.

In 2018, following the renegotiation of the Group's distribution agreements, Téva saw a fall in its exposure as a result of its exit from the basic service level of Orange's television package.

This significant exposure enables pay-TV channels to attract targeted or more general-interest audiences, depending on their positioning, and as a result offer commercial breaks that meet the objectives of advertisers' campaigns. Therefore, the Group has developed a family of pay channels to complement free-to-air channels, with strong and identity-building positioning, with the intent of making each of these channels a benchmark in its niche market (Paris Première for upper socio-economic targets, Téva for women).

Summary table of broadcasting network by channel (at 31 December 2018)[24]:



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

21 *Average GRPs over the entire day. Source: Popcorn 2018. Average GRP Entire 15 years and WRP 15-49 years calculated over the entire day.*
22 *Source: Total TV audience ratings, Médiamétrie, cumulative figures January-December 2018.*
23 *15-34 year olds*
24 *Source: M6*

Change in the number of households (4+ year old) equipped to receive M6 Group's pay channels[25]:

Number of households equipped to receive M6 Group's pay channels *						
	Dec. 18		Dec. 17		Dec. 16	
	Equipped households (millions)	% of households equipped with TV	Equipped households (millions)	% of households equipped with TV	Equipped households (millions)	% of households equipped with TV
Téva	10.9	41%	15.7	59%	12	46%
Paris Première**	10.7	40%	11.1	41%	7.7	29%
M6 Music	8.8	33%	8.9	33%	6.4	24%
Série Club	6.8	25%	6.3	24%	4.0	15%
Girondins TV***	-	-	5.7	22%	3.3	13%

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

*** Excluding Paris Première's unscrambled slots*

Closure of the channel at the end of October 2018

According to Kantar Media data, the cumulative advertising market share of M6 Group's pay channels (Paris Première, Téva, M6 Music and Série Club) in the thematic channels' environment totalled 16.8% in 2018, a decrease of 0.6 pp compared to 2017.

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 stable visibility and a strong identity.

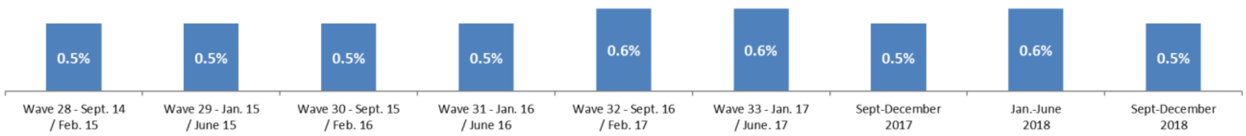
Paris Première benefits from an extensive broadcasting network: cable, satellite, IPTV, mobile TV (3G and 4G) as well as pay DTT since 21 November 2005, with a daily two-hour unscrambled time slot between 6.35pm and 8.35pm.

Within an ever more competitive audiovisual environment, Paris Première stood out by screening live performances, a wide range of films as well as original magazines where discussion, culture and the French art of living take centre stage. The channel's leading shows in 2018 included *Très très bon*, *Zemmour et Naulleau*, the very popular singers' show *La Revue de presse* and the new social issues magazine *Chez Moix*.

The channel's offering is also based on a full and varied events schedule, with plays and shows broadcast live (*Libres ! ou presque…*, *Le Temps qui reste*, Pierre Palmade's latest show, *Aimez-moi !*, etc.), events such as the Gérard Television Awards, the Baftas and the Miss World and Miss Universe pageants, as well as numerous comedy events (*Le Grand Gala de l'humour politique*, *La Bataille du rire*) and theme nights, plus iconic film seasons (Belmondo, Mocky, Pagnol, etc.).

Paris Première remains the most watched Pay-TV channel with monthly coverage of 10.5 million viewers. It is also the most popular general interest pay-TV channel in the upper socio-professional category.

Paris Première's audience share of 4+ year old individuals[26]:



TÉVA

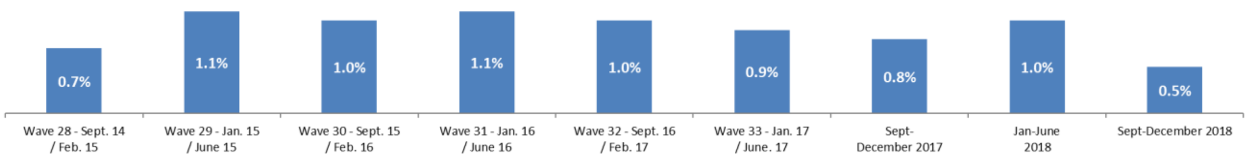
Launched more than 20 years ago, Téva, M6 Group's channel aimed at women, continues to be their greatest ally in the Pay-TV environment year after year. As such, Téva is the most popular channel amongst the female audience and one of the 3 most-watched channels within the pay-TV environment.

Known for its original series and magazine shows, in 2018 the channel confirmed its status as the leading channel for women's comedy with the success of the *Téva Comedy Show* and the second season of its short drama *Vie de mère*. The channel has also supported female empowerment and topics that affect women with a bold policy of documentaries, such as *L'affaire Weinstein: un an après* and *Les Françaises au lit*.

Alongside iconic magazine shows, a new programme focused on wellbeing, presented by Laury Thilleman, enhanced the lifestyle schedule (*Happy & Zen*).

Lastly, original series continued to give a voice to strong and remarkable and contemporary women (*Younger*, *Doubt*, *Madam Secretary* and *Murder*).

Téva's audience share of women under 50 responsible for purchases[27]:



25 *Source: distributor data / M6 estimates*

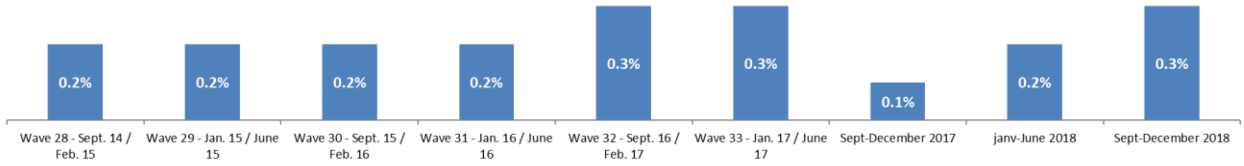
26 *Source: Médiamétrie / MédiaCabSat, extended competitive base*

27 *Source: Médiamétrie / MédiaCabSat, extended competitive base*

SÉRIECLUB

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

Série Club audience share of women under 50 responsible for purchases[28]:



M6 MUSIC

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

M6 Music is now:

- The most well-known music channel amongst French people with a recognition rate of 68%[29],
- The second most popular music channel in the 15-24 and 15-34 age ranges[30].

RENEWAL OF DISTRIBUTION AGREEMENTS

In 2018, which marked the expiry of all distribution contracts for M6 Group's channels and their related services, all of these agreements were renewed.

In this regard, M6 Group can take pride in having achieved its objectives: first, the remuneration levels for the digital channels were maintained, and second, M6 Group was able to obtain a value-share from distributors relating to the inclusion of M6, W9, and 6ter in their television offerings. This value had been entirely retained by the distributors up until 2017.

As part of the new agreements signed with Altice-SFR, Bouygues Telecom, Free, Canal+ Group and Orange, users of M6 Group's channels and services benefit from additional services as part of their distributor packages:

- extended broadcast windows for catch-up programmes.
- early release of programmes broadcast on M6 Group channels and additional programmes associated with the channels,
- exclusive programmes reserved for distributor packages,
- innovative and advanced features and technologies related to M6 Group content.

In addition, these agreements provide for collaboration on the development of targeted and enhanced advertising solutions in relation to the M6 services distributed on these platforms.

COMPREHENSIVE ADVERTISING PACKAGE

In 2018, M6 Publicité continued to expand its offering to further improve its appeal and value creation for its partners.

M6 Unlimited, the sales house's special operations division, restructured its customised range to offer its clients greater pooling between the Group's different media (TV, radio, digital).

Furthermore, the sales house launched the first visual targeting package on an online television service in France, with the use of artificial intelligence to analyse, second by second, its programmes' images. Commercials are broadcast just after the programme's scenes and situations in line with their products, so as to provide advertisers with extremely targeted advertising contexts within a highly contextualised brand safe environment, to ensure greater advertising effectiveness.

M6 Publicité also launched a number of radio innovations, including the first radio advertising campaigns on Amazon and Google connected speakers and for the first time in France, a contextualised prime space radio solution on the Group's 3 stations. This innovation helps grab the attention and improve recall of the first advert on a screen thanks to an advertising jingle personalised according to a calendar event or a programme theme. It is now possible to use the synergy between the Group's different media to contextualise a campaign across all formats.

M6 Publicité has also joined forces with the sales houses of the France Télévisions and TF1 Groups to launch SYGMA – DATA VIDEO ACCESS, a standardised and secured access to the data logged in programmatic advertising. This service provides advertisers and their agencies with high-quality video inventories combined with effective targeting, while simultaneously simplifying the purchasing process and ensuring the protection of user data.

CTZAR

The sales house strengthened its presence in influence marketing and enhanced its range of advertising solutions serving brands, by taking a majority shareholding in the company Ctzar and Sociaddict, its international network of more than 15,000 influencers. A pioneering agency in the field of influence marketing, Ctzar implements and manages influence campaigns internationally. Its unique expertise is focused on:

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28 Source: Médiamétrie / MédiaCabSat, extended competitive base

29 Recognition study on complementary channels conducted by the CSA Watchdog, 2018 wave

30 Médiamétrie/mediamat'Thématik wave 34, from Monday 4 September 2017 to Sunday 18 February 2018. Extended cable, satellite and IPTV environment

▪ the design of custom influence campaigns for brands: strategy, creative concept, highly targeted casting and measurement of results;

▪ the proprietary technology platform Sociaddict, which combines the quantitative and qualitative analysis of Ctzar’s influencer database.

1.5.2 Radio

1.5.2.1 Business presentation

The Radio division of M6 Group is the leading private radio group in France with an audience share of 19.5% in 2018.

Following the legal restructuring presented in Section 1.3 the radio division will be based on the three radio stations:

▪ RTL France and Information & Diffusion

Radio Luxembourg was created in 1933. In August 1946, Société pour l'édition radiophonique (SPERA) was created in France, becoming, in August 1951, Société pour l’édition radiophonique (EDIRADIO) whose purpose is news gathering, the creation of programmes and their broadcast, and assumed the trade name “RTL” (Radio Télé Luxembourg) in 1966. Since the acquisition of the division by M6, it is currently the company RTL France Radio which runs the RTL station. RTL is a general interest station providing news and entertainment.

In September 1956, the press agency Information & Diffusion (ID) was created. Its purpose was to provide information to the public via all forms of research and broadcast, notably through the medium of radio. It brings together journalists, reporters and international correspondents sent to areas in the news, in tandem with a volunteer engineer, to be as close to the action as possible.

▪ FUN Radio (SERC) and its regional broadcast network subsidiaries;

FUN was created in October 1985 in the south of France by three breakaway members of a rival station. Acquired by Hersant Group in September 1987, owner of the Chic FM network, FUN took on the trade name Fun Radio and was run by Société d’exploitation radio chic (SERC). RTL Group took a stake in the share capital of the company in 1993.

▪ RTL 2 (SODERA) and its regional broadcast network subsidiaries

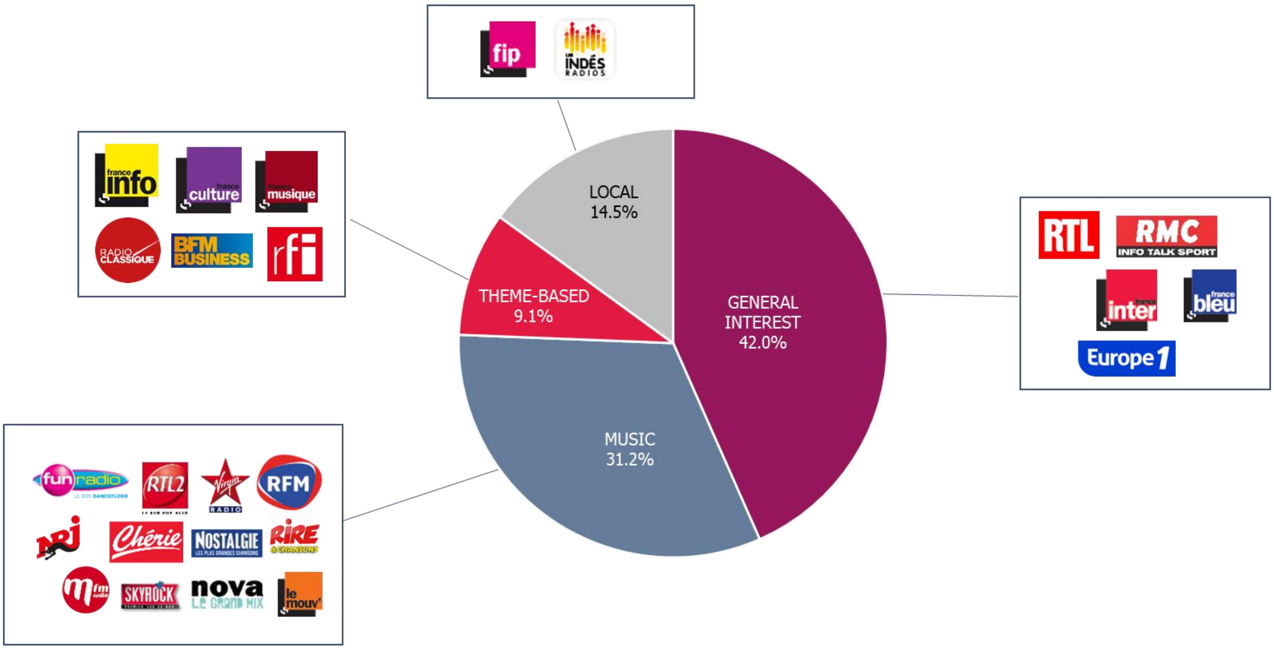
In December 1987, ADDIM (Association pour le Développement et la Diffusion de l’Information Militaire / Society for the Development and Broadcast of Military Information) and Bayard Presse decided to create Société de développement de radio diffusion (SODERA), then the broadcaster of Aventure FM which passed into the hands of RTL Group in 1989. The trade name was changed to "MAXXIMUM" which in 1992 became M40 before taking the name RTL2 in 1995.

1.5.2.2 Trends in the Radio business

STRUCTURAL CHANGES IN THE RADIO MARKET

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

Radio audience breakdown by genre (13+)[31]:

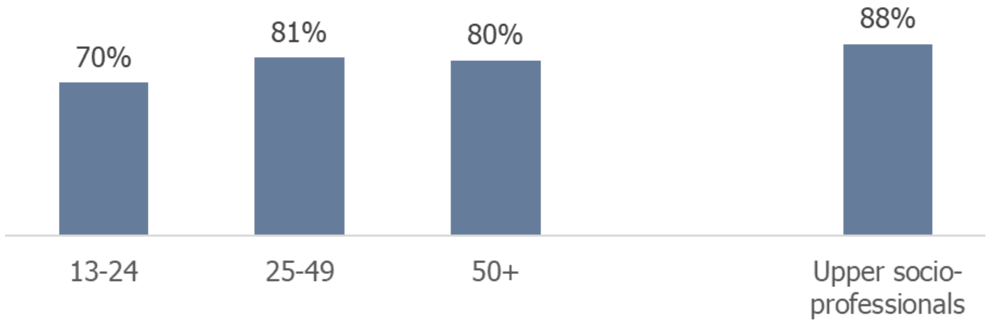


The commercial market is nevertheless barely fragmented with powerful private national stations and significant daily national coverage.

79% of French people listen to the radio every day, meaning 43 million listeners with a daily listening time of 2 hours 50 minutes.

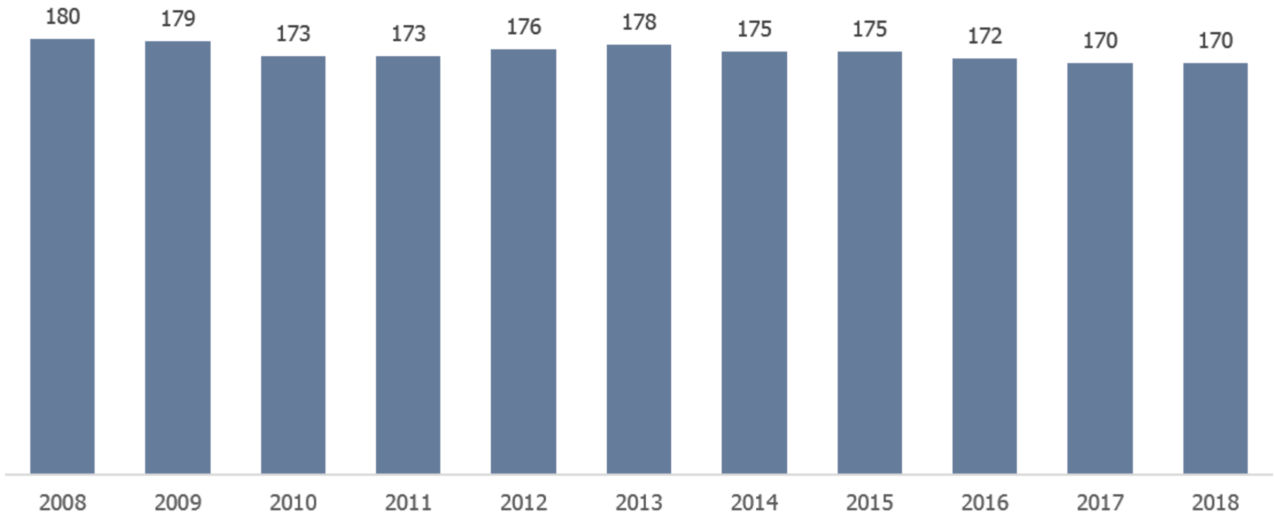
31 *Source: Médiamétrie 126,000, Year 2018, Monday-Friday, 5 am-12am, 13 +, aggregate audience share*

Listening percentage of Radio media by age[32]:



Radio listening time has remained stable overall since 2010.

Listening Time per Listener in minutes[33]:



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

32 *Source: Médiamétrie 126,000, Year 2018, Monday-Friday, 5 am-12am, Total Radio, cumulative audience share*

33 *Source: Médiamétrie – Monday to Friday – All listeners aged 13+*

Historical audience share – 13 years +[34]:

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EUROPE 1	5.1	5.8	6.8	7.5	7.8	7.6	7.4	7.5	8.1	8.3	7.9
FRANCE INTER	11.3	11.0	10.9	9.6	8.9	9.3	10.1	9.8	9.5	9.8	8.9
RMC	6.6	6.7	6.3	6.4	6.6	6.8	6.3	6.1	5.7	5.5	5.1
RTL	12.9	12.7	12.5	11.8	11.3	11.9	11.6	12.1	12.3	12.4	13.0
FRANCE BLEU	6.2	6.3	6.3	6.7	6.6	6.9	6.4	6.2	6.1	5.8	5.4
SUD RADIO	-	-	-	-	-	-	0.3	0.5	0.5	0.6	0.7
General-interest programmes	**42.0**	**42.4**	**42.8**	**42.0**	**41.3**	**42.5**	**42.1**	**42.2**	**42.2**	**42.4**	**41.0**
CHERIE	2.2	2.5	2.6	2.8	2.5	2.7	2.7	2.6	3.0	3.0	2.8
FUN RADIO	3.7	3.8	4.1*	4*	3.8	3.6	3.8	4.2	4.1	3.8	3.8
MOUV	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4
M RADIO	0.9	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.9
NOSTALGIE	4.6	4.1	4.1	4.0	4.0	3.9	3.8	4.2	4.4	4.9	5.1
NRJ	5.9	6.3	6.8	7.2	7.4	7.4	6.9	6.0	5.7	5.6	6.2
RADIO NOVA	0.4	0.5	0.5	0.6	0.7	0.7	0.6	-	-	-	-
RFM	3.1	3.1	3.2	3.3	3.1	3.0	3.1	2.8	2.9	3.0	3.1
RIRE ET CHANSONS	1.3	1.2	1.2	1.2	1.4	1.5	1.4	1.7	1.6	1.7	1.7
RTL2	2.9	2.6	2.7	2.6	2.9	2.8	2.9	2.9	2.8	2.9	3.0
SKYROCK	3.5	3.5	3.2	3.4	3.8	3.7	4.1	4.6	4.8	4.4	4.4
VIRGIN RADIO	2.5	2.7	2.8	2.5	2.1	1.9	2.1	2.3	2.6	2.8	3.1
Music programmes	**31.2**	**31.2**	**31.9**	**32.1**	**32.4**	**31.9**	**31.6**	**32.1**	**32.7**	**33.3**	**34.5**
FRANCE INFO	3.8	4.0	3.5	3.2	3.3	3.4	3.7	3.8	3.5	3.6	3.7
FRANCE MUSIQUE	1.3	1.2	1.2	1.1	1.0	1.1	1.0	1.0	0.9	1.0	1.1
FRANCE CULTURE	1.9	1.7	1.4	1.5	1.6	1.4	1.4	1.3	1.1	1.0	1.0
RADIO CLASSIQUE	1.6	1.6	1.7	1.6	1.8	1.7	1.7	1.6	1.6	1.6	1.4
Other theme-based radio stations**	0.5	0.6	0.5	0.6	0.5	0.6	0.7	0.5	0.6	0.6	0.5
Theme-based programmes	**9.1**	**9.1**	**8.3**	**8.0**	**8.2**	**8.2**	**8.5**	**8.2**	**7.7**	**7.8**	**7.7**
Les Indés Radios cluster	11.2	11.1	10.9	11.6	11.6	11.1	11.4	11.5	11.2	10.1	10.2
ALOUETTE	0.6	0.7	0.6	0.7	0.7	0.6	0.7	0.6	0.6	-	-
Other local radio stations ***	2.7	2.4	2.4	2.4	2.7	2.6	2.8	2.5	2.7	3.7	3.7
Local programmes	14.5	14.2	13.9	14.7	15.0	14.3	14.9	14.6	14.5	13.8	13.9
Other programmes ****	3.2	3.1	3.1	3.2	3.1	3.1	2.9	2.9	2.9	2.7	2.9
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

** recalculation*
** BFM Business and RFI-Radio France Internationale.*
*** other local stations not affiliated with a national network*
**** including foreign stations, other or non-identified stations, pirate stations and DKs*

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

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

ADVERTISING MARKET

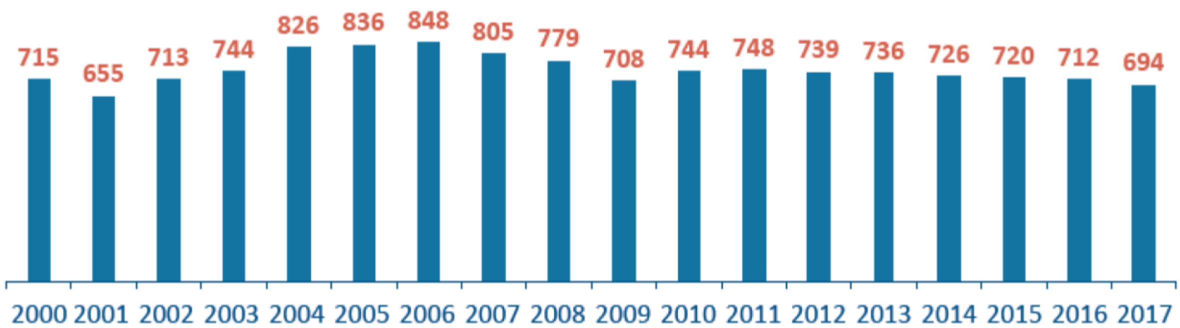
The multimedia advertising market is outlined in Section 1.5.1.2.

According to Kantar Media data, the cumulative advertising market share of M6 Group's radio stations (RTL, RTL2 and Fun Radio) totalled 25.3% in 2018, an increase of 0.2 pp compared to 2017.

According to the Group's estimates, net radio advertising investments increased by 0.5% in 2018.

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

Net radio advertising revenue, 2000 – 2017
(€ millions)



Source: IREP - processed by CSA

34 *Source: Médiamétrie 126,000, FY 2018, Monday-Friday, 5 am-12am*

Breakdown of GROSS Radio investments[35]:

	Inv. (€)		Market share of environment	
	Jan-Dec 18	change in %	Jan-Dec 18	change in pp
GENERAL-INTEREST STATIONS	**1,730.4**	**+3.5%**	**100.0%**	
RTL	721.4	+6.7%	41.7%	+1.3
RMC INFO	593.7	+4.8%	34.3%	+0.4
EUROPE 1	346.4	-5.7%	20.0%	-1.9
FRANCE INTER	68.8	+9.7%	4.0%	+0.2
MUSIC RADIO STATIONS FOR ADULTS	**1,821.4**	**+10.1%**	**100.0%**	
LES INDES RADIOS	726.3	+10.6%	39.9%	+0.2
RTL 2	275.6	+17.3%	15.1%	+0.9
NOSTALGIE	265.3	+17.1%	14.6%	+0.9
RFM	214.1	+10.0%	11.8%	-0.0
CHERIE	188.8	-5.2%	10.4%	-1.7
RIRE ET CHANSONS	84.6	+8.2%	4.6%	-0.1
M RADIO	35.0	+6.8%	1.9%	-0.1
NOVA	21.1	-3.4%	1.2%	-0.2
TSF JAZZ	10.6	+13.4%	0.6%	+0.0
MUSIC RADIO STATIONS FOR YOUNG PEOPLE	**1,196.9**	**-2.4%**	**100.0%**	
NRJ NATIONAL	602.5	+2.7%	50.3%	+2.5
FUN RADIO	250.5	-8.6%	20.9%	-1.4
VIRGIN RADIO	220.9	-9.3%	18.5%	-1.4
SKYROCK	123.1	+0.7%	10.3%	+0.3
OTHER	**187.9**	**+4.4%**	**100.0%**	
TOTAL EXCLUDING RADIO FRANCE	**4,821.2**	**+4.2%**		
TOTAL	**4,936.5**	**+4.3%**		

1.5.2.3 M6 Group radio market positioning and strategy in 2018

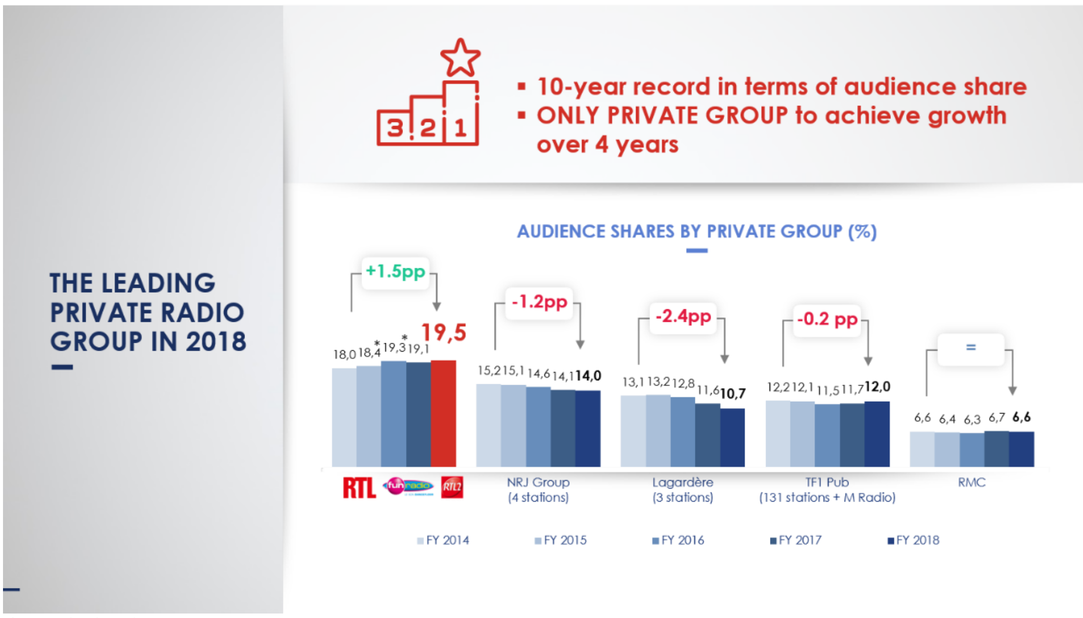
RTL Radio implements a resolutely forward-looking strategy to consolidate its leadership within a digital world undergoing profound change. It was against this backdrop that the 3 stations (RTL, RTL2 and Fun Radio) moved their entire operations to Neuilly opposite the Group's headquarters, between December 2017 and March 2018, into a single and new modern complex housing all its teams.

The integration of the Radio division happened throughout 2018 with a new structure founded in particular on the introduction of united support functions between radio and M6 Group's other activities.

The population coverage of the division's different stations reached 112.7 million[36] potential listeners and breaks down as follows:

- RTL: 52.3 million,
- Fun Radio: 31.7 million,
- RTL2: 28.7 million.

In 2018, the RTL Radio Division (RTL, Fun Radio, RTL2), with a 19.5% audience share, confirmed its position as the leading private radio group in France.



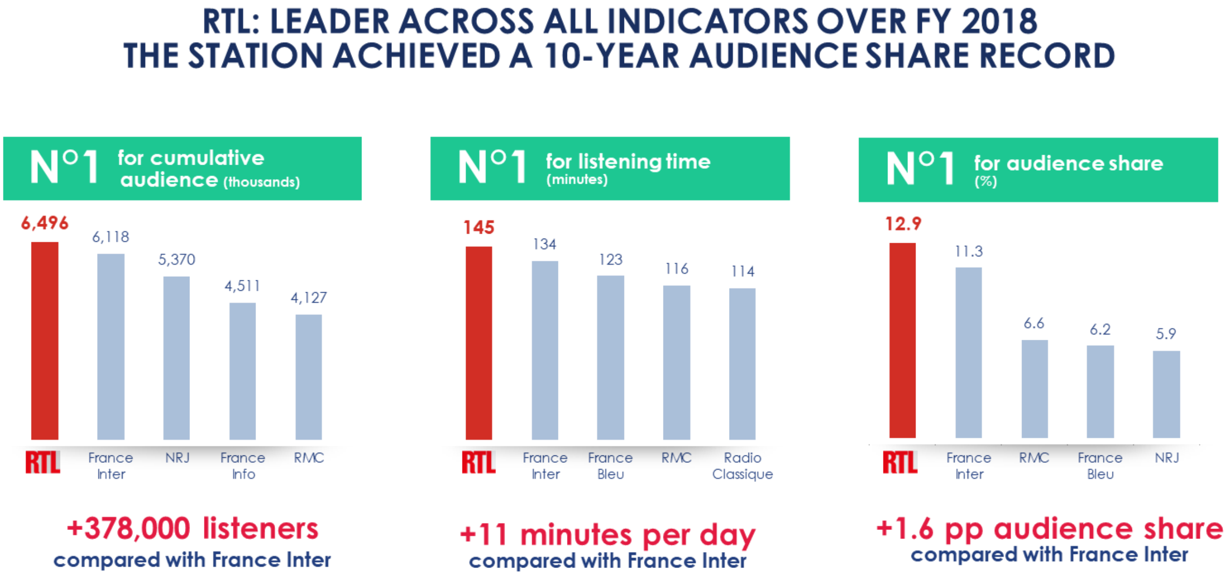
** Recalculated*
Source: Médiamétrie 126,000, Monday-Friday, 5 am-12am, 13 +, audience share

35 *Source Kantar Media*
36 *CSA data - 1 December 2017*

Its net advertising market share was estimated at 25.5% for 2018 as a whole.

RTL

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



Source: Médiamétrie 126,000, Year 2018, Monday-Friday, 5 am-12am, 13 +, cumulative audience, listening time per listener, audience share

RTL emerges from 4 consecutive years of growth and a most recent season with a new record, the largest audience share over the last 10 years. Furthermore, RTL continued to innovate and strengthen a schedule 87% of whose programmes achieved either stability or growth between September 2017 and June 2018. The arrival of Caroline Dublanche in the evening and Pascal Praud in Les Auditeurs ont la Parole, as well as Flavie Flament, Michel Cymes, Stéphane Carpentier and Denis Balbir at the weekend symbolise this ongoing innovation and this constant drive for excellence.

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

RTL's audience figures were excellent in 2018 and the station continued to underline its leadership on the radio market. The first part of the year, from January to June, was marked by record audiences which made the 2017-2018 season the most successful of the past 10 years, with an audience share of 13%[37]. From September onwards, with a schedule noticeably strengthened by the arrival of Caroline Dublanche and Pascal Praud, RTL restarted on a very firm footing as leader across all criteria and the top station in the upper socio-professional category.

RTL2

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

In 2018, RTL2 once again remained faithful to the positioning and musical expertise that have ensured its ongoing success over the past 20 years. From the start of September, it attracted 2,317,000 loyal listeners each day, making the Pop/Rock station the leader in the "young adult" segment[38]. Over the past twelve months, this same dynamic has enabled the station to record the highest growth out of the music stations in terms of audience share.[39]

RTL2 begins building its success at 6am each day with *Le Double Expresso*, which only launched on the station 2 years ago and has already won 56,000 new listeners in a year, representing a daily audience of 1,111,000 for morning Pop-Rock.

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

FUN RADIO

Fun Radio is the party and dancefloor sound station (since 2007) and it dances to the beat of the biggest Dance-Electro events on the planet. The station organises parties like the *FUN RADIO IBIZA EXPERIENCE* hosting the biggest DJs in the world.

The station has a daily audience of more than 3.0 million listeners and is today the 2nd most popular station with 25-49 year olds and the 3rd ranked music station in the upper socio-professional category.

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37 *Médiamétrie*

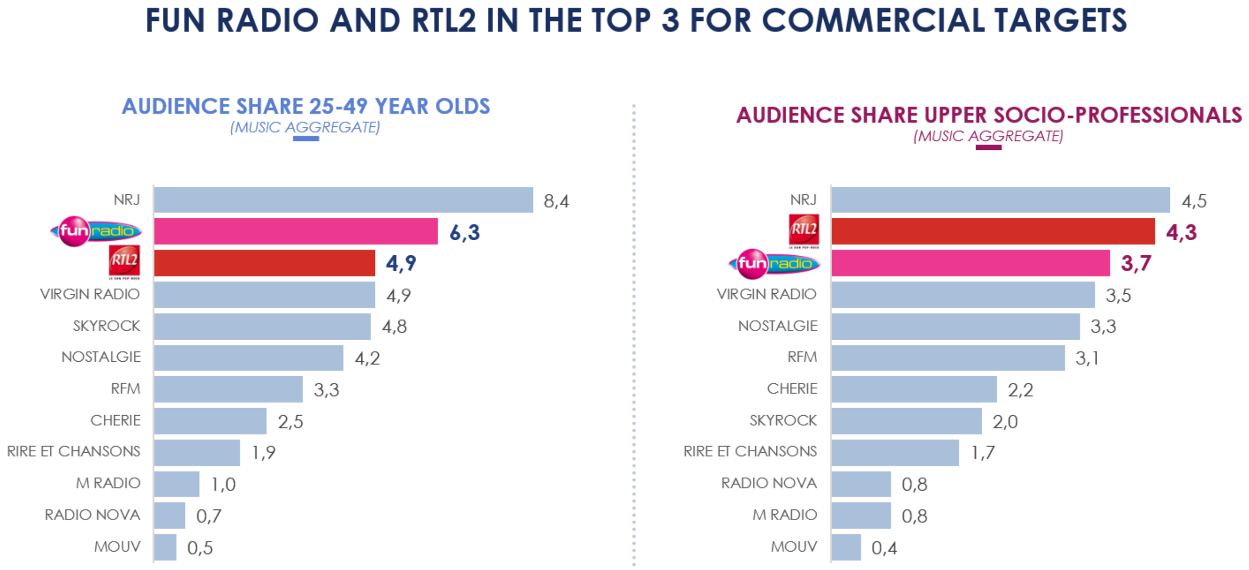
38 *Source: Médiamétrie 126,000, RTL2 vs Chérie, RFM and Virgin Radio, Sept-Oct 18, Monday-Friday, 5 am-12am, 13+, cumulative audience*

39 *Source: Médiamétrie 126,000, RTL2, season 17/18 vs 16/17, Monday-Friday, 5 am-12am, 13 +, audience share*

Fun Radio is one of the national stations that plays the largest proportion of new releases: 90% of the songs played on the station date from the previous 12 months.

Fun Radio is also the station with famous faces, with, leading the charge, Bruno Guillon and his team for *Bruno dans la Radio* which has an audience of 1,605,000 between 6 and 9am[40].

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



Source: Médiamétrie 126,000, Year 2018, Monday-Friday, 5 am-12am, 25-49 year olds, audience share, music station environment

1.5.3 Production and Audiovisual Rights

1.5.3.1 Business presentation

The Group's Production & Audiovisual Rights business operates in the production and audiovisual rights distribution markets throughout their operating cycle, primarily to the general public (cinemas, selling of physical and on-demand videos) and subsequently to professionals (distribution of the rights portfolio to nationwide free-to-air and pay channels and international distribution), in accordance with a cycle defined by media chronology which is provided in Section 1.4.3.1 of this document.

The division also includes the Group's television and online production activities.

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

Within this division, M6 carries out film production and distribution activities:

M6 FILMS	For film production, M6 Films co-produces French and European films, and also manages the advance purchasing of broadcasting rights for the Group. This activity forms part of the obligations of all audiovisual groups to finance the French film industry using part of their advertising revenues. For M6, the investment requirement is that 3.2% of the channel's net revenue is to be reinvested in French and European film production.
M6 STUDIO	M6 Studio, created in 2003, is dedicated to the development and production of animated feature films and series. In 2006, the company thus produced the first and second series of the cartoon *Le Petit Nicolas* (52x13 minutes) and in 2014 the animated film *Asterix: The Mansion of the Gods*, followed in 2018 by *Asterix: The Secret of the Magic Potion*.
Société Nouvelle de Distribution	SND (Société Nouvelle de Distribution) is the flagship of M6 Group's audiovisual rights business, operating on all film distribution formats. SND's main activities are the acquisition, management and distribution of the licensing rights of audiovisual works (cinema, video, sale of rights to pay TV and free TV broadcasters and sale of rights internationally). In recent years, SND has been developing its own feature film production activity.

40 *Source: Médiamétrie 126,000, September-October 2018, Monday-Friday, 6 am-9am, Fun Radio, 13+, cumulative audience share in thousands.*

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

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

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

C. PRODUCTIONS	C. Productions mainly produces the M6 channel's news magazines such as *Capital*, *Zone Interdite*, *Enquête Exclusive*, *66 Minutes*, as well as *Enquêtes criminelles* for W9.
STUDIO 89	Studio 89 produces a significant number of formats both for M6 and for other Group channels, including *Top Chef*, *Cauchemar en cuisine* for M6, as well as *Enquête d'action* and *Les Princes et les Princesses de l'Amour* for W9 and *Norbert, Commis d'office* for 6ter.

GOLDEN NETWORK	Golden Network brings together the content production and broadcasting activities aimed at millennials. This digital production studio notably brings together the channels Golden Moustache and Rose Carpet, as well as the news media designed for the social media platforms Golden News, Golden Pop, Golden Food and WondHer.

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

1.5.3.2 Market trends and Group positioning

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

THE CINEMA MARKET IN 2018

Cinemas continue to attract a wide audience. For the fifth consecutive year, cinema attendance exceeded 200 million admissions (200.47 millions)[41]. In 2018, France remained cinema's leading European market with the highest level of admissions, with the United Kingdom on 176 million, Germany 90 million, Spain 92 million and Italy on 79 million.

French films achieved great success in 2018, with a 39.3% market share and more than 77 million admissions (up 1% in comparison with 2017). Admissions for American films fell 11% to 90 million in 2018. The market share of US movies was thus estimated at 45.0% in 2018, compared to 50.6% in 2017. Lastly, admissions for non-French and non-American films increased by 7% to more than 31 million. Their market share was thus estimated at 15.7% in 2018, compared to 10.9% in 2017.

2018 distributor ranking[42]

Ranking	Distributors	Number of films released in 2018	French box office*	Market share
1	Walt Disney Studios	11	22,680,127	11%
2	Universal Pictures	24	19,523,934	10%
3	Warner Bros.	18	19,007,783	9%
4	20th Century Fox	15	17,111,639	9%
5	Pathé Films	11	16,205,786	8%
6	Sony Pictures	17	12,970,338	6%
7	Studiocanal	15	10,298,809	5%
8	SND	17	8,814,253	4%
9	Gaumont Distribution	10	7,835,675	4%
10	Mars Films	23	6,807,468	3%

** Including continued screening of films released in 2017. Screenings between 01/01/2018 and 31/12/2018*

With 17 film releases, SND recorded 8.8 million cinema admissions and was ranked as the 8th largest distributor and the 3rd largest French distributor in 2018.

Confirming SND's expertise in releasing animated films (*The Nut Job*, *The Jungle Bunch*, *Asterix: The Mansion of the Gods*), *Asterix: The Secret of the Magic Potion* became the biggest success of the 2018 Christmas break. The film, produced and distributed by M6 Group, recorded admissions of 2.85

41 *Source: CNC (Centre National du Cinéma et de l'Image Animée)*
42 *Source: CBO Box-Office*

million between its 5 December release and 31 December 2018. Over its entire release period, the film ultimately achieved 3.9 million admissions, thus surpassing the previous instalment, which achieved 3 million admissions. Aside from these two Asterix productions, no other French film has managed to rival the leading animated films from the American studios, let alone depose them during the festive season.

Neuilly sa mère, sa mère achieved admissions of 1.14 million. Released 9 years after *Neuilly sa mère*, like its predecessor this sequel became the biggest summer success for a French film.

Boosted by rave reviews, the French comedy dramas *Normandie nue*, with François Cluzet, and *Photo de famille*, starring Jean-Pierre Bacri, each achieved audiences of almost 0.6 million. In terms of American films, *Molly's Game*, starring Jessica Chastain, recorded more than half a million admissions and *Loving Pablo*, starring Javier Bardem, attracted an audience of almost 0.45 million.

For its part, M6 Films financed 14 films release in 2018, including six distributed by SND. Certain cult brands which did very well in cinemas and which will undoubtedly make a splash during primetime on M6 and on the Group's channels include *Belle et Sébastien 3* (1.65 million admissions), *Alad'2* (2.35 million), *Neuilly sa mère, sa mère*, and not forgetting the in-house production *Asterix: The Secret of the Magic Potion*.

M6 Films has made it a speciality to support new talents in their initial steps as directors, and 2018 was no exception, with two debut films (*Les dents, pipi et au lit* by Emmanuel Gilibert and *Love Addict* by Frank Bellocq) and six second films, including those by Kheiron (*Mauvaises herbes*) and Clovis Cornillac (*Belle et Sébastien 3*).

In total, the films released in 2018 that were distributed and/or financed by M6 Group recorded 15.7 million admissions.

Ranking of French films released in 2018[43]

Ranking	Film		French box office
1	*Les Tuche 3*		5,687,200
2	*La Ch'tite famille*		5,625,947
3	*Le grand bain*		4,242,502
4	*Asterix The Secret of the Magic Potion*	Produced and distributed by M6 Group	3,872,444*
5	*Taxi 5*		3,653,933
6	*Tout le monde debout*		2,417,045
7	*Alad'2*	Co-produced by M6 Films	2,340,801
8	*Belle et Sébastien 3*	Co-produced by M6 Films	1,685,816
9	*Le jeu*		1,639,781
10	*Mia et le lion blanc*	Co-produced by M6 Films	1,394,667*

** at 12/02/2019*

THE VIDEO SALES MARKET IN 2018

In 2018, the French market for physical video (DVD and Blu-ray) amounted to €536.56 million, a decline of 16.4% compared with 2017. This decline was the result of both the 17.9% drop in DVD sales and the 12.3% fall in Blu-ray sales.

The physical video market was dominated by cinematographic works, which stood at €288.3 million in 2018, representing 64.3% of the total. Revenues from video releases fell 15.1% in relation to 2017.

Physical video format sales in 2018 [44]

	Units	Movements	Revenue	Movements
DVD	53.2 million	-11.5%	€323.4 m	-17.9%
Blu-ray	11.0 million	-9.5%	€125.3 m	-12.3%
TOTAL	64.2 million	-11.2%	€448.6 m	**-16.4%**

In 2018, SND maintained its position as a leading independent video publisher, with a physical media market share of approximately 3.4% for physical format and 7% for digital, ranking 4th for this type of format[45].

Bolstered by a catalogue of more than 1,000 films published under the M6 Video label, the video edition business has a substantial position in the market, as it operates in all physical distribution channels, (supermarkets, superstores, export, corporate, etc.). The distribution of VOD rights (TVOD, SVOD, EST, etc.) is in place across all French, Swiss and Belgian digital platforms (around 15 customer platforms including Orange, Swisscom, Proximus, i-Tunes, Canalplay and SFR).

The catalogue is full of varied works, representing all genres and eras of film: from the epic Divergent to the Asterix franchise as well as some cinema greats (Renoir, Cocteau, Risi, Pasolini), from films premiered at Cannes like *The Square* and *Mademoiselle* to American blockbusters such as *Now You See Me* 1 and 2 and recent hit films like *La La Land* and *Lion*.

The best sellers of 2018 included *Seven Sisters*, French comedies such as *Les dents*, *pipi et au lit*, *Neuilly sa mère, sa mère* and *Loving Pablo*.

On the non-film side, the release of the complete box set of *Kaamelott*, the top seller over the festive season should be noted.

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.

43 Source: CBO Box-Office
44 Source: Baromètre CNC-GFK 2018 de la vidéo physique
45 Source: GFK

Thanks to its significant and varied catalogue of cinematic works, SND provides its films to all French television channels (pay or free-to-air, both private and public). In 2018, viewers were able to discover or rediscover the following films: *Seven sisters, the Divergent saga, Woman in Gold, The Nut Job, Self/less, Red and Red 2*.

The television distribution of the SND continued to grow as a result of the recent acquisitions of the catalogues of Mandarin Cinéma (*Dans la maison*, *Potiche*, *De l'autre côté du périph*) and Fidélité Films (*Asterix and Obelix: God Save Britannia*, *Le petit Nicolas*, *Les vacances du Petit Nicolas*, etc.).

TV PRODUCTION

C. PRODUCTIONS

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

In 2018, C. Productions provided 575 hours of programming for broadcast, including 390 hours of new programmes, for all the Group's channels:

- 361 hours in primetime,

- 95 hours in access primetime,

- 77 hours in late evening,

- 42 hours in daytime.

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

- In primetime, Capital recorded its best audience amongst viewers aged 4 and over since 2014[46] and amongst WRP<50 since 2010;
- In the same slot, *Zone Interdite* continued to progress and gained 2 points in the WRP<50 category, thus recording its best year since 2009 on this target and since 2015 in the viewers aged 4 and over category;
- In late primetime, *Enquête Exclusive* continued its growth posting its best year since 2008 in the WRP<50 category (18%).

In addition, *66 Minutes* and *66 Minutes - Grand Format* broadcast during access primetime on Sundays confirmed their success and posted growth across all targets, achieving their highest audiences since 2016.

Lastly, also on Sundays, the magazine *Turbo* recorded its best performance in 11 years and became the most watched car magazine amongst male viewers under the age of 50 (19%) and amongst the viewing public as a whole (10%).

STUDIO 89

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

In 2018, Studio 89 produced more than 500 programmes for M6, W9 and 6ter.

With its 425 hours or original programmes, Studio 89 underlined the enduring nature of its leading historical brands by achieving excellent audience figures, with in particular:

- Series 9 of Top Chef which recorded its best season amongst WRP<50 since 2013 with 24%;
- *Cauchemar en cuisine* which posted a record year amongst the under 50s: 22% in the 4-49 age range;
- *Mariés au premier regard* which, with an average 2.8 million viewers for the second season, proved to be very successful in the WRP<50 category with 22%. The series posted steadily increasing ratings as the weeks went on (an increase of 825,000 viewers between the first and last episodes);
- *Objectif Top Chef* which helped M6 rank as the second largest national channel amongst WRP<50 during access primetime;
- Series 5 of *Norbert commis d'office* which achieved its best season, recording up to 519,000 viewers;
- *Un Dîner Presque Parfait* which helped W9 become the leading DTT channel at 6pm in the 4th-ranked nationwide channel among WRP<50.

Alongside this production activity and against a backdrop of a shortage of formats on the market, Studio 89 continued to innovate by developing new and original programmes which will be broadcast during 2019 during both access and primetime.

WEB PRODUCTION: GOLDEN NETWORK

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

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

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

In 2018, several programmes were thus created, whether for W9 (*Les 100 Vidéos qui ont fait rire le monde entier*, *Hit W9*, *Hebdo de la musique*), 6ter (*Chat Alors* and *Super c'est Noël* with Roxane, who is proof of Golden Network's capacity to develop its digital talents in television), Comédie + (*Drôles de Tubes*) and Paris Première (*La Bataille du Rire*).

In total, Golden Network produced almost 120 hours of drama and entertainment in 2018.

Furthermore, the audiences of the brands continued to grow, in particular Golden Moustache, which recorded a record season with almost 6.5 million subscribers across all platforms, and Rose Carpet, the leading French female platform on Instagram.

46 *Source: Médiamétrie*

In 2018, Golden Network launched the new platforms Golden News, Golden Pop, Golden Food and WondHer, a success crowned by a total 50 million videos viewed in less than 6 months.

Lastly, this year was notable for y the rise of new talents represented by Golden Network which consolidated its positioning in lifestyle with highly influential talents across all platforms. 2018 was marked by the return to Golden Network of EnjoyPhoenix and the arrival of Roxane and Alexandre Calvez. These three talents join Horia, Sandréa and PerfectHonesty who have all remained loyal to Golden Network.

1.5.4 Diversification

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

1.5.4.1 Ventadis

BUSINESS PRESENTATION

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

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

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

The Ventadis division is now comprised of two main activities, driven by the companies HSS and Best of TV:

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

M6 Boutique La Chaîne, a channel devoted to teleshopping and available via cable, satellite and IPTV, has since 2004 provided viewers with the chance to discover products from the worlds of fashion, jewellery, beauty, cookery, etc. As a result of its expertise, Ventadis develops teleshopping formats for other broadcasters, such as W9, Paris Première and Téva, as well as for Belgian TV channels for example. This division also operates in the infomercial segment, which consists of short news programmes and films demonstrating products and how to use them.

- Best of TV is an importer / wholesaler that has since 2008 offered exclusive home shopping products. Best of TV is 51% owned by Home Shopping Service.

MARKET TRENDS AND GROUP POSITIONING

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

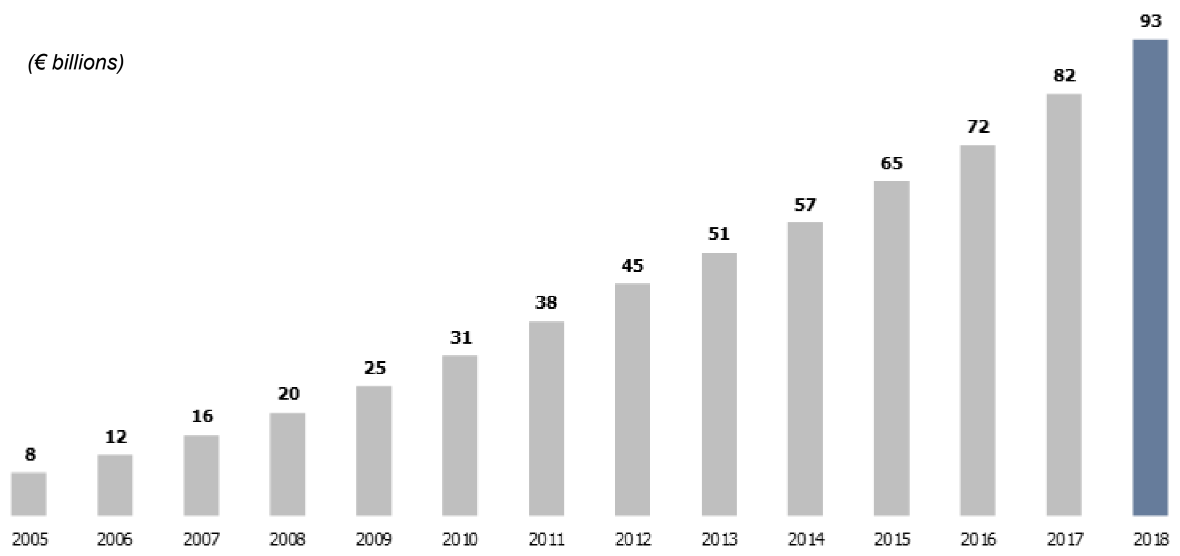
Online spending grew by 13% to €93 billion in 2018, driven by the growing customer base. In this way, the market passed 1.5 billion transactions over the year, representing a 21% increase in relation to 2017[47].

Sales volumes achieved in online marketplaces also continued to grow (up 16%), reflecting the changing behaviour of online purchasers.

Lastly, the number of retail websites recorded grew by 13% in relation to 2017, with 21,800 additional sites representing a total of 194,600 sites recorded.

47 *Source Fevad (French E-Commerce and Distance Selling Federation), 2018 assessment of e-commerce in France*

Online sales growth in France since 2005



Source: Fevad

In this market environment, **Home Shopping Service** with the brand M6 Boutique continued in 2018 its multichannel dynamic within a still sluggish consumer environment in France. The Company confirmed its status as an online store with more than 65% of its sales generated through online mediums, primarily mobile, demonstrating M6 Boutique's modernity in its interactions with its customers.

At the end of the year, the Company conducted the first conclusive tests on Leon's Corner, a new brand selling products publicised via social media. This platform will be launched during the first quarter of 2019.

In 2018, **Best Of TV** had a more challenging year within the difficult environment of the Distribution sector, where store traffic fell. The Company did however manage to partially renew its brand portfolio with the paint roller *Paint Runner* and the air cooler *Artic Cube*.

In addition, 2018 was marked by the disposal of the Photo and Personalised Products business, primarily made up of the website monalbumphoto.fr, to the Dutch company Albelli. M6 Group acquired monAlbumPhoto in 2010 and used its sales and marketing capabilities to accelerate its growth. Company sales have increased 10-fold since its acquisition. After eight years within the Group, and against the backdrop of European-wide consolidation in the online photo album market, M6 Group considers that entrusting myAlbumPhoto to Albelli, a major European player in the industry, would be the best option to strengthen its positions and accelerate its development.

Furthermore, constantly in search of new growth drivers, in late 2018 Ventadis launched **Joikka**, a new online jewellery brand. Its collections are in keeping with the world of luxury goods while simultaneously offering affordable gold jewellery from €100. Each month, new products are added to its range, in line with the latest trends.

1.5.4.2 Interactions

BUSINESS PRESENTATION

With the creation of M6 Interactions in 1992 and M6 Événements in 1997, M6 very quickly decided to invest into fields other than television by initiating new expertise in music publishing, events and shows.

Having expanded its field of activity in 2017 through the creation of a BtoB division and by incorporating the Group's Talent and Publishing operations, in 2108 M6 Interactions integrated similar Radio division activities by absorbing RTL Special Marketing and Parisonair.

This division is now broken down in 5 product lines:

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

BUSINESS POSITIONING

For **Music** operations, 2018 was marked by the ongoing transformation of the market, which is increasingly focused on digital, as reflected by the gradual appropriation of the "Urban" genre, the promotion of which mainly occurs on social media. This way of operating temporarily weakened the partnerships between the labels and media groups, resulting in a fall in the number of contracts signed, as was also the case with the Group's competitors.

Within this environment, M6 Music Label continue to enjoy success, focusing on high potential projects and discovering new talents. The signing of a co-production with the group *Trois Cafés Gourmands* in the summer of 2018 proved to be a pleasant surprise at the end of the musical year because *Un air de Rien*, released in October, went platinum and was ranked as one of the 8 best-selling physical albums in France. Similarly, the artist Hoshi, whose debut album came out in 2018 and was co-produced by the label, was one of the year's discoveries with *Il suffit d'y croire*, which went gold.

In addition, the Kids United brand continued to be successful. After 3 albums and 2 tours, a new generation was launched leading to the release of a fourth album, *Au bout de nos rêves*. Since the creation of this brand in co-production and partnership with Unicef, 2.0 million physical albums have been sold.

In relation to joint music licensing, although there were fewer deals, numbering 16 compared with 24 the previous year, 2018 was marked by several notable successes with Mylène Farmer, Indochine and the continuation of the partnerships concluded in late 2017 with Louane and Bigflo & Oli.

7 projects from the Music activity were included in the 20 best-selling physical albums in France with 14 in the top 50, including 3 that were co-produced by M6 Music Label (the *Trois Cafés Gourmands* and *Kids United Nouvelle Génération* albums were in the Top 20, and the album by Hoshi was in the Top 50).

2018 ranking of physical album sales in France[48]			
Ranking	**Album**		**Number of albums sold**
1	Johnny Hallyday - M*on pays c'est l'amour*		1,410,655
2	Maître Gims - *Ceinture noire*		320,270
3	Kendji Girac - *Amigo*		225,714
4	Les Enfoirés - *Enfoirés 2018 musique !*		224,158
5	Mylène Farmer - *Désobéissance*	Co-marketed by M6 Musique Label	207,946
6	Soprano - *Phoénix*		202,162
7	Johnny Hallyday - *L'album de sa vie 100 titres*		184,576
8	Trois Cafés Gourmands - *Un air de rien*	Co-produced by M6 Musique Label	168,003
9	Indochine - *13*	Co-marketed by M6 Musique Label	158,522
10	Louane - *Louane*	Co-marketed by M6 Musique Label	144,398
11	Patrick Bruel - *Ce soir on sort...*		142,533
12	Amir - *Addictions*		131,660
13	Kids United Nouvelle Génération - Au bout de nos rêves	Co-produced by M6 Musique Label	126,946
14	Calogero - *Liberté chérie*		125,383
15	Eddy de Pretto - *Cure*		120,261
16	Bigflo & Oli - *La vie de rêve*		119,824
17	Slimane - *Solune*		111,425
18	Ed Sheeran - ÷		106,706
19	Dadju - *Gentleman 2.0*	Co-marketed by M6 Musique Label	101,994
20	Bigflo & Oli - *La vraie vie*	Co-marketed by M6 Musique Label	101,519

In terms of the **Shows** activity, 2018 was also a busy and successful year both in terms of co-distribution and co-production. In co-distribution, the year was once again marked by the success of *Bodins*, enjoyed by 257,000 spectators in 2018, as well as by the successes of *Chicago*, the Mogador musical at the end of the year, and the shows by the hypnotist Messmer and comedian Jamel Debouze.

Show co-productions benefitted from the success of the *Kids United* events, which achieved an overall attendance rate of 94% across all 118 dates of two successive tours, equating to 452,000 tickets sold in two years. The Shows activity also benefited from the tour and return to Paris of the children's musical *Emilie Jolie* and from several show dates at the end of the year to celebrate 20 years of *Notre Dame de Paris*.

Teams from the **BtoB** activity were able to demonstrate their creativity by capitalising on the success of *Kids United*. Given how successful the operation was in September 2017, the retailer Carrefour wanted to renew the marketing of its clothing collection *Tex by Kids United*. Lego also sought to partner with the Group by requesting that a new song based on their brand values be written and recorded.

Concerning the **Talents** business, the year was marked by numerous projects, including the renewal of Cristina Cordula's endorsement of the brand *Head & Shoulders*, Mac Lesggy with *Oral B*, and Norbert Tarayre with *Leader Price*.

48 Source: 2018 ranking of album sales (GfK Consumer Choices France)

Lastly, **M6 Éditions** decided to do something different and focus, in addition to high potential brands such as *Le Meilleur Pâtissier*, on projects other than those stemming exclusively from the M6 channel's flagship programmes. A book about the activities of Néo and Swan, 2 young YouTubers, noted for their large numbers of subscribers, was thus published.

1.5.4.3 M6 Créations

M6 Créations is the subsidiary that markets Special Campaigns for the sales house.

In this regard, it has been restructured around a customised offering in order to provide its customers with greater pooling between the Group's different media (TV, radio, digital).

1.5.4.4 M6 Open

Innovation and agility have always been in the DNA of M6 Group and its employees. To continue developing this culture, in 2018 M6 Group introduced a digital innovation and transformation programme: M6 Open. This programme covers 4 fundamental innovation tasks: Anticipate, Disseminate, Accelerate and Support.

ANTICIPATE

The Innovation team facilitates the anticipation and prioritisation tasks of teams and managers, through the implementation of active monitoring, refined and enhanced by regular exchanges with the technological and digital ecosystems. This regular monitoring allows the anticipation of market developments related to digital, as well as of disruptive technologies and best practices of the various French and international players.

DISSEMINATE

M6 Open nurtures the curiosity of the Group employees and managers through a variety of initiatives, from the deep involvement of the Executive Committee (monitoring committees, innovation seminars, learning field trips) to the daily decoding of digital news on the Company's social network, aimed at all employees.

The Group has also introduced an "Innovation Campus" which is simultaneously a place to discover the market's innovations (voice assistants, augmented reality) the Group's innovations (6play innovations across all box operators on the market, Wizzup, touch world map to locate all the Group's news content rushes, etc.). But it is also a place of open-mindedness, creativity and learning.

ACCELERATE

M6 Open promotes experimentation in its Innovation Lab. The lab, alongside teams from the Group's various entities, identifies their unresolved sticking points and points of friction and implements the technological bases for their resolution. The Lab employs accelerated creativity and development techniques such as design thinking, lean and the Agile method. An open innovation cell, embedded in the start-up world, identifies and qualifies online start-ups with great potential for collaboration with M6 Group, whether they are B2B performance optimisation services or technological services specific to the different businesses.

SUPPORT

In order to firmly root this vision into the Group's culture, the sharing, training and career development of employees are at the heart of this system. M6 Open, in close collaboration with Human Resources, has rolled out a training path dedicated to the innovation culture. It is comprised of practical workshops, training of employees by employees and events to introduce innovation: meeting founders of start-ups, presentation forum for innovative in-house digital projects and an innovation week.

1.5.4.5 M6 Digital Services

BUSINESS PRESENTATION

M6 Digital Services (formerly M6 Web) groups together M6 Group's theme-based portals and technological services.

The editorial content of these websites is based on inclusive themes: cookery (CuisineAZ.com), home (Déco.fr), cars (Turbo.fr), well-being (Fourchette-et-Bikini.fr), good deals (Radins.com), cash back (iGraal.com), health (PasseportSanté.net) and Weather (Météocity.com).

The range of technological services, intended for businesses, is made up of email hosting and forwarding solutions.

This division derives the majority of its revenues from advertising, pay-per-click income, transactions with consumers and B2B services.

MARKET TRENDS

Note that in 2017, communications regulator ARCEP approved neutral access to the Internet for all French people.

In 2018, digital usage continued to increase, although the pace of growth slowed since the Internet is approaching total coverage of the population. The number of Internet users thus rose 1 percentage point to 89% of French people[49]. With 80% going online every day, representing an increase of 4 points, the Internet is playing an increasingly important role in French habits, which is notably reflected in the widespread use of smartphones (75% of French people use them, up 2 points compared with 2017) and other connected items. Probably in line with the higher broadband speed provided by 4G, the smartphone is gradually establishing itself as the leading means of Internet access (46%, up 4 points in relation to 2017), once again this year eroding the computer's share (35%, down 3 points).

GROUP POSITIONING

In 2018, **Radins.com** continued to be the top shopping destination for Internet users seeking good deals. Radins.com is now the leading promotion code site in the French market, welcoming more than 5 million unique visitors per month[50].

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In 2018, **iGraal** consolidated its leadership in the cashback sector in France and confirmed its second-place ranking in Germany. In total, the site has more than 4.5 million members, to whom it has paid more than €10 million in cashback. iGraal's offer is therefore a commercial asset for online sellers since it generates more than €400 million of business volume for its online retail partners.

CuisineAZ.com, the second largest cookery site in France with more than 6 million unique visitors per month, brings together 0.8 million members who enjoy cooking at all levels and from all backgrounds who every day add to a base of more than 70,000 recipes. CuisineAZ also has more than 2 million Facebook fans. 2018 was marked by the theme of "Healthy Eating", established as a key development area in order to meet the expectations of users. As such, new recipes and videos have been published based on vegetarian, gluten free, organic, low calorie, anti-food waste etc. diets.

With an average 2.2 million unique monthly visitors, **Fourchette-et-Bikini.fr** underlined its position as the leading women's site amongst Millennials, thanks in particular, to its appeal across social media. The site has 3.2 million fans on Facebook and 180,000 followers on Instagram. In 2018, Fourchette-et-Bikini.fr continued to develop in terms of its editorial offer as well as in online retail with its slimming programme Croq'Kilos, whose dedicated site saw its audience grow 25% in relation to 2017.

PasseportSanté.net is now positioned as a key player in health online, by giving consumers access to objective, reliable and accessible content. PasseportSanté.net also ended 2018 as the top ranked Health/Wellbeing site with 7.9 million unique monthly visitors. The site's audience continued to grow significantly (up 50% compared with 2017) thanks to a strategy of developing high-quality content. In addition to the value of its range of content, PasseportSanté.net benefited from the French population's need for health information. One in two people used the Internet to search for information on either their own health or someone else's in 2018 (up 9% in relation to 2015)[51].

With an average 1.2 million unique monthly visitors, **Déco.fr** continued to attract a large audience in relation to home décor. 2018 was marked by the decision to refocus the site's activity on its range of content, at the cost of its online retail brokering model.

In addition, in 2108 M6 Digital Services strengthened its technological services division devoted to businesses by acquiring the company Altima Hosting (subsequently renamed M6 Hosting), specialised in hosting.

Lastly, 2018 was notable for the disposal of the site Clubic.com. Created in 2000, this consumer technology and digital news portal had been acquired in 2008 through the purchase of the company Cyréalis. Having used its marketing and commercial power to accelerate the site's growth, M6 Group decided to give it fresh ambitions by selling it to experienced investors and their managers.

1.5.4.6 Mobile telephony

BUSINESS PRESENTATION

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

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

GROUP POSITIONING

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

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

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

1.5.4.7 FCGB (sold in 2018)

The Football Club des Girondins de Bordeaux (FCGB) was sold to the American investment fund General American Capital Partners (GACP) on 6 November 2018. The full amount of the transaction is in excess of €100 million.

M6 Group acquired FCGB in 1999, the season in which the men's team secured its fifth French League title. The latter had since added another title in 2009, a French Cup in 2013, three League Cups in 2002, 2007 and 2009, and two Champions' Trophies in 2008 and 2009. Over the last 19 seasons, the club had qualified for European competitions on 12 occasions and notably reached the quarter finals of the Champions League in 2010.

The wholly-owned FCGB provided M6 Group with access to the football market, a reputation in the sports world and an opportunity to develop an asset. However, due to the growing financial power of several Ligue 1 clubs, M6 Group believed that the sale of FCGB to GACP, which had set out an ambitious sporting vision backed by a long-term investment strategy, represented the best option to maintain the club's position and help improve its results over time.

Risks attached to the Group's activities are specified in paragraph 1.7 of this management report, which completes the description of the Group's activities and markets.

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1.6 LEGAL AND REGULATORY ENVIRONMENT

By virtue of its corporate purpose and status as an operator of free-to-air television and radio broadcasting licences, the Company is governed by a specific legal and regulatory regime which applies in addition to ordinary provisions, This legal environment is detailed below:

The main legal and regulatory developments introduced in 2018 are set out in paragraph 1.4.3 of this document.

1.6.1 Shareholding structure

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

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

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

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

1.6.2 Authorisations to use free-to-air frequencies

1.6.2.1 Television

M6

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

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

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

W9

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

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

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

In a decision dated 25 July 2018, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of W9's authorisation without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channel therefore appeared before the Conseil, which is continuing its investigation, on 13 September 2018.

6ter

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

Paris Première

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

In a decision dated 25 July 2018, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of Paris Première's authorisation without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channel therefore appeared before the Conseil, which is continuing its investigation, on 13 September 2018.

1.6.2.2 Radio

At 31 December 2018, the three radio services controlled by the Group, RTL, RTL 2 and Fun Radio, held 705 broadcasting licences in France. The renewal periods are as follows:

Renewal periods			
Under one year	Between 1 and 5 years	Over 5 years	Total number of broadcasting licences
20	675	10	705

RTL

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

RTL is broadcast:

- in long wave from Luxembourg. A franchise for a Luxembourg broadcasting programme with international reach called RTL was granted by the Government of the Grand Duchy of Luxembourg to the company CLT-UFA;
- in frequency modulation (FM) from France: RTL is a category E radio service, i.e. a general interest and national service whose programmes, covering a wide range of content and genres, attach a lot of importance to providing news.

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

RTL2

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

- the category D licences – thematic national services – are held by the company SODERA (a 99.99% subsidiary of Métropole Télévision) which is the holder of an agreement concluded with the CSA dated 2 October 2012;
- the category C licences – national services with local programming – are held by subsidiaries fully owned by SODERA (FM Graffiti, Média Stratégie, Radio Golfe, and Radio Porte Sud). These companies each hold agreements with the CSA.

FUN RADIO

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

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

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

1.6.3.1 Television

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

PROVISIONS APPLICABLE TO ALL CHANNELS

The agreement of 2 February 2017 concluded by the Group with producers enables the channels to pool their production obligations. The Group's obligations amount thus result from the sum of each channel's specific obligations, calculated according to their respective reference base and the rates corresponding to each obligation. But compliance with the requirements is assessed in reference to the overall investments made by the Group.

PROVISIONS APPLICABLE TO M6

The M6 channel's regime for obligations in 2018 was as follows:

Audiovisual production

- Invest 15% of net annual revenue for the previous year in the production of European audiovisual works or original French language works, at least 10.75% 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. The allowance ratio of heritage production can vary between 10.5 and 11% depending on the growth in the M6 channel's revenues.
- European works which are not original French language works must be eligible for the industry's support programmes. French language heritage works represent at least 90% of the contribution to heritage works.

- 10% of revenue must be invested in productions deemed independent. A production company is considered as independent from M6 as long as M6 does not directly or indirectly hold more than 15% of the share capital or voting rights in that company. An 8% share of this requirement is devoted to spending to help develop the production of audiovisual heritage works.
- 75% of investments in audiovisual production must be invested in European works or in new original French language works.
- At least 1% of the previous year's net annual revenue must be invested in the production of original French language and European animation works, of which 0.67% must be invested in works produced by independent producers as defined above. Investments in animation works which are not specifically directed at children may be included in this.

Film production

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

Broadcasting obligations

- To annually broadcast 120 hours of European works or of new original French language works with a starting broadcast time of between 8pm and 9.30pm (including 25% of repeats).
- In any 24-hour period, a minimum of 40% of audiovisual works broadcast must be original French language, and 60% must be European, and the same requirements apply to peak viewing periods between 6pm and 11pm every day and between 2pm and 6pm on Wednesdays.
- To broadcast no more than 192 cinematographic works during the year, of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinematographic works must comply with the broadcasting quotas throughout the day and for peak viewing hours, i.e. 60% of European work and 40% of original French language works.
- All airtime is devoted to programmes in true high definition, with the exception of:
- Heritage works, that is to say:
- Audiovisual works broadcast at least 20 years after they are first shown by a television service;
- Cinematographic works broadcast at least thirty years after their cinema release in France;
- Rebroadcasts, that is to say any broadcast of a programme in standard definition that has already been shown on a television service falling within the jurisdiction of a European Union member state;
- Archives, that is to say images, notably programme extracts, whose initial broadcast took place at least one year before their reuse as part of a programme in high definition.

Musical programming obligations

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

PROVISIONS APPLICABLE TO W9

The W9 channel's regime for obligations in 2018 was as follows:

Audiovisual production

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

Film production

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

Broadcasting obligations

- In any 24-hour period, a minimum of 40% of audiovisual works broadcast must be original French language, and 60% must be European, and the same requirements apply to peak viewing periods between 6.30am and 9am and between 6pm and 11pm.

- To broadcast no more than 192 cinematographic works during the year of which 144 hours must be during peak viewing period from 8.30pm to 10.30pm. Cinematographic works must comply with the broadcasting quotas throughout the day and for peak viewing hours, i.e. 60% of European work and 40% of original French language works (8.30pm – 10.30pm).

Musical programming obligations

In addition, in a ruling dated 16 May 2018, the Conseil Supérieur de l'Audiovisuel approved a change to W9's agreement. As a result, the channel's music broadcasting obligations have increased at prime time and a mandatory hourly volume has been imposed:

- W9's agreement stipulates that music represents the main type of programming with a minimum annual volume of 3,300 hours.
- W9's programming is open to diverse types of music and includes the broadcasting of at least 52 live shows per year. At least 20% of music videos broadcast by the channel are dedicated to new talents singing in French.
- Each year, a minimum of 12 early primetime periods, on M6 or W9, are reserved for music programmes each lasting a minimum of 90 minutes whose broadcast begins between 8.30pm and 9.30pm. Out of these 12 early primetime periods, at least 8 are broadcast on W9.
- W9 further offers at least additional 12 music programmes lasting a minimum of 90 minutes and whose broadcast begins between 8.30pm and 9.30pm. At least 4 of them will be new to authorised or agreed television services and place specific emphasis on new music genres. These four programmes must not include the following genres: music documentary, non-European music-based audiovisual drama and music-based talent show.

PROVISIONS APPLICABLE TO 6TER

The 6ter channel's regime for obligations in 2018 was as follows:

Film production and audiovisual obligations

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

Broadcasting obligations

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

Discovery programme obligations

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

1.6.3.2 RADIO

PROVISIONS APPLICABLE TO RTL

The RTL radio station's regime for obligations in 2018 was as follows:

Percentage of airtime devoted to news:

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

Provisions relating to the broadcast of French language songs

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

PROVISIONS APPLICABLE TO RTL2

The RTL 2 radio station's regime for obligations in 2018 was as follows:

Programmes specific to the Paris area

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

Provisions relating to the broadcast of French language songs

- At least 40% of all songs broadcast monthly, between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm at the weekends, are in the French language.

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

Music programming

- The service's programming must include a minimum of 200 music titles.
- The percentage of "Gold" titles (titles over three years old) within the music schedule is between 40% and 70%. "Gold" titles come from the 80s, 90s, 2000s and 2010s.
- The percentage of new titles (titles under 12 months old) within the music schedule is between 20% and 50%.

PROVISIONS APPLICABLE TO FUN RADIO

The RTL 2 radio station's regime for obligations in 2018 was as follows:

Programmes specific to the Paris area

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

Provisions relating to the broadcast of French language songs

- At least 35% of all songs broadcast monthly, between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm at the weekends, are in the French language. Since 1 September 2018, the level of this obligation fell to 30% in consideration for quantitative commitments and commitments related to the original nature of its scheduling. This adjustment was made possible by the CSA's ruling 2018-14 dated 25 April 2018 and the authorisation was granted to SERC by an amendment to its agreement dated 13 August 2018.
- Songs in the French language by new talents account for at least 25% of the total number of songs broadcast between 6.30am and 10.30pm from Monday to Friday and between 8am and 10.30pm on Saturday and Sunday.

Music programming

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

1.6.4 Other provisions

1.6.4.1 Television

ACCESSIBILITY OF PROGRAMMES

Deaf and hard of hearing

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

In 2018, M6 and W9 subtitled all its programming (excluding above-mentioned exceptions). 6ter was obliged to subtitle 60% of its programmes in 2018.

Blind or visually impaired

Pursuant to the provisions of Articles 28 and 33-1 of the Law of 30 September 1986 arising from the above-mentioned Law n°2005-102, M6 and W9 signed an amendment with the CSA in 2017 to reinforce their obligations to broadcast programmes in audio-description.

For M6, the agreement concluded on 27 July as part of the renewal of its agreement set at 60, of which 30 must be original, the number of programmes with audio-description to be broadcast in 2018. The stakeholders are to pay particular attention to peak viewing times and programmes aimed at children and teenagers.

On 2 October 2017, W9 and the CSA signed an amendment to the channel's agreement that set the number of original programmes to be broadcast in audio description at 22 for 2018.

6ter's licence imposed on the channel the obligation to broadcast at least 12 original programmes in audio description in 2018.

Rating system

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

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

ADVERTISING

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

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

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

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

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

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

All three channels are liable for the following taxes:

- the tax on television services *(Article L115-6 and subsequent of the French Code of Cinema and Motion Picture*), named "Cosip tax", for the benefit of the CNC. The rate is 5.65% of the amounts paid by advertisers and sponsors for the broadcast of their commercials on television services, including catch-up.
- the tax on advertising broadcast by radio and television *(Article 302 bis KD of the General Tax Code)* for the benefit of the "fonds de soutien à l'expression radiophonique" (radio expression support fund). A graded scale applies, based on quarterly revenues.
- the tax on TV advertising *(Article 302 Bis KA of the General Tax Code)* for the benefit of written press. A scale based on the number and price of advertisement applies.
- tax on advertising broadcast on TV channels *(Article 302 bis KG of the General Tax Code)* for the benefit of France Télévisions. The rate was set at 0.5% of advertising revenue (where this amount exceeds €11 million).
- tax on premium rate calls as part of TV game shows and competitions *(Article L137-19 of the Social Security Code created by Article 19 of the 2010 PFLSS)*. A rate of 9.5% applies to this type of revenue.

1.6.4.2 Radio

ADVERTISING

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

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

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

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

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

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

The three radio stations are subject to the tax on advertising broadcast by radio and television (Article 302 bis KD of the General Tax Code). A graded scale applies, based on quarterly revenues.

1.6.5 Compliance with legal obligations and the agreement

The M6, W9, 6ter and Paris Première channels and the Group's three radio stations all benefit from a terrestrial broadcasting licence. They have all signed agreements with the CSA and are subject to regulatory obligations and obligations arising from these agreements.

On an annual basis, the channels and stations report on the implementation of their obligations during the previous financial year to the CSA.

According to the Group's calculations, and subject to their approval by the CSA, M6, W9, 6ter and Paris Première fulfilled their broadcasting obligations in 2018.

The channels also fulfilled their obligations in terms of the amounts invested in the production of audiovisual works and films.

The Group's radio stations, subject to validation by the CSA, complied with their broadcasting obligations in 2018.

1.7 RISK FACTORS AND MANAGEMENT

Investors are invited to consider the risks described below, which may have an influence on the operations, financial position, financial performance and development of the Group.

In relation to environmental risks specifically, the Métropole Télévision Group's operations do not structurally generate any significant environmental impacts, and as a result do not incur any industrial or environmental risks in light of existing regulations.

Since the publication of the decree implementing Article 225 of French Grenelle 2 Law in 2012, M6 Group has conducted an inventory every year of all its corporate, social and environmental data, which are then verified by an independent third party. This process enables a better grasp of the environmental risks that it may face.

Moreover, M6 Group firmly believes that this information enables the various stakeholders involved to better assess their overall performance in the medium- and long-term, and more generally, that corporate responsibility goes hand in hand with economic performance.

M6 Group thus pursues an active CSR policy and clearly signals its commitments to all its partners, including viewers, employees, customers, shareholders, suppliers, public authorities and the civil society. This desire for transparency with all of its stakeholders allows M6 Group to be reactive to potential sources of environmental, corporate and social risk. M6 Group can therefore better anticipate their development and thus mitigate the consequences.

In a context of transparency, M6 Group's commitments notably include curbing global warming using appropriate measures, which all staff members are made aware of (see section 6.3 Environmental Responsibility).

Similarly, corporate and social risks are discussed in Chapter 6 of this Document.

1.7.1 Internal control procedures and risk management

1.7.1.1 General organisation of internal control

Definition of internal control

In order to mitigate the risks the Group faces, M6's Executive Management set up an internal control system closely associated with operational management and which acts as a decision-making tool for Management.

This internal control is based on the benchmark of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the recommendations on corporate governance and internal control prepared by the AMF, which take into consideration legal and regulatory obligations as well as good professional practices.

The Métropole Télévision Group (Métropole Télévision SA and its consolidated subsidiaries) defines internal control as a process that consists of setting up and continuously revising appropriate management systems, with the aim of providing directors and senior executives with reasonable assurances that the financial information is reliable, that legal regulations and rules of procedure are complied with and that the principal business processes (IT systems, structures and procedures) operate in an effective and efficient manner. In addition, one of the objectives of an internal control system is to prevent and manage the risk of error or fraud.

As with all control systems, it cannot provide an absolute guarantee that these risks are fully eliminated or controlled. The mechanism implemented aims to reduce the probability of their occurrence by the implementation of appropriate action and prevention plans.

Risk mapping

Every year, the Group prepares and updates a summary of all the operational and functional risks incurred by its various teams. Risks related to the business, major operational risks, legal risks, counterparty risks, market risks and lastly industrial and environmental risks including financial risks related to the effects of climate change are specifically recorded.

This assessment determines events that may have an adverse effect on the achievement of the Group's objectives and specifies the causes and consequences of the latter in order to implement action plans to curtail their effects and the likelihood they will occur.

This work is carried out with the support of members of the Executive Committee of the Group and the senior operating and functional executives.

This risk mapping is presented once or twice annually to the Audit Committee.

These main risks with which the Group is faced are presented in this section of the Registration Document.

Accountability of operating and functional executives

Responsibility for the control of risks is entrusted to the member of the Executive Board in charge of Finance and Support Functions, with the assistance of the Audit and Risk Manager who coordinates the control assignments in line with the action plan approved by the Executive Board. This member ensures continuous monitoring of the internal control mechanism and, where appropriate, calls on external assistance.

The Métropole Télévision Group internal control system is based on all the policies and procedures defined by every functional department and by all operating units on the basis of the different risks identified:

- the internal control procedures in the area of cross-group activities are defined by functional management. They concern mainly the Finance, Human Resources, Communications, Strategy and Development, Legal and Technical Departments;
- the internal control procedures specific to operational departments are defined at their respective level. Thus:

- the Programming Department monitors the costs and risks of content;

- the sales house seeks quality in the channels' partners and standardisation of marketing depending on the programmes;

- the management of the diversification subsidiaries (other than television) ensures the quality of their contractual partners and monitors the development of trademarks created by Group channels.

1.7.1.2 Description of internal control procedures

General organisation of internal control procedures

In order to attain its operational and financial goals, the Group has implemented organisational and internal controls as part of the general organisation described above.

Corporate governance: forms and procedures

Since 2000, Métropole Télévision has been a limited liability company with an Executive Board and Supervisory Board. This legal form facilitates the separation between company management, which is the responsibility of the Executive Board, and the supervision of that management, performed by the Supervisory Board. It therefore satisfies the regulatory constraints imposed by the agreement with the Conseil Supérieur de l'Audiovisuel (CSA), which governs the operation and broadcasting rules of the network.

The rules of corporate governance in the Métropole Télévision Group are set down in the Bylaws (Articles 14-19 for the Executive Board and Articles 20-24 for the Supervisory Board) in this report.

Operational control participants

Internal control is monitored at all levels within the Group. The Executive Board has delegated internal control powers to the following collegial organisations or functional departments:

- The Executive Committee ensures the effective implementation of the Group's internal control policy (both operational and functional), by monitoring and following up on the internal control work carried out across the Group.

It meets twice a month. It includes the main functional and operational departments of the Group: the Programming Department, managers of the diversification, audiovisual rights, distance selling and Internet divisions, as well as the Development, Finance, Strategy, Human resources, Legal, Corporate Secretary and Technical departments.

- The Management Committee is responsible for informing the Group on major decisions and communicating the internal control policy to the various entities.

It meets once a month and comprises members of the Executive Committee as well as representatives of the main operations or departments.

- The Group's Finance Department

- coordinates and steers the weekly and monthly reporting of majority-held subsidiaries, thereby guaranteeing regular financial updates to the Group;

- coordinates certain financial transactions that are of importance to the Group;

- in consultation with the subsidiaries, manages the Group's cash flow and exchange risks by setting up financial indicators and hedge instruments as it considers appropriate;

- monitors the handling of direct and indirect taxation as part of tax planning;

- in collaboration with the subsidiaries, implements a network of management controllers suited to the needs of the Group's individual business units;

- strengthens the procedures covering the security of accounting information and the reporting of information for consolidation purposes.

- The Audit and Risk Management Department:

- centralises and coordinates all aspects of risk management (risk identification), internal control (definition of internal control procedures) and internal audit (implementation of an annual internal audit plan);

- ensures the effectiveness of the policy to secure the information systems via the Group's Information Systems Security Manager (ISSM);

- reports its findings to the operational departments, the Executive Board and the Audit Committee.

- The Group's Legal Department

- issues legal opinions for all Group subsidiaries;

- liaises with the subsidiaries and other functional departments to prepare and negotiate contracts;

- implements a network of legal experts to monitor and manage the Group's legal risks.

- The Corporate Secretary ensures compliance with laws and provisions specific to the Group's operating activities and follows legal and regulatory developments that may have an impact on the various entities.

Company Internal References

In order to enable each of its employees to take part in reinforcing internal control within operations, the Company implemented the following:

- a Code of Ethics and Professional Conduct which has been communicated to, and which must be observed by all employees of the Métropole Télévision Group. This Code details the Company's ethical values and defines the professional principles which Group Directors and employees must adhere to in their own conduct and which must guide the steps they undertake;
- descriptive manuals specifying the operational and administrative processes applying to all its operations of whatever nature;
- an expense control procedure backed by a system for the delegation of signatory powers. These delegations of powers are updated and formalised on a regular basis as the roles and responsibilities of delegating individuals change. At the time of each modification to delegations of power, strict compliance in relation to segregation of duties between the validation of an operating expense, its recognition and its payment is strictly ensured. The implementation of a new expense management monitoring tool in 2012 reinforced this process;

- procedure for artistic validation of programming content, ensuring it respects editorial and ethical values and current legislation. This procedure is enacted by preparing recommendations for the attention of Programme Management.
- a compliance programme regarding the competition rules and comprised of a Code of Conduct and practical training on the principles included in the Code.

The key Group documents are available on the Group's intranet. Functional managers are responsible for their circulation.

Rules governing the preparation of financial and accounting information

The internal control procedures relating to the preparation and processing of financial and accounting information are primarily implemented by the Accounting, Consolidation and Management Control divisions of the Group's Finance Department.

Most of these processes are also deployed within the subsidiaries to standardise the current modus operandi of the Group.

Principal internal control procedures established by the Company

The Métropole Télévision Group has a system of centralised internal control procedures with a high rate of hierarchical control based on a priori control of decisions and strict monitoring of individual objectives.

The Group's operational control procedures involve monitoring expenses, programming, content, quantity and compliance with regulations (CSA, CNC, etc.).

The main procedures applied within the Group include:

- integrated management systems, tailored to the audiovisual sector, which allow the simultaneous management of programme purchases and their broadcast, as well as the sale of advertising space;
- a financial reporting system with an expense monitoring tool added to it in 2012 to provide for closer internal control of purchasing. Besides the operational contribution of this tool, which is recognised as the benchmark in its market (numerous automated checks, strict rules for the segregation of tasks and security), the responsibilities assigned to the various internal control players and the main internal control procedures have been both updated and strengthened. The Company took this opportunity to set up a team dedicated to purchase management. Reporting to the Group Finance Department, this team is in charge of the management of this tool as well as central order processing and monitoring;
- centralisation of cash management transactions.

The Group's internal controls for the preparation and processing of financial information comprise a number of procedures:

Accounting procedures

The Accounts Department records all movements and gathers all accounting documentation throughout the accounting period using financial reporting systems controlled by system administrators which ensure such systems are correctly used and monitor updates in close collaboration with the publishers.

Document validation paths prioritise the Accounts Department and internal procedures, such as dual control, exist to ensure a posteriori control of the consistency in accounting entries. Detailed reviews are conducted at each balance sheet date to check the work carried out.

Lastly, specific procedures relative to monitoring customer risk are applied in every accounting department: they relate to all stages of the commercial relationship, from initial contact with the customer (completion of solvency check) to collection of the receivables (different terms of payment, application of late penalties and procedures for recovery of unpaid invoices).

Consolidation procedures

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 1 January 2005.

The Consolidation Department ensures that accounting standards are consistently applied throughout the Group and are in line with IFRS developments. It also collects and monitors non-accounting data included in financial communications.

The Group publishes quarterly reports on the consolidated revenue, consolidated EBITDA and financial position, and interim reports on the results. It also issues financial documentation annually, as required for a company listed on a regulated market.

Reporting procedures and budgetary control

The Reporting Department is part of the Management Control Department. It collects and analyses data on a weekly or monthly basis depending on the activity in question.

The first step in this process is the preparation of a three-year strategic plan, approved by the Executive Board. The second step consists of establishing an annual budget analysed by month.

Although the budgetary process is decentralised to the level of each entity, its organisation and coordination is carried out by the central management control. In addition, every entity or subsidiary presents its budget to the Executive Board and to the Finance Department. This budget is subject to a quarterly update to provide optimum management of Group forecasts.

Reporting is then reviewed monthly with operational staff who are in a position to monitor and explain progress towards their budget objectives.

To complete this monthly reporting, all operational entities are included on the weekly management report (revenue, programming costs, gross profit) or daily report (revenue statistics).

Monitoring off-balance sheet commitments

The Group has an integrated tool to manage the rights portfolios and programming of its television activities, which comprise most of the Group's off-balance sheet commitments. The other off-balance sheet commitments are summarised by the Finance Department in close collaboration with the Legal Department in a half-year report.

At the balance sheet date, the Finance Department obtains the information required to report consolidated off-balance sheet commitments from all Group departments.

Monitoring non-current assets

The Group's non-current assets are monitored using asset management software and a special application to manage audiovisual rights. At each balance sheet date, the information generated by this software is reconciled with the accounting records.

Regular physical inventories and asset reviews ensure that the operating assets exist and have been accurately valued.

1.7.1.3 Conclusions and outlook

During 2018, M6 Group focused on the continuous improvement of internal control processes by strengthening tools, procedures (notably those which protect the Group from possible fraud attempts) and its information systems security policy.

Furthermore, in 2018 the Audit and Risk Management Department carried out a campaign to assess the internal control procedures overseeing the main risks associated with the preparation of the Group's financial statements.

The internal audit and risk management assignments conducted in 2018 primarily focused on reviewing the key processes of subsidiaries recently acquired by the Group, auditing certain external services contracts, reviewing specific payment processes, reviewing IT access to the main information systems and their hacking risk, as well as auditing the IT security measures and systems in place in the different subsidiaries. These assignments did not bring to light any major shortcoming or inadequacy in the internal control process. Where applicable, the recommendations issued were subject to an action plan by operational structures and were followed up by the Audit and Risk Management Department. In 2018, the Group also continued efforts initiated during the previous year to ensure compliance with the European Data Protection Regulation (GDPR) which came into force in May 2018.

As is the case every year, work has been carried out to update risk-mapping and action plans have been defined to cover the main issues associated with internal control.

The Audit Committee has received regular updates on all this work.

In 2019, M6 intends to continue this risk management and continuous procedure improvement process by continuing to improve the accountability and awareness of the operational entities in relation to internal control issues.

1.7.2 Business risks

1.7.2.1 Risks related to the Group's market structure

Television

M6 Group, via its broadcasting activities, operates in an audiovisual market undergoing strong change (as described in paragraph 1.5.1.2 on the structural changes affecting the TV market), due to the development of new DTT channels, as well as to changes in viewing habits related to the development of the Internet (video on demand, catch-up TV, new online channel networks, etc.), and more generally to all the recent technology developments leading to changes in viewing habits:

- The free-to-air channel offering increased from 19 channels at 31 December 2011 to 25 on 12 December 2012, following the launch on free DTT of 6 additional channels, and to 27 in 2016. This growth in content offering leads to audience dispersal, with a consequent fragmentation of the TV advertising market, the main source of revenue for the Group's free-to-air channels.

Since 2010, the competitive landscape of free-to-air channels has also changed in response to industry consolidation transactions:

- in 2010, TF1 Group acquired 40% of the channel TMC and 100% of the channel NT1 from AB Group;
- acquisition by Canal+ Group of Bolloré Group's free-to-air TV channels (Direct 8 & Direct Star) was completed in September 2012;
- merger of NextRadio TV (producer of such channels as BFMTV, BFM Business TV and RMC Découverte, as well as the RMC and BFM Business radio stations) with Altice Group took place in 2015, and the implementation of a large-scale strategy by Altice Group to purchase rights, as shown with the rights to the Champions League and Europa League in 2017.
- A change was also noted in Canal+'s strategy in 2017, which has reviewed the price positioning of its channels and the way in which they are marketed, with their inclusion in the standard packages of telecoms operators (Free, Orange, etc.).
- The broadcasting activities of the pay channels operate in a highly competitive environment, with the development of free-to-air television and increased penetration of a multi-channel package distributed via satellite and IPTV platforms.

In addition to advertising income, limited due to low audience figures, the Group's pay channels benefit from revenue from cable operators and distribution platforms. The calling into question of these distribution agreements, within the context described above, could have a significant impact on the profitability of the Group's pay channels. In this regard, the main distribution agreements, which ended in late 2017, were renewed between December 2017 and February 2018 for variable durations depending on the agreements.

- New global players are currently entering the video market. In parallel with both the audience share gains of certain pay-TV operators (such as BeINSports), and the rise in streaming services, video distribution platforms like YouTube are becoming increasingly important to certain consumers, potentially leading to part of the TV advertising market transferring to digital, particularly as the new players are extremely powerful (Netflix, Google, Amazon, Apple).

Within this context, M6 Group initially undertook to strengthen its position by investing in the line-up of its M6 channel to consolidate its audiences, and by developing a family of channels with the W9 channel, launched in 2005, and 6ter, one of the 6 new channels launched in 2012.

Moreover, in 2017 M6 Group acquired the French Radio division of RTL Group (RTL, RTL2 and Fun Radio), the leading private radio group in France, meaning it now has a very powerful multimedia offering, thanks to the addition of the Radio medium to its media range, until then comprised of Television and Digital. The transaction allowed M6 Group to strengthen its positioning in the media market – with one in two French people being reached by M6 Group media on a daily basis[52] – and on the advertising market (compared with one in three previously).

As described in paragraph 1.5.1.2. of this document, M6 Group is also involved in the implementation of all new broadcasting technologies to support and anticipate the new viewing patterns, a necessary condition for the sustainability of its model. M6 Group has thus been one of the pioneers in catch-

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up TV with its platform M6Replay, launched in 2008 and which became 6play in 2015, and on which 1.4 billion videos were viewed in 2018, and is also present in the Multi-Channel Networks market with Golden Moustache, launched in 2012, and now attached to the digital production company Golden Network, created in 2017.

Furthermore, the inclusion in television audience ratings of viewing content that is being recorded daily on personal hard discs, of catch-up TV on a television screen, and in 2020 via other mediums (tablets, smartphones, pc), helps to mitigate the risks related to fragmentation by taking into account new viewing patterns in tracking the consumption of the TV medium.

Lastly, in the face of this competition, M6 Group strives to stay close to its public by committing to ensuring that all sections of the French population appear on screen, by overseeing the access of younger viewers to its programmes, and by being involved in leading social causes, such as the issues addressed by the M6 Foundation.

Other Group markets

Concerning other operations and revenue streams, M6 Group has developed a product and service offering mainly directed at the mass market. However these operations, although not dependent on advertising revenue, are sensitive to the economic situation (see paragraph 1.5.2) as well as the progressive digitalisation of their industry, in particular music publishing (discs) and video editing. Within the specific context of video production, for several years M6 has been developing the marketing of its audiovisual rights on VOD platforms.

In addition, 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 and the applicable interprofessional agreements designed to combat illegal downloading restrict the opportunities and the interest in illegal downloading.

1.7.2.2 Sensitivity to the economic situation

M6 Group, due to the nature of its operations, is highly sensitive to the economic situation and consumer spending. Accordingly:

- Advertising revenue depend on a level of investment in communication set by advertisers, who for the most part are major brands that operate in mass market products and services (food, health & beauty, cleaning products, finance and insurance, transport, telecommunications, publishing, etc.). This level is notably related to the growth prospects and the profitability of these businesses on the French market. Communication expenditure may represent a balancing item in the cost structure of these businesses against a deteriorated economic background. More generally-speaking, all changes that create uncertainty to the level of advertisers' revenue, or which constitute an additional constraint on their costs, may have an influence on the level of their television advertising expenditure, and thus be reflected in a negative impact on the Group's advertising revenue.

However:

- due to its presence in free-to-air DTT through the W9 and 6Ter channels, M6 Group benefits from stronger exposure to the advertising market of second-generation channels, whose growth was higher in 2018 than that of the overall TV advertising market;
- the significant number of advertisers, the constant renewal of brands and the competitive environment significantly limit M6 Group's risks connected with a possible concentration and to an excessive exposure to any given sector.
- Revenue stemming from diversification and production activities as well audiovisual rights (20% of consolidated revenue in 2018) mitigate the Group's dependency on the advertising market. They are nonetheless dependent on the level of consumer spending and the portion dedicated to leisure - media (TV subscription, telephone, video purchase, cinema, CDs, etc.) or to household equipment purchases (Ventadis division).

1.7.2.3 Adapting the cost structure and increase in costs

The Group is primarily exposed to risks of upwards movements in the purchase cost of audiovisual rights.

The growth in the cost of programmes noted in recent years has affected all categories: retransmission rights for sports competitions, broadcasts, series, and feature films.

This was reinforced by the relative scarcity of powerful and attractive programmes in a market where buyers are more numerous than before, with an increase in the strength of DTT channels, and where the number of sellers is restricted. In addition, technological (transfer to HD reception for example), regulatory, legal and contractual changes (the collective production agreement for example) may also contribute to an inflation in production and purchase costs.

However, in order to respond to this risk, a number of years ago the Group set up an "industrial platform" to manage its content purchases, like many other industries. As such, a purchasing team is tasked with identifying the best programmes for Group channels at a very early stage in the purchasing process, to participate in screenings organised by studios and to negotiate the best possible prices by using their knowledge of the market and the sellers.

In addition, the Group has developed in-house production companies, thus improving its control of the audiovisual and film production value chain:

- C. Productions for news and current affairs programmes;
- Studio 89 for entertainment programmes;
- Golden Network for video content for online distribution;
- M6 Studio and M6 Films for feature films.

The audiovisual rights acquisition and distribution subsidiary SND, as well as the film catalogue and cinema co-production activities all contribute to the Group's strategic response aimed at making broadcasting rights procurement secure and to better control its cost.

Lastly, programme management has the objective of defining the programme policy for Group channels giving them each their own identity but also enabling the sharing of resources (technical resource, studies, programmes where appropriate). Throughout the year, programme management ensures strict cost control of programmes and monitors this, as much as possible, depending on advertising revenue growth.

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.

1.7.3 Market risks

1.7.3.1 Foreign exchange risk

The foreign exchange risk management policy and related data are set out in Note 21.4 to the consolidated financial statements of this document.

1.7.3.2 Interest rate risk

The Group is naturally exposed to risks from movements in interest rates. This risk is detailed in Note 21.4 to the consolidated financial statements.

This risk is of little significance however as the Group has very little debt and short-term rates are negative.

The Group has a 7-year fixed-rate Euro PP debenture loan, which is its only existing long-term debt. In addition, the Group has variable rate credit facilities, which had not been drawn down at 31 December 2018.

1.7.3.3 Share risk

To the extent that the Group does not own any listed financial assets, share risk exposure only relates to treasury shares.

In the consolidated financial statements, treasury shares are recorded at their acquisition cost as a reduction of equity. Therefore, M6 Group share price movements have no impact on the Group's consolidated financial statements.

In the parent company financial statements:

- the net value of treasury shares is aligned with the corresponding asset at the listed share price, except for treasury shares held with a view to funding free share allocation plans, the net value of which is written down to zero over the period of the plans, the provision being spread over the rights acquisition period;
- only shares held as part of the liquidity contract are therefore exposed to share risk. A provision for depreciation is recorded if the book value of treasury shares, equal to the average market price over the last month of the financial year, is lower than their purchase price. Their net value was €1.8 million at 31 December 2018 for 120,791 shares. A 10% movement in the M6 share price would have an impact of less than €0.2 million on the net value of treasury shares.

1.7.4 Credit and counterparty risk

The credit risk for the Group is the bankruptcy of a customer, a supplier or a banking counterparty.

1.7.4.1 Risk of customer default

Concerning customer risk, the Group applies a cautious prevention and monitoring procedure described in Note 21.1 to the consolidated financial statements.

It is pointed out in this note that, as regards revenue, no single customer risk is material enough to significantly impair the Group's profitability.

The Group's leading, top 5 and top 10 customers represent less than 5%, 15% and 20% of consolidated revenue, respectively.

1.7.4.2 Risk of supplier default

As part of the purchase and co-production of programmes, the Group has to pay advance payments which may be deemed significant over a full-year. The Group strives to pay advances or make prepayments as close to the delivery date of the programmes to be broadcast as possible. In all instances, the Group implements an active policy of selecting the most sound suppliers, or failing that, monitors the financial health of its suppliers.

1.7.4.3 Banking counterparties

Financial transactions are negotiated with carefully selected counterparties as described in this document in Note 21.4 to the consolidated financial statements, Market risk, in the section dedicated to the investment policy.

The Group pays particular attention to the quality of its banking counterparties, which are all "investment grade" rated.

Prudent diversification was thus undertaken for the institutions with which surplus cash is invested and from which the Group has borrowed over the course of the year.

1.7.5 Liquidity risk

The liquidity risk management policy is set out in Note 21.2 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 2018, the Group's net cash position was €93.8 million. At the same date, the line available to the Group with its main shareholder (Bayard d'Antin) for a maximum of €50 million had not been drawn.

In 2017, the Group took out €50 million in private bond financing in the form of Euro Private Placement maturing in seven years, as well as €120 million in confirmed new credit lines for a term of five years. These lines had not been drawn down at 31 December 2018 (compared with €10 million at 31 December 2017), and the maximum drawdown amount of €55 million was used during the financial year.

1.7.6 Legal risks

1.7.6.1 Regulatory risks

Risks related to regulatory and contractual obligations

As part of its broadcasting authorisation, the main features of which are specified in section 1.6.2. of this document, M6 Group's channels and radio stations are subject to legal and regulatory authorisations provided by the Law n°86-1067 of 30 September 1986 and related application decrees.

The channels and radio stations are also bound to the regulatory body (CSA) in application of the Article 28 of the aforementioned Law of 30 September 1986.

These agreements set out the specific rules applicable to the channels and radio stations, due to the extent of the area serviced, of the channel's share of the advertising market, of the obligation of equal treatment between all TV networks and competitive conditions specific to each of them, as well as the development of digital terrestrial radio and television.

The Conseil Supérieur de l'Audiovisuel thus ensures that the channels and the radio stations meet all their obligations.

Sanctions incurred in the event of non-compliance with commitments are listed in Articles 42 and subsequent of the Law of 30 September 1986: summons, suspension, reduction of the broadcasting licence to a single year, monetary sanctions limited to 3% of its revenue or 5% in case of repeat offence, cancellation of the licence.

In order to minimise risks associated with production and broadcasting quotas, M6 Group put into place a precise regular monitoring of its programming and investments in programme production. In addition, one of these systems is exclusively focused on monitoring the network, ensuring daily that all programme contents are in accordance with regulations in force.

The Group considers that within an environment where TV and radio publishers face numerous challenges and need to adapt to a changing environment (increase in the number of DTT channels, increase in viewing media, insufficient revenue growth, competition from powerful new business players), the growing complexity of the audiovisual regulatory framework is liable to hamper the development and adaptation and innovation capacity of audiovisual groups, as with certain changes implemented in 2018 and presented in Section 1.4.3 of this Document, and which could impact the development of industry players and their ability to adapt and innovate.

Risks related to frequency management

The channels M6, W9, 6ter and Paris Première are audiovisual communication services subject to licences.

The M6 channel had a licence to broadcast in high definition, effective from 31 October 2008 for a period of 10 years. On 27 July 2017, the Conseil Supérieur de l'Audiovisuel decided to extend this authorisation until 5 May 2023, under the conditions provided for in Article 28-1 of the Law of 30 September 1986.

The channels **W9** and **Paris Première** were initially licensed to broadcast for ten years through two decisions dated 10 June 2003 (tendering process dated 24 July 2001). Their licences were extended for five year (i.e. until 2020) as their actual coverage of mainland France was extended to 95% on 30 November 2011. This also requires that at least 91% of every district be covered. On 25 July 2018, the Conseil Supérieur de l'Audiovisuel decided to order the renewal of their authorisations without a tendering process, under the conditions provided for in Article 28-1 of the Law of 30 September 1986. The channels therefore appeared before the Conseil, which is continuing its investigation, on 13 September 2018.

Details of the expiries of the authorisations held by **RTL**, **RTL 2** and **Fun Radio** are provided in Section 1.6.2.2. Authorisations to use frequencies.

In the event of the Group's failure to fulfil its obligations, the CSA can, depending on the severity of the breach and after formal notice has been given, impose upon the broadcaster one of the penalties set out in Article 42-1 of the Law of 30 September 1986 (financial penalty, suspension of the publishing, broadcast or distribution of the service, of a category of programme, of a section of the programme line-up or of one or more advertising breaks, for a maximum of one month, and/or reduction in the authorisation to use frequencies of a maximum of one year).

M6's fulfilment of its obligations is carefully monitored. In this regard, the Group's Corporate Secretary ensures that every channel and station's programmes comply with regulations.

1.7.6.2 Intellectual property, freedom of the press and personal privacy

M6 Group's broadcast and distribution of audiovisual programmes is susceptible to claims of various natures concerning the violation of provisions relating to laws on intellectual property rights, personal privacy rights and freedom of the press. The consequences could be an award of damages or financial penalties.

No contractual provision can provide the Métropole Télévision Group with total protection against legal recourse and conviction, particularly with regard to legal action matters based on the Law of 29 July 1881 related to the freedom of the press.

In addition, Métropole Télévision Group diversification activities may generate claims regarding the infringement of the aforementioned rights.

Nevertheless, procedures have been implemented within Métropole Télévision Group to protect it from this type of risk: contract mechanisms (guarantee clauses) and internal procedures, such as assignment of legal advisors to production in-charges, guidelines, etc., which enable this risk to be considerably reduced.

1.7.6.3 Risks relating to non-observance of contractual commitments

Non-observance of contractual agreements by suppliers or partners is liable to affect Group operations on a once-off basis, more particularly when defaults relate to the delivery of audiovisual rights (poor quality or unavailable on the planned broadcasting date) or technical services of any kind (IT systems, technical facilities, etc.).

A break in broadcasting may thus cause the loss of advertising revenue relating to commercial breaks not or poorly broadcast.

However, the Group carries out a strict assessment of its providers and suppliers, from the point of view of technical and operational reliability and financial soundness before placing any order.

In addition, the Group ensures that it negotiates contractual provisions that guarantee compensation in case of obvious default by suppliers resulting in a loss of profit or the recognition of exceptional expenses.

In 2018 as in 2017, the Group did not record any major incident resulting from the non-observance of contractual agreements by suppliers and partners.

The only identified risk of non-observance of contractual commitments by customers relate to their solvency, as specified in the notes to the financial statements.

Lastly, the Group takes particular care to meet all its contractual commitments with third parties, considering that any failure to meet its obligations would have an adverse impact on its reputation, the proper running of its operations and the occurrence and magnitude of resulting litigations. Internal audit procedures are intended to circumscribe this risk in particular.

In 2018, as in 2017, the Group did not record any major incident resulting from its non-observance of contractual agreements with third parties.

1.7.6.4 Litigations and financial assessment

In compliance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision for litigations when it is considered probable that a litigation will generate costs without an at least equivalent consideration and that a reliable estimate of the latter can be made.

At 31 December 2018, the Group thus recognised €18.1 million in provisions for litigations (€21.2 million at 31 December 2017).

These provisions pertain to litigations and proceedings with third parties, thus an individual and detailed presentation of them is not possible due to trade secrets.

On the other hand, no provision is recognised for litigations for which it is improbable that an outflow of resources will occur, or for which the financial impact cannot be reliably measured. In this case, the Group recognises a contingent liability.

By ensuring compliance with both its contractual and editorial obligations as regards its TV channels, the Group strives to reduce the occurrence of litigations to the best of its ability. However, such occurrences are inherent to any business activity and when litigation occurs, the Group will strive to minimise their impact by using the best advisors.

1.7.6.5· Legal and arbitration proceedings

Notification of complaint by the Competition Authority

On 7 January 2009, stakeholders to the CanalSat TPS merger transaction that created Canal + France received a notification of complaint from the French Competition Council, which has since become the Competition Authority, as the Committee's Reporting Secretary considered that certain clauses of the agreement entered into by the two parties could be criticised in light of Competition regulations. In its ruling of 16 November 2010, the French Competition Authority considered that it was not its role to call into question the exclusivity and non-compete clauses concluded between Canal + Distribution and M6 Group, which had been notified to the Ministry for the Economy and which was expressly authorised by the latter in its decision to authorise the merger between CanalSat and TPS.

The Authority claimed jurisdiction to examine, as part of the transfer to the examining judge, exclusivity clauses relative to optic fibre and catch-up TV services concluded between Canal + Distribution and M6 Group, which, in the Authority's opinion, were not included in the ruling of the Ministry for the Economy. This ruling by the Competition Authority was subject to an appeal before the Court of Appeal of Paris by France Telecom. M6 Group communicated with this court at its own initiative. France Telecom finally withdrew this last claim, which was acknowledged by the Court of Appeal of Paris in its ruling of 8 December 2011. The appeal procedure remains on-going.

In addition, M6 Group lodged a complaint with the French Competition Authority against TF1 for abuse of a dominant position in the television advertising market, which is still under investigation.

Moreover, on 21 February 2018, M6 Group received a notification of complaint from the Competition Authority and relating to the practices implemented by the groups TF1, M6 and France Télévisions in the sector of rights acquisition relating to films in the EOF catalogue. The latter are all accused of inserting pre-emptive rights into co-production contacts, which the Authority considers as having a restrictive effect on competition. M6 Group disputes the validity of this proceeding.

Other appeals before the Conseil d'Etat

M6 Group lodged an appeal with the Conseil d'Etat against the Competition Authority's decision n° 17-DCC-92 of 22 June 2017 requesting a review of the injunctions issued in decision n° 12-DCC-100 of 23 July 2012 relating to the acquisition of sole control of TPS and CanalSatellite by Vivendi SA and Canal Plus Group.

M6 Group considers that the Competition Authority made an error of assessment, when it considered that it could lift the injunctions imposed on Canal Plus Group in 2012, and that the obligations resulting from the decision in 2017 are insufficient to prevent the persistent anti-competitive effects of the transaction to take sole control of TPS and CanalSatellite.

M6 Group has also lodged an appeal with the Conseil d'Etat against the Competition Authority's decision n° 17-DCC-93 of 22 June 2017 requesting a review of the obligations of decision n° 14-DCC-50 of 2 April 2014 relating to the acquisition of sole control of the companies Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia by Vivendi SA and Canal Plus Group. M6 Group considers in particular that the Competition

Authority has not demonstrated that the de jure and de facto circumstances taken into account in the 2014 decision have been significantly changed and that the purchasing power of Canal Plus Group would have been structurally and permanently altered.

In a decision dated 14 June 2017, the Conseil Supérieur de l'Audiovisuel issued an injunction against the company CLT UFA, at that time provider of the RTL service, ordering it to comply with certain ethical obligations set out in the agreement concluded with the Conseil on 2 October 2012. On 2 February 2017, RTL is alleged to have broadcast a column by Eric Zemmour who presented a critical analysis about non-discrimination. On 11 January 2018, Métropole Télévision, which has taken the place of CLT-UFA following the purchase of the radio division of RTL, lodged an appeal against this decision before the Conseil d'Etat. By a decision dated 15 October 2018, the Conseil d'État annulled the CSA decision of 14 July 2017.

The Conseil d'Etat is currently hearing Canal Plus Group's appeal against the Conseil supérieur de l'audiovisuel's decision of 27 July 2017 to renew the broadcasting licence of the M6 channel. Canal Plus Group considers that the Conseil Supérieur de l'Audiovisuel wrongly issued its decision without first carrying out an impact assessment while M6 Group had announced its decision to ask distributors for fees in respect of its taking over of the M6 channel. Canal Plus Group furthermore considers that the fact that M6 Group is asking distributors to pay fees constitutes a substantial change to the authorisation issued to Métropole Télévision which the CSA should have opposed.

The Conseil d'État is currently hearing the appeal lodged by TF1 Group and record industry organisation SNEP against a ruling by the Conseil Supérieur de l'Audiovisuel dated 16 May 2018 relating to the amendment to the agreement concluded with the company EDI TV.

Other disputes

In June 2015, the companies Métropole Télévision and Molotov concluded, on a trial basis, an agreement allowing Molotov to distribute M6 Group's DTT free-to-air channels and its special interest channels and services on the former's OTT platform for a duration of two years, ending on 31 December 2017.

Upon expiry of this agreement, Métropole Télévision and Molotov began discussions regarding the distribution of M6 Group's services on the Molotov platform based on M6 Group's General Terms and Conditions of Distribution.

Given that these discussions proved unsuccessful, the licence granted to Molotov to distribute M6 Group's DTT free-to-air services on its platform ended. Since Molotov has continued to distribute these services, on 6 April 2018 Métropole Télévision initiated legal proceedings against it before the Paris High Court for infringement and parasitism, due to the unauthorised distribution of its DTT free-to-air services on its OTT platform.

For its part, on 4 April 2018 Molotov applied to the Paris High Court to dispute the legality of certain provisions in the General Terms and Conditions of Distribution of M6 Group's DTT free-to-air services, requiring the distribution of M6 Group's services within paid for packages.

In a decision dated 11 February 2019, the Paris High Court judged this provision to be unenforceable against Molotov. M6 Group has appealed this decision.

Both cases are ongoing.

The financial risks arising from all the matters in progress, with the most significant described above, have been estimated prudently and provided for where required in the financial statements of the Group (see Note 24 to the consolidated financial statements).

Over 2018 as a whole, there were no other governmental, legal or arbitration procedures (including any procedure known to Métropole Télévision and its subsidiaries, whether pending or threatened), which is likely to have or having had a significant effect in the last twelve months on the financial position or profitability of the Group.

All the risks related to the various proceedings against the station Fun Radio in respect of audience measurements are the responsibility of RTL Group and not M6 Group.

1.7.7 Major operating risks

1.7.7.1 Risks related to the broadcasting and transmission of the signals of the Group's TV channels

For the Group's channels, the interruption of the broadcast of their programmes constitutes a major risk.

In order to protect itself from the occurrence of such a risk, the Group has taken a number of steps to ensure continuous broadcasting of the programmes of the Group's channels. These steps relate notably to securing the electricity supply to the units, the ongoing modernisation of the broadcasting installations and the selection of recognised and reliable suppliers for services to broadcast the signals.

The Group's methods of broadcasting are varied:

- M6 is broadcast free on the DTT network in digital mode (Digital Terrestrial Television) and high definition (HD); the M6 signal is also included in most packages of channels offered by the satellite, cable and broadband IPTV platforms.
- W9 is broadcast free in digital mode in high definition (HD) on the DTT network. The W9 signal is also included in non-free-to-air broadcast platforms (cable, satellite, IPTV).
- 6ter is broadcast free in digital mode in high definition (HD) on the DTT network. The 6ter signal is also included in non-free-to-air broadcast platforms (cable, satellite, IPTV).
- Other Group channels are pay channels offered by the various non-free-to-air platforms. Paris Première is nevertheless included in DTT pay-TV packages.

Concerning the broadcast of free-to-air digital (DTT), data compression in digital mode enables the broadcast of several DTT channels on the same frequency. As a result, the broadcast in DTT is shared by a group of five to six associated channels in common companies, called Multiplex or MUX, whose composition is decided by the Conseil Supérieur de l'Audiovisuel (CSA). Thus:

- M6, W9 and 6ter included with France 5 and Arte in the R4 Multiplex (the company Multi 4). In accordance with the law, the network that has been rolled out by the R4 Multiplex is supported by 1,626 broadcasting sites and provides nationwide coverage of 95% of the population of Mainland France, with a minimum of 91% per district;
- Paris Première is included with both the pay TV channels of Canal+ Group and with LCI in the R3 Multiplex (the company CNH).

This Multiplex composition was introduced after the technological developments and technical operations required for the full MPEG-4 transition were carried out on 5 April 2016.

For their broadcast, the channels thus depend on the quality of the services of their technical providers (free-to-air broadcast) and on the continuity of service provided by the operators of cable, satellite and IPTV platforms.

- M6 Group operates the **top of the network** for Multi 4, which consists of compressing and multiplexing the signals. Canal+ Group provides this service on behalf of CNH.
- Multi 4 uses the company Globecast to ensure the **upload** to the Eutelsat 5 West A satellite that transmits the signal to a large number of transmission sites. This transmission via satellite is secured by terrestrial communication links operated by TDF. CNH appointed the companies Arqiva and TDF to ensure the upload to the Eutelsat 5 West A satellite.
- The companies TDF, Towercast (NRJ Group), and Itas Tim (TDF Group) operate the **transmission sites** of the R4 and R3 networks.

The damage that the channels, and first and foremost M6, may be subjected to in the event of a broadcast interruption is proportional to the viewing audience size served. For this reason, apart from the fact that the main transmission sites are secured due to the redundancy of broadcast transmitters and in certain cases the presence of generators, the Group negotiated very short intervention times from its service providers in the event of malfunction.

1.7.7.2 Risks related to the production, broadcasting and transmission of the signals of the Group's radio stations

For the Group's radio stations, the interruption of the production and broadcast of their programmes represents a major risk, notably due to the fact that the vast majority of programmes are broadcast live.

In order to protect itself from the occurrence of such a risk, the Group has taken a number of steps to ensure a continuous production and broadcasting capacity for the programmes of the radio stations. These steps relate notably to securing the studios, the electricity supply to technical equipment, the ongoing modernisation of the production and broadcasting installations and the selection of recognised and reliable suppliers for services to broadcast the signals.

Risks of interruption to Production

In order to guard against any risk of interruption to the production of its programmes, the Group has a production infrastructure featuring significant levels of back-up:

- The Group's radio stations each have several studios in order to broadcast their programmes live and they can use these various studios to make all their shows.
- The production infrastructures are safeguarded with back-up equipment and power supply.
- In the event of the non-availability of the main infrastructures, the RTL station's mobile resources will enable it to provide off-site production. In the event of the non-availability of the main Fun Radio and RTL2 infrastructures, each of these stations' signals will be produced in one of their local stations and will replace the signal produced in Neuilly-sur-Seine.

Signal broadcasting and transmission risks

The main broadcast mode of the Group's radio stations is the FM network, the main vehicle for the radio audience. This primary broadcast mode is supported by broadcast in IP mode via the Internet network and specifically for RTL, via transmission in Long Wave (LW).

FM transmission is guaranteed by a transmitter network serving areas of variable coverage, depending on the authorisations granted by the Conseil Supérieur de l'Audiovisuel. These transmitters are powered by a satellite signal. The company TDF provides an up-link to the AB3 satellite located 5° West. This satellite transmission is safeguarded by means of dual transmission to the principal and back-up broadcast stations.

- The broadcast sites are operated by the companies TDF and TowerCast on behalf of the Group's radio stations.
- Each FM broadcast site has its own back-up infrastructures, with varying levels of back-up depending on the size of population covered by the transmitter.
- Due to its importance, the Paris Eiffel Tower site has a specific infrastructure, notably through the direct supply of the site via several microwave transmission links from Neuilly.

RTL is also broadcast in long wave (LW) from the Junglister site in Luxembourg. This site is safeguarded via the Beidweiler back-up site. These sites are operated by the company BCE on behalf of the Group.

The Group's radio stations are also broadcast in IP mode, available at no cost on the Internet network through the websites and applications operated by the Group as well as on a large number of third-party sites and applications. This broadcasting in IP mode is guaranteed by the Group from a back-up and relocated technical infrastructure in the third party datacenters.

Moreover, the vast majority of the Group's radio stations are included in the channel packages offered by satellite, cable and broadband IPTV platforms.

1.7.7.3 Internal control failure, fraud, IT systems, concentration of purchases

Risk of internal control failure

The Group has set up an internal control system closely associated with operational management and which acts as a decision-making tool for Management. It implements a cautious prevention and follow-up policy for the risk of internal control failure, as specified previously.

However, as with all control systems, the internal control system implemented by the Group cannot provide any absolute guarantee.

Risk of fraud

M6 Group bases its internal control system on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the recommendations prepared by the AMF. One of the targets set (see paragraph 1.7.1 of this section) is to "prevent and manage the risk of error or fraud".

In order to prevent, discourage and detect frauds, the Group has put into place:

- a Code of Ethics and Professional Conduct which has been communicated to, and which must be observed by all employees. This Code details the Company's ethical values and defines the professional principles which Group Directors and employees must adhere to in their own conduct and which must guide the steps they undertake;
- an audit plan incorporating specific assignments in at-risk areas;
- a multi-year testing programme that complement the internal control audit;
- standards governing rules and procedures, which include many key control points that directly or indirectly target the risk of fraud;

These anti-fraud measures cannot eliminate all risks but are intended to very significantly reduce their occurrence and magnitude.

IT systems risks

The Group depends on shared and interdependent IT applications for all its operations. The main risks relate to data confidentiality and integrity, as well as the discontinuation of IT services. Any failure affecting these applications or data communication networks may result in a cessation or slowdown in operations, delay or distort certain decision-making processes and generate primarily financial losses for the Group. Moreover, any accidental or intentional data loss, liable to be used by a third party, may have negative effects on the Group's activities and results.

This is the reason why all IT systems are notably made secure by:

- physical facilities protection (access control, fire detection);
- logical network access protection (firewalls, computer access controls, protection against intrusion and identity theft attempts);
- antivirus software (on computers, web servers and internet traffic);
- daily, weekly, monthly and annual data backup;
- duplication of broadcasting control room key systems (software and hardware);
- duplication of critical IT systems (software and hardware);
- 24/7 monitoring systems (availability, security);
- frequent audits of these various systems.

The Group's Information System Security Manager (ISSM) ensures the effectiveness of this security policy, which relies on an Information Security Management System based on the ISO 27001 standard. This is based on the definition of policies, rules or action plans aimed at controlling the risks, supporting their roll-out, and monitoring their effectiveness.

In 2018, M6 Group updated its governance rules in relation to information security. They are now based on three documents that have been circulated to all employees: the Information Systems Security Policy (ISSP) details the fundamental rules of IT security, the IT Charter is aimed at end users, and the Programmers' Charter is intended for employees responsible for information systems (administrators, developers, etc.).

In addition, since 2017, M6 Group has had a Data Protection Officer (DPO) who is in charge of introducing a protection policy and a governance structure for personal data, as well as implementing internal processes to help ensure data protection at all times in relation to the requirements of the General Data Protection Regulation (GDPR), which came into force on 25 May 2018.

Purchase concentration risk

The concentration of strategic purchases from a limited number of suppliers may result in a strong dependence on the latter, causing a procurement risk.

The Group is particularly attentive to spreading its risks and limiting reliance on too few suppliers, particularly for audiovisual rights purchases, which are deemed to be the most strategic. It keeps a permanent watch in this respect in order to identify new programme concepts and alternative suppliers:

- As regards programmes in inventory, the main suppliers are the major US studios. Even though distribution contracts (output deals) have been signed with certain producers, the most significant only represents less than one third of films, made-for-TV films and series purchases and pre-purchases. The top six US studios supplying M6 represent less than two thirds of these purchases.
- As concerns flow programmes, purchases are spread over many suppliers.

Overall, the share of the Group's 2018 purchases, excluding rights inventories, from the leading supplier and top five and top ten suppliers represented 4.6%, 16.2% and 23.3%, respectively.

1.7.8 Insurance cover

The Group has adopted a prudent risk analysis and prevention policy in order to limit the occurrence and magnitude of such risks.

In order to complement this policy, the Group has put into place an insurance policies plan focusing on the cover of major risks, thereby providing for adequate coverage according to risk assessment, its own capabilities and the insurance market conditions.

The Group ensures the appropriateness of its insurance policies in relation to its requirements.

The major insurance policies subscribed to by the Group are listed below, followed by category of major risks covered (information below is provided purely on an indicative basis), other than those concerning Ventadis, which has its own insurance policies (information provided below is for information only).

Property damage insurance

- Policy: Industrial and professional block policy

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Cover: damages to a maximum of €50.0 million per loss per year of cover.

- Policy: All risks for IT and technical equipment

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies.

Cover: monetary damages arising from all direct material losses and all direct material damages caused to equipment to a maximum of €40 million per loss per year of cover.

General public liability insurance

Policy: Operational and professional liability

Insured parties: METROPOLE TELEVISION, its subsidiaries and/or related companies, groups created by or for personnel, legal representatives and agents of the insured.

Cover: monetary damages arising from personal injury, property damage or moral prejudice caused to third parties by the Group's operations, of between €15 million and €16 million (depending on the subsidiary) per loss for all professional liability type damages and of between €2.3 million and €7 million (depending on the subsidiary) per loss per year of cover for all civil liability type damages.

Corporate officers' general liability insurance

Insured parties: METROPOLE TELEVISION, its senior executives[53] and Board members of Métropole Télévision and its subsidiaries.

Cover: monetary damages arising from Board members and senior management civil liability up to a maximum of €200 million per loss per insured period.

The annual cost of these insurance premiums for the year 2018, as well as all other contracts (particularly Ventadis' policies and production-related insurance) was approximately €1.3 million (excluding the Girondins division sold in 2018 and the share of equity-accounted entities). All of M6 Group insurance contracts were renewed in 2019 on similar bases as those of 2018.

There are no captive insurance companies within the Group.

53 *Individuals, past, present or future, ordinarily invested with company powers pursuant to the laws or Bylaws.*

2 REPORT ON CORPORATE GOVERNANCE

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

This report, prepared under the responsibility of the Supervisory Board with the support of the Finance Department, was reviewed by the Audit Committee on 18 February 2019. All the procedures that enabled the preparation of this Report have been presented to the Supervisory Board which approved their terms in its meeting of 19 February 2019.

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

As regards corporate governance, the Company refers to the *Corporate Code of Governance for listed companies of December 2008, updated in April 2010, June 2013, November 2015, November 2016 and June 2018, prepared by AFEP-MEDEF.* The AFEP-MEDEF Code can be obtained from: www.medef.com.

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

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

Recommendation §21 of the Code: Concurrent employment contract and corporate officer status: it is recommended that the employment contract is terminated by mutual agreement or resignation when an employee becomes a corporate officer.	**Justification** At its meeting of 5 May 2014, the Supervisory Board decided to renew in advance the term of office of the Executive Board for three years from 25 March 2015, i.e. until 25 March 2018. On this occasion, the Supervisory Board firstly decided not to change the individual remuneration of the members of the Executive Board, and secondly, it renewed its 1990 decision to maintain the (suspended) employment contract of Nicolas de TAVERNOST. The creation of the channel M6 in 1987 was only possible through the combination of the drive of its historical shareholders and the energy invested by the initial salaried staff, including Nicolas de TAVERNOST. When he was appointed as a corporate officer in 1990, the shareholders sought to maintain that initial employment contract (suspended) since the future of the channel was not assured at that time. The Group's subsequent development, the result of the work carried out by its management, and the evolution of its governance have never erased this particular relationship between the Group and one of its founders, justifying the continued suspension of the employment contract.
Recommendation §24.5 of the Code: Departure of executive corporate officers: the payment of severance pay to executive corporate officers must be ruled out if they elect to leave the company in order to hold a new position, or are assigned to another position within a group, or if they have the opportunity to retire.	**Justification** At its meeting of 21 February 2017, the Supervisory Board decided to renew the term of office of the Executive Board for three years, i.e. until 21 February 2020. On this occasion, the Supervisory Board decided to maintain the compensation mechanism in the event of the termination, for any reason whatsoever, of the duties of Nicolas de TAVERNOST. This commitment will not however apply in the event of dismissal for gross misconduct personally committed by Nicolas de TAVERNOST contrary to the interests of the Company. Moreover, the payment of this severance pay will remain subject to the fulfilment of a performance condition. This decision appeared justified to the Supervisory Board, given (i) the exceptional nature of Nicolas de TAVERNOST's contribution to the creation of the Company in 1987, to its continued growth and development and to his strong performance, year after year, since the creation of the Company, (ii) his agreement to continue his term of office, and (iii) his exclusivity commitment.

2.1 SUPERVISORY BOARD

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

2.1.1 Composition of the Supervisory Board

At the date of preparation of this report, the Supervisory Board of Métropole Télévision consisted of 13 members, including 12 individuals and 1 legal entity.

One member of the Supervisory Board has been appointed by the M6's Social and Economic Committee and represents employees.

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

On the date of preparation of this document, members of the Supervisory Board were as follows:

	Personal details				Experience	Board position				
Member of the Supervisory Board	Age	Gender	Nationality	Number of M6 shares held	Number of terms of office in non-Group listed companies	Indepen-dence	Date of first appointment	Expiry date of appointment	Length of service on the Board	Duties within the Company
Elmar Heggen	51	M	German	100	1		22/11/2006	2020	12	Chairman of the Board, Member of the Audit Committee and the Remuneration and Appointments Committee
Gilles Samyn	69	M	Belgian and French	100	3	I	02/05/2007	2019	11	Vice-Chairman of the Board, Chairman of the Remuneration and Appointments Committee and Chairman of the Audit Committee
Sophie de Bourgues*	44	F	French	11,100	0		13/10/2018	2022	<1 year	Member of the Remuneration and Appointments Committee
Marie Cheval	44	F	French	200	2	I	19/04/2018	2022	<1 year	Member of the Remuneration and Appointments Committee
Immobilière Bayard d'Antin represented by Catherine Lenoble	69	F	French	94,930	0		03/03/2008	2019	10	
Sylvie Ouziel	48	F	French	1,000	1	I	28/04/2015	2019	3	
Jennifer Mullin	54	F	American	0			31/01/2019	2022	<1 year	
Mouna Sepehri	55	F	French	100	1	I	03/05/2012	2020	6	Member of the Audit Committee
Juliette Valains	33	F	French	100	0		05/11/2018	2019	<1 year	
Philippe Delusinne	61	M	Belgian	100	0		28/07/2009	2020	9	
Vincent de Dorlodot	54	M	Belgian	100	0		18/03/2004	2022	14	
Bert Habets	48	M	Dutch	100	0		19/04/2018	2020	<1 year	
Nicolas Houzé	43	M	French	100	0	I	19/04/2018	2022	<1 year	Member of the Audit Committee

** Member representing employees*

In 2018 and at the beginning of 2019, several changes were made to the composition of the Council:

- With the appointments of Marie CHEVAL, Nicolas HOUZÉ and Bert HABETS at the Annual General Meeting of 19 April 2018, replacing Delphine ARNAULT, Guy de PANAFIEU and Guillaume de POSCH;
- With the appointment of Elmar HEGGEN as Chairman of the Supervisory Board, and Gilles SAMYN as Vice-Chairman of the Supervisory Board on 19 April 2018;
- With the appointment on 13 October 2018 by the M6 Social and Economic Committee of Sophie de BOURGUES as member of the Supervisory Board representing employees;
- With the resignation on 5 November 2018 of Cécile FROT-COUTAZ, and the co-option on the same day of Juliette VALAINS for the remainder of her term of office. The ratification of her co-option is subject to approval by the next Annual General Meeting.
- With the resignation on 31 December 2018 of Anke SCHÄFERKORDT, and the co-option on 31 January 2019 of Jennifer MULLIN for the remainder of her term of office. The ratification of her co-option is subject to approval by the next Annual General Meeting.

These changes had the particular effect of affirming female representation on the Supervisory Board.

	Exit	Appointment	Reappointment
Supervisory Board	Delphine Arnault (19/04/2018)	Marie Cheval (19/04/2018)	
	Guy de Panafieu (19/04/2018)	Nicolas Houzé (19/04/2018)	
	Guillaume de Posch (19/04/2018)	Bert Habets (19/04/2018)	
			Anke Schäferkordt (19/04/2018)
			Vincent de Dorlodot (19/04/2018)
		Sophie de Bourgues (13/10/2018)	
	Cécile Frot-Coutaz (05/11/2018)	Juliette Valains (05/11/2018)	
	Anke Schäferkordt (31/12/2018)	Jennifer Mullin (31/01/2019)	
Remuneration and Appointments Committee		Marie Cheval (19/04/2018)	
	Guillaume de Posch (19/04/2018)	Elmar Heggen (19/04/2018)	
		Sophie de Bourgues (13/10/2018)	
Audit Committee		Nicolas Houzé (19/04/2018)	

** Member representing employees*

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

2.1.1.1 Assessment of the independence of Supervisory Board members

In accordance with the rules of governance set by the Rules of Procedure of the Supervisory Board and based on the Code of Corporate Governance for Listed Companies issued by AFEP-MEDEF and revised in June 2018, and pursuant to Addendum nº 3 to the Agreement between the Company and the Conseil Supérieur de l'Audiovisuel, the Supervisory Board considered that at least one third of its members is independent after considering each of their individual positions.

As such, as of today's date 5 members of the Supervisory Board are independent within the meaning of the AFEP/MEDEF Code, whose criteria for determining independence and applied by the Company are listed below. The Company thus complies with the proportion of one third recommended by the AFEP/MEDEF Code.

These 5 members are:

- Marie CHEVAL,
- Mouna SEPEHRI,
- Sylvie OUZIEL,
- Nicolas HOUZÉ,
- Gilles SAMYN.

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

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

- Criterion 1: Not to be, or have been for the previous five years, an employee or an executive corporate officer of the Company, an employee, an executive corporate officer or a member of the Supervisory Board of a company consolidated by the Company, or an employee, an executive corporate officer or a member of the Board of its parent company or a company it consolidates;
- Criterion 2: Not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director;
- Criterion 3: Not to be a customer, supplier, investment banker, commercial banker or consultant[54]

- that is material to the Company or its Group,

- or for which the Company or its Group accounts for a significant part of its business.

- Criterion 4: Not to be a member of a Company corporate officer's immediate family;
- Criterion 5: Not to have been a Statutory Auditor of the Company within the previous five years;

54 Or be either directly or indirectly connected with these individuals

▪ Criterion 6: Not to be a member of the Supervisory Board of the Company for more than twelve years, it being specified that the loss of status as an independent director under this criterion occurs at the end of a 12-year period;

▪ Criterion 7: The Chairman of the Supervisory Board cannot be considered an independent member if they receive variable remuneration in cash or securities, or any other component of remuneration based on the Company's or the Group's performance.

▪ Criterion 8: Not to (i) represent a shareholder of the Company or its parent company, participating in the control of the Company, and (ii) the Board should, based on a report of the Remuneration and Appointments Committee, question the independence of persons with a shareholding or Company voting rights in excess of a threshold of 10%, taking into consideration the composition of the Company's share capital and the potential conflict of interests.

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

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

At its meeting of 19 February 2019, the agenda of which included the annual review of the independence of Board members, the Board particularly focused on the concept of significant business links. It more specifically checked that the volume of advertising business done with groups with whom certain of its independent members have links does not contribute significantly to the Group's revenue. It also addressed the question of the potential volume of services or purchases of external services that the Group may have carried out with groups to which certain of its independent directors are connected.

To this end, it reviewed the amounts of the transactions effected with each of the groups within which independent members of the Board performed management duties during the financial year (Renault for Mouna SEPEHRI, Carrefour for Marie CHEVAL, Allianz for Sylvie OUZIEL, Galeries Lafayette for Nicolas HOUZÉ and Groupe Flo for Gilles SAMYN) and compared them with the Group's revenues in 2018. The Board considers that these figures cannot not be made public, to avoid disclosing information that could prove useful to rival companies. However, it has been able to gauge that these figures did not materially differ from those of competitors to compromise independence.

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

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

Criteria *	**Marie Cheval**	**Sylvie Ouziel**	**Mouna Sepehri**	**Nicolas Houzé**	**Gilles Samyn**	**Elmar Heggen**	**Catherine Lenoble**	**Jennifer Mullin**	**Juliette Valains**	**Philippe Delusinne**	**Bert Habets**	**Vincent de Dorlodot**	**Sophie de Bourgues**
Criterion 1: Employee and corporate officer during the previous 5 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Criterion 2: Cross-directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Significant business relationships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Family connection	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Statutory Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: Duration of term of office of more than 12 years	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓
Criterion 7: Status of non-executive corporate officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 8: Status of major shareholder	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✓
Independent member	*o*	*o*	*o*	*o*	*o*								

2.1.1.2 Supervisory Board diversity

In accordance with the provisions of Article L 225-37-4 6° of the French Commercial Code and the recommendation of the AFEP-MEDEF Code (§ 6.2), the Supervisory Board regularly considers what would be its desired composition and that of its Committees. Diversity is essential for the Board since it gives rise to energy, creativity and achievement and ensures the quality of the Board's discussions and decisions.

The Board firstly ensures that the skills of its members are diverse, in line with long-term strategic priorities, and cover television, digital, marketing, governance, the operation direction of the companies, international experience, finances, etc., equally well.

The Board also pays particular attention to synergies between its membership, as well as to their relevance to M6's strategy, and to the balance between longer serving members and those more recently appointed, leading to a combination of dynamism and experience within the Board.

Furthermore, the diversity of the Board's make-up is also ensured by the duration of the terms of office (4 years) and the staggered nature of their expiry dates.

The criteria for selecting new members of the Board proposed at each General Meeting also include promoting diversity amongst its members in relation to nationality, gender and age-based criteria.

As such, as of the date of preparation of this Document, and excluding members representing employees:

▪ The Board is diverse in terms of geography, with full parity between French and international members, as with its composition at 31 December 2017.

Of the members of the Board, six are French, five are European (three Belgian nationals, one German and one Dutch), and one is American.

The purpose of the Board is to continue to increase its international representation through the presence of non-French members of those with extensive international experience, this being the case of Jennifer Mullin, appointed to the Board on 31 January 2019.

- The Board has equal representation of men and women, as with its composition at 31 December 2017.

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

- The average age of the Board is 52, and 42% of its members are under the age of 50.

The Board has become significantly younger in relation to 31 December 2017, when the average age was 57.

2.1.1.3 Specific rules to be followed by members of the Board

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

Furthermore, each new member is offered training in the form of a series of interviews with the Group's main operational directors and is also provided with detailed documentation on the Group's governance, strategy and business sectors. Each member, should they consider it necessary, can receive additional training relating to the specific features of the Company, its fields of expertise and its challenges in terms of corporate and social responsibility.

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

2.1.1.4 Presentation of the members

Elmar HEGGEN

51

German

Member of the Board since 22 November 2006

Term of office to expire in 2020

Number of Company shares held: 100

Chairman of the Board, Member of the Audit Committee and the Remuneration and Appointments Committee

Biography and principal duties outside the Company

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

Other appointments and duties

- Chief Financial Officer, Head of Corporate Center and Luxembourg Activities RTL Group SA,
- Deputy CEO of RTL Group SA (a listed Group company, Luxembourg),
- Chairman of the Board of Directors of Broadcasting Center Europe SA (Luxembourg); Média Assurances SA (Luxembourg); Duchy Digital SA (Luxembourg) and Media Real Estate S.A. (Luxembourg),
- Member of the Supervisory Board of RTL Nederland Holding BV (Netherlands),
- Director of CLT UFA SA (Luxembourg); RTL Group Germany SA (Luxembourg); RTL Belgium SA (Belgium); Immobilière Bayard d'Antin SA (France); Atresmedia Corporacion de Medios de Communicacion SA (a listed company, Spain, and an RTL Group subsidiary); RTL Belux SA (Luxembourg), Style Haul Inc (USA) and Style Haul UK Ltd (United Kingdom); SpotX Inc (USA); Broadband TV Corp (Canada); 0971999 B.C. Ltd (Canada); Viso Online Video Productions Inc (Canada); TGN Game Communities Inc (Canada); Broadband TV (USA) Inc (USA); Broadcasting Center Europe International SA (Luxembourg), U Screens AB (Sweden),

- Manager of RTL Group Services GmbH (Germany); UFA Film und Fernseh GmbH (Germany); RTL Group Vermögensverwaltung GmbH (Germany); RTL Group Deutschland GmbH (Germany); RTL Group Central and Eastern Europe GmbH (Germany); RTL Television GmbH (Germany), RTL Group Licensing Asia GmbH (Germany),
- Chairman of the Management Committee of Média Properties Sarl (Luxembourg),
- **Independent non-executive director of Regus PLC (listed company, UK)**

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

- Director of INADI SA (Belgium), RTL 9 SA (Luxembourg);
- Director of RTL TV Doo (Serbia) and IP France SA (France) as permanent representative of Immobilière Bayard d'Antin SA (since 01/10/2017);
- Chairman of the Board of Directors of BeProcurement SA (Luxembourg) and MP B S.A. (Luxembourg), MP D SA (Luxembourg), MP E SA (Luxembourg) and MP H SA (Luxembourg);
- Member of the Supervisory Board of Ediradio SA (France) as permanent representative of Immobilière Bayard d'Antin SA (since 01/10/2017);
- CEO of RTL Group Central and Eastern Europe SA (Luxembourg).
- Chairman of the Board of Directors of RTL Group Services Belgium SA (Belgium);
- Chairman of the Supervisory Board of RTL Nederland Holding BV (Netherlands),

Gilles SAMYN

69

Belgian and French

Member of the Board since 02 May 2007

Term of office to expire in 2019

Number of Company shares held: 100

Number of company shares held by Compagnie Nationale à Portefeuille SA, of which Gilles Samyn is the Chairman: 8,854,477

Vice-Chairman of the Board, Chairman of the Remuneration and Appointments Committee and Chairman of the Audit Committee

Biography and principal duties outside the Company

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

Other appointments and duties

- Chief Executive Officer of Domaines Frère-Bourgeois SA (Belgium) and Société des Quatre Chemins SA (Belgium)
- Chairman of Compagnie Nationale à Portefeuille SA (formerly Newcor SA) (Belgium), Filux SA (Luxembourg), Finer (formerly Erbe Finance SA) (Luxembourg), Helio Charleroi Finance SA (Luxembourg), Kermadec SA (Luxembourg), Tagam AG (Switzerland), Transcor Astra Group SA (Belgium) and Worldwide Energy AG (Switzerland)
- Director of AOT Holding Ltd (Switzerland), Astra Transcor Energy NV (Netherlands), Financière de la Sambre SA (Belgium), Frère-Bourgeois SA (Belgium), Grand Hôpital de Charleroi ASBL (Belgium), Groupe Bruxelles Lambert SA (a listed company, but controlled by Pargesa Holding SA, a listed company, Belgium), Investor SA (Belgium), Pargesa Holding SA (a listed company, Switzerland), Stichting Administratiekantoor Frère-Bourgeois (Netherlands) and Pernod Ricard SA (a listed company, France)
- Representative of Société des Quatre Chemins SA, CEO of Carpar SA (Belgium); Compagnie Immobilière de Roumont SA, Director of BSS Investments SA (Belgium) and Frère-Bourgeois SA, Manager of GBL Energy Sàrl (Luxembourg) and Frère-Bourgeois, Director of GBL Verwaltung (Luxembourg)
- Commissaris of Parjointco NV (Netherlands), Manager of Astra Oil Company LLC (USA)
- Manager of Gosa société simple (Belgium) and Sienna Capital SARL (Luxembourg)

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

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

- Chairman of Transcor East Ltd (2014), International Duty Free SA (2015), Unifem SAS (France) (2015), Financière FLO SA (2017), Groupe FLO SA (2017), Cheval Blanc Finance SA (France) (2018), Swilux SA (Luxembourg) (2018), Europart SA (Belgium) (2018) and Compagnie Immobilière de Roumont SA (Belgium) (2018)
- Vice-Chairman of APG/SGA SA (2015)
- CEO of Erbe SA (2017) and Loverval Finance SA (2017)
- Director of Safimar SA (2014), Segelux SA (formerly Gesecalux SA) (2014), de SCP (2014), APG/SGA SA (2015), Belgian Sky Shops SA (2015), Fidentia Real Estate Investments SA (Belgium) (2016), Belholding Belgium SA (2017), Banca Leonardo SpA (Italy) (2018) and Société Civile du Château Cheval Blanc (France) (2018)
- Alternate Director of Cheval des Andes (formerly Opéra Vineyards SA) (Argentina) (2018)
- Representative of Société des Quatre Chemins SA, Director of ACP NV (Belgium) (2016) and ACP NV, Director of Antwerp Gas Terminal NV (Belgium) (2016) and Société des Quatre Chemins SA, Chairman of the Board of Fibelpar SA (Belgium) (2018)
- Commissaris of Agesca Nederland NV (2014)
- Manager of Sodisco SARL (France)

Sophie de BOURGUES

44

French

Member of the Board since 13 October 2018

Member representing employees

Term of office to expire in 2022

Number of Company shares held: 11,100

Member of the Remuneration and Appointments Committee

Biography and principal duties

After a master's degree in Insurance Law and Liability at Paris XII University, Sophie de Bourgues graduated in 1999 with a practising certificate from Paris law school, the École de Formation du Barreau de Paris.

She began her career with M6 in 2000 and in 2014 became Deputy General Counsel in charge of litigation and pre-litigation.

She centralises the legal cases in the fields of press, privacy, literary and artistic property, brand names, unfair business practices, contract law, unfair competition and parasitism, and collective proceedings involving the Group's TV channels, radio stations and subsidiaries.

Other appointments and duties

- Nil

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

- Nil

Marie CHEVAL

44

French

Member of the Board since 19 April 2018

Term of office to expire in 2022

Number of Company shares held: 200

Member of the Remuneration and Appointments Committee

Biography and principal duties outside the Company

Marie Cheval is a graduate of Institut d'études politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the French General Inspectorate of Finance.

From 2002 to 2011, she held a number of positions with the La Poste Group: Director of Financial Services Strategy for La Poste and later for La Banque Postale, she was appointed Marketing and Sales Director in 2006 and Director of Operations in 2009.

In 2011, Marie CHEVAL joined the Société Générale Group as Director of Global Transactions and Payment Services. She was appointed Chief Executive Officer of Boursorama, a Société Générale subsidiary, in 2013.

In October 2017, Marie CHEVAL joined Carrefour Group as Executive Director Customers, Services and Digital Transformation. She is one of 14 members of the Executive Committee of Carrefour Group.

She is currently Executive Director Hypermarkets France and of Financial Services.

Other appointments and duties

- **Director and member of the Remuneration and Appointments Committee of Carmila (a listed company, France)**
- **Director of Laurent Perrier (a listed company, France**)
- Director of Carrefour Banque
- Director of Market Pay

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

- Director of FNAC Darty
- Director of Boursorama
- Director of Sogecap
- Director of Visa Europe
- Chair of the Supervisory Board of OnVista Bank GmBH
- Member of the Supervisory Board of OnVista (holding) AG
- Chair of the Board of Directors of SelfBank
- Chair of the Board of Directors of Talos Holding
- Chair of Carrefour Omnicanal
- Chair of Digital Media Shopper
- Director of SRP Groupe

IMMOBILIERE BAYARD D'ANTIN represented by Catherine LENOBLE

69

French

Member of the Board since 03 March 2008

Term of office to expire in 2019

Number of company shares held by the legal entity: 61,007,361

Number of company shares held by its representative: 94,930

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

Catherine Lenoble has spent her entire career in media. Initially with RMC as Director of Sponsorship, she became Deputy CEO of M6 Publicité in 1987 when the channel was founded. She was appointed to the Executive Board of Métropole Télévision in 2000, and the following year she became CEO of M6 Publicité. She decided to retire in 2012.

Other appointments and duties

- Member of the Supervisory Board of Holdex SAS

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

- Member of the Supervisory Board of Hexamedics SAS

Sylvie OUZIEL

48

French

Member of the Board since 28 April 2015

Term of office to expire in 2019

Number of Company shares held: 1,000

Biography and principal duties outside the Company

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

Other appointments and duties

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

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

- Director of APERAM

Jennifer MULLIN (member since 31 January 2019)

54

American

Member of the Board since 31 January 2019

Term of office to expire in 2022

Number of Company shares held: 0

Biography and principal duties outside the Company

Jennifer Mullin was appointed CEO of Fremantle Group on 1 September 2018, assuming overall responsibility of the Group, including performance and strategy.

She was previously CEO of FremantleMedia North America. In this very important division, she led the development, production and management of more than 900 hours of content including American Gods, America's Got Talent, American Idol, Family Feud, Match Game and The Price is Right.

Jennifer Mullin joined the US business in 2005 as Senior Vice President of Current Programming, before being appointed Executive Vice-President in 2012, co-CEO in 2015 and sole CEO in May 2017.

Before joining Fremantle, she worked as an executive producer for companies including Paramount, Telepictures and Universal.

Other appointments and duties

- CEO of FremantleMedia Group
- Director of 3 Doors Productions Inc (USA), ACI Communications Inc (USA), American Idol Productions Inc (USA), Amydgala Records Inc (USA), Big Balls LLC (USA), Big Break Productions Inc (USA), Blue Orbit Productions Inc (USA), Complex Properties Inc (USA), FCB Productions Inc (USA), Fremantle International Inc (USA), Fremantle Licensing Inc (USA), Fremantle Productions Inc (USA), Fremantle Productions North America Inc (USA), Fremantlemedia Latin America Inc (USA), Fremantlemedia North America Inc (USA), Good Games Live Inc (USA), Haskell Studio Rentals Inc (USA), Kickoff Productions Inc (USA), Little Pond Television Inc (USA), Mad Sweeney Productions Inc (USA), Marathon Productions Inc (USA), Max Post Inc (USA), Music Box Library Inc (USA), OP Services Inc (USA), Original Productions Inc (USA), P&P Productions Inc (USA), Studio Production Services Inc (USA), TCF Productions Inc (USA), Terrapin Productions Inc (USA), The Price Is Right Productions Inc (USA), Tick Tock Productions inc (USA), Tiny Riot LLC (USA), Triple Threat Productions Inc (USA), Wanderlust Productions Inc (USA);

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

- Director of All American Music Group (USA), Fremantle Goodson inc (USA), Krasnow Productions Inc (USA), Reg Grundy Productions Holdings Inc (USA), The Baywatch Production Company (USA), FCB Productions Inc (USA), Fremantle Productions Music Inc (USA).

Anke Schäferkordt (member until 31 December 2018)

56

German

Member of the Board between 28 April 2015 and 31 December 2018

Number of Company shares held: 100

Biography and principal duties outside the Company

After studying business affairs in Paderborn, Anke SCHÄFERKORDT, 56, joined Bertelsmann in 1988 via a future business leaders' programme.

In 1991, she joined RTL Plus as a sales control and strategic planning consultant. The following year, she became Director of the Management Control Department, before taking over the Business Planning and Management Control Department, and in 1995, she joined VOX as Commercial Director.

She was subsequently Director of Programmes and Chief Financial Officer between 1997 and 1999, and then CEO from 1999 to 2005. In February 2005, Anke SCHAEFERKORDT became Director of Operations and Deputy CEO of RTL and in September that year was appointed CEO of RTL Television.

Since 2012, she has also been a Member of the Executive Board of Bertelsmann SE & Co. KGaA. Between 2012 and 2017, she was Co-Chief Executive Officer of RTL Group S.A. alongside Guillaume de Posch.

She left RTL Group on 31 December 2018.

Other appointments and duties

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

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

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

- Co-CEO of RTL Group S.A. (Luxembourg, a listed group);
- Member of the Supervisory Board of Software AG, Darmstadt
- Member of the Board of RTL Creation

Mouna SEPEHRI

55

French

Member of the Board since 03 May 2012

Term of office to expire in 2020

Number of Company shares held: 100

Member of the Audit Committee

Biography and principal duties outside the Company

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

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

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

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

Other appointments and duties

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

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

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

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

Juliette VALAINS

33

French

Member of the Board since 05 November 2018

Term of office to expire in 2019

Number of Company shares held: 100

Biography and principal duties outside the Company

Graduating from French business school HEC in 2009, Juliette Valains began her career with McKinsey in Montreal, before moving to New York and finally to Luxembourg, where she works on projects in the fields of digital marketing and digital transformation for Media & Telecoms companies.

Juliette Valains joined RTL Group's Strategy department in 2015.

She was appointed VP Global Operations Management Digital & Diversification in June 2018.

Other appointments and duties

- Director of RTL AdConnect International S.A. (Luxembourg)

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

- Nil

Philippe DELUSINNE

61

Belgian

Member of the Board since 28 July 2009

Term of office to expire in 2020

Number of Company shares held: 100

Biography and principal duties outside the Company

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

Other appointments and duties

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

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

- Representative of CLT-UFA, CEO of Joker FM S.A.
- Director of BeWeb SA
- Vice-Chairman of B.M.M.A. (Belgian Management & Marketing Association)
- Director of FRONT SA
- Chairman of Association des Télévisions Commerciales Européennes (A.C.T.) (2009/2014)
- Director and Chairman of the Board of Directors of Home Shopping Service Belgium S.A.

Vincent de DORLODOT

54

Belgian

Member of the Board since 18 March 2004

Term of office to expire in 2022

Number of Company shares held: 100

Biography and principal duties outside the Company

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

Other appointments and duties

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

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

- CEO of RTL Group Central and Eastern Europe S.A. (Luxembourg)
- Director of RTL Group Services Belgium S.A. (Belgium)

Bert HABETS

48

Dutch

Member of the Board since 19 April 2018

Term of office to expire in 2020

Number of Company shares held: 100

Biography and principal duties outside the Company

Bert Habets, born in 1971, holds a Master of Economics and Law (fiscal) from the University of Maastricht.

He joined CLT-UFA, which later became RTL Group, in 1999 in the Business Development unit. In March 2001, Bert Habets was appointed CFO of Holland Media Groep, which rebranded as RTL Nederland in August 2004.

In January 2008, he was appointed CEO of RTL Nederland. Under his leadership, RTL Nederland established a clear strategy of strengthening the core business, while diversifying and innovating. Bert Habets has significantly grown RTL Nederland's digital businesses (acquisition of the on-demand service Videoland; launch of RTL MCN; joint venture with SpotX for the Benelux and Nordic regions) while moving into other commercial areas such as RTL Ventures and RTL Live Entertainment. At the same time, he strengthened the company's major free-to-air TV channels and oversaw the launch of four new channels. With these varied strategic moves, he has transformed RTL Nederland from a traditional broadcaster into a dynamic media and entertainment company.

With effect from 19 April 2017, Bert Habets assumed the role of Co-CEO of RTL Group alongside Guillaume de Posch and was elected to RTL Group's Board of Directors as Executive Director. In January 2018, at his own request, Guillaume de Posch stepped down as Co-CEO of RTL Group. Since then, Bert Habets has been leading RTL Group as sole CEO with overall responsibility for the strategy and day-to-day management of RTL Group.

Other appointments and duties

- CEO of RTL Group S.A. (Luxembourg, a listed company)
- CEO of CLT-UFA S.A. (Luxembourg)
- Chairman of the Board of Directors of U Screens AB (Sweden), SpotX INC (USA)
- Director of Broadband TV (USA) INC, TGN Game Communities INC (Canada), 0971999 BC Ltd (Canada), VISO Online Video Productions INC (Canada), Style Haul INC (USA), Broadband TV Corp (Canada), RTL Group Beheer B.V. (Netherlands), RTL Television GmbH (Germany)
- Member of the Supervisory Board of SpotX Benelux B.V. (Netherlands)
- Manager of RTL Nederland Holding B.V. (Netherlands)
- Director of Janshen-Hahnraths Group (Netherlands)

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

- Member of the Supervisory Board of Buurfacts B.V. (Netherlands)
- Member of the Board of Directors of RTL Nederland B.V. (Netherlands)

Nicolas HOUZÉ

43

French

Member of the Board since 19 April 2018

Term of office to expire in 2022

Number of Company shares held: 100

Member of the Audit Committee

Biography and principal duties outside the Company

Nicolas Houzé is a member of the Executive Board of Galeries Lafayette and has been CEO of Galeries Lafayette and BHV Marais since 2013.

He started his career within the advisory firm A.T. Kearney and then the investment bank Deutsche Bank, before joining Monoprix in 1998, where he held various operational functions. In particular, he launched in 2003 the proximity concept of Monoprix, “Monop’”.

In 2006, Nicolas Houzé spent a year working for INSEAD in both Fontainebleau and Singapore, before taking the lead of the watchmaking division of Galeries Lafayette Group, which included the Louis Pion and RQZ-Royal Quartz Paris brands.

From 2011 to 2013, he was Deputy CEO of the Department Stores division, which included Galeries Lafayette and BHV MARAIS. He also became CEO of Guérin Joaillerie when Galeries Lafayette Group acquired the jewellery company in 2012.

Other appointments and duties

- Member of the Steering Committee of UCV (Union du Grand Commerce de Centre-Ville)
- Chairman of IADS (International Association of Department Stores)
- Director of Lafayette Anticipations - Fondation d'Entreprise Galeries Lafayette (Founders’ Board)

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

- Nil

2.1.2 Operation of the Supervisory Board

The Supervisory Board exercises permanent control over the management of the Company and its subsidiaries by the Executive Board and grants the latter the prior approval for transactions that it may not perform without such authorisation, in accordance with the provisions of Article 24.3 of the Bylaws.

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

In addition, the Supervisory Board’s internal rules may be consulted on the Group’s website www.groupem6.fr.

2.1.2.1 Conditions of preparation of the work of the Supervisory Board

More than four working days prior to each of its meetings, the Executive Board provides members of the Supervisory Board with all necessary information and documents to prepare their meetings, in the form of a file covering all items of the agenda and presenting Group operations during the last quarter as well as the various projects submitted for approval by the Board.

Each member of the Supervisory Board is also provided with all the Company’s corporate communications throughout the year.

In accordance with its rules of procedures, the Board is informed on a quarterly basis of the Company’s financial position and cash flow as well as its commitments.

The Works Council representative also benefits from the same information within the same timeframes as Supervisory Board members.

2.1.2.2 Supervisory Board meetings

Notices of meetings are sent in writing by the Chairman to Board members and the Works Council representative on average ten days before the date of the meeting.

The Supervisory Board meets as often as required in the interests of the Company and at least quarterly. It met 6 times in 2018. The overall attendance rate of the members of the Supervisory Board is calculated for the effective period of the term of office in 2018. This rate was 87.7% and may be analysed as follows:

	Meetings of the Supervisory Board						
	20 February 2018	**19 April 2018**	**14 May 2018**	**14 June 2018**	**24 July 2018**	**05 November 2018**	**Attendance rate *****
Elmar Heggen	✓	✓	✓	✓	✓	✓	100%
Gilles Samyn *	✓	✓	✓	✓	✓	✓	100%
Sophie de Bourgues **						✓	100%
Marie Cheval *	N/A	✓	✓	✓	✓	✓	100%
Immobilière Bayard d'Antin represented by Catherine Lenoble	✓	✓	✓	✓	✓	✓	100%
Sylvie Ouziel *	✓	✓	✓	✓	✓	✓	100%
Anke Schäferkordt	✓	✓	✗	✓	✗	✓	67%
Mouna Sepehri *	✗	✓	✓	✓	✓	✓	83%
Juliette Valains	N/A	N/A	N/A	N/A	N/A	✓	100%
Philippe Delusinne	✗	✓	✓	✓	✗	✓	67%
Vincent de Dorlodot	✓	✓	✓	✓	✓	✓	100%
Bert Habets	N/A	✓	✗	✓	✓	✓	80%
Nicolas Houzé *	N/A	✗	✓	✓	✓	✓	80%
Delphine Arnault *	✗	N/A	N/A	N/A	N/A	N/A	0%
Cécile Frot-Coutaz	✓	✓	✓	✓	✗	N/A	80%
Guy de Panafieu	✓	N/A	N/A	N/A	N/A	N/A	100%
Guillaume de Posch	✓	N/A	N/A	N/A	N/A	N/A	100%
TOTAL	**75%**	**92%**	**83%**	**100%**	**75%**	**100%**	**87.7%**

** Independent Member*

*** Member representing employees*

**** Attendance rate as from appointment*

The note N/A means that the member had not yet joined the Board or was not a member thereof on the date of the meeting

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

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

At each meeting and at least once each quarter, the Executive Board presented a report to the Supervisory Board on the progress of the company's activities. Within three months following the end of the financial year, the Executive Board presented the Supervisory Board with the parent company and consolidated financial statements, for verification and control, accompanied by a written report on the Company's position and activity during the course of the financial year.

Moreover, a Supervisory Board meeting took place outside the presence of the Executive Board members in accordance with Recommendation 10.3 of the AFEP-MEDEF Code.

2.1.2.3 Statutory rules on prior approval

Pursuant to the provisions of Article 24.3 of the Bylaws, the following Executive Board decisions shall be subject to the Supervisory Board's prior approval:

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

2.1.2.4 Supervisory Board's Rules of Procedure

At its first meeting on 20 May 2000, the Supervisory Board adopted its own rules of procedure, supplemented on 30 April 2003, 6 May 2008, 27 May 2012, 17 February 2015, 21 February 2017, 19 April 2018 and amended on 19 February 2019 (alignment with the latest legal and regulatory developments and the latest AFEP MEDEF recommendations), which primarily specified and supplemented the Company's Bylaws regarding its organisation and operation: in particular, arrangements for Board meetings, how the Board exercises its powers, as well as the composition, purpose and powers of its Committees.

It includes best practices and provides the Board with the resources to operate efficiently and better serve the Company and its shareholders. It reaffirms the Board's commitment to corporate governance rules and has been updated to include the latest recommendations from the AMF, the AFEP-MEDEF Code and the Poupart Lafarge report dated 22 July 2010.

It recalls the other obligations incumbent upon Supervisory Board members and in particular the obligation for every member of the Board to inform the Board of any situation involving a conflict of interests, even a potential one, between them and the Company or the Group.

Therefore, depending on the case, they shall:

- abstain from taking part in discussions and from voting on the corresponding deliberation,
- refrain from attending Board meetings during the period he/she is in conflict of interest, or
- resign his/her duties as member of the Board.

The Supervisory Board member may be held liable for their failure to comply with these rules of abstention or withdrawal.

Moreover, the Chairman of the Supervisory Board will not be required to forward to the members, about whom he has serious grounds for suspecting they are faced with a conflict of interests, the information or documents relating to the conflicting issue and will inform the Board that he has not handed over such information.

These Rules of Procedure are available on the Company's website (http://www.groupem6.fr/finances/conseil-de-surveil- lance.html).

2.1.2.5 Matters discussed by the Supervisory Board in 2018

The key matters discussed by the Supervisory Board during the 2018 financial year mainly concerned:

- interim and annual consolidated financial statements;
- the results for the quarters ended 31 March and 30 September 2018;
- the budget for the 2019 financial year;
- major investment projects, particularly in programming;
- the disposals of MonAlbumPhoto and F.C. Girondins de Bordeaux;
- the renewal of the share buyback agreement for subsequent cancellation and the treasury management agreement with RTL Group;
- the annual review of regulated agreements;
- the allocation of free shares to certain employees and/or corporate officers;
- the renewal of the authorisation given to the Executive Board to grant deposits, guarantees and sureties;
- assessment of the independence of Supervisory Board members;
- self-assessment of the Supervisory Board's work;
- the appointment of a new Chairman and a new Vice-Chairman of the Supervisory Board;
- the co-option of a new member of the Supervisory Board;
- the acknowledgement of the appointment by the Social and Economic Committee of a member of the Supervisory Board representing employees, as well as its training procedures and arrangements for preparing for meetings;
- the appointment of new members of the Remuneration and Appointments Committee and the Audit Committee;
- the breakdown of directors' fees;
- consultation on gender equality at work and equal pay, in particular on gender balance;
- amendment of the Supervisory Board's Rules of Procedure,
- the main elements of M6's policy on sustainable development and Corporate Social Responsibility.

The Executive Board also informed or sought the opinion of the Supervisory Board on various matters even where its prior approval was not necessary.

Lastly, the Supervisory Board met without the Executive Board in attendance at its meeting of 19 February 2019 in order to assess the latter's performance.

2.1.2.6 Self-assessment of the Supervisory Board's work

The Supervisory Board reviews its own modus operandi once a year at one of its meetings, using a questionnaire issued to each member to evaluate the Supervisory Board's operating rules, which each member completes anonymously.

This evaluation is structured into four chapters:

- Principles of Supervisory Board intervention,
- Composition of the Supervisory Board and relationship with the Executive Board,
- Holding of Supervisory Board meetings,
- Supervisory Board committees.

On this occasion, the actual contribution of each member of the Board is assessed. An evaluation analysis is then presented to the Board.

The following emerged from the 2019 review:

- The composition of the Board is appropriate, in terms of age, length of service, nationality, experience, etc. Consideration must nevertheless be given to improving its “digital” abilities;
- The frequency of meetings is satisfactory, and meetings are organised effectively. Certain members would however like preparatory materials to be sent out earlier;
- The Board has a very sound understanding of the Group’s activities and challenges, thanks in particular to the quality of the information that it receives. One area for improvement could involve the provision of more in-depth material between the Board meetings in order to improve the audiovisual knowledge of the different members;
- It considers that the scope of the subject matter covers all the Group’s challenges;
- It considers that the decisions are well made and reasoned.

Moreover, the Board has returned to the main area for improvement referred to last year and which related to a request for greater time to be devoted to strategic challenges. It is therefore very satisfied with the strategic seminar held in July 2018, which also allowed members of the Board to meet the Group’s leading managers.

Certain members remain of the opinion that “conventional” sessions should be rebalanced in favour of “strategic” rather than “business” challenges.

2.1.3 Committees of the Supervisory Board

The Supervisory Board has had the following two Committees in place since it was established in 2000:

- The Remuneration and Appointments Committee,
- The Audit Committee.

2.1.3.1 Remuneration and Appointments Committee

Composition

The rules of procedure of the Supervisory Board provide that the Remuneration and Appointments Committee, first set up in 2000, must be made up of a minimum of two and a maximum of five members, selected from the members of the Supervisory Board, of whom more than half are selected from the independent members. The member who represents employees is not counted in this percentage.

The Remuneration and Appointments Committee currently comprises four members appointed for the duration of their term of office as members of the Supervisory Board, including the member representing employees in accordance with § 17.1 of the Afep-Medef Code.

At 31 December 2018, the members of the Remuneration and Appointments Committee were the following:

		Date of first appointment	Expiry date of appointment	Year of exit	Attendance rate 2018 meetings ***
Gilles Samyn *	Chairman of the Committee	10 March 2009	2019		100%
Marie Cheval *	Member	19 April 2018	2022		100%
Elmar Heggen	Member	19 April 2018	2020		100%
Sophie de Bourgues **	Member	05 November 2018	2022		100%

** Independent Member.*

*** Member representing employees*

**** Attendance rate as from appointment*

Operation

As defined in the rules of procedure, the Remuneration and Appointments Committee meets at least once a year and has the following responsibilities:

- to propose recommendations to the Board on all components of remuneration, including the pension and benefits plan, benefits in kind and various financial entitlements of the Chairman and vice-chairman of the Board, the other Members of the Board and the members of the Executive Board. With respect to the latter two categories of personnel, it makes recommendations on the granting of stock options of the Company and the allocation of free shares;
- to issue a recommendation on the total budget and distribution of attendance fees;
- to ensure compliance with the Group’s individual and collective principles, values and code of conduct, applicable to all staff;
- to consider every candidate for appointment or replacement of any member of the Supervisory Board or the Executive Board;
- to prepare a succession plan for members of the Executive Board and the Chairman of the Supervisory Board;
- discuss the independence of Supervisory Board members;
- review the balance of the composition of the Supervisory Board in particular in accordance with the shareholding and gender distribution;

- annually evaluate the Board's work in order to help draft the report on corporate governance;
- ensure the prevention of conflicts of interest that could arise within the course of corporate life.

For each of its meetings, the Remuneration and Appointments Committee is provided with a file prepared by the Company to give the clearest possible insight into the implications of its decisions. Members of the Executive Board participate in certain meetings of the Committee in order to provide it with any information that may be useful.

Succession planning for Executive Board members

The Remuneration and Appointments Committee also regularly reviews succession issues relating to Executive Board members in order to be able to propose solutions to the Supervisory Board in the event of a vacancy.

The Committee reviews these issues at the end of each three-year term of office of the Executive Board, and more specifically in the year that precedes it. Given that the current term of office expires on 20 February 2020, the Committee will review the conditions for reappointing or changing the members.

As part of its preparatory work for the renewal of the Executive Board, whose current term of office will expire on 20 February 2020, the Remuneration and Appointments Committee recommended that the Executive Board propose to the Meeting an amendment to the age limit for Board members, currently set at 70.

As part of its ongoing work on the succession of the Executive Board, the Committee proposed raising the age limit to 72 years at the next Annual General Meeting in order to give the Group greater flexibility in the implementation of the various scenarios envisaged regarding the replacement of the members and Chairman of the Executive Board.

Matters discussed by the Supervisory Board in 2018

The Committee met three times in 2018 and ruled on:

- the calculation of the Executive Board members' variable remuneration for 2017;
- the definition of objectives for the calculation of Executive Board members' variable remuneration for 2018;
- the achievement of performance conditions for releasing the free share allocation plan of 2016, with delivery on 28 July 2018, and 2017, with delivery on 28 July 2019;
- the conditions for the annual allocation of free shares;
- the co-option of a new member of the Supervisory Board;
- the authorisation of the Supervisory Board's attendance fees scale.

The Committee reported on its work to the Supervisory Board, which took note of it and followed all of the Committee's recommendations.

The attendance rate of its members was 89% in 2018:

	Meetings of the Remuneration and Appointments Committee			
	07 February 2018	**19 July 2018**	**17 December 2018**	**Attendance rate *****
Gilles Samyn *	✓	✓	✓	100%
Marie Cheval *	N/A	✓	✓	100%
Elmar Heggen	N/A	✓	✓	100%
Sophie de Bourgues **	N/A	N/A	✓	100%
Guillaume de Posch	✗	N/A	N/A	0%
TOTAL	**50%**	**100%**	**100%**	**89%**
Guy de Panafieu (convened) ****	✓	N/A	N/A	100%

** Independent Member*

*** Member representing employees*

**** Attendance rate as from appointment*

***** Guy de Panafieu ceased to be a member of the Committee on 26 April 2017. At its meeting of 21 February 2017, the Supervisory Board nevertheless authorised him to continue to attend Committee meetings and receive attendance fees in this regard*

The note N/A means that the member had not yet joined the Board or was not a member thereof on the date of the meeting.

2.1.3.2 Audit Committee

The rules of procedure of the Supervisory Board provide that the Audit Committee, first set up in 2000, has a minimum of three and a maximum of five members chosen by the Supervisory Board from among its own members, including at least two thirds of independent members.

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

Composition

The Audit Committee comprises four members selected for their expertise. Three of the members are independent within the meaning of the criteria mentioned in Section 2.1.1.1 above.

At 31 December 2018, its members were the following:

		Date of first appointment	Expiry date of appointment	Year of exit	Attendance rate 2018 meetings **
Gilles Samyn *	Chairman of the Committee	03 May 2012	2019		100%
Mouna Sepehri *	Member	19 December 2013	2020		100%
Elmar Heggen	Member	22 November 2006	2020		100%
Nicolas Houzé *	Member	19 April 2018	2022		100%

** Independent Member.*

*** Attendance rate as from appointment*

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

- Gilles SAMYN was selected by the Board for his professional experience in the financial field, acquired in particular in his capacity as Deputy CEO of the Frère-Bourgeois Group and Chairman of Compagnie Nationale à Portefeuille.
- Mouna SEPEHRI was retained by the Board for her expertise, acquired within the Renault Group over the past 20 years, in major acquisitions and strategic partnerships, including the Renault-Nissan Alliance. Executive Vice-President, Office of the CEO at Renault, she oversees the corporate functions delegated to Senior Management, including the Legal Department, which also equips her with expertise in the field of internal control and risk management.
- 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.
- Nicolas HOUZÉ, with a degree from graduate business school INSEAD, has held various positions, initially in strategy and subsequently in banking, before occupying a number of general management roles similar to his current position as CEO of Galeries Lafayette and BHV Marais.

Operation

Based on the rules of procedure, completed with recommendations from the AMF (Final report on audit committees, dated 22 July 2010), the Audit Committee defined its Operating Charter in July 2011. It is subject to the provisions of the French Commercial Code and Regulation (EU) No. 537/2014 of 16 April 2014.

The Audit Committee meets at least twice a year and has the following responsibilities:

In relation to the financial statements:

- to review the annual financial statements prior to their submission to the Board;
- to monitor the relevance and consistency of the accounting principles and rules used for the preparation of the financial statements and to prevent any potential violation of these rules;
- to review the preliminary and interim results as well as the accompanying notes, prior to their publication,
- to monitor the financial reporting process and, if applicable, issue recommendations to safeguard its integrity and ensure the quality of the processes enables compliance with stock market regulations;
- as part of its review of the financial statements, to examine the scope of consolidation and, where relevant, the reasons for which companies are excluded from the scope.
- In relation to the internal control of the Company:
- to issue a recommendation on the Statutory Auditors proposed for appointment by the general meeting to the Board. It also issues its recommendation on the renewal of the statutory auditor's or auditors' appointment;
- to monitor the completion by the Statutory Auditors of their assignment, taking into account the observations and findings of the H3C (French Statutory Auditors' Supervisory Body) following the audits performed pursuant to Articles L. 821-9 and subsequent of the Commercial Code;
- to ensure compliance by the Statutory Auditors with the principles of independence, and to take all steps required to apply article 4-3 of Regulation (EU) No. 537/2014 (economic independence) and ensure compliance with the conditions of article 6 of this regulation.

In relation to the internal control of the Company:

- to assess the Company's and its subsidiaries' internal control systems with internal control officers;
- to review with them the response and action plans in the field of internal control, the findings of these responses and measures, and the action that is required of them;
- to monitor the efficiency of internal control and risk management systems, as well as of the internal audit where applicable, regarding the procedures related to the preparation and processing of accounting and financial information, without it affecting its independence.

In relation to risks:

- regularly review with the Executive Board of the Company the main risks to which the business is exposed as well as the significant off-balance sheet commitments.

In relation to conflicts of interests:

- to review and check the rules of procedure applicable to conflicts of interest, to the expenses of the management team members and to the identification and measurement of the main financial risks, as well as their application, and submit its assessment annually to the Board;
- during the review of the financial statements, probe any material transactions that could have generated conflict of interest.

In relation to non-audit services provided by the Statutory Auditors:

- approve the service.

At its meeting of 25 July 2016, the Audit Committee decided that for any service whose provision by the Statutory Auditors is required by law [Report on the cancellation of the preferential subscription right, supplementary reports, etc.], its overall approval is always provided, the Committee not having the legal capacity to object to its provision.

At the same meeting, the Committee expressly authorised, in principle and by definition, the provision, either to the Company or to companies it controls, the following categories of service:

- Audit other than the certification of the financial statements,
- Limited review,
- Findings upon the conclusion of procedures agreed with the entity,
- Statements,
- Consultations
- Services rendered during the acquisition of entities,
- Services rendered during the sale of entities,
- Consultation on internal control,
- Services related to corporate and environmental information,
- Letter of Intent in relation to market transactions,
- Assurance Report / agreed procedures concerning internal control processes,
- Tax services provided in the countries where these are permitted.

At its meeting of 17 February 2017, the Audit Committee added the following to these categories of services:

- Tax services provided in the countries where these are permitted.

The Committee also approved, under the same conditions, the provision of the above-mentioned services to companies that control the Company on condition that neither the Company nor any of the companies that it controls shall bear the cost thereof.

When a service is provided, senior management must verify that it falls within the scope of one of the two preceding authorisations.

Should this not be the case, the service in question shall be subject to the individual approval of the Audit Committee.

Furthermore, the Audit Committee reports to the Supervisory Board on a regular basis regarding the discharge of its duties. It also reports on the results of the assignment to certify the financial statements, on the way in which this assignment has contributed to the integrity of financial information and on the role it has played in this process. It shall inform the Supervisory Board without delay of any difficulty encountered.

All relevant documentation and analyses to cover all matters that are likely to have a material impact on the financial statements and related financial position must be provided to the Audit Committee within a reasonable timeframe and before its meetings.

It calls any person whose submissions are considered useful for the work of the committee. In particular, it calls the Statutory Auditors for the meetings convened to review the process of preparing financial disclosures and reviewing the financial statements, to hear their report on the performance of their assignment and the conclusions of their audit. The Audit Committee may also ask the Company's Executive Board to hear submissions and provide it with any and all information.

The Audit Committee may call in external experts as needed, having first verified their expertise and independence.

When the financial statements are presented to the Board, the Chairman of the Audit Committee presents any comments necessary.

To discharge its responsibilities, the Audit Committee must hear the Statutory Auditors, senior executives and managers responsible for the preparation of the financial statements, cash and internal control, in the absence of the corporate officers. It may also be assisted by external consultants, at the Company's expense.

The review of the financial statements by the Audit Committee must be informed by the statutory auditors' presentation pointing out the main points of the Company's results and the accounting policies selected, as well as a presentation by the Chief Financial Officer describing the Company's risk exposure, including those of a social and environmental nature, and significant off-balance sheet commitments.

On their appointment, the audit committee members receive information on the Company's or Group's accounting, financial and operational characteristics.

With respect to internal audits and risk management, the Audit Committee must review significant risks and off-balance sheet liabilities, hear the submission of the internal audit manager, give its opinion on the organisation of the internal audit function and keep up to date on its work plan. It must also be sent the internal audit reports or a periodic summary of these reports.

The Audit Committee draws up an annual work plan based on the Company's current affairs and the results of its previous work. All relevant documentation and analyses to cover all matters that are likely to have a material impact on the financial statements and related financial position must be provided to the Audit Committee within a reasonable timeframe and before its meetings.

On this basis, the Audit Committee makes recommendations to the Executive Board regarding financial reporting, as well as financial, accounting or taxation issues that the Group may have to face.

The Audit Committee presents the conclusions of its deliberations to the Supervisory Board at the meetings to discuss the interim and annual financial statements. The Committee has sufficient time to review the financial statements, as files are sent more than five working days before each meeting.

Audit Committee meetings relative to the review of full-year and interim financial statements are always held between the approval of the financial statements by the Executive Board and the subsequent meeting of the Supervisory Board.

Audit Committee meetings normally take place the day before Supervisory Board meetings to facilitate travel for directors who live abroad.

Matters discussed by the Supervisory Board in 2018

The Committee met 3 times in 2018. Its work included:

- the review of the parent company and consolidated financial statements;
- the review of the interim consolidated financial statements at 30 June and quarterly financial position at 31 March and 30 September;
- the review of off-balance sheet commitments;
- the 2019 budget;
- the review of the financial parts of the Registration Document;
- the review of the Group's Sustainable Development Report;
- the monitoring of the treasury position and the working capital requirements of the Group;
- a follow-up of the year's internal control assignments;
- a review of the risk-mapping, including risks of a social and environmental nature;
- the review of the Group's insurance policies;
- 2018 assignments and fees of the Statutory Auditors and the 2018-2019 audit plan;
- 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 100% in 2018:

	Meetings of the Audit Committee			
	19 February 2018	**23 July 2018**	**05 November 2018**	**Attendance rate ****
Gilles Samyn *	✓	✓	✓	100%
Mouna Sepehri *	✓	✓	✓	100%
Elmar Heggen	✓	✓	✓	100%
Nicolas Houzé *	N/A	✓	✓	100%
TOTAL	**100%**	**100%**	**100%**	**100%**
Guy de Panafieu (convened) ***	✓	N/A	N/A	100%

** Independent Member*

*** Attendance rate as from appointment*

**** Guy de Panafieu ceased to be a member of the Committee on 26 April 2017. At its meeting of 21 February 2017, the Supervisory Board nevertheless authorised him to continue to attend Committee meetings and receive attendance fees in this regard*

The note N/A means that the member had not yet joined the Board or was not a member thereof on the date of the meeting.

Self-assessment of the Supervisory Board's work

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 2019 assessment highlighted that:

- the composition of the Committee is appropriate;
- the Committee meets at sufficiently frequent intervals and the duration of the meetings is appropriate;
- the members of the committee receive appropriate information prior to each meeting;

The main area for improvement would be to receive the preparatory documents for meetings further in advance.

2.2 – EXECUTIVE BOARD

2.2.1 Composition of the Executive Board

Since the Annual General Meeting of 5 May 2014, the Executive Board has been appointed for a period of three years.

The Executive Board has five members, all natural persons, aged less than 70 years, appointed by the Supervisory Board and compensated by Métropole Télévision Group.

Given the quality of the executive team and the Company's recurring strong performance, the Supervisory Board of M6 Group decided at its meeting of 21 February 2017 to proceed with the early renewal of the terms of office of the Executive Board, with effect from today, for a period of three years ending 21 February 2020.

Members of the Executive Board	Nationality	Age	Principal duties	Date of first appointment	Date reappointed	Date term expires
Nicolas de Tavernost	French	68	Chairman of the Executive Board	26/05/2000	21/02/2017	21/02/2020
Thomas Valentin	French	64	Vice-Chairman of the Executive Board with responsibility for Programming and Content	26/05/2000	21/02/2017	21/02/2020
Christopher Baldelli	French	54	Vice-Chairman of the Executive Board with responsibility for Radio and News (Magazines excluded)	07/11/2017		21/02/2020
Jérôme Lefébure	French	56	Member of the Executive Board in charge of Finance and Support Functions	25/03/2010	21/02/2017	21/02/2020
David Larramendy	French	44	Member of the Executive Board with responsibility for Sales	17/02/2015	21/02/2017	21/02/2020

Nicolas de TAVERNOST

Chairman of the Executive Board

Number of Company shares held:

470,819

A graduate of the Bordeaux Institute of Political Studies and with a post graduate degree in Public Law, Nicolas de Tavernost began his career in 1975 as part of Norbert Ségard's team, the junior minister for foreign trade, then in the Postal and Telecommunications sectors. In 1986 he took over the management of audiovisual activities at Lyonnaise des Eaux and, on this account, oversaw the project to create M6. In 1987, he was appointed Deputy CEO of Métropole Télévision M6 where since 2000 he has performed the role of Chairman of the Executive Board.

Other appointments and duties

- *Outside M6 Group and RTL Group*

- Independent Director of GL Events SA, a listed company (France)

- Independent Director and Chairman of the Remuneration Committee of Natixis, a listed company (France)

- Director, on a voluntary basis, of endowment fund Raise and Polygone SA

In accordance with the AFEP-MEDEF Code, Nicolas de Tavernost holds 2 terms of office in a personal capacity in listed companies outside the Group, thereby complying with the limits regarding the number of terms of office that may be held concurrently (two within non-Group listed companies) set out by Paragraph 18.2 of the Afep-Medef Code.

- *Within M6 Group and RTL Group*

- Permanent representative of:

a. Métropole Télévision, in its capacity as Chair of M6 Publicité SAS, Immobilière M6 SAS, M6 Bordeaux SAS, M6 Interactions SAS, M6 Foot SAS, SNC Catalogue MC (formerly Mandarin Cinéma) SAS and SNC Audiovisuel FF (formerly Fidélité Films) SAS

b. Métropole Télévision, in its capacity as Director of Société Nouvelle de Distribution SA, C. Productions SA, Extension TV SAS, Société d'Exploitation Radio Chic-SERC SA, Société de Développement de Radio Diffusion-Sodera SA, Best Of TV SAS and Médiamétrie SA

c. Métropole Télévision, in its capacity as Chair of M6 Publicité and as Director of Home Shopping Services SA, M6 Diffusion SA, M6 Événements SA and M6 Éditions SA

e. Métropole Télévision in its capacity as Chair and Member of the Shareholders' Committee of Multi4 SAS.

f. Métropole Télévision, in its capacity as Managing Partner of SCI du 107, avenue Charles de Gaulle.

g. C. Productions, a director of M6 Films SA

- Director of M6 Group's corporate foundation

- Representative of RTL Group to the Board of Directors, Vice-Chairman of the Remuneration Committee and Member of the Executive Committee ("*comision delegada*") of Atresmedia, a listed company (Spain)

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

▪ *Outside M6 Group and RTL Group*

- Director of Nexans SA, a listed company (France)

▪ *Within M6 Group and RTL Group*

- Director of Société Nouvelle de Distribution SA, Extension TV SAS, TF6 Gestion SA and RTL France SAS

- Permanent representative of:

a. Métropole Télévision, in its capacity as Chair of M6 Toulouse SAS, Fondation M6, TCM DA SAS, M6 Digital Services (formerly M6 Web) SAS (since 31 January 2019)

b. Métropole Télévision, in its capacity as Chair of M6 Digital Services (formerly M6 Web) SAS, Chair of I Graal SAS and M6 Hosting (formerly Altima Hosting) SAS (since 31 January 2019)

c. Métropole Télévision, in its capacity as Chair of Paris Première SAS, MisterGooddeal SA, IP France SA, IP Régions SA, SASP Football Club des Girondins de Bordeaux

d. a. M6 Publicité, in its capacity as Chair of M6 Développement SAS

e. Home Shopping Services in its capacity as Director of MisterGooddeal SA

- Chairman and member of the Supervisory Board of Ediradio SA

- Member of Association Football Club des Girondins de Bordeaux

Thomas VALENTIN

Vice-Chairman of the Executive Board with responsibility for Programming and Content

Number of Company shares held:

230,810

Thomas Valentin joined M6 in its infancy as Fiction and International Relations Representative, and in November 1989 became Director of Drama and Documentaries and International Relations Representative until December 1990, Assistant Director of Programmes and Director of Purchasing and Production(s) in 1991. Appointed M6 Director of Programmes in March 1992, then Chief Operating Officer in May 1996, he was Vice-President in charge of Programmes from June 2000 to January 2007.

In 1986 and 1987 Thomas VALENTIN was responsible for preparing CLT's application to be a television channel in France.

From 1984 to 1987, he was Special Advisor at IP France, responsible for the satellite sector, macroeconomic analyses and the development of RTL-Télévision in France.

Between 1981 and 1984, he was Director of Communications at the French Embassy in New York.

Thomas VALENTIN is a communications graduate, with a Master of Arts in Broadcasting from Stanford University (California) and holds a Masters in Physics and a post graduate degree in Optics from the University of Paris.

Other appointments and duties

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman and CEO of M6 Films SA

- Chairman of C. Productions and Studio 89 Productions SAS

- Director of C. Productions SA and Extension TV SAS

- Permanent representative of:

a. Métropole Télévision SA in its capacity as Chair of M6 Studio SAS, M6 Communication SA and Director of SNC SA and M6 Diffusion SA

b. M6 Thématiques SAS in its capacity as Chair of SEDI TV SAS

c. M6 Digital Services (formerly Web) SAS in its capacity as Chair of GM6 SAS

d. M6 Films in its capacity as Director of Home Shopping Service SA

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

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman of M6 Studio SAS, M6 Communication SAS and Sedi-TV SAS

- Chairman of the Board of Directors of M6 Films SA and Métropole Production SA

- Director of Société Nouvelle de Distribution SA, Métropole Productions SA and TF6 Gestion SA

- Permanent representative of:

a. M6 Films SA in its capacity as director of Métropole Productions SA

b. Métropole Production SA in its capacity as Director of M6 Diffusion SA and Société Nouvelle de Distribution SA

c. Edi Tv and Paris Première SAS in its capacity as Member of the Shareholders' Committee of Multi 4 SAS

d. M6 Thématiques in its capacity as Director of IP France SA

- Chairman and Vice-Chairman of the Supervisory Board of Ediradio SA

- Member and Vice-Chairman of Association Football Club des Girondins de Bordeaux

Christopher BALDELLI

Vice-Chairman of the Executive Board with responsibility for Radio and News (Magazines excluded)

Number of Company shares held: 15,337

Biography and principal duties outside the Company

A former student of Ecole Normale Supérieure and a graduate of the Paris Institut d'Etudes Politiques, Christopher Baldelli served from 1994 to 1997, successively as an Advisor as part of the French Budget Minister's staff, the Communication and Culture Minister's staff, and lastly as part of the Prime Minister's staff. He subsequently acted as Head of Strategy at Lagardère Group's head office (Media industry) from 1997 to 1998, before being appointed CEO of the "La Provence" daily newspaper (Lagardère Group) in 1999.

From 1999 to 2002, Christopher Baldelli held the position of Deputy CEO of France 2, and was subsequently appointed CEO in 2002, a position he held until 2005.

He then joined M6 Group in 2006 as Chairman of M6 Thématique (W9, Paris Première, TEVA and the M6 Music, TF6, Série Club channels) before his appointment as Chairman of the Executive Board of Ediradio in August 2009 and Chairman of the Board of Directors or Manager of various RTL Group companies (RTL2, FUN Radio, Information & Diffusion, etc.).

Other appointments and duties

Outside M6 Group and RTL Group

Nil

Within M6 Group and RTL Group

- Chairman of RTL France Radio SAS
- Chairman of the Board of Directors of Société d'Exploitation Radio Chic-Serc SA and Société de Développement de Radio Diffusion-Sodera SA
- Co-Manager of Information & Diffusion SARL

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

Outside M6 Group and RTL Group

- Permanent representative of Société Immobilière Bayard d'Antin SA to Médiamétrie SA

Within M6 Group and RTL Group

- Chairman of the Executive Board of Ediradio SA
- Chairman of the Board of Directors of IP France SA
- Chairman of RTL Net SA
- Co-Manager of RTL Spécial Marketing SARL and Société Commerciale de Promotion et de Publicité SARL
- Permanent representative of IP France to the Board of IP Régions SA
- Director of CLT-UFA SA

Jérôme LEFEBURE

Member of the Executive Board in charge of Finance and Support Functions

Number of Company shares held: 118,717

Biography

A graduate of the Paris Institute of Political Studies and holder of a Master's Degree in Business Law, he began his career at Arthur Andersen (1988-1998), followed by Atos Direct (Koba) as Chief Financial Officer and Member of the Executive Board (1998-2003).

In 2003, he joined M6 Group as Chief Financial officer, and in 2010 became a member of the Executive Board responsible for Management Activities (Finance Department, Organisation and Human Resources Department, Information Systems Department).

Other appointments and duties

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman and CEO of M6 Diffusion SA

- Permanent representative of:

a. Métropole Télévision in its capacity as Chair of SNDA SAS, M6 Distribution (formerly M6 Talents) SAS, M6 Développement SAS, M6 Génération SAS, M6 Thématique SAS, Immobilière 46D SAS and M6 Digital Services (formerly M6 Web) SAS (since 01/02/2019)

b. M6 Thématique in its capacity as Chair of Edi TV SAS

c. M6 Interactions in its capacity as Director of Home Shopping Service SA, Best of TV SAS and Société Nouvelle de Distribution SA

d. M6 Digital Services (formerly M6 Web) SAS in its capacity as Chair of I Graal SAS et M6 Hosting SAS (since 01/02/2019)

e. EDI-TV SAS in its capacity as member of the Shareholders' Committee of Multi 4 SAS

f. M6 Publicité SAS in its capacity as Director of Société d'Exploitation Radio Chic-Serc SA and Société de Développement de Radio Diffusion-Sodera SA

g. M6 Thématique SAS in its capacity as Chair of Edi-TV SAS.

h. M6 Diffusion SA in its capacity as Director of C. Productions SA

- Director of Unité 15 Belgique SA and M6 Group's Corporate Foundation.

- Chairman of the Supervisory Committee of Panora Services SAS

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

- *Outside M6 Group*

Nil

- *Within M6 Group*

- Chairman of M6 Développement SAS, M6 Génération SA, M6 Divertissements SAS, Immobilière 46D SAS, M6 Thématique SAS and Métropole Productions SA

- Chairman and CEO of M6 Editions SA and M6 Evènements SA

- Permanent representative of:

a. Métropole Télévision in its capacity as Chair of M6 Shop SAS

b. Métropole Télévision in its capacity as Director of M6 Éditions SA

c. Métropole Télévision in its capacity as Manager of TCM DA SAS

d. M6 Interactions SAS in its capacity as Director of Mistergooddeal SA and M6 Événements SA

e. M6 Événements in its capacity as Chair of Live Stage SAS

f. M6 Thématique in its capacity as Director of TF6 Gestion SA

g. C. Productions SA in its capacity as director of Métropole Productions SA

h. M6 Diffusion SA in its capacity as Director of C. Productions SA

i. M6 Publicité SAS as Member of the Supervisory Board of Ediradio SA and Director of IP France SA, IP Régions SA

- Director of Société Européenne de Télévente Belgique SCARL

- Member and Director of Association Football Club des Girondins de Bordeaux

David LARRAMENDY

Member of the Executive Board with responsibility for Sales and Business Development

Number of Company shares held: 60,368

Biography

A graduate of Supélec and holder of an MBA from Wharton School at the University of Pennsylvania, he began his career with Ernst & Young before joining Mistergooddeal at its inception in 2000. He then worked in the London offices of Goldman Sachs prior to joining M6 Group in 2008 as Sales Director of the Ventadis Division, of which he became CEO in 2010. Appointed CEO of both M6 Publicité and M6 Interactions in December 2014, he joined the Executive Board in February 2015.

Other appointments and duties

- *Outside M6 Group*

- Vice-Chairman and Treasurer of SNPTV (France)

- *Within M6 Group*

- Chairman and CEO of M6 Editions SA and M6 Evènements SA

- CEO of M6 Publicité SAS and M6 Interactions SAS

- Permanent representative of M6 Publicité SAS in its capacity as Chair of M6 Créations SAS

- Director of Société de Développement de Radio Diffusion-Sodera SA

- Representative of M6 Publicité SAS in its capacity as Director of Ctzar SAS

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

Outside M6 Group

Nil

- *Within M6 Group*

- Deputy CEO of Home Shopping Service SA, Mistergooddeal SA and M6 Interactions SAS

- Chairman of the Board of Directors of IP France SA and IP Régions SA

- Chairman of Luxview SAS and MonAlbumPhoto SAS

- Permanent representative of Home Shopping Service SA in its capacity as Chair of Best Of TV SAS

- Permanent representative of MonAlbumPhoto SAS in its capacity as Chair of Printic SAS

- Permanent representative of M6 Évènements SA in its capacity as Chair of Live Stage SAS

- Director of Home Shopping Service Belgique SA, Société Européenne de Télévente Belgique SCARL and Unité 15 Belgique SA

2.2.2 Operation of the Executive Board

The Executive Board has the widest possible powers to act in all circumstances on behalf of the Company with third parties pursuant to Article 18 of the Bylaws.

As specified in Paragraph 2.1.2.3 of this document, the following Executive Board decisions shall be subject to the Supervisory Board's prior approval (Article 24.3 of the Bylaws):

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

The Executive Board meets as often as required in the interests of the Company. In 2018, the Executive Board met 39 times, with minutes kept for each of these meetings. The Executive Board prepares all files to be submitted to Supervisory Board meetings by providing a detailed presentation of the situation of each activity of the Group during the previous quarter. To that end, the Executive Board ensures the relevance of operating management indicators presented to the Supervisory Board in order to reflect developments affecting the various activities and businesses.

The Executive Board collectively examines and takes decisions on investment projects submitted to it by operating teams.

The Executive Board also approves the Group's half-year and annual financial statements, provisional management documents and wording of the management report, which are subsequently presented for review by the Supervisory Board. Lastly, the Executive Board decides on the Group's financial communication.

2.3 CORPORATE OFFICERS' REMUNERATION AND BENEFITS

In application of Article L. 225-37-3 of the Commercial Code, the total remuneration received by the Group's Board members, including benefits, was as follows, it being noted that this chapter was prepared with the assistance of the Remuneration Committee.

2.3.1 Principles and rules determining Executive Board members' remuneration and benefits

Every year, the Supervisory Board, upon proposal by the Remuneration Committee, sets the Executive Board members' remuneration policy with reference to the AFEP/MEDEF recommendations on the governance of listed companies.

All members of the Executive Board concurrently hold an employment contract with a term of office as Director, noting that Nicolas de TAVERNOST's employment contract has been suspended since 6 December 1990 and will remain so until his term of office as Chairman of the Executive Board expires. This suspension has been confirmed by the Supervisory Board at each collective renewal of the terms of office, including in February 2017.

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

The remuneration policy of the Executive Board is characterised by three different remuneration tools, each having an identified objective:

- Firstly, the fixed part of each of the members reflects the market remuneration for equivalent roles.

Over the past three years, only the fixed part of the youngest member of the Executive Board has been amended.

- Secondly, the variable part, which is also fixed for each member according to their operational responsibilities.

It is contingent upon achievement of annual operational performances, and its payment is deferred in full to the following financial year.

As such, its variable nature is conducive to over-achievement. Over the past three years, the variable part has fluctuated been 79% and its maximum, it being specified that the maximum was only achieved once.

- Thirdly, free shares, which since 2017 have been exclusively subject to a three-year performance related condition and continued employment throughout this same period.

This remuneration item not only targets operational over-achievement but also the commitment of team loyalty. It is demonstrated that the Executive Board is fully exposed to any changes in the share price, without said share price being a performance criterion.

As such, the cumulative total of these remuneration tools facilitates alignment between the skills deployed by the Executive Board and the interests of the Company and its shareholders.

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

The remuneration policy sets all fixed, variable and exceptional components of remuneration, in addition to the long-term incentive and employee retention plans granted in the form of free shares as well as other commitments of any nature undertaken by the Company for the benefit of its directors and senior executives.

It is not only based on technical performance, results achieved, level of responsibility assumed, but also on practices observed in comparable companies and remuneration paid to other operational managers of the company.

The remuneration of members of the Executive Board is paid by the parent company Métropole Télévision, with the exception of David LARRAMENDY, whose salary is paid by M6 Publicité.

The remuneration of Christopher BALDELLI, member of the Executive Board since 7 November 2017, was until 31 December 2017 paid by EDIRADIO. It has been paid by Métropole Télévision since 1 January 2018.

FIXED COMPONENTS OF REMUNERATION

The fixed component of Executive Board members' remuneration is:

- paid in 12 monthly instalments in the case of Nicolas de TAVERNOST, in respect of his role as a corporate officer, and in 13 monthly instalments in the case of the other members, in respect of their employment contracts,
- augmented by a benefit in kind equal to the value of their company car, it being specified that this is the sole benefit in kind that they receive.

The fixed remuneration of the members of the Executive Board was last revised in relation to:

- Nicolas de TAVERNOST, on 1 January 2016,
- Thomas VALENTIN, on 1 January 2010,
- Christopher BALDELLI on 7 November 2017, upon his appointment to the Executive Board,
- Jérôme LEFEBURE, on 1 January 2017, up +2.5% after 5 years of stability,
- David LARRAMENDY on 1 January 2018, to correct the discrepancy noted in relation to comparable positions in the advertising market.

VARIABLE COMPONENTS OF REMUNERATION

The variable component of the remuneration of each member of the Executive Board is comprised of two or three components, each calculated based on one, two or three performance criteria, for which an annual target is set by the Supervisory Board to enable payment of the maximum amount and a minimum performance level under which no variable component will be paid.

The expected level of achievement for all criteria of variable remuneration, all of a quantitative nature, is established precisely every year based on budget targets but is not disclosed on the grounds of confidentiality.

In accordance with Paragraph 24.3.2 of the AFEP-MEDEF Code, and in order to allow an assessment of the standards expected of management, it is specified below:

- The portion of the maximum variable remuneration of each member of the Executive Board in relation to their fixed remuneration,
- The portion that will actually be paid for the financial year, expressed according to the maximum variable part in order to enable performance to be assessed,

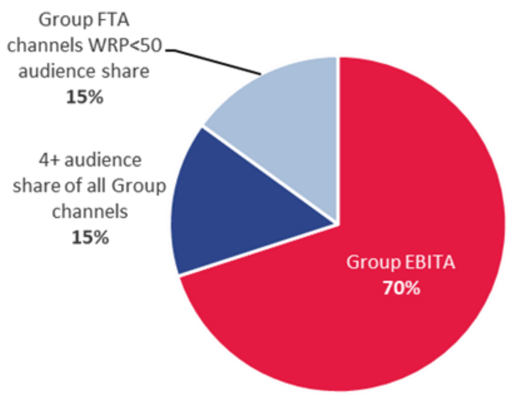
The variable remuneration of all beneficiary employees (including members of the Executive Board) due in respect of one financial year are paid during the following financial year, it being specified that the payment of variable remuneration in relation to the corporate terms of office of the members and Chairman of the Executive Board is subject to the approval of shareholders as part of the retrospective say on pay.

Moreover, and in accordance with the recommendation of the Remuneration and Appointments Committee at its meeting of 17 December 2018, the variable remuneration in relation to the corporate term of office of members of the Executive Board has been amended with effect from the 2019 financial year in order to adjust two below mentioned CSR criteria when measuring performance:

- 10% of the maximum corporate officer variable part has been allocated based on the two CSR criteria, with an equal split between the two criteria used:
- Challenge n°1, relating to the representation of diversity within programmes, and which requires the percentage of female representation in the presentation of internally produced news programmes for free-to-air channels (including news bulletins) to be at least 50% to achieve the target,
- Challenge n°2, relating to the raising of public awareness of environmental issues, and which requires environmental topics to be qualitatively and sufficiently addressed within television news bulletins.
- The remainder of the maximum variable corporate officer part remains allocated, according to the members, based on the previously set criteria.

Nicolas DE TAVERNOST

For 2017 and 2018:



His variable part relates exclusively to his role as corporate officer.

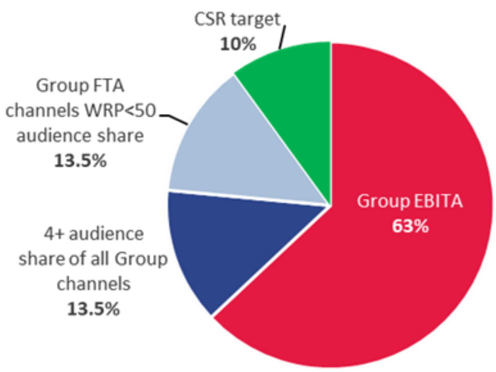
It was last revised on 1 January 2016.

	2017	2018
Maximum variable part / Fixed part	100%	100%
Actual variable part / Maximum variable part [55]	92%	78%

In respect of 2018, the total variable remuneration due to Nicolas de TAVERNOST stood at 78% of his maximum variable part, representing an amount 15% lower than in 2017. Accordingly:

- The EBITA target enabling the achievement of the maximum variable part was not achieved,
- The 4+ year olds' audience share declined by 0.54pp, resulting in a performance that was below target,
- The WRP<50 audience share declined by 0.9pp, resulting in a performance that was below target.

For 2019:



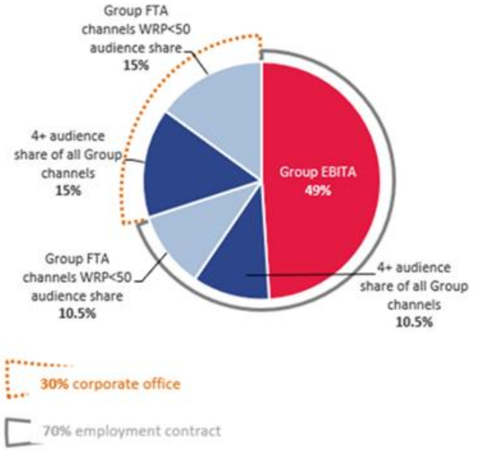
55 The "actual variable part/maximum variable part" ratio corresponds to the ratio between the variable remuneration due and the maximum variable part set in the contract and/or attached to the term of office.

His variable part relates exclusively to his role as corporate officer.

	2019
Maximum variable part / Fixed part	100%

Thomas VALENTIN

For 2017 and 2018:



Overall, the variable part measured in relation to Group EBITA represented 49% and the variable part measured in relation to audience figures was 51% as a result of his responsibilities as Head of TV Programming and Content.

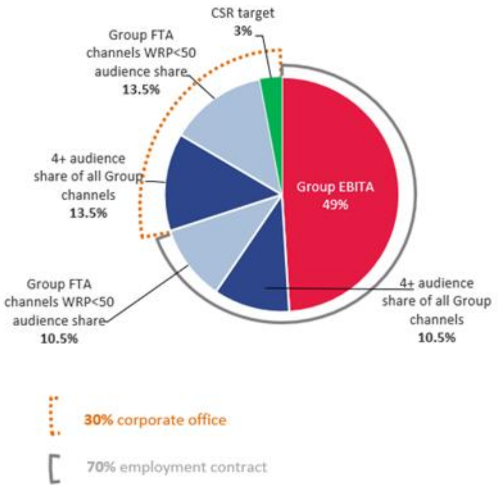
It was last revised on 1 January 2017.

	2017	2018
Maximum variable part / Fixed part	111%	111%
Actual variable part / Maximum variable part [56]	87%	68%

In respect of 2018, the total variable remuneration due to Thomas VALENTIN stood at 68% of his maximum variable part, representing an amount 22% lower than in 2017. Accordingly:

- The EBITA target enabling the achievement of the maximum variable part was not achieved,
- The 4+ year olds' audience share declined by 0.54pp, resulting in a performance that was below target,
- The WRP<50 audience share declined by 0.9pp, resulting in a performance that was below target.

For 2019:



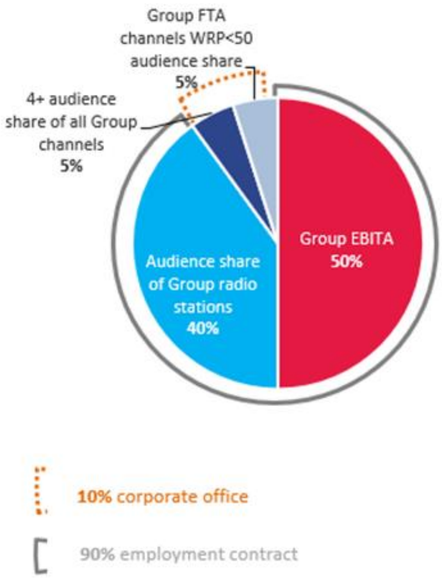
56 The "actual variable part/maximum variable part" ratio corresponds to the ratio between the variable remuneration due and the maximum variable part set in the contract and/or attached to the term of office.

Overall, the variable part measured in relation to Group EBITA represented 49% and the variable part measured in relation to audience figures was 48% as a result of his responsibilities as Head of TV Programming and Content.

	2019
Maximum variable part / Fixed part	100%

Christopher BALDELLI

For 2018:



Overall, the variable part measured in relation to the audience share of the radio stations represented 40% as a result of his responsibility as Head of the Group's Radio Stations, and the part measured on the audience share of the channels was 10% as a result of his cross-Group responsibility discharged in relation to news reporting.

It was set on 7 November 2017 upon his appointment to the Executive Board,

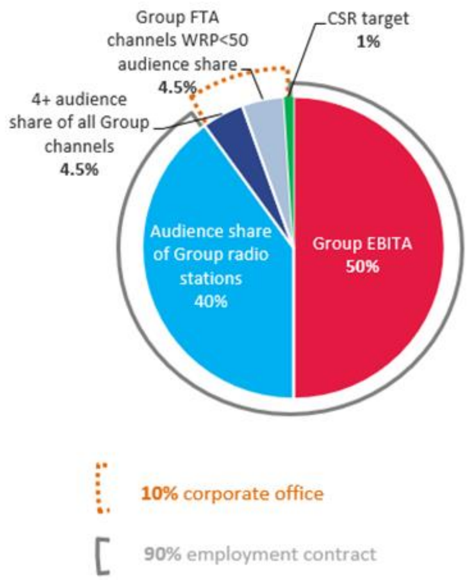
	2017	2018
Maximum variable part / Fixed part	-	100%
Actual variable part / Maximum variable part [57]	-	91%

In respect of 2018, the total variable remuneration due to Christopher BALDELLI stood at 91% of his maximum variable part. Accordingly:

- The EBITA target enabling the achievement of the maximum variable part was not achieved,
- The audience share of the radio stations on the commercial target grew 0.4pp, meaning the target was achieved,
- The 4+ year olds' audience share declined by 0.54pp, resulting in a performance that was below target,
- The WRP<50 audience share declined by 0.9pp, resulting in a performance that was below target.

57 *The "actual variable part/maximum variable part" ratio corresponds to the ratio between the variable remuneration due and the maximum variable part set in the contract and/or attached to the term of office.*

For 2019:

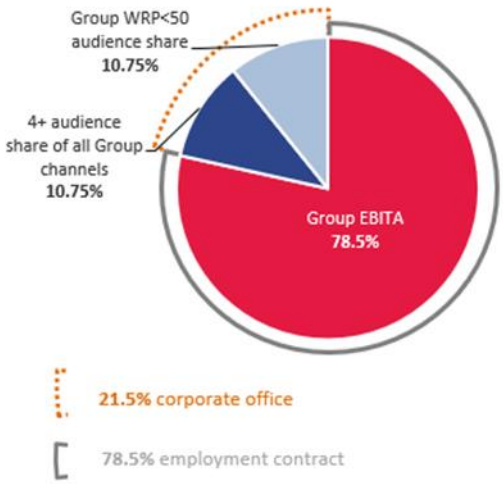


Overall, the variable part measured in relation to the audience share of the radio stations represented 40% as a result of his responsibility as Head of the Group's Radio Stations, and the part measured on the audience share of the channels was 9% as a result of his cross-Group responsibility discharged in relation to news reporting.

	2019
Maximum variable part / Fixed part	100%

Jérôme LEFEBURE

For 2017 and 2018:



Overall, the variable part calculated based on Group EBITA represented 78.5% due to his responsibilities as Chief Financial Officer and Head of the Group's Support Functions.

It was last revised on 1 January 2017, in order to adjust the amount, unchanged since 2008, to reflect his wider responsibilities.

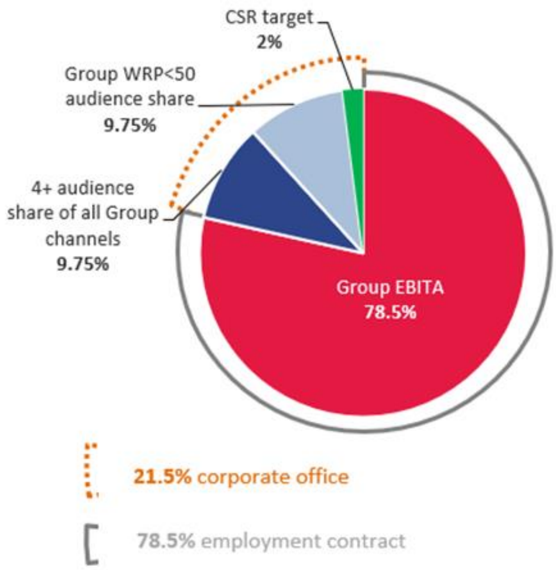
	2017	2018
Maximum variable part / Fixed part	59%	59%
Actual variable part / Maximum variable part [58]	94%	82%

58 The "actual variable part/maximum variable part" ratio corresponds to the ratio between the variable remuneration due and the maximum variable part set in the contract and/or attached to the term of office.

In respect of 2018, the total variable remuneration due to Jérôme LEFEBURE stood at 82% of his maximum variable part, representing an amount 13% lower than in 2017. Accordingly:

- The EBITA target enabling the achievement of the maximum variable part was not achieved,
- The 4+ year olds' audience share declined by 0.54pp, resulting in a performance that was below target,
- The WRP<50 audience share declined by 0.9pp, resulting in a performance that was below target.

For 2019:

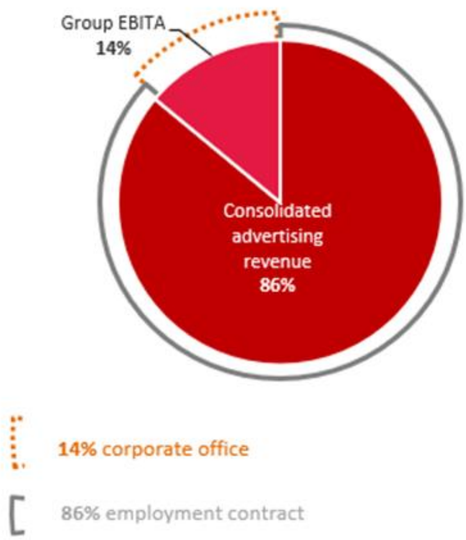


Overall, the variable part calculated based on Group EBITA represented 78.5% due to his responsibilities as Chief Financial Officer and Head of the Group's Support Functions.

	2019
Maximum variable part / Fixed part	100%

David LARRAMENDY

For 2017 and 2018:



Overall, the variable part measured in relation to consolidated advertising revenue represented 86% as a result of his responsibilities as Managing Director of M6 Publicité.

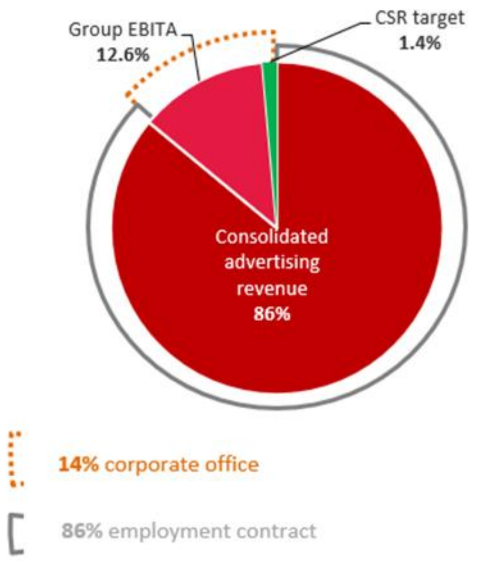
It was last revised on 1 January 2018, in order to encourage the achievement of ambitious commercial targets.

	2017	2018
Maximum variable part / Fixed part	83%	97%
Actual variable part / Maximum variable part [59]	100%	97%

In respect of 2018, the variable remuneration amount due to David LARRAMENDY stood at 97% of his maximum variable part (an amount 36% higher than in relation to 2017 due to a change in the amount of his variable part with effect from 1 January 2018). Accordingly:

- The EBITA target enabling the achievement of the maximum variable part was not achieved,
- The consolidated advertising revenue target leading to the achievement of the maximum variable part was not reached.

For 2019:



Overall, the variable part measured in relation to consolidated advertising revenue represented 86% as a result of his responsibilities as Managing Director of M6 Publicité.

	2019
Maximum variable part / Fixed part	100%

EXCEPTIONAL REMUNERATION

In January 2019, Christopher BALDELLI received €330,000 in accordance with a commitment undertaken by the previous shareholder RTL Group via an interim LTIP introduced prior to the acquisition of the Radio division by Métropole Télévision, and contingent upon the operational performance of the Radio Division and continued employment at 31 December 2018.

It may be noted that no other exceptional remuneration was paid during the 2018 financial year to Executive Board members.

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

On 10 March 2009, the Supervisory Board decided to introduce a number of rules to provide a future framework for all allocations of options to subscribe or to purchase shares and all allocations of free shares for the benefit of members of the Executive Board.

At the outset, it is noted that as of the date on which this document was drafted, no executive director has received any stock options.

ALLOCATION LIMITS

The allocation of free shares for the benefit of members of the Executive Board shall now be subject to the following collective and individual limits:

COLLECTIVE LIMITS

The number of free shares allocated to all the members of the Executive Board, with effect from 1 January 2009, may not exceed 15% of the total amount authorised by the Extraordinary General Meeting;

Based on the authorisation granted by the General Meeting of 26 April 2016, this amount may represent a maximum of 345,000 shares, based on the Company’s current share capital, or 0.3% of the share capital.

59 The “actual variable part/maximum variable part” ratio corresponds to the ratio between the variable remuneration due and the maximum variable part set in the contract and/or attached to the term of office.

INDIVIDUAL LIMITS

The Supervisory Board has set two distinct limits:

- One for Nicolas de TAVERNOST, as Chairman of the Executive Board, which has set the cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares which could be allocated to him during a given financial year.

This amount may not exceed 150% of his gross fixed and variable remuneration, due in respect of the financial years preceding the year of allocation.

- A second for the other members of the Executive Board, which has set the cumulative amount, determined under IFRS 2, of options to subscribe or to purchase shares and free shares which could be allocated to them during a given financial year.

This amount may not exceed 100% of their gross fixed and variable remuneration, due in respect of the financial years preceding the year of allocation.

RETENTION COMMITMENT

Following the revision of the AFEP-MEDEF Code in November 2016, the Supervisory Board maintained, with regard to Executive Board members, the obligation to retain, as registered shares and unconditionally, 20% of the shares arising from the exercise of the options to subscribe or to purchase shares, as well as shares allocated free of charge, until the end of their terms of office, even if Article 22 of the Code only requires a minimum quantity that is likely to be revised each time the term of office is renewed.

PERFORMANCE CONDITIONS

Allocations of free shares granted for the benefit of members of the Executive Board must be subject to demanding performance conditions and at least identical to those imposed on all other potential beneficiaries of any other allocation plan.

With effect from the 2017 financial year, the Supervisory Board decided that the performance condition required for the Executive Board will now be exclusively multi-year, setting it at three cumulative financial years, with a requirement of continued employment at the end of this period.

For each three-year Plan, and as a result of the volatility of market capitalisations at the end of the year, it was decided that the opening capital employed of the period would be equal to the average market value over the three financial years preceding the beginning of the three-year period. Such capital is subsequently annually increased by the net investments realised during each financial year and by the change in current assets. As such, the quality of the investment projects and the management of the working capital requirement, rather than operating profit alone, are used to assess performance after tax.

This performance is required for a cumulative three-year period, and remuneration in shares will reflect the achievement of the objectives according to a scale set at the start of the three-year period.

The 2018 allocation thus formalises the performance expected for the years 2018, 2019 and 2020, and an identical system is planned for 2019 to apply to the years 2019, 2020 and 2021. The benefit of this three-year rolling system is to not freeze three-year performance periods.

OTHER PROVISIONS APPLICABLE TO MEMBERS OF THE EXECUTIVE COMMITTEE IN THE AREA OF OPTIONS AND FREE SHARES

It should be noted that the members of the Executive Board have made a formal commitment not to enter into a hedging transaction for their risk where they benefit from the allocation of free shares or options to subscribe for or purchase shares and from the allocation of free shares (the latter not being used by the Group).

Also, the Supervisory Board decided to prohibit transfers of free shares by members of the Executive Board during the Company's following financial communication periods. As such, for 2019:

- For 2019:

- from 20 January to 1 March 2019,

- from 4 April to 5 May 2019,

- from 30 June to 9 August 2019,

- from 8 October to 08 November 2019.

Free shares are granted to members of the Executive Board, as described previously, at the same time as those granted to other employees of the Group. The quantity granted reflects the assessment of individual performance.

FREE SHARES ALLOCATED DURING THE 2018 FINANCIAL YEAR AND LINKED TO MULTI-YEAR PERFORMANCE (2018-2020)

ALLOCATION VOLUME

In accordance with the authorisation granted by the Combined General Meeting of 26 April 2016 in its 14th resolution, the Executive Board decided on 24 July 2018 to grant 313,400 shares under the three-year LTIP 18-20 plan to a number of executives, including the Executive Board, as explained previously.

COMPLIANCE WITH ANNUAL ALLOCATION LIMITS

At the end of this Jul 2018 allocation, all the shares allocated to the members of the Executive Board as part of the authorisation of the Extraordinary General Meeting of 26 April 2016 represented, at the date of drafting of this Document, 14.9% of the amount of the overall allocation, falling short the overall allocation set by the Supervisory Board.

The individual limits have also been observed since the amount allocated to each member of the Executive Board according to their gross, fixed and variable remuneration was:

- 23% for Nicolas de TAVERNOST,

- 32% for Thomas VALENTIN,
- 27% for Christopher BALDELLI,
- 34% for Jérôme LEFEBURE,
- 33% for David LARRAMENDY,

FREE SHARES VESTED IN 2018

These shares resulted from:

- the free share plan of 28 July 2016 which, for the Executive Board, was conditional not only on the achievement of the consolidated net profit objective, but also on the achievement of an advertising market share for 2016 and 2017. Given the figure achieved in comparison with the target, the number of shares definitively allocated represents 100% of the maximum number authorised.

The number of shares definitively allocated complies with the rules on maximum allocations referred to in Paragraph 2.3.1.2. These shares already issued were thus granted on 29 July 2018, the 2016-2017 performance condition having been validated by the Supervisory Board in February 2018.

- The free share plan of 28 July 2016 conditional upon a multiyear performance over the 2014, 2015 and 2016 financial years. Given the performances achieved in comparison with the targets, the number definitively allocated represents 100% of the maximum number authorised.

The number of shares definitively allocated complies with the rules on maximum allocations referred to in Paragraph 2.3.1.2. These shares already issued were thus granted on 29 July 2018, the 2014-2015-2016 performance condition having been validated by the Supervisory Board in February 2018.

2.3.1.3 Benefits subsequent to term of office

Since the conclusion of the referendum agreement dated 22 May 2007 (and its corrective amendment of 25 June 2014) establishing a supplementary defined contributions pension scheme, the members of the Executive Board have benefited, as do all of the Group's employees whose remuneration during the year n-1 exceeds 4 PASS (Annual Social Security Ceiling), from a supplementary and compulsory defined contributions pension scheme (Article 83 of the General Tax Code) that enables the establishment of an individual retirement savings account to finance the payment of a life-time annuity.

Individual pension accounts under supplementary schemes are paid at a rate of 9.13% for tranches B (floor) and C (ceiling) of basic gross annual salaries (excluding primes and bonuses) broken down as follows:

- 5.71% to be paid by the employer,
- 3.42% to be paid by the employee.

Employer contributions paid to an insurer and recognised by the Company during the 2018 financial year in respect of pension commitments are detailed individually in Paragraph 2.3.2, Tables (11). These mandatory contributions are payable by the employer at the end of each quarter, such contributions being calculated each month based on the slips. The employer portion of the contributions is subject to the corporate contribution rate of 20%. In 2018, the charge paid by the employer totalled €79,405 for all members of the Executive Board.

Moreover, the cumulative payment made by all members of the Executive Board totalled €45,560.

At the date of preparation of this report, the estimated amount of the annuity of each member of the Executive Board, contingent upon contributions being paid at the same rate until retirement age (66 or 67 years), is as follows:

- Nicolas de TAVERNOST: €15,756 annually,
- Thomas VALENTIN: €17,035 annually,
- Christopher BALDELLI: €21,340 annually,
- Jérôme LEFEBURE: €29143 annually,
- David LARRAMENDY: €40,030 annually,

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.

2.3.1.4 Non-compete agreement

The Code AFEP-MEDEF Code Revised in June 2018 now recommends that no non-compete compensation may be paid once the beneficiary is over the age of 65.

In order to comply with this new recommendation, as its meeting of 19 February 2019, the Supervisory Board confirmed that the non-compete clause signed with Nicolas de TAVERNOST has now been removed.

It was specified that this removal would result in no change relating to the compensation due in the event of termination of the corporate office of Nicolas de TAVERNOST, the basis and calculation method of which remain unchanged, and which remains capped at 24 months (see §2.3.1.6).

Other members of the Executive Board are nevertheless bound by individual non-compete agreements, and in particular:

- Thomas VALENTIN for a period of 3 months - he would receive fixed-rate remuneration of 50% of his fixed remuneration received over the previous twelve months;

- Jérôme LEFEBURE for a period of 3 months - he would receive fixed-rate remuneration of 50% of his fixed remuneration received over the previous twelve months;
- David LARRAMENDY for a period of 12 months - he would receive fixed-rate remuneration of 50% of his remuneration received over the previous twelve months;
- Christopher BALDELLI for a period of 9 months - he would receive fixed-rate remuneration of 50% of his remuneration received over the previous twelve months.

In accordance with Paragraph 23.3 of the AFEP-MEDEF Code, the Supervisory Board may, upon the opinion of the Remuneration and Appointments Committee, release one or several members of the Executive Board from this agreement.

Furthermore, the payment of compensation is not required when the corporate officer elects to retire as recommended by the AFEP-MEDEF Code (§23.4).

Lastly, this compensation is subject to payment by instalments for its duration as now recommended by the AFEP-MEDEF Code (§23.6).

2.3.1.5 Exclusivity commitment

For the duration of his present and future terms of office as Chairman of the Executive Board, Nicolas de TAVERNOST undertakes to dedicate his working time exclusively to the duties he carries out within the Company, with the exception of the fulfilment of his role as a lecturer at the university Sciences-Po Paris and the corporate terms of office he currently holds (renewed where applicable) within M6 Group and RTL Group as well as outside these groups (as specified in Section 2.2 of this Registration Document). Any other role (with the exception of the renewal of his existing terms of office, and the executive positions he holds in family-owned asset holding companies) must be authorised in advance by the Supervisory Board once the Remuneration Committee has issued its opinion.

2.3.1.6 Severance pay

In application of the recommendations published in the AFEP-MEDEF Corporate Governance Code for listed companies, the Supervisory Board meeting of 10 March 2009 approved the Remuneration Committee's proposal seeking to standardise all severance pay agreed for the benefit of the members of the Executive Board by specifying (a) the taxable base and (b) the circumstances giving rise to this compensation (c) the payment of which remains subject to the performance condition introduced by the Supervisory Board on 3 March 2008.

This individual mechanism was the subject of an amendment to the employment contracts of Thomas VALENTIN and Jérôme LEFEBURE, duly authorised by the Supervisory Board, as well as for Christopher BALDELLI upon his appointment by the Supervisory Board on 7 November 2017.

Arising from his term of office as Chairman of the Executive Board, Nicolas de TAVERNOST benefits from a compensation for breach of contract, while the other members of the Executive Board have contractual compensation included in their employment contracts in the event of termination at the initiative of the Company, for any motive excluding misconduct or serious offence.

This severance pay was approved by the Annual General Meeting of 26 April 2017 in its 5th to 8th resolutions, and by the Annual General Meeting of 19 April 2018 in its 5th resolution, in accordance with Article L.225-90-1 of the French Commercial Code.

Concerning Christopher BALDELLI, member of the Executive board since 7 November 2017, this mechanism was submitted to a vote of shareholders at the Annual General Meeting of 19 April 2018 under the provisions of Articles L. 225-82-2 and L. 225-86 and subsequent of the French Commercial Code and took effect following its approval by the Annual General Meeting of Shareholders.

EVENT OF PAYMENT OF SEVERANCE PAY

At its meeting of 21 February 2017, the Supervisory Board specified that the compensation mechanism in the event of the termination of the duties of Nicolas de TAVERNOST, implemented in 2008, would apply to all instances of termination as of 21 February 2017.

This change in mechanism is warranted by Nicolas de TAVERNOST's agreement to continue his term of office beyond its initial expiry in 2018 and the exceptional character of his contribution to the creation of the company in 1987, its continued growth and development and his strong performance, year after year.

During the same meeting, the Board also decided to maintain unchanged, from 21 February 2017, the pre-existing conditions applicable to the termination of the duties of Thomas VALENTIN and Jérôme LEFEBURE. Payment of compensation for breach of contract is limited to cases in which their contract of employment is terminated for reasons other than dismissal for gross misconduct or serious negligence, resignation, or failure to perform their duties satisfactorily. Severance pay is not therefore paid out in the event of a change in role within the Group.

At its meeting of 7 November 2017, the Supervisory Board extended this mechanism to include Christopher BALDELLI upon his appointment to the Executive Board, under the same conditions as those set out for Thomas VALENTIN and Jérôme LEFEBURE.

Moreover, David LARRAMENDY benefits from the provisions of the National Agreement for Advertising relating to severance pay.

BASIS FOR CALCULATION OF SEVERANCE PAY

Severance pay would be equal to the difference between (i) 24 months' gross monthly remuneration calculated based on the total fixed and variable remuneration (excluding free shares, LTIP, stock-options and similar benefits) received over the course of the 12 months preceding the termination of the term of office of the member of the Executive Board and (ii) the cumulative amount of (a) the legal and contractual redundancy or retirement (either voluntary or enforced) pay due in respect of the termination of the employment contract and (b) the total amount of the financial consideration of the aforementioned non-compete commitment if such consideration is due to Thomas VALENTIN, Jérôme LEFEBURE or Christopher BALDELLI. This commitment will not apply in the event of dismissal for gross misconduct personally committed by the member of the Executive Board contrary to the interests of the Company.

MAINTAINED PERFORMANCE CONDITION

The payment of this severance pay will, in accordance with Article L. 225-90-1 of the French Commercial Code, remain subject to the fulfilment of a performance related condition defined as follows: METROPOLE TELEVISION Group's profit from recurring operations (EBITA) for the 48 months preceding the termination of the term of office shall be equivalent to at least 80% of the budgeted target for this same aggregate such as approved by the Supervisory Board.

The amount of severance pay will be calculated on a straight-line basis according to the percentage of the profit from recurring operations (EBITA) achieved in relation to the budgeted target, it being specified that the compensation will be due in full as soon as the percentage achieved is equal to or higher than 90% of the budgeted target. No severance pay shall be paid when profit from recurring operations (EBITA) for the 48 months prior to the termination of the term of office proved lower than 80% of the budgeted objective. Payment of severance pay is subject to prior acknowledgement by the Supervisory Board that the performance condition has been fulfilled.

In relation to the exacting nature of the budgetary baseline, at its meeting of 19 February 2019 the Supervisory Board reiterated that the performance-related condition must protect shareholders in the event of below average performance resulting from the actions of management, rather than from market effects.

It was specified that the Group was developing within volatile markets, notably in relation to the advertising market and audience figures. As such, the Group was able to observe over a long period of time that, on occasion, performance was sharply impacted exclusively as a result of the market, as was the case in 2009, 2012 and 2013 (see Section 1.5.1.2 of this document). Yet in such circumstances, the Group outperformed its peers.

Each year, the Budget therefore allows ambitious targets correlated to both the environment and external issues to be set. The allowable margin of 20% below the target is intended to absorb unforeseeable external occurrences, in addition to which the below average performance of management will be considered.

It is noted that where appropriate in the event of the reinstatement of Nicolas de TAVERNOST's employment contract following the termination of his term of office as Chairman of the Executive Board, the severance pay due to Nicolas de TAVERNOST will be calculated based on his total length of service within the Group, including in respect of his corporate office, and on the average gross monthly remuneration (excluding free shares, LTIP, options and similar benefits) received by Nicolas de TAVERNOST as Chairman of the Executive Board or as an employee during the twelve months preceding the date of termination of his employment contract.

It is noted that in accordance with the Law, the remuneration items due or allocated in respect of the financial year ended 31 December 2017 to Nicolas de TAVERNOST, as Chairman of the Executive Board, and Thomas VALENTIN, Jérôme LEFEBURE and David LARRAMENDY, as members of the Executive Board, were submitted to the vote of shareholders at the Combined General Meeting of 19 April 2018, in the 12th, 14th, 15th and 16th resolutions, approved by 98.77%, 90.33%, 90.33% and 90.33% of the respective votes cast.

2.3.2 Amounts paid to members of the Executive Board

The table detailing the historical record of the allocation of shares free of charge (Table 10 of the AMF 2009-16 Recommendation and Table 9 of the AFEP/MEDEF Code) is presented in Section 3.7.2 of this Document. There has been no stock-option allocation plan since 2009, and there is no longer any ongoing plan (Table 8 of the AMF 2009-16 Recommendation and of the AFEP/MEDEF Code is consequently not included in this Report).

Furthermore, the members of the Executive Board have not received any multiyear variable remuneration. Table 10 of the AFEP/MEDEF Code is therefore not included.

2.3.2.1 Nicolas de Tavernost, Chairman of the Executive Board

Table 1 of AMF Recommendation - Summary of remuneration and options and free shares granted

	FY 2017	FY 2018
Remuneration due in respect of the year (2)	1,932,508	1,790,980
Value of options allocated during the year (4)	0	0
Value of performance-based shares allocated during the year (6.1)	0	0
Value of performance-based shares allocated during the year and linked to multi-year performance (6.2)	564,600	419,160
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	**2,497,108**	**2,210,140**

Table 2 of AMF Recommendation - Summary of remuneration

	FY 2017		FY 2018	
	Amounts due (€)	Amounts paid (€)	Amounts due (€)	Amounts paid (€)
Portion as corporate officer				
Fixed remuneration	1,000,007	1,000,007	1,000,007	1,000,007
Variable remuneration	922,598	1,000,000	781,823	922,598
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	0	0	0	0
Variable remuneration	0	0	0	0
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
Sub-total	1,922,605	2,000,007	1,781,830	1,922,605
Benefits in kind	9,903	9,903	9,150	9,150
TOTAL	**1,932,508**	**2,009,910**	**1,790,980**	**1,931,755**

Table 4 of AMF Recommendation - Options to subscribe or purchase shares granted in 2018

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2018	Exercise price	Period of exercise
-	-	-	-	-	-

Table 5 of AMF Recommendation - Options to subscribe or purchase shares exercised in 2018

N° and date of plan	Number of options exercised in 2018	Exercise price
-	-	-

Table 6 of AMF Recommendation (1) - Free shares granted in 2018 and 2017

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
-	-	-	-	-	-	-	-

Table 6 of AMF Recommendation (2) - Free shares granted in 2018 and 2017 and linked to a multi-year performance target

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
n° AAAG1727072017 date: 27 July 2017	30,000	18.82	564,600	29.2%	Q1 2020	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation
n° AAAG1825072018 date: 25 July 2018	28,000	14.97	419,160	23.4%	Q1 2021	Q1 2021	Expected performance over 2018, 2019 and 2020 based on economic value creation

Free shares vested in 2018

N° and date of plan	Number of shares vested in 2018	Availability date = Vesting date	Vesting conditions
n° AAAG17280716 date: 28 July 2016	55,000	29 July 2018	Based on the achievement of a performance over 2014, 2015 and 2016 based on economic value creation
n° AAAG16280716 date: 28 July 2016	16,000	29 July 2018	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)

Table 7 of AMF Recommendation - Free shares vested in 2018

N° and date of plan	Number of shares that became available in 2018	Vesting conditions
n° AAAG14151014 date: 15 October 2014	21,000	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2014 as set as part of the budgeting process in November 2013, subject to being employed by the Group in July 2016, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2015)
n° AAAG16280716 date: 28 July 2016	16,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)
n° AAAG17280716 date: 28 July 2016	55,000	Expected performance over 2014, 2015 and 2016 based on economic value creation

Table 11 of AMF Recommendation - Other information

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,881	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,512

Details of the maintenance of the employment contract, pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.2 Thomas Valentin, Vice-Chairman of the Executive Board

Table 1 of AMF Recommendation - Summary of remuneration and options and free shares granted

	FY 2017	FY 2018
Remuneration due in respect of the year (2)	980,400	874,335
Value of options allocated during the year (4)	0	0
Value of performance-based shares allocated during the year (6.1)	0	0
Value of performance-based shares allocated during the year and linked to multi-year performance (6.2)	376,400	278,442
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	**1,356,800**	**1,152,777**

Table 2 of AMF Recommendation - Summary of remuneration

	FY 2017		FY 2018	
	Amounts due (€)	**Amounts paid (€)**	**Amounts due (€)**	**Amounts paid (€)**
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	122,429	165,000	70,562	122,429
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	495,001	495,001	495,001	495,001
Variable remuneration	355,200	385,000	301,002	355,200
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
Sub-total	972,630	1,045,001	866,565	972,630
Benefits in kind	7,770	7,770	7,770	7,770
TOTAL	**980,400**	**1,052,771**	**874,335**	**980,400**

Table 4 of AMF Recommendation - Options to subscribe or purchase shares granted in 2018

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2018	Exercise price	Period of exercise
-	-	-	-	-	-

Table 5 of AMF Recommendation - Options to subscribe or purchase shares exercised in 2018

N° and date of plan	Number of options exercised in 2018	Exercise price
-	-	-

Table 6 of AMF Recommendation (1) - Free shares granted in 2018 and 2017

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
-	-	-	-	-	-	-	-

Table 6 of AMF Recommendation (2) - Free shares granted in 2018 and 2017 and linked to a multi-year performance target

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
n° AAAG1727072017 date: 27 July 2017	20,000	18.82	376,400	38.4%	Q1 2020	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation
n° AAAG1825072018 date: 25 July 2018	18,600	14.97	278,442	31.8%	Q1 2021	Q1 2021	Expected performance over 2018, 2019 and 2020 based on economic value creation

Free shares vested in 2018

N° and date of plan	Number of shares vested in 2018	Availability date = Vesting date	Vesting conditions
n° AAAG17280716 date: 28 July 2016	30,000	29 July 2018	Based on the achievement of a performance over 2014, 2015 and 2016 based on economic value creation
n° AAAG16280716 date: 28 July 2016	8,000	29 July 2018	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)

Table 7 of AMF Recommendation - Free shares vested in 2018

N° and date of plan	Number of shares that became available in 2018	Vesting conditions
n° AAAG14151014 date: 15 October 2014	10,500	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2014 as set as part of the budgeting process in November 2013, subject to being employed by the Group in July 2016, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2015)
n° AAAG16280716 date: 28 July 2016	8,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)
n° AAAG17280716 date: 28 July 2016	30,000	Expected performance over 2014, 2015 and 2016 based on economic value creation

Table 11 of AMF Recommendation - Other information

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,881	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,512

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.3 Christopher BALDELLI, Vice-Chairman of the Executive Board

The remuneration of Christopher BALDELLI set out in this document for the 2017 financial year is the remuneration he has received since 1 October 2017 and the integration of the Radio division into M6 Group. It does not include any remuneration for his role as a corporate officer which is only due as of 1 January 2018.

Table 1 of AMF Recommendation - Summary of remuneration and options and free shares granted

	Q4 2017	FY 2018
Remuneration due in respect of the year (2)	194,779	1,174,837
Value of options allocated during the year (4)	0	0
Value of performance-based shares allocated during the year (6.1)	0	0
Value of performance-based shares allocated during the year and linked to multi-year performance (6.2)	78,423	232,035
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	**273,202**	**1,406,872**

Table 2 of AMF Recommendation - Summary of remuneration

	Q4 2017		FY 2018	
	Amounts due (€)	Amounts paid (€)	Amounts due (€)	Amounts paid (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	0	0	18,817	0
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	110,000	110,000	440,011	440,011
Variable remuneration	83,423	0	381,394	413,435
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	330,000	0
Directors' fees		-		-
Sub-total	193,423	110,000	1,170,222	853,446
Benefits in kind	1,356	1,356	4,615	4,615
TOTAL	**194,779**	**111,356**	**1,174,837**	**858,061**

Table 4 of AMF Recommendation - Options to subscribe or purchase shares granted in 2018

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2018	Exercise price	Period of exercise
-	-	-	-	-	-

Table 5 of AMF Recommendation - Options to subscribe or purchase shares exercised in 2018

N° and date of plan	Number of options exercised in 2018	Exercise price
-	-	-

Table 6 of AMF Recommendation (1) - Free shares granted in 2018 and 2017

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
-	-	-	-	-	-	-	-

Table 6 of AMF Recommendation (2) - Free shares granted in 2018 and 2017 and linked to a multi-year performance target

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
03-Oct-17	4,167	18.82	78,423	n/s	Q1 2020	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation
n° AAAG1825072018 date: 25 July 2018	15,500	14.97	232,035	27.5%	Q1 2021	Q1 2021	Expected performance over 2018, 2019 and 2020 based on economic value creation

Free shares vested in 2018

N° and date of plan	Number of shares vested in 2018	Availability date = Vesting date	Vesting conditions
-	-	-	-

Table 7 of AMF Recommendation - Free shares vested in 2018

N° and date of plan	Number of shares that became available in 2018	Vesting conditions
-	-	-

Table 11 of AMF Recommendation - Other information

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,881	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,512

2.3.2.4 Jérôme Lefébure, Member of the Executive Board

Table 1 of AMF Recommendation - Summary of remuneration and options and free shares granted

	FY 2017	FY 2018
Remuneration due in respect of the year (2)	742,970	614,472
Value of options allocated during the year (4)	0	0
Value of performance-based shares allocated during the year (6.1)	0	0
Value of performance-based shares allocated during the year and linked to multi-year performance (6.2)	282,300	209,580
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	**1,025,270**	**824,052**

Table 2 of AMF Recommendation - Summary of remuneration

	FY 2017		FY 2018	
	Amounts due (€)	Amounts paid (€)	Amounts due (€)	Amounts paid (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	38,287	51,600	22,067	38,287
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	410,007	410,007	410,007	410,007
Variable remuneration	188,400	120,400	175,892	188,400
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	100,000	100,000	0	0
Directors' fees	0	0	0	0
Sub-total	736,694	682,007	607,966	636,694
Benefits in kind	6,276	6,276	6,506	6,506
TOTAL	**742,970**	**688,283**	**614,472**	**643,200**

Table 4 of AMF Recommendation - Options to subscribe or purchase shares granted in 2018

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2018	Exercise price	Period of exercise
-	-	-	-	-	-

Table 5 of AMF Recommendation - Options to subscribe or purchase shares exercised in 2018

N° and date of plan	Number of options exercised in 2018	Exercise price
-	-	-

Table 6 of AMF Recommendation (1) - Free shares granted in 2018 and 2017

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
-	-	-	-	-	-	-	-

Table 6 of AMF Recommendation (2) - Free shares granted in 2018 and 2017 and linked to a multi-year performance target

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
n° AAAG1727072017 date: 27 July 2017	15,000	18.82	282,300	43.9%	Q1 2020	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation
n° AAAG1825072018 date: 25 July 2018	14,000	14.97	209,580	34.1%	Q1 2021	Q1 2021	Expected performance over 2018, 2019 and 2020 based on economic value creation

Free shares vested in 2018

N° and date of plan	Number of shares vested in 2018	Availability date = Vesting date	Vesting conditions
n° AAAG17280716 date: 28 July 2016	25,000	29 July 2018	Based on the achievement of a performance over 2014, 2015 and 2016 based on economic value creation
n° AAAG16280716 date: 28 July 2016	7,200	29 July 2018	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)

Table 7 of AMF Recommendation - Free shares vested in 2018

N° and date of plan	Number of shares that became available in 2018	Vesting conditions
n° AAAG14151014 date: 15 October 2014	9,000	Expected performance over 2014, 2015 and 2016 based on economic value creation
n° AAAG16280716 date: 28 July 2016	7,200	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)
n° AAAG17280716 date: 28 July 2016	25,000	Expected performance over 2014, 2015 and 2016 based on economic value creation

Table 11 of AMF Recommendation - Other information

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,881	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,512

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

2.3.2.5 David LARRAMENDY, Member of the Executive Board

Table 1 of AMF Recommendation - Summary of remuneration and options and free shares granted

	FY 2017	FY 2018
Remuneration due in respect of the year (2)	554,684	704,913
Value of options allocated during the year (4)	0	0
Value of performance-based shares allocated during the year (6.1)	0	0
Value of performance-based shares allocated during the year and linked to multi-year performance (6.2)	266,623	232,035
Value of multi-year variable remuneration allocated during the year	0	0
TOTAL	**821,307**	**936,948**

Table 2 of AMF Recommendation - Summary of remuneration

	FY 2017		FY 2018	
	Amounts due (€)	Amounts paid (€)	Amounts due (€)	Amounts paid (€)
Portion as corporate officer				
Fixed remuneration	0	0	0	0
Variable remuneration	50,000	50,000	46,681	50,000
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Portion under the employment contract				
Fixed remuneration	300,001	300,001	360,009	360,009
Variable remuneration	200,000	200,000	293,169	200,000
Multi-year variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees	0	0	0	0
Sub-total	550,001	550,001	699,859	610,009
Benefits in kind	4,683	4,683	5,054	5,054
TOTAL	**554,684**	**554,684**	**704,913**	**615,063**

Table 4 of AMF Recommendation - Options to subscribe or purchase shares granted in 2018

N° and date of plan	Nature of options	IFRS 2 value of options	Number of options allocated in 2018	Exercise price	Period of exercise
-	-	-	-	-	-

Table 5 of AMF Recommendation - Options to subscribe or purchase shares exercised in 2018

N° and date of plan	Number of options exercised in 2018	Exercise price
-	-	-

Table 6 of AMF Recommendation (1) - Free shares granted in 2018 and 2017

N° and date of plan	Number of shares allocated	IFRS 2 value of shares	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
-	-	-	-	-	-	-	-

Table 6 of AMF Recommendation (2) - Free shares granted in 2018 and 2017 and linked to a multi-year performance target

N° and date of plan	Number of shares allocated	IFRS 2 value of shares (1)	IFRS2 valuation	% of financial year remuneration	Date of vesting	Date of availability	Performance conditions
n° AAAG1727072017 date: 27 July 2017	14,167	18.82	266,623	48.1%	Q1 2020	Q1 2020	Expected performance over 2017, 2018 and 2019 based on economic value creation
n° AAAG1825072018 date: 25 July 2018	15,500	14.97	232,035	32.9%	Q1 2021	Q1 2021	Expected performance over 2018, 2019 and 2020 based on economic value creation

Free shares vested in 2018

N° and date of plan	Number of shares vested in 2018	Availability date = Vesting date	Vesting conditions
n° AAAG17280716 date: 28 July 2016	20,000	29 July 2018	Based on the achievement of a performance over 2014, 2015 and 2016 based on economic value creation
n° AAAG16280716 date: 28 July 2016	6,000	29 July 2018	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)

Table 7 of AMF Recommendation - Free shares vested in 2018

N° and date of plan	Number of shares that became available in 2018	Vesting conditions
n° AAAG14151014 date: 15 October 2014	6,000	Achievement by the Group of a level of consolidated net earnings per share for the year ended 31 December 2014 as set as part of the budgeting process in November 2013, subject to being employed by the Group in July 2016, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2015) and the following year (2015)
n° AAAG16280716 date: 28 July 2016	6,000	Achievement by the Group of a level of consolidated net profit for the year ended 31 December 2016 as set as part of the budgeting process in November 2015, subject to being employed by the Group in July 2018, and subject to Group gross advertising market share exceeding 20% for the financial year concerned (2016) and the following year (2017)
n° AAAG17280716 date: 28 July 2016	20,000	Expected performance over 2014, 2015 and 2016 based on economic value creation

Table 11 of AMF Recommendation - Other information

Employment contract		Supplementary pension scheme		Amount paid in respect of retirement benefits (1)	Compensation or benefits due or liable to be due in the event of termination or change of duties *		Compensation related to any non-compete agreement	
Yes	No	Yes	No		Yes	No	Yes	No
✓		✓		15,881	✓		✓	

(1) This amount was supplemented by a personal contribution of €9,512

Details of the pension scheme, severance pay and non-compete agreement are set out in Section 2.3.1.

David LARRAMENDY benefits from the provisions of the National Agreement for Advertising relating to severance pay.

2.3.3 Supervisory Board attendance fees

The Board has set the apportion rules for attendance fees taking into account the nature of their duties (Chairman of the Board, Chairman or Committee members, member of the Board) and attendance of each member at Board and Committee meetings, as recommended by the AFEP-MEDEF corporate governance code. This amount is understood to be a maximum, whose payment in full is conditional on the attainment of a 100% attendance rate.

The amounts awarded in respect of the fixed portion are settled on a pro rata temporis basis when the terms of office begin or end during a financial year.

At its meeting of 5 November 2018, the Supervisory Board specified that the member of the Supervisory Board representing employees could not claim payment of attendance fees in respect of the performance of their duties.

The total amount of attendance fees, set at €236,000 since 3 May 2012 (authorised by the General Meeting) is broken down according to the following rule:

Breakdown of attendance fees:

	Fixed part	Variable part (per meeting)
Amount of attendance fees;	€6,000	€1,600
Premium - Chairman of the Board premium	€5,000	
Premium - Member of a Committee	€3,000	
Premium - Chairman of a Committee	€2,500	

The variable part is therefore calculated based on attendance (€1,600 per Board or Committee meeting) and represents €132,800 overall, i.e. 56% of the total, in compliance with the AFEP-MEDEF Code which recommends that the variable portion of attendance fees is larger.

Attendance fees of €235,800 were apportioned in 2018 (compared with €23,500 in 2017). Their individual allocation is set out in the following table:

	FIXED PART			VARIABLE PART			Amount paid in 2018	*Amount paid in 2017*
	SB	AC	RAC	SB	AC	RAC		
Elmar Heggen *	€9,521	€3,000	€2,112	€9,600	€4,800	€3,200	**€32,233**	*€20,000*
Gilles Samyn *	€6,000	€5,500	€5,500	€9,600	€4,800	€4,800	**€36,200**	*€37,000*
Marie Cheval	€4,225	-	€2,112	€8,000	-	€3,200	**€17,537**	*€0*
Catherine Lenoble	€6,000	-	-	€9,600	-	-	**€15,600**	*€13,500*
Sylvie Ouziel	€6,000	-	-	€9,600	-	-	**€15,600**	*€16,500*
Anke Schäferkordt *	€6,000	-	-	€6,400	-	-	**€12,400**	*€12,000*
Mouna Sepehri	€6,000	€3,000	-	€8,000	€4,800	-	**€21,800**	*€24,500*
Juliette Valains *	€937	-	-	€1,600	-	-	**€2,537**	*€0*
Philippe Delusinne *	€6,000	-	-	€6,400	-	-	**€12,400**	*€13,500*
Vincent de Dorlodot *	€6,000	-	-	€9,600	-	-	**€15,600**	*€13,500*
Bert Habets *	€4,225	-	-	€6,400	-	-	**€10,625**	*€0*
Nicolas Houzé	€4,225	€2,112	-	€6,400	€3,200	-	**€15,937**	*€0*
Delphine Arnault	€1,775	-	-	€0	-	-	**€1,775**	*€9,000*
Cécile Frot-Coutaz *	€5,063	-	-	€6,400	-	-	**€11,463**	*€2,404*
Guy de Panafieu	€1,775	€888	€888	€1,600	€1,600	€1,600	**€8,351**	*€34,000*
Guillaume de Posch *	€3,255	-	€888	€1,600	-	-	**€5,742**	*€28,500*
Christopher Baldelli								*€11,096*
TOTAL		**€103,000**			**€132,800**		**€235,800**	*€235,500*
		44%			*56%*			

** before withholding tax of 12.8% in 2018 and 30% in 2017*

Since the Finance Act of 30 December 2017, new taxation provisions relating to the attendance fees paid to members of M6 Group's Supervisory Board resident in France are applicable, with the introduction of the single tax levy which includes:

- Social security charges (CSG, CRDS, etc.), at the rate of 17.2%, which must now be retained at source by M6;
- An income tax prepayment, at the rate of 12.8%, also retained at source by M6.

As a result, the attendance fee amounts for French directors of M6 Group must be assigned an overall deduction of 30%.

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

2.3.4 Components of remuneration and any benefits in kind paid or allocated over the financial year just ended to corporate officers in relation to their terms of office (*ex-post Say on Pay*)

The components presented below will be submitted for the approval of the next Annual General Meeting (ex-post "say on pay" vote), in Resolutions 8 (for Nicolas de TAVERNOST), 10 (for Thomas VALENTIN), 11 (pour Christopher BALDELLI), 12 (for Jérôme LEFEBURE) and 13 (for David LARRAMENDY).

Nicolas de TAVERNOST

Remuneration components paid or granted in respect of the year ended 31 December 2018	**Amounts or accounting valuation put to the vote**	**Details**
Fixed remuneration	€1,000,007 (amount paid)	Unchanged since 1 January 2016
Annual variable remuneration	€781,823 (amount payable after approval by the General Meeting)	Variable remuneration in 2018 comprised two components: - 70% calculated according to a Group EBITA target, 30% calculated according to two audience targets, including 15% assessed on the cumulative audience share (4+ years target) of all Group channels, and 15% assessed on the audience share (WRP < 50 target) of the Group's unscrambled channels. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration decreased by 15% compared with 2017.
Exceptional remuneration	€0	No exceptional remuneration
Share options, performance-based shares or other long-term remuneration components	Options = €0	Nil
	Shares based on multi-year performance = €419,160	Number of shares allocated: 28,000 (or 0.02% of the share capital) The performance condition target for shares granted in 2018 (performance expected over 2018, 2019 and 2020 calculated based on economic value creation) was precisely determined but is not disclosed on the grounds of confidentiality. Subject to being employed by the Group on 26 July 2020. Date authorised by the Annual General Meeting: 26 April 2016 – 14th resolution Date of allocation decision: 24 July 2018
	Shares based on annual performance = €0	Nil
	Other items = NA	Nil
Directors' fees	€0	Executive corporate officers do not receive any directors' fees from the Group.
Valuation of benefits in kind	€9,150	Company car

Remuneration components due or granted in respect of the financial year just ended which are or have been subject to a vote by the General Meeting in accordance with the procedure for regulated agreements and commitments	Amounts put to the vote	Details
Severance pay	€0	Compensation for breach of contract is equal to the difference between (i) twenty four (24) months of gross monthly remuneration, calculated on the basis of the total gross remuneration, including fixed and variable items, received over the twelve (12) months preceding the termination of Nicolas de TAVERNOST's term of office as Chairman of the Executive Board, and (ii) the aggregate amount (x) of any legal and contractual compensation that may be payable in respect of the termination of the beneficiary's contract of employment. At its meeting of 21 February 2017, the Supervisory Board specified that the compensation mechanism in the event of the termination of the duties of Nicolas de TAVERNOST, implemented in 2008, would apply to all instances of termination as of 21 February 2017. This change in mechanism is warranted by Nicolas de TAVERNOST's agreement to continue his term of office beyond its initial expiry in 2018 and the exceptional character of his contribution to the creation of the company in 1987, its continued growth and development and his strong performance, year after year. This undertaking was approved by the General Meeting of 26 April 2017 in its 5th resolution.
Non-compete compensation	-	In order to comply with this new recommendation, as its meeting of 19 February 2019, the Supervisory Board confirmed that the non-compete clause signed with Nicolas de TAVERNOST has now been removed.
Supplementary pension scheme	€0	Supplementary and compulsory defined-contribution pension scheme, enabling the setting-up of an individual pension fund to finance the payment of a life annuity. The contributions paid by the Company amounted to €15,881, and were supplemented by a personal payment of €9,512.

Thomas VALENTIN

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Annual variable remuneration	€70,562 (amount payable after approval by the General Meeting)	The variable component of Thomas Valentin's remuneration in respect of his role as a corporate officer is calculated according to two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid. Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's unscrambled channels. The portion of the maximum variable remuneration of Thomas Valentin for his role as a corporate officer in relation to his fixed remuneration is 33%. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office decreased by 42% compared with 2017. The year 2018 was characterised by: - A 0.54 point fall in the 4+ year olds' audience share of the Group's channels, resulting in a performance that was below target, - A 0.9 point fall in the WRP<50 audience share of the Group's channels, resulting in a performance that was below target.

Christopher BALDELLI

Christopher Baldelli joined the Executive Board of Métropole Télévision in November 2017. He did not receive any remuneration for the 2017 financial year in relation to this corporate office.

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Annual variable remuneration	€18,817 (amount payable after approval by the General Meeting)	The variable component of Christopher Baldelli 's remuneration in respect of his role as a corporate officer is calculated according to two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid. Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's unscrambled channels. The portion of the maximum variable remuneration of Christopher Baldelli for his role as a corporate officer in relation to his fixed remuneration is 10%. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality.

Jérôme LEFEBURE

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Annual variable remuneration	€22,067 (amount payable after approval by the General Meeting)	The variable component of Jérôme Lefébure's remuneration in respect of his role as a corporate officer is calculated according to two performance criteria, for which an annual target is set by the Supervisory Board to achieve payment of the maximum amount and a minimum performance level under which no variable component will be paid. Half of these criteria are made up by the cumulative audience share (4+ years target) of all Group channels, and the other half are made up by the audience share (WRP < 50 target) of the Group's unscrambled channels. The portion of the maximum variable remuneration of Jérôme Lefébure for his role as a corporate officer in relation to his fixed remuneration is 13%. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office decreased by 42% compared with 2017. The year 2018 was characterised by: - A 0.54 point fall in the 4+ year olds' audience share of the Group's channels, resulting in a performance that was below target, - A 0.9 point fall in the WRP<50 audience share of the Group's channels, resulting in a performance that was below target.

David LARRAMENDY

Remuneration components paid or granted in respect of the term of office as Member of the Executive Board for the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Annual variable remuneration	€46,681 (amount payable after approval by the General Meeting)	The portion of the maximum variable remuneration of David Larramendy for his role as a corporate officer in relation to his fixed remuneration is 14%. The portion of the maximum variable remuneration of David Larramendy for his role as a corporate officer in relation to his fixed remuneration is 14%. All criteria used for variable remuneration are precisely defined each year based on budget targets, but are not disclosed on the grounds of confidentiality. Variable remuneration in respect of the term of office fell by 7% in relation to 2017, since the EBITA target triggering payment of the maximum variable share was not met, unlike in 2017.

The components presented below will be submitted for the approval of the next Annual General Meeting (ex-post say on pay vote), in Resolutions 15 (for Guillaume de POSCH), and16 (for Jérôme HEGGEN).

Guillaume de POSCH, Chairman of the Supervisory Board until 19 April 2018

Remuneration components due or granted in respect of the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Directors' fees	€5,742 (amount paid)	Fell €22,758 in relation to 2017 due to his departure from the Supervisory Board in the course of the year

Elmar HEGGEN, Chairman of the Supervisory Board since 19 April 2018

Remuneration components due or granted in respect of the year ended 31 December 2018	Amounts or accounting valuation put to the vote	Details
Directors' fees	€32,233 (amount paid)	Increase of €12,233 due to his appointment as Chairman of the Supervisory Board during 2018

2.3.5 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind payable to the corporate officers in relation to their terms of office (*ex-ante Say on pay*)

This section has been drafted pursuant to Articles L. 225-82-2 and R. 225-56-1 of the French Commercial Code.

In order to determine the total remuneration of executive corporate officers, the Supervisory Board, acting on a proposal from the Remuneration and Appointments Committee, has taken the following principles into account in keeping with the recommendations of §24-1 of the AFEP/MEDEF Corporate Governance of Listed Companies of November 2016, revised in June 2018:

- comprehensiveness: the remuneration determined must be comprehensive. All the components of remuneration must be taken into account when determining the overall remuneration level;
- Balance between the remuneration components: each component of remuneration must be clearly substantiated and correspond to the general interest of the company;
- comparability: the remuneration must be assessed within the context of a business sector and the reference market. If the market is taken as a reference, it must not be the only one since the remuneration of a corporate officer depends on the responsibilities assumed, the results achieved and the work performed. It may also depend on the nature of the tasks entrusted to the corporate officer or the specific situations (for example, turning around a company in difficulty);
- consistency: executive corporate officers' remuneration must be determined in a manner consistent with that of other officers and employees in the company;
- understandability of the rules: the rules should be simple, stable and transparent. The performance criteria used must correspond to the company's objectives, and be demanding, explicit, and, to the greatest extent possible, long-lasting;
- proportionality: the determination of the remuneration components must be well balanced and simultaneously take account of the company's general interest, market practices, the performance of executive officers and other stakeholders in the company.

2.3.5.1 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind payable to the Chairman of the Executive Board

These principles and criteria established by the Board, based on recommendations of the Remuneration and Appointments Committee are as follows:

FIXED REMUNERATION

It is comprised of the basic salary of the Chairman of the Executive Board, paid over 12 months.

This remuneration component was unchanged in 2019 compared with 2018.

ANNUAL VARIABLE REMUNERATION

The variable remuneration policy applicable to the Chairman of the Executive Board is described in Section 2.3.1.2 of this Document.

This remuneration component was unchanged in 2019 compared with 2018. The maximum variable remuneration (that is to say where the maximum target is achieved) equates to 100% of his fixed remuneration.

BENEFITS IN KIND

The Chairman of the Executive Board avails of a company car as a benefit in kind, it being specified that this is the only benefit in kind that he enjoys.

FREE SHARES

The Chairman of Executive Board may be allocated ordinary shares free of charge as part of the plans introduced by the Company, it being understood that the definitive allocation of said shares must be subject to the employment and performance-related conditions. In such circumstances, the Supervisory Board will set the number of shares that the Chairman shall retain in registered form until the end of his term of office.

EXCEPTIONAL REMUNERATION

The Supervisory Board may decide, further to a proposal of the Remuneration and Appointments Committee, to grant exceptional remuneration to the Chairman of the Executive Board in light of very specific circumstances. The payment of this type of remuneration must be justified by an event such as the completion of a major transaction for the Company, etc.

The payment of variable, and possibly exceptional, remuneration components allocated for the 2019 financial year is subject to the Ordinary General Meeting's approval of the components of the Chairman of the Executive Board’s remuneration paid or allocated for said financial year. (ex-post vote)

COMMITMENTS MADE FOR THE BENEFIT OF THE CHAIRMAN OF THE EXECUTIVE BOARD

The Supervisory Board can make commitments to the Chairman of the Executive Board in the event of the termination of his corporate office (severance pay and non-compete clause) in compliance with legal provisions and AFEP-MEDEF Code recommendations.

It can also authorise supplementary pension commitments under the same conditions.

The commitments made for the benefit of Nicolas de Tavernost are described in Sections 2.3.1.3 and 2.3.1.6 of this Document.

2.3.5.2 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind attributable to the Members of the Executive Board in relation to their terms of office

These principles and criteria established by the Board, based on recommendations of the Remuneration and Appointments Committee are as follows:

FIXED REMUNERATION

The other members of the Executive Board do not receive any fixed remuneration in respect of their roles as corporate officers.

ANNUAL VARIABLE REMUNERATION IN RESPECT OF THE TERM OF OFFICE

The variable remuneration policy applicable to the members of the Executive Board is described in Section 2.3.1.1 of this Document.

The portion of the maximum variable remuneration of each member of the Executive Board for their term of office and in relation to their fixed remuneration is as follows:

- 33% for Thomas VALENTIN,
- 10% for Christopher BALDELLI,
- 13% for Jérôme LEFEBURE,
- 14% for David LARRAMENDY,

FREE SHARES

Members of the Executive Board do not benefit from any allocation of free shares in respect of their roles as corporate officers.

EXCEPTIONAL REMUNERATION

The other members of the Executive Board receive no exceptional remuneration in respect of their roles as corporate officers.

COMMITMENTS MADE FOR THE BENEFIT OF THE MEMBERS OF THE EXECUTIVE BOARD

No undertaking is made by Métropole Télévision or its subsidiaries for the benefit of other members of the Executive Board in respect of their roles as corporate officers.

2.3.5.3 Principles and criteria for setting, apportioning and allocating the components of total remuneration and any benefits in kind attributable to the members of the Supervisory Board

The Board has set the apportion rules for attendance fees taking into account the nature of their duties (Chairman of the Board, Chairman or Committee members, member of the Board) and attendance of each member at Board and Committee meetings, as recommended by the AFEP-MEDEF corporate governance code and as set out in the 2018 Registration, Section 2.3.3. This amount is understood to be a maximum, whose payment in full is conditional on the attainment of a 100% attendance rate.

The total amount of attendance fees has been set at €236,000 since 3 May 2012 (authorised by the General Meeting).

The amounts awarded in respect of the fixed portion are settled on a pro rata temporis basis when the terms of office begin or end during a financial year.

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

2.4 ADDITIONAL INFORMATION

2.4.1 Supplementary information on the composition of the Executive Board and Supervisory Board

To the best of the Company's knowledge, at the date of preparation of this document, no member of the Executive Board or Supervisory Board has been found guilty of fraud by a court, or been subjected to proceedings for bankruptcy, sequestration and/or liquidation, or found guilty of any offence and/or subjected to any official public sanction by any statutory or regulatory authority, or to any impediment to act as members of an administration, management or supervisory body or to be involved in managing or conducting the business of an issuer, in the course of the last five years.

In addition, to the best of the Company's knowledge, at the date of preparation of this document, there is:

- no family connection between any members of the Executive Board and of the Supervisory Board;
- no conflict of interest, as regards the issuer, between the duties of any member of the Executive Board or the Supervisory Board (in their capacity as corporate officers) and their own private interests and other duties;
- no arrangement or agreement concluded between any of the major shareholders, customers or suppliers and in relation to which a Member of the Executive Board or of the Supervisory Board has been selected in this capacity;
- no service contract between any member of the Executive Board or Supervisory Board with the Company and any of its subsidiaries and providing for benefits to be granted under the terms such a contract;
- no restriction accepted by the members of the Supervisory Board or the Executive Board concerning the sale of their stake in the share capital of the Company.

In relation to the restrictions in trading in Company securities by the members of the Executive Board and the Supervisory Board, the Supervisory Board has decided, on the recommendation of the Remuneration Committee, to prohibit trading in the Company's shares during periods to be defined annually by the Executive Board to prevent insider trading (blackout periods are listed in Paragraph 2.3.2.1 of this document).

Rules applicable to transactions performed on financial instruments by corporate officers:

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

These rules state that due to the nature of their position and their duties, the corporate officers of M6, namely the members of the Executive Board and the Supervisory Board, may have access to privileged information.

The rules prohibit corporate officers from using such information on the financial market, either for their own account or for any other, whether directly or through a third party, by buying or selling shares, or attempting to buy or sell shares or financial products linked to these shares. They must therefore abstain from communicating privileged information for any other purpose or activity than that for which it is held. They must also refrain from recommending that a third party trades in the securities. This also applies to privileged information concerning the ordinary business of the Company or the preparation or execution of any financial transaction.

Pursuant to current regulations, corporate officers are subject to the declaration requirements relating to transactions in shares and restrictions relating to trading periods.

2.4.2 Management Committee and Executive Committee

The Executive Board leads the management of the Group's senior executives, within the framework of meetings of both the Management Committee and the Executive Committee.

2.4.2.1 Management Committee

The Management Committee, comprising the main managers responsible for operational activities and functional services, is a framework for exchange on business management. In 2018, the Management Committee met 10 times. Detailed minutes of each meeting were kept and handed out to each member.

In addition to the members of the Executive Board, the Management Committee currently comprises 30 members, of which 19 are from operational departments and 11 members are from functional departments.

2.4.2.2 Executive Committee

Certain members of the Management Committee are also members of the Executive Committee, which is composed of the most senior operational and functional executives. The Executive Committee is responsible for implementing the Executive Board's major operational and strategic decisions. In 2018, it met 18 times.

In addition to the members of the Executive Board, the Executive Committee is currently comprised of 17 members:

M6 ensures gender balance within the two Committees set up. As such, women currently make up 29% of the Executive Committee's members, an increase in relation to 31 December 2017 where female representation stood at 25%.

In addition to these Committees, M6 Group ensures this male/female representation across all senior positions. As such, the Group had 41% female representation in the top 10% of senior positions.

Members of the Management Committee	Position	Members of the Executive Committee
Guillaume ASTRUC	Managing Director of IP France	
Aymeric BECKMANN	Managing Director of M6 Interactions	
Mathias BEJANIN	Chief Technical Officer	
Karine BLOUET	Corporate Secretary of M6 Group	✓
Philippe BONY	Deputy Managing Director of Programmes, responsible for youth and sports programmes and Chairman of Paris Première	✓
Guillaume CHARLES	Deputing Managing Director of M6 Publicité responsible for Marketing, Studies and Digital	✓
Thierry DESMICHELLE	Managing Director of SND and M6 Films	✓
Florence DUHAYOT	Managing Director of Studio 89	
Jacques ESNOUS	Head of the RTL Editorial Office	✓
Christophe FOGLIO	Head of Human Resources	✓
Thomas FOLLIN	Deputy Managing Director of M6 Web responsible for TV Channels' Distribution activities and Digital Innovation	✓
Henri de FONTAINES	Head of Strategy and Development	✓
Jérôme FOUQUERAY	Managing Director of W9 and 6ter	✓
Ronan de FRESSENEL	Managing Director of M6 Web and Managing Director of the Ventadis division (HSS, BOTV, etc.)	✓
Stéphane GENDARME	Head of News for the M6 channel	
Valéry GERFAUD	Chief Technology and Digital Innovation Officer	✓
Tristan JURGENSEN	Managing Director of RTL2 and FUN Radio	✓
Adrien LABASTIRE	Managing Director of Golden Network	
Grégory LE FOULER	Deputy Chief Financial Officer	
Laurent de LORME	Head of Programming and Programme Marketing and Managing Director of sérieclub	
Nathalie-Camille MARTIN	Legal Counsel	✓
Emilie PIETRINI	Head of Group Communication	✓
Michel QUINTON	Head of Broadcast Networks	
Frédérique REFALO	Deputy Managing Director responsible for TV Sales (M6 Publicité)	
Vincent REGNIER	Managing Director of C. Productions	
Catherine SCHOFER	Managing Director of Paris Première and Téva	
Laurence SOUVETON-VIEILLE	Head of Group Productions	✓
Franck TARRAGNAT	Chief Information Officer	
Bérengère TEROUANNE	Head of Acquisitions	✓
Frédéric de VINCELLES	Managing Director responsible for M6 programmes	✓

2.4.3 Participation of shareholders in general meetings

The terms and conditions of participation of shareholders in General Meetings are described in Article 29 of the Bylaws and set out in Section 3.1.2 of this document.

2.4.4 Factors likely to have an effect in the event of a public offering

It should be noted that within the framework of the provisions of Article 39 of the Law of 30 September 1986, no single private individual or entity, acting alone or in concert, may directly or indirectly hold more than 49% of the share capital or voting rights of a company holding a broadcasting licence for a national terrestrial free-to-air television service.

The Company cannot therefore be the subject of a public offering.

Nevertheless, in accordance with the provisions of Article L225-37-5 of the French Commercial Code, we note the following factors:

- the structure of the Company's share capital is detailed in Section 3.6 of this document;
- the statutory restrictions on the exercise of voting rights and on the transfer of shares, or provisions in the agreements of which the Company has been made aware pursuant to Article L. 233-11 of the Commercial Code, are detailed in Section 3.1.2 of this document;

- direct or indirect investments in the Company's share capital, of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the Commercial Code, are detailed in Section 3.6 of this document;
- a list of holders of any securities that confer special control rights and a description of these rights is not included as it is not applicable in this case;
- the control mechanisms provided for in any potential employee-shareholding scheme, where the control rights are not exercised by the employees, are detailed in Section 3.12.5 of this document;
- agreements between shareholders of which the Company is aware and that may result in restrictions on the transfer of shares and the exercise of voting rights are detailed in Section 3.6 of this document;
- the rules applicable to the appointment and replacement of the members of the Executive Board, as well as to the amendment of the Company's Bylaws, are detailed in Section 2.2 of this document;
- the powers of the Executive Board, specifically in terms of issuing or buying back shares, are detailed in Section 3.7.2 of this document;
- agreements entered into by the Company that would be altered or terminated in the event of a change in control of the Company, except where this disclosure would seriously jeopardise its interests, save in the event of a legal disclosure obligation, as they are not applicable in this case;
- agreements providing for severance payments for members of the Executive Board or employees, if they resign or are made redundant without a genuine or serious motive, or if their employment is terminated due to a public offering, are detailed in Section 2.3.1.7 of this document.

2.4.5 Agreement between a corporate officer and a shareholder, a subsidiary or a sub-subsidiary

Agreements between a corporate officer and a direct or indirect subsidiary are set out in the paragraphs of Section 2.3.1 of this Document outlining the remuneration policy relating to David LARRAMENDY, paid by M6 Publicité.

2.4.6 Current delegations granted by the Annual General Meeting

The current delegations granted by the Annual General Meeting are set out in Section 3.12.3 of this Document.

2.5 OBSERVATIONS OF THE SUPERVISORY BOARD TO THE COMBINED GENERAL MEETING OF 25 APRIL 2019

To the Shareholders,

At this Combined General Meeting called in accordance with the law and the Bylaws, you have just received the reports of the Executive Board and the Statutory Auditors for the year ended 31 December 2018.

In accordance with Article L.225-68 of the Commercial Code, we bring to your attention our observations regarding the Report of the Executive Board and the financial statements for the year ended 31 December 2018.

Moreover, we draw to your attention the purpose of the Supervisory Board's work, as set out in Section 2.1.2.5 of the Registration Document.

The Report of the Executive Board to the General Meeting does not call for any specific comments by the Supervisory Board.

The Board has reviewed the proposed resolutions submitted to the General Meeting and invites you to approve them in order to provide the Executive Board with the necessary means by which to implement its strategy.

The financial statements for the year ended 31 December 2018, as presented to you, after review by the Audit Committee and certification by the Statutory Auditors, do not call for any comment by the Supervisory Board.

Neuilly sur Seine, 19 February 2019.

The Supervisory Board

3 COMPANY AND SHARE CAPITAL INFORMATION

3.1 COMPANY BYLAWS

3.1.1 Major legal information concerning the Company

Company name	MÉTROPOLE TÉLÉVISION
Registered office and head office	89, avenue Charles-de-Gaulle 92575 Neuilly-sur-Seine Cedex France Telephone: +33 1 41 92 66 66
Legal form	A French public limited company (Société Anonyme) with an Executive Board and a Supervisory Board, governed by the Commercial Code and regulations specific to audiovisual activities.
Share capital	At 31 December 2018, the share capital was €50,565,699.20. represented by 126,414,248 shares of the same class with a par value of €0.40 each.
Date of incorporation - duration	The Company was incorporated on 13 October 1986 for a period of 99 years unless subject to early dissolution or extension.
Trade and companies register - Siret – APE code	The Company is entered in the Trade and Companies Register under the numbers: RCS Nanterre 339 012 452 SIRET 339 012 452 00084 APE 6020A

3.1.2 Bylaws updated on 19 April 2018

Article 1 - Legal form

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

Article 2 – Company name

The name of the Company is: MÉTROPOLE TÉLÉVISION

Article 3 – Corporate purpose

The Company's corporate purpose is as follows:

- operation of one or more audiovisual communications service broadcast or distributed over terrestrial, cable, satellite networks or by any other means that may be authorised, as applicable, by the Conseil Supérieur de l'Audiovisuel (CSA), comprising in particular the conception, production, programming and broadcasting of television programmes, including advertisements;
- all industrial, commercial, financial and real estate transactions directly or indirectly connected to the above and any similar, related or complementary aims likely to further their achievement or development or to any net assets, directly or indirectly, for itself or on behalf of third parties, either singly or with third parties, by way of creating new companies, contributions, sponsorship, subscription, purchase securities or rights of ownership, merger, combinations, joint venture associations or by obtaining the use of any property or rights under a lease, lease management agreement or by acceptance in lieu, or otherwise.

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

Article 4 – Duration

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

Article 5 – Registered office

The Company's registered office is located at: 89 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

It may be transferred to any other location in France by decision of the Supervisory Board, subject to ratification by the next Ordinary General Meeting.

Article 6 – Share capital

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

Article 7 – Changes in share capital

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

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

Article 8 - Paying-up of shares

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

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

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

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

Article 9 - Failure to pay up shares

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

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

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

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

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

The defaulting shareholder remains liable or benefits from the difference.

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

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

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

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

Article 10 - Form of shares

Shares may be held in registered or bearer form.

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

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

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

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

Article 11 - Form and transfer of shares

1. Shares are freely negotiable.

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

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

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

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

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

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

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

Article 12 - Rights and obligations attached to shares

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

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

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

Each share entitles its holder to ownership of a portion of the assets and profits of the Company, in proportion to the percentage of the share capital it represents, while taking into account, if applicable, whether or not any shares have been redeemed, whether or not they have been fully paid up, the nominal value of the shares and the rights of shares of different class, and, subject to these reservations, each share carries a right, during the term of the Company or upon its liquidation, to the payment of the same net sum of any distribution or refund, in such a way that all shares shall be considered as a whole, without, if applicable, distinction for any tax exemption or any taxation likely to be borne by the Company.

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

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

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

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

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

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

Article 13 - Other securities

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

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

Article 14 - Administration of the Company - General provisions

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

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

Article 15 – Executive Board

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

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

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

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

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

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

Article 16 - Term of office of Executive Board members

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

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

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

The nature and amount of remuneration for each Executive Board member is determined by the Supervisory Board, under the conditions provided for in Article L. 225-82-2 of the French Commercial Code.

Article 17 - Organisation and operation of the Executive Board

1. The Supervisory Board appoints a member of the Executive Board as Chairman.

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

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

At least half the members must be in attendance to validate submissions,

which must be approved by a majority of members in attendance. In the event of a split vote, the Chairman of the meeting shall have the casting vote.

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

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

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

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

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

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

Article 18 - Powers of the Executive Board

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

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

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

Article 19 - Representation in dealings with third parties

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

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

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

Article 20 - Supervisory Board

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

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

1. Bis. Furthermore, pursuant to Article L. 225-79-2 of the French Commercial Code, the Supervisory Board includes a member of the Board representing Group employees.

If the number of Supervisory Board members appointed by the Ordinary General Meeting exceeds twelve, a second member of the Board representing employees is appointed, in accordance with the provisions set out below, within six months of co-option by the Board or appointment by the Ordinary General Meeting of a new member of the Supervisory Board.

The number of Board members to be taken into account in determining the number of Board members representing employees is assessed on the appointment date of the employee representatives to the Board. Neither the Supervisory Board members elected by the employees pursuant to Article 225-79 of the French Commercial Code, nor the Board member representing employee shareholders appointed pursuant to Article 225-71 of the French Commercial Code are taken into account in this respect.

Board members representing employees are appointed for a period of 4 years.

If the number of Supervisory Board members appointed by the Ordinary General Meeting is reduced to 12 or less, this reduction will not affect the duration of the term of office of employee representatives to the Board, which term will expire as normal.

In the event of the vacancy of a Board member representing employees for any reason whatsoever, said vacancy is filled pursuant to the provisions of Article 225-34 of the French Code of Commerce.

As an exception to the rule laid down in Article 21 of these Bylaws for Supervisory Board members appointed by the Ordinary General Meeting, Board members representing employees are not required to hold a minimum number of shares.

Board members representing employees are appointed by the Company's Works Council.

In the event that the Company is no longer subject to the obligation to appoint a Board member to represent employees, the term of office of the employee representative(s) on the Board continues until its normal expiry.

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 21 - Shareholding requirements

Every member of the Supervisory Board must hold 100 shares.

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

Article 22 - Organisation and operation of the Supervisory Board

1. The Supervisory Board elects from amongst its members a Chairman and a Vice-Chairman, who are in charge of convening and directing meetings. It determines the amount of their remuneration under the conditions provided for in Article L. 225-82-2 of the French Commercial Code. The Chairman and Vice-Chairman are natural persons. They are appointed for the same duration as their Supervisory Board term of office. They may always be re-elected.

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 23 - Compensation of members of the Supervisory Board

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

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

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

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

Article 24 – Powers of the Supervisory Board

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

1. The Supervisory Board:

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

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

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

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

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

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

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

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

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

Article 25 – Regulated agreements

1. Any agreement, with the exception of those relating to current operations concluded under normal conditions, between the Company and a member of the Executive Board or Supervisory Board, either directly or indirectly, or through an intermediary, one of its shareholders with a fraction of voting rights greater than 10% or, if it is a corporate shareholder, the company controlling it under the terms of Article L 233-3 of the Commercial Code, must receive prior authorisation from the Supervisory Board.

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

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

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

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

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

Article 26 – Statutory Auditors

The Ordinary General Meeting confers the duties laid down by law to one or more Statutory Auditor(s).

They are appointed for six financial years in accordance with the eligibility conditions prescribed by law.

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

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

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

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

Article 27 - General Meetings – Notice of Meetings

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

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

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

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

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

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

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

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

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

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

Article 28 - Agenda

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

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

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

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

Article 29 - Admittance to Meetings

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

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

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

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

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

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

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

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

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

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

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

Article 30 - General Meeting Committee

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

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

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

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

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

Article 31 - Attendance sheet

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

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

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

Article 32 - Minutes

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

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

The minutes are signed by the members of the committee.

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

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

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

Article 33 - Shareholders' information and communication rights

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

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

Article 34 - Quorum - Majority

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

Article 35 – Voting rights

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

Article 36 - Jurisdiction

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

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

Article 37 - Scope of decisions of the General Meeting

The General Meeting duly constituted represents all shareholders.

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

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

Article 38 – Financial year

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

Article 39 - Annual financial statements

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

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

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

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

Article 40 - Allocation of profits

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

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

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

1. any amounts that the General Meeting, upon the recommendation of the Executive Board, decides to allocate to any special reserves, ordinary or extraordinary, or to carry forward.

2. any amounts necessary to give shareholders, by way of first dividend, 5% of the amount paid and not written down on their shares without entitling them to a claim on future profits, if there is an insufficient profit in a year to effect the payments.

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

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

Article 41 - Dividends - Payment

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

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

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

Article 42 - Expiry of the term

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

Article 43 - Premature dissolution

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

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

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

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

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

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

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

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

Article 44 - Liquidation

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

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

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

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

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

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

Article 45 - Disputes

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

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

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

Article 46 - Publications

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

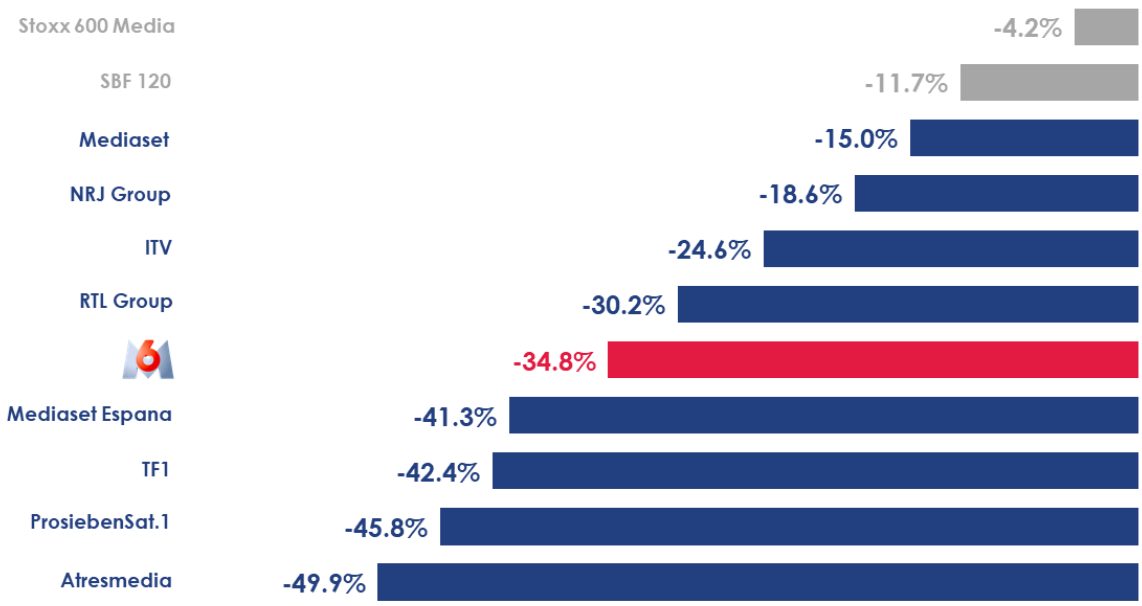
To make statutory filings and publications, all powers are given to the bearer of a copy or certified copy of deeds or documents.

3.2 SHARE LISTING

M6 share presentation	
Regulated market	Euronext - Compartment A (companies whose average market capitalisation exceeds €1 billion)
Indices	CAC Mid 60, SBF 120, CAC Mid & Small, CAC All-Tradable, CAC All-Share, CAC Media, CAC Consumer Service Eligible for SRD (deferred settlement service)
ISIN Code	FR0000053225
Ticker	MMT
Opening price of the M6 share on 2 January 2018	€21.50
Closing price of the M6 share on 31 December 2018	€14.04
Lowest closing price in 2018	€13.58 on 24 December
Highest closing price in 2018	€23.86 on 22 February
2018 annual performance of the M6 share	- 34.8%[60]
2018 annual performance of the SBF 120 index	- 11.7%[(1)]
2018 annual performance of the Stoxx Europe 600 Media[61]	- 4.2%[(1)]
M6 market capitalisation at 31 December 2018	€1,774.9 million
Average daily trading volumes on Euronext - M6 share	117,583 shares in 2018 *(compared with 115,489 in 2017)*

60 *The Company's share price decreased by -6.46% over the year (movement based on the last prices quoted in 2017 and 2018).*
61 *Benchmark index for European media industry securities*

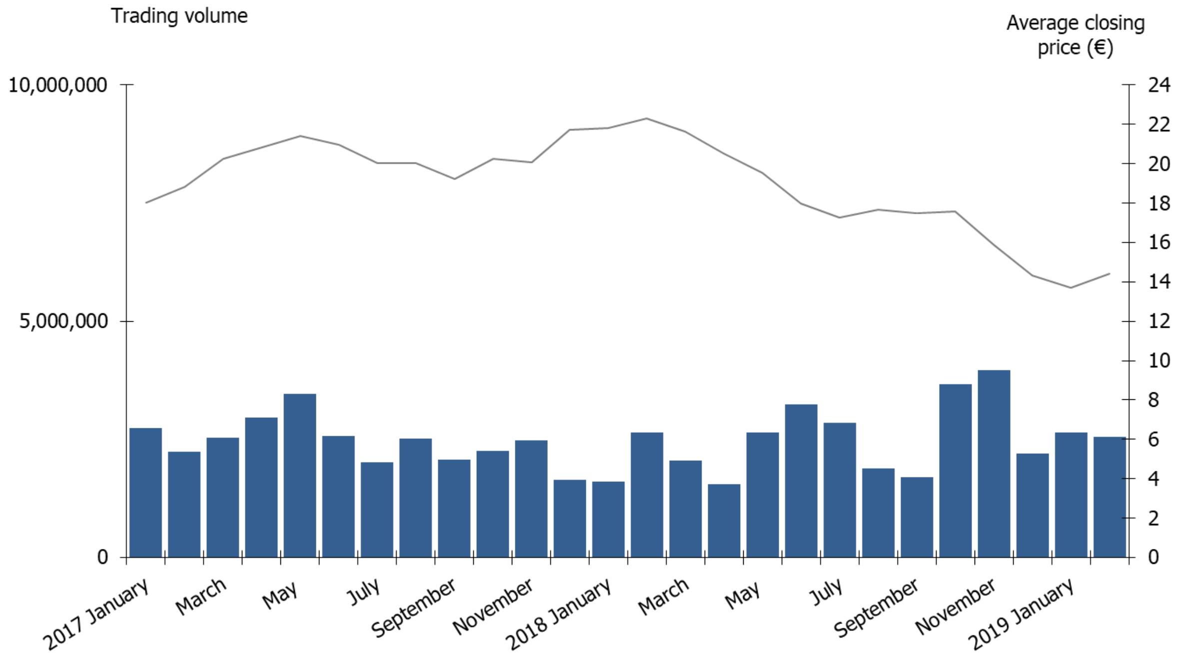
Compared stock market performance of the M6 share, shares of its European peers and the SBF 120 and Stoxx 600 Media indices between 1 January and 31 December 2018:



2018 and, more specifically, the second half, was marked by a return to an aversion to risky assets. Shares were in fact penalised by the intensification of the US Federal Reserve's monetary policy normalisation, commercial tensions between the United States and China, uncertainties surrounding Brexit and, more generally, fears relating to global growth.

In difficult market conditions, the shares of European TV broadcasters all underwent a significant stock market correction in 2018. They suffered from the doubts of certain investors regarding the ability of traditional broadcasters to cope with changes in video consumption habits.

Share price and trading volume on Euronext since January 2017:



Sources: Euronext

Date	Trading volume	Average closing price (€)	Monthly high (€)	Monthly low (€)	Trading value (€ millions)
2017 January	2,747,289	18.01	18.34	17.79	49.96
February	2,228,988	18.82	19.99	18.12	42.30
March	2,532,838	20.23	20.92	19.72	51.20
April	2,954,224	20.82	21.06	20.30	61.45
May	3,463,006	21.40	22.08	20.74	74.12
June	2,568,335	20.96	21.49	20.27	53.82
July	2,013,580	20.02	20.59	19.45	40.32
August	2,519,759	20.02	20.59	18.23	49.50
September	2,061,579	19.21	19.61	18.61	39.54
October	2,250,985	20.25	20.89	19.73	45.86
November	2,472,343	20.08	22.10	19.30	50.25
December	1,636,721	21.72	22.03	21.49	35.59
2018 January	1,607,880	21.79	22.64	21.42	35.23
February	2,636,327	22.31	23.86	20.94	59.28
March	2,050,451	21.65	23.00	20.54	44.44
April	1,554,335	20.54	20.96	20.12	31.91
May	2,639,169	19.55	20.74	17.98	50.98
June	3,241,999	17.99	18.48	17.13	57.86
July	2,850,087	17.26	18.45	16.74	49.50
August	1,883,011	17.65	18.34	17.03	33.33
September	1,696,998	17.50	18.00	16.76	29.64
October	3,659,520	17.60	18.37	16.71	64.87
November	3,967,920	15.88	17.43	15.00	63.70
December	2,196,053	14.31	15.54	13.58	31.65
2019 January	2,648,736	13.70	14.15	13.07	36.12
February	2,548,968	14.40	16.11	13.27	37.31

Sources: Euronext

3.3 DIVIDEND POLICY

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

	2017	2016	2015	2014	2013
Ordinary dividends	€0.95	€0.85	€0.85	€0.85	€0.85
Extraordinary dividends	€ -	€ -	€ -	€ -	€ -
Total dividend per share	**€0.95**	**€0.85**	**€0.85**	**€0.85**	**€0.85**
Yield *	4.4%	4.8%	5.4%	5.5%	5.1%
Pay-out ratio **	75.8%	70.4%	93.4%	86.9%	95.6%

** Calculated based on the closing price of the year and the total dividend per share*

*** Calculated based on the Group's share of net profit from continuing operations and the total dividend per share*

In light of its financial and cash flow generation position and net profit, M6 Group proposed to the Annual General Meeting of 19 April 2018 the payment of an ordinary dividend of €0.95 per share for the 2017 financial year, corresponding to a pay-out ratio of 75.8% of the Group's share of consolidated net profit, and a yield of 4.4% (calculated based on the year-end closing price).

It will be proposed to the Annual General Meeting of 25 April 2019 to approve the payment of a dividend of €1.00 per share for the 2018 financial year, corresponding to a pay-out ratio of 72.4% of the Group's share of consolidated net profit. and a yield of 7.1% (calculated based on the 2015 closing price).

3.4 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 19 April were organised in 2018, including:

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

In addition, the Group organised frequent meetings with the financial community in France and abroad during road shows and investor conferences. Lastly, numerous individual meetings with analysts, investors and managers took place in 2018.

The Group website dedicated to investors and shareholders is regularly updated in French and in English with our registration documents, latest publications, presentations, press releases, Bylaws, etc., and is accessible on *www.groupem6.fr*.

Shareholders may also contact the Company using the dedicated e-mail address: *actionnaires@m6.fr*.

In compliance with the Directive 2004/109/EC of the European Parliament and Council of 15 December 2004 (Transparency Directive), the website also features a section dedicated to regulatory information, which comprises all required publications. M6 Group calls on a professional publisher to ensure its effective and comprehensive publication. A notice of General Meeting is sent to all holders of registered shares on request.

The Group is also committed to developing balanced and transparent relationships with its shareholders. Measures taken to achieve this are described in section 6.2.6 of this document.

3.5 MAIN SHAREHOLDERS AT 31 DECEMBER 2018

at 31 December 2018					
	Number of shares *	**% share capital and theoretical voting rights**	**% voting rights ****	**Number of voting rights at General Meetings**	**% of voting rights at General Meetings**
RTL Group	61,007,361	48.26%	48.53%	61,007,361	48.53%
Treasury shares	691,625	0.55%	-	-	-
Employee shareholding ***	3,685,308	2.92%	2.93%	3,685,308	2.93%
Groupe Compagnie Nationale à Portefeuille	8,854,477	7.00%	7.04%	8,854,477	7.04%
Free float	52,175,477	41.27%	41.50%	52,175,477	41.50%
in France	*14,331,116*	*11.34%*	*11.40%*	*14,331,116*	*11.40%*
in other countries (depository)	*37,844,361*	*29.94%*	*30.10%*	*37,844,361*	*30.10%*
TOTAL	**126,414,248**	**100.0%**	**100.00%**	**125,722,623**	**100.00%**

** The number of theoretical voting rights, which is the basis used for calculating threshold crossings, is identical to the number of shares*

*** Percentage of voting rights relative to the number of theoretical voting rights*

**** For 2018, the shareholding stated is calculated in accordance with the provisions of Article L. 225-102 of the French Commercial Code and includes the percentage of share capital held by employees as part of an employee savings plan or company investment fund, as well as the shares allocated free of charge based on an authorisation subsequent to August 2015, which have been vested and were held as registered shares by employees at 31/12/2018. For 2017 and 2016 the shareholding stated only includes the percentage of share capital held by employees as part of an employee savings plan or a company investment fund.*

At 1 January 2018					
	Number of shares *	**% share capital and theoretical voting rights**	**% voting rights ****	**Number of voting rights at General Meetings**	**% of voting rights at General Meetings**
RTL Group	61,007,461	48.26%	48.42%	61,007,461	48.42%
Treasury shares	419,659	0.33%	-	-	-
Employee shareholding ***	315,220	0.25%	0.25%	315,220	0.25%
Groupe Compagnie Nationale à Portefeuille	9,154,477	7.24%	7.27%	9,154,477	7.27%
Free float	55,517,431	43.92%	44.06%	55,517,431	44.06%
in France	*16,068,844*	*12.71%*	*12.75%*	*16,068,844*	*12.75%*
in other countries (depository)	*39,448,587*	*31.21%*	*31.31%*	*39,448,587*	*31.31%*
TOTAL	**126,414,248**	**100.0%**	**100.00%**	**125,994,589**	**100.00%**

** The number of theoretical voting rights, which is the basis used for calculating threshold crossings, is identical to the number of shares*

*** Percentage of voting rights relative to the number of theoretical voting rights*

*** For 2018, the shareholding stated is calculated in accordance with the provisions of Article L. 225-102 of the French Commercial Code and includes the percentage of share capital held by employees as part of an employee savings plan or company investment fund, as well as the shares allocated free of charge based on an authorisation subsequent to August 2015, which have been vested and were held as registered shares by employees at 31/12/2018. For 2017 and 2016 the shareholding stated only includes the percentage of share capital held by employees as part of an employee savings plan or a company investment fund.

At 31 December 2016					
	Number of shares *	**% share capital and theoretical voting rights**	**% voting rights ****	**Number of voting rights at General Meetings**	**% of voting rights at General Meetings**
RTL Group	61,007,371	48.26%	34.00%	42,838,725	39.73%
Treasury shares	417,999	0.33%	-	-	-
Employee shareholding ***	203,913	0.16%	0.16%	203,913	0.19%
Groupe Compagnie Nationale à Portefeuille	9,154,477	7.24%	7.31%	9,154,477	8.49%
Free float	55,630,488	44.01%	44.42%	55,630,488	51.59%
in France	*17,579,127*	*13.91%*	*14.04%*	*17,579,127*	*16.30%*
in other countries (depository)	*38,051,361*	*30.10%*	*30.38%*	*38,051,361*	*35.29%*
Total	**126,414,248**	**100.0%**	**85.90%**	**107,827,603**	**100.00%**

** The number of theoretical voting rights, which is the basis used for calculating threshold crossings, is identical to the number of shares*

*** Percentage of voting rights relative to the number of theoretical voting rights*

*** For 2018, the shareholding stated is calculated in accordance with the provisions of Article L. 225-102 of the French Commercial Code and includes the percentage of share capital held by employees as part of an employee savings plan or company investment fund, as well as the shares allocated free of charge based on an authorisation subsequent to August 2015, which have been vested and were held as registered shares by employees at 31/12/2018. For 2017 and 2016 the shareholding stated only includes the percentage of share capital held by employees as part of an employee savings plan or a company investment fund.

At the end of 2018, 12,594 shareholders held shares in the Company, according to a Euroclear bearer share survey and the register of shares held in nominative form.

RTL Group, the Group’s key shareholder, was 75.1% owned by the German group Bertelsmann at 31 December 2018.

No legal threshold crossing (5%) was brought to the attention of the Company in 2018.

Silchester International Investors LLP, crossed the threshold of 7% upward on 28 December 2018.

The Company is not aware of any other investor from the “free float” category, whether institutional or from the general public, that directly or indirectly owned more than 5% of the Company’s share capital or voting rights acting individually or in concert with other investors at 31 December 2018.

The Company is not aware of any shareholder agreement currently in existence. No concerted action has been brought to the Company's attention.

In addition, at the date of preparation of this document, after taking account of declarations of upward and downward legal threshold crossing (1% of the Company’s share capital) disclosed to the Company during 2019, 2018 and preceding years, and excluding the aforementioned investors:

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

By virtue of its corporate purpose and status as an operator of a digital and analogue television broadcasting licence, the Company is governed by a specific legal and regulatory regime, which applies in addition to the ordinary provisions, as specified in section 1.6.1 of this document. The regime particularly specifies that:

- this legal framework applies in particular to provisions in terms of shareholders and shareholdings (Article 39 of Law no. 86-1067 of 30 September 1986 as amended);

- the Conseil Supérieur de l'Audiovisuel (CSA) ensures that conditions and data that motivated the granting of the broadcasting licence are complied with. The breakdown of the share capital and governing bodies of licence holders is such data pursuant to Article 42-3 of the Law of 30 September 1986 in whose light the licence was granted. Article 42-3 of the Law of 30 September 1986 does not block any change in the capital of a business as considered by the Conseil d'Etat. Where changes that occur do not call into question the initial decision of the CSA, they are permitted without the channel having to give up its licence. This licence states that the company must inform the CSA of any substantial change in the amount or distribution of the share capital and voting rights as well as the crossing of thresholds, and that no change liable to result in a change of controlling shareholder may occur without the prior consent of the CSA;
- At least one third of Supervisory Board members must be independent. A member of the Supervisory Board is deemed independent when he/she has no relationship of any kind with the Company, its Group or its management likely to compromise the exercise of his/her free judgement.

3.6 BUYBACK BY THE COMPANY OF ITS OWN SHARES AND TREASURY SHARES

3.6.1 Acquisition by Métropole Télévision of its own shares: current delegations, authorisations and their use

	Maximum nominal amount	Term of authorisation	Remaining term (1)	Annual General Meeting	Resolution number
Share buyback programme	10% of share capital	18 months	6 months	AGM 19/04/2018	20
Capital reduction	10% of share capital	24 months	12 months	AGM 19/04/2018	21
Allocation of free shares to members of staff and/or certain corporate officers	2,300,000 shares incl. 345,000 to the Executive Board	38 months	2 months	AGM 26/04/2016	14

(1) With effect from the AGM of 25 April 2019

The Annual General Meeting called for 25 April 2019 will decide on draft resolutions proposing a new share buyback programme for a further period of 18 months and authorising the Executive Board to reduce the share capital by cancellation of the shares bought back by the Company for a further period of 24 months, and authorising the Executive Board to allocate free shares to salaried members of staff and/or certain corporate officers, for a further period of 38 months.

3.6.2 Report on the 2018 share buyback plan

During the year just ended, the company used the authorisations to purchase treasury shares that were granted to it by the General Meetings of 26 April 2017 and 19 April 2018.

These authorisations were mainly used as part of a liquidity contract complying with the AMAFI ethics charter of 20 September 2008, approved by the AMF on 1 October 2008. Following the long-term partnership which came into force between Natixis and Oddo BHF, the liquidity agreement, initially awarded to Natixis, was transferred to Oddo BHF with an effective date of 2 July 2018.

At that date, the following resources were allocated to the liquidity agreement: 85,706 Métropole Télévision shares and €1,332,222.09.

Movement in treasury shares held during the 2018 financial year and number of treasury shares held at 31 December 2018:

Number of treasury shares held at 31 December 2017	Movement in liquidity contract	Shares bought back with a view to cancel	Shares cancelled	Shares bought back to allocate free shares	Movement in respect of free shares allocated	Number of treasury shares held at 31 December 2018
	(2)	(3)	(3)	(4)	(5)	(1)
419,659	96,566	-	-	950,000	(774,600)	691,625

(1) At the 2018 year-end, the Company held 691,625 treasury shares, primarily through the liquidity contract and also to fulfil commitments given within the framework of free share allocation plans (see paragraph 3.7.2).

(2) **In respect of the liquidity contract** during 2018:

- the number of shares purchased was 1,851,474 at an average price of €18.66;
- and the number of shares sold was 1,754,908 at an average price of €18.71;

resulting in 120,971 shares and €911,493.71 being held as part of the liquidity contract on 31 December 2018.

Note that at 31 December 2017, the number of shares effectively held under the liquidity contract was 24,405 and the cash balance was €2,523,725.53.

The increase in the number of treasury shares held in respect of the liquidity contract was therefore 96,566 in 2018.

(3) **In respect of the share buyback for cancellation programme,** no Métropole Télévision shares were cancelled in 2018.

(4) **In respect of the free share allocation plan**, 950,000 shares were purchased during the 2018 financial year. 400,000 shares were purchased via the intermediary CA-CIB at an average price of €16.242 per share and delivered on 26 July 2018. 550,000 shares were purchased between 18 September 2018 and 12 October 2018 via the intermediary Kepler Cheuvreux at an average price of €17.885 per share.

(5) Lastly, 774,600 shares were transferred to the beneficiaries of the free share allocation plan in July 2018.

Book value and market value of treasury shares held at 31 December 2018:

Number of treasury shares held at 31 December 2018	Net book value of treasury shares held at 31 December 2018	Market value of treasury shares held at 31 December 2018	Number of shares comprising the share capital at 31 December 2018	% share capital
691,625	€11,959,413	€9,710,415	126,414,248	0.55%

No treasury shares are held by any Métropole Télévision subsidiaries.

3.6.3 Report on the previous share buyback plan

The Combined General Meeting of 19 April 2018 decided in its 20th 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.18-0108 on 07 March 2018.

This share buyback plan, authorised for a period of eighteen months, enables the Executive Board to purchase up to a maximum of 10% of the Company's share capital, in order to fulfil the following objectives:

- To stimulate the secondary market or ensure the liquidity of the Métropole Télévision share, by way of an investment services provider within a liquidity contract that complies with the Ethics Charter of AMAFI recognised by regulations, it being specified that within this framework the number of shares considered for the calculation of the limit specified above corresponds to the number of shares purchased less the number of shares resold,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- cancel shares, in accordance with the authorisation granted by the General Meeting of 19 April 2018 in its 21st resolution in extraordinary session.

The maximum purchase price was set at €30 per share. The maximum amount to be committed to this buyback programme is €379,242,744.00.

Change in the number of treasury shares held as part of the 19 April 2018 share buyback programme and number of treasury shares held at 28 February 2019:

Number of treasury shares held at 19 April 2018	Movement in liquidity contract	Shares bought back with a view to cancel	Shares cancelled	Shares bought back to allocate free shares	Movement in respect of free shares allocated	Number of treasury shares held at 28 February 2019
	(2)	(3)	(3)	(4)	(5)	(1)
451,518	19,928	-	-	950,000	(774,600)	646,846

(1) At 28 February 2019, the company held 646,846 treasury shares through the liquidity contract and to cover commitments given as part of the free share allocation plans.

(2) **In respect of the liquidity contract** between 20 April 2018 and 28 February 2019:

- the number of shares purchased was 1,359,162 at an average price of €17.25;
- and the number of shares sold was 1,339,234 at an average price of €17.39;
- and resulting in 76,192 shares and €1,603,249.63 being held as part of the liquidity agreement on 28 February.

(3) **The share buyback for cancellation programme** was not used during the financial year. Consequently, no shares were bought back to be cancelled.

(4) **In respect of the free share allocation plan**, 950,000 shares were purchased during the period. 400,000 shares were purchased via the intermediary CA-CIB at an average price of €16.242 per share and delivered on 26 July 2018. 550,000 shares were purchased between 18 September 2018 and 12 October 2018 via the intermediary Kepler Cheuvreux at an average price of €17.885 per share.

(5) Lastly, 774,600 shares were transferred to the beneficiaries of the free share allocation plan in July 2018.

At 28 February 2019, the Company held 646,846 of its own shares, representing 0.51% of the share capital, broken down as follows:

Book value and market value of treasury shares held at 28 February 2019:

Number of treasury shares held at 28 February 2019	Net book value of treasury shares held at 28 February 2019	Market value of treasury shares held at 28 February 2019	Number of shares comprising the share capital at 28 February 2019	% share capital
646,846	€11,238,862	€10,420,689	€126,414,248	0.51%

3.6.4 Report on the current share buyback plan

A proposal will be submitted to the Combined General Meeting of 25 April 2019 to authorise a new share buyback plan according to the following conditions:

- shares involved: ordinary Métropole Télévision shares listed under Compartment A of Euronext Paris, ISIN code FR0000053225;
- maximum purchase price: €30 per share. The maximum amount of the transaction is thus set at €379,242,744;
- maximum buyback percentage permitted: 10% of the share capital, it being specified that this cap should be considered in light of the buyback dates to take account of the potential share capital increase or reduction transactions that may occur over the term of the programme. The number of shares used to calculate this cap corresponds to the number of shares purchased, after deducting the number of shares sold back;
- maximum period: 18 months from the date of the General Meeting.

These shares may be purchased to fulfil the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with practices approved by regulations,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- to cancel purchased shares, in accordance with the authorisation conferred or to be conferred by the Extraordinary General Meeting.

Shares may be bought back by any means, including through the acquisition of blocks of shares, and at the times the Executive Board will deem fit.

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

3.6.5 Treasury shares

At 31 December 2018, M6 held a total 691,625 of its own shares, amounting to 0.55% 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 €12.0 million. The number of treasury shares includes the 120,971 shares actually held by the liquidity contract at 31 December 2018.

The table below summarises the allocation of treasury shares held at 31 December 2017 and 31 December 2018 according to each objective.

Treasury shares allocated to the different objectives at 31 December 2017		**Total treasury shares at 31 December 2017**
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
395,254	24,405	419,659 shares
Changes over the 2018 financial year		**Total changes over the financial year**
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
175,400	96,566	271,966 shares
Treasury shares allocated to the different objectives at 31 December 2018		**Total treasury shares at 31 December 2018**
Allocation of free shares	Increasing share liquidity within the framework of the liquidity contract	
570,654	120,971	691,625 shares

3.7 EMPLOYEE SHAREHOLDING

3.7.1 Share subscription option plans

There has been no allocation of stock options since 2009 and no plan or authorisation is ongoing.

3.7.2 Free share allocation plans

Since the introduction of free share plans, allocated shares have been purchased on the market rather than newly issued. Allocations of free shares have not therefore caused any dilution.

Seven free share allocation plans were in force in 2018, pursuant to the authorisation given by the Combined General Meetings of 26 April 2016:

- two that matured on 28 July 2018;
- two that were decided by the Executive Board on 26 July 2017;
- one that was decided by the Executive Board on 2 October 2017;
- two that were decided by the Executive Board on 24 July 2018.

The data in the table below details:

- for the plans dated 27 July 2016, the shares effectively delivered;
- for the other plans, the shares not yet allocated, taking account of the restatement owing to the company potentially outperforming targets and individuals having left the company to date.

Table 9 of AMF recommendation on senior executives' remuneration

Date of General Meeting	**26/04/2016**							
Date of Executive Board meeting	**27/07/2016**	**27/07/2016**	**26/07/2017**	**26/07/2017**	**02/10/2017**	**24/07/2018**	**24/07/2018**	
Maximum number of shares that can be allocated	440,600	361,000	307,200	217,667	8,917	313,400	247,100	1,895,884
to corporate officers (1)	37,200	130,000	-	79,167	4,167	91,600	-	342,134
- Nicolas de Tavernost	16,000	55,000	-	30,000	-	28,000	-	129,000
- Thomas Valentin	8,000	30,000	-	20,000	-	18,600	-	76,600
- Jérôme Lefébure	7,200	25,000	-	15,000	-	14,000	-	61,200
- David Larramendy	6,000	20,000	-	14,167	-	15,500	-	55,667
- Christopher Baldelli				-	4,167	15,500	-	19,667
- to other top ten salaried employees	52,360	162,000	38,200	85,664	8,917	82,000	38,200	467,341
Date of final vesting	28/07/2018	28/07/2018	28/07/2019	Q1 2020	Q1 2020	26/07/2020	Q1 2021	
Date retention period ends	28/07/2018	28/07/2018	28/07/2019	Q1 2020	Q1 2020	26/07/2020	Q1 2021	
Number of shares delivered during the financial year	**413,600**	**361,000**	-	-	-	-	-	**774,600**
Allocated shares cancelled between 31/12/2018 and 28/02/2019 due to individuals leaving the Company	-	-	2,000	-	-	6,400	-	8,400
Number of shares not yet al located at 31/12/2018, based on performance levels projected and achieved and taking account of individuals having left the Company to date	-	-	294,800	217,667	8,917	307,000	247,100	1,075,484

(1) Corporate officers at the allocation date

As regards employment conditions:

- The two plans dated 27 July 2016 imposed a continued employment requirement on staff at 28 July 2018,
- The first plan dated 26 July 2017 imposed a continued employment requirement on staff at 27 July 2019,
- The second plan dated 26 July 2017 and the plan dated 2 October 2017 imposed a continued employment requirement on staff at the date of delivery of the shares, scheduled for the first quarter of 2020,
- The first plan dated 24 July 2018 imposed a continued employment requirement on staff at 25 July 2020,
- The second plan dated 24 July 2018 imposed a continued employment requirement on staff at 31 December 2020,

As regards performance conditions:

- The 1st plan of 27 July 2016, the 1st plan of 26 July 2017 and the 1st plan of 24 July 2018 require the achievement of a consolidated net profit objective for 2016, 2017 and 2018, respectively,
- The 2nd plan of 27 July 2016 required the achievement of a value creation objective over the cumulative 2014, 2015 and 2016 period,
- The 2nd plan of 26 July 2017 and the plan of 2 October 2017 require the achievement of a value creation objective over the cumulative 2017, 2018 and 2019 period,
- The 2nd plan of 24 July 2018 requires the achievement of a value creation objective over the cumulative 2018, 2019 and 2020 period.

3.7.3 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 2018, the savings plan had 1,264 unit holders indirectly holding 367,070 shares. The fund thus represented 0.29% of the share capital.

3.7.4 Purchase of shares for allocation to employees under a profit-sharing agreement

Articles L. 225-211 sub-paragraph 2 and L. 225-208 of the Commercial Code

Nil.

3.8 SECURITIES TRANSACTIONS

During the financial year, the corporate officers and senior executives informed the Company of the following share capital transactions, carried out by themselves or related parties.

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

Name and position	Nature of transaction	Date	Number	Price per share	Total
Frédéric de Vincelles Member of the Executive Committee	Sales of shares	11/01/2018	4,000	€21.41	€85,629.60
Guillaume Charles Member of the Executive Committee	Sales of shares	19/01/2018	4,025	€21.72	€87,420.18
David Larramendy Member of the Executive Board	Sales of shares	16/01/2018	11,000	€21.55	€237,050.00
David Larramendy Member of the Executive Board	Sales of shares	21/02/2018	600	€23.76	€14,256.00
David Larramendy Member of the Executive Board	Sales of shares	02/03/2018	11,000	€22.72	€249,883.70
Guillaume Charles Member of the Executive Committee	Sales of shares	07/03/2018	14,273	€22.03	€314,469.87
Jérôme Lefébure Member of the Executive Board	Vesting of free shares	30/07/2018	32,200	€0.00	€0.00
Jérôme Fouqueray Member of the Executive Committee	Vesting of free shares	31/07/2018	4,500	€0.00	€0.00
Valery Gerfaud Member of the Executive Committee	Vesting of free shares	01/08/2018	22,800	€0.00	€0.00
Thierry Desmichelle Member of the Executive Committee	Vesting of free shares	02/08/2018	19,400	€0.00	€0.00
Nathalie Martin Member of the Executive Committee	Vesting of free shares	03/08/2018	15,600	€0.00	€0.00
Laurence Souveton-Vieille Member of the Executive Committee	Vesting of free shares	04/08/2018	13,040	€0.00	€0.00
Christophe Foglio Member of the Executive Committee	Vesting of free shares	05/08/2018	18,600	€0.00	€0.00
Frédéric de Vincelles Member of the Executive Committee	Vesting of free shares	06/08/2018	19,800	€0.00	€0.00
Ronan Privat de Fressenel Member of the Executive Committee	Vesting of free shares	07/08/2018	22,800	€0.00	€0.00
Henri de Fontaines Member of the Executive Committee	Vesting of free shares	08/08/2018	19,400	€0.00	€0.00
Bernard Majani Member of the Executive Committee	Vesting of free shares	09/08/2018	8,000	€0.00	€0.00
Emilie Pietrini Member of the Executive Committee	Vesting of free shares	10/08/2018	2,500	€0.00	€0.00
Guillaume Charles Member of the Executive Committee	Vesting of free shares	11/08/2018	18,560	€0.00	€0.00

Philippe Bony Member of the Executive Committee	Vesting of free shares	12/08/2018	22,800	€0.00	€0.00
David Larramendy Member of the Executive Board	Vesting of free shares	13/08/2018	26,000	€0.00	€0.00
Thomas Valentin Vice-Chairman of the Executive Board	Vesting of free shares	14/08/2018	38,000	€0.00	€0.00
Karine Blouet Member of the Executive Committee	Vesting of free shares	15/08/2018	12,000	€0.00	€0.00
Nicolas de Tavernost Chairman of the Executive Board	Vesting of free shares	16/08/2018	71,000	€0.00	€0.00
Catherine Lenoble Representative of Bayard d'Antin Member of the Supervisory Board	Sales of shares	10/10/2018	3,000	€18.00	€54,000.00

3.9 GENERAL INFORMATION ON THE SHARE CAPITAL

3.9.1 Bylaw provisions governing changes in the share capital and rights attached to shares

Any change to the share capital or rights conferred by securities that make it up must be made in accordance with the provisions of the Bylaws. Only an Extraordinary General Meeting may decide capital increases or delegate its authority to do so to the Executive Board, for a determined period and within a specific limit, based on a report by the Executive Board.

3.9.1.1 Paid-in capital, number and classes of shares

As was the case at 31 December 2017, the Company's fully paid-up share capital was €50,565,699.20 at 31 December 2018, represented by 126,414,248 shares of the same class with a par value of €0.40 each.

Date	Nature of transaction	Share capital increase/(reduction)	Number of shares issued/(cancelled)	Share capital after the transaction	Total number of shares comprising the share capital
15/09/1986	Formation	FF 10,000,000.00	100,000	FF 10,000,000.00	100,000
16/05/1987	Subscription	FF 190,000,000.00	1,900,000	FF 200,000,000.00	2,000,000
21/05/1990	Capital reduction	FF (198,000,000.00)	(1,980,000)	FF 2,000,000.00	20,000
21/06/1990	Share subscription	FF 200,000,000.00	2,000,000	FF 202,000,000.00	2,020,000
31/12/1993	Exercise of subscription options by employees*	FF 6,900,000.00	69,000	FF 208,900,000.00	2,089,000
06/09/1994	5 for 1 share split	-	-	FF 208,900,000.00	10,445,000
31/12/1995	Exercise of subscription options by employees*	FF 4,337,000.00	216,850	FF 213,237,000.00	10,661,850
31/12/1995	Conversion of bonds**	FF 50,387,700.00	2,519,385	FF 263,624,700.00	13,181,235
03/12/1999	Conversion of share capital into €	€12,535,613.57	-	€52,724,940.00	13,181,235
30/12/1999	Conversion of bonds	€30,536.00	7,634	€52,755,476.00	13,188,869
26/05/2000	10 for 1 share split	-	-	-	131,888,690
04/07/2007	Capital reduction	€(392,000.00)	(980,000)	€52,363,476.00	130,908,690
03/09/2007	Capital reduction	€(392,000.00)	(980,000)	€51,971,476.00	129,928,690
03/09/2007	Exercise of subscription options by employees	€2,400.00	6,000	€51,973,876.00	129,934,690
15/04/2008	Capital reduction	€(392,000.00)	(980,000)	€51,581,876.00	128,954,690
19/05/10 to 04/10/10	Exercise of subscription options by employees	€1,299.60	3,249	€51,583,175.60	128,957,939
04/03/2011 to 09/06/2011	Exercise of subscription options by employees	€1,413.20	3,533	€51,584,588.80	128,961,472
19/09/2011	Capital reduction	€(392,000.00)	(980,000)	€51,192,588.80	127,981,472
10/10/2011	Capital reduction	€(392,000.00)	(980,000)	€50,800,588.80	127,001,472
22/12/2011	Capital reduction	€(247,003.20)	(617,508)	€50,553,585.60	126,383,964
11/06/2012	Capital reduction	€(200,000.00)	(500,000)	€50,353,585.60	125,883,964
10/09/2013 to 24/12/2013	Exercise of subscription options by employees	€32,594.00	81,485	€50,386,179.60	125,965,449

07/01/2014 to 30/12/2014	Exercise of subscription options by employees	€118,795.20	296,988	€50,504,974.80	126,262,437
21/01/2015 to 04/05/2015	Exercise of subscription options by employees	€60,724.40	151,811	€50,565,699.20	126,414,248

** Par value subscription*

*** Issue premium of F 158,050,720*

3.9.1.2 Shareholders' agreement

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

3.9.1.3 Pledges of the issuers' shares

Nil.

3.9.1.4 Alienation of shares in order to regularise cross shareholdings

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

Nil.

3.9.1.5 Ownership of own shares

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

Controlled companies holding a portion of the capital of the Company: nil.

3.9.1.6 Capital increase reserved for employees

The General Meeting of 26 April 2017 approved a resolution authorising the Executive Board, if it deemed it appropriate and on its sole decision, to increase the share capital on one or more occasions by issuing ordinary shares or marketable securities granting access to the Company's capital for the benefit of the participants in one or more company or group savings plans established by the Company and/or affiliated French or foreign companies under the terms of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code. The period of validity of this delegation has been set at 26 months. The Executive Board did not use this resolution during the year.

3.9.2 Potential share capital

At 31 December 2018, there were no unexercised option plans. The potential dilution induced by the exercise of share subscription options is therefore nil.

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

	Maximum nominal amount of capital increases	**Maximum nominal amount of debt securities**	**Term of authorisation**	**Remaining term [(1)]**	**Annual General Meeting**	**Resolution number**
Share capital increase reserved for members of a company savings plan (authorisation given to the Executive Board)	1.5% of share capital	-	26 months	2	AGM 26/04/17	16

(1) The remaining term runs from the AGM called for 25 April 2019

3.9.4 Form of shares and rights attached to shares

3.9.3.1 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. There are no double voting rights. The right to distributed dividends and interim dividends lapses after 5 years for the benefit of the French state.

3.9.3.2 Trading in shares

Shares are freely traded on Euronext Paris.

3.9.3.3 Form of shares

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

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

Shares are approved for Euroclear France transactions.

3.9.3.4 Identification of shareholders

The Company is authorised to apply legal provisions to identify holders of shares giving immediate or eventual voting rights at its General Meetings.

3.9.3.5 Withholding tax on dividends

The tax treatment of dividends has been substantially amended for revenues collected from 1 January 2018. From this date, dividends collected by a natural person who is a French resident for tax purposes are automatically subject to a single fixed deduction (PFU) at the overall rate of 30% (12.8% for income tax and 17.2% for social contributions on investment income) applied to the gross amount of dividends collected.

However, taxpayers can opt for taxation of these dividends using the progressive scale for income tax, in particular after application of a 40% rebate. This annual, express and irrevocable option is universal (it applies to all income that may automatically benefit from PFU received for the year in question) and must be applied when filing the income tax return. If the progressive scale option is applied, it is theoretically possible for a taxpayer to deduct a portion of the CSG tax applied to dividends (up to 6.8%) from their total income.

Regardless of the application of PFU or of the progressive scale option for income tax, the fixed deduction, not acting as a discharge of income tax and levied by the paying establishment, is also maintained and now amounts to 12.8% of the gross amount of dividends. This deduction not acting as a discharge is deemed to be a prepayment deductible from the income tax due for the year during which the deduction was applied. If it exceeds the income tax liability, the overpayment is refunded.

This contribution does not apply to legal entities or non-resident shareholders, who remain taxed according to the specific conditions applicable to their specific situation. Likewise, theoretically this levy is not intended to apply in certain specific cases (e.g., subject to certain conditions, if shares are owned in a PEA - French equity savings plan).

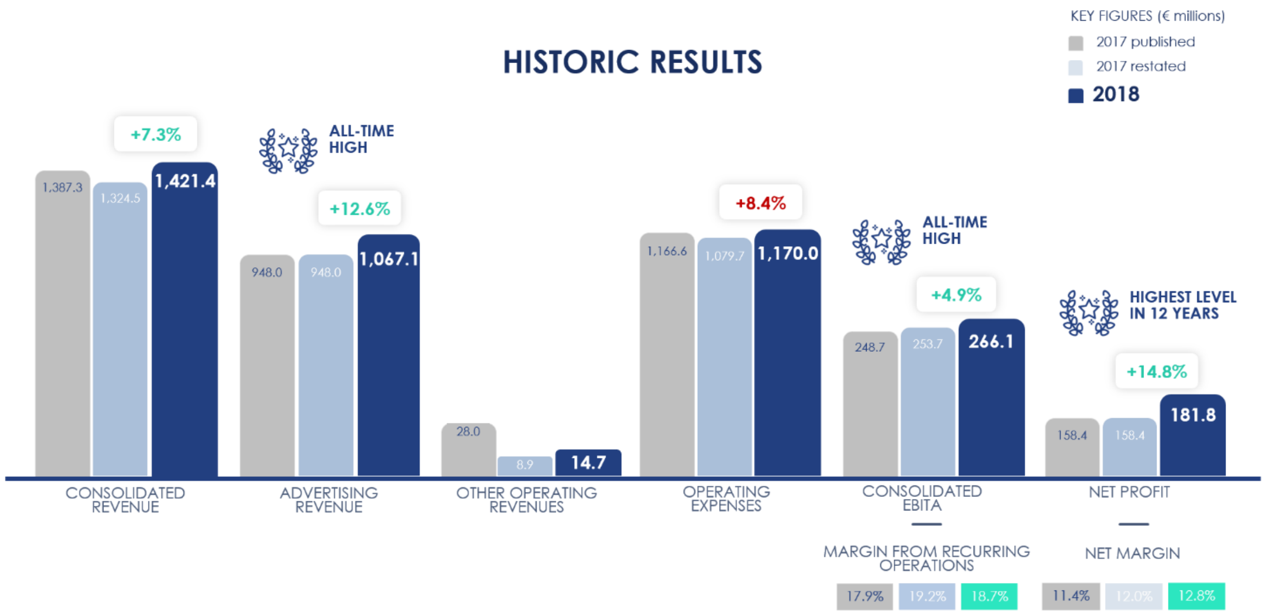
Furthermore, shareholders are exempt from contributions if they so request, provided they belong to a household (for tax purposes) whose average benchmark tax for the second last year was less than €50,000 for single, divorced or widowed taxpayers or €75,000 for jointly-assessed taxpayers. It is advised that shareholders contact the institution that holds their share account or their advisor, in order to discuss options and procedures regarding exemption from contribution, given that the exemption must, in principle, be requested before 30 November of the year preceding that in which the dividend was paid.

Lastly, the paying establishment will also levy a deduction at source for social contributions at the overall rate of 17.2%.

The dividend must be duly declared on the income tax return filed by taxpayers for the year of collection.

4 2018 FINANCIAL REPORT

4.1 2018 RESULTS



4.1.1 Presentation of the consolidated income statement

	31/12/2018	31/12/2017 Restated[62]	31/12/2017 Published	(% change) 2018/2017R (€ millions)
REVENUE	**1,421.4**	**1,324.5**	**1,387.3**	**96.9**
Group advertising revenue	1,067.1	948.0	948.0	119.1
- of which free-to-air TV channels advertising revenue	*834.0*	*829.5*	*829.5*	*4.5*
- of which other advertising revenues	*233.1*	*118.5*	*118.5*	*114.6*
Group non-advertising revenue	354.3	376.5	439.3	(22.2)
Other operating revenues	14.7	8.9	28.0	5.7
TOTAL OPERATING REVENUES	**1,436.1**	**1,333.5**	**1,415.4**	**102.6**
Materials and other operating expenses	(711.0)	(686.7)	(708.5)	(24.2)
Personnel costs (including profit sharing plan contributions)	(279.6)	(226.5)	(277.6)	(53.1)
Taxes and duties	(61.7)	(45.9)	(46.1)	(15.8)
Amortisation, depreciation and impairment charges (net of reversals)	(117.6)	(120.6)	(134.4)	3.0
PROFIT FROM RECURRING OPERATIONS [EBITA][63]	**266.1**	**253.7**	**248.7**	**12.5**
Capital gains on disposals of subsidiaries	12.3	-	-	12.3
Operating income and expenses related to business combinations	(3.4)	(2.6)	(2.6)	(0.7)
OPERATING PROFIT [EBIT]	**275.0**	**251.1**	**246.1**	**24.0**
NET FINANCIAL INCOME/(EXPENSE)	**(2.3)**	**(1.5)**	**(2.0)**	**(0.8)**
Share of profit of joint ventures and associates	(0.8)	1.8	1.8	(2.6)
PROFIT BEFORE TAX	**272.0**	**251.4**	**246.0**	**20.6**
Income tax	(97.4)	(89.4)	(87.5)	(8.0)
NET PROFIT FROM CONTINUING OPERATIONS	**174.5**	**161.9**	**158.4**	**12.6**
Net profit/(loss) from operations sold	7.3	(3.5)	-	10.8
NET PROFIT FOR THE YEAR	**181.8**	**158.4**	**158.4**	**23.4**
Attributable to the Group	181.8	158.4	158.4	23.4
Attributable to non-controlling interests	-	-	-	-
Profit from recurring operations [EBITA]	**266.1**	**253.7**	**248.7**	**12.5**
Amortisation, depreciation and impairment of PPE and intangible assets	114.9	118.4	132.2	(3.4)
Profit from Recurring Operations before amortisation, depreciation and impairment of PPE and intangible assets [EBITDA]	**381.0**	**372.0**	**380.9**	**9.0**

62 Pursuant to IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, the Girondins division is presented as an operation sold in the income statement for the 2018 and 2017 financial years (see Note 12 to the consolidated financial statements).
63 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 subsidiaries.

In 2018, M6 Group recorded consolidated revenue of €1,421.4 million, an increase of 7.3%, driven by a full year of advertising revenue for the Radio division. Advertising revenue from the free-to-air channels increased slightly.

Other operating revenues grew by €5.7 million (to €14.7 million) notably on account of the increase in grants and tax credits.

Operating revenues totalled €1,436.1 million in 2018, compared with €1,333.5 million in 2017, an increase of €102.6 million (up 7.7%).

Excluding operating expenses relating to business combinations and capital gains on the disposal of subsidiaries, operating expenses increased by €90.1 million (up 8.3%) to €1,169.9 million. This change mainly reflects the integration of the Radio Division over a full year (compared with a single quarter last year), the impact of which stood at €97.6 million.

Analysed by type of expenses, the integration of the Radio Division over a full-year largely explains the €24.2 million growth in materials and other operating expenses (up 3.5%) and the €53.1 million increase in personnel costs (up 23.4%).

Profit from recurring operations (EBITA) was up €12.5 million to €266.1 million, a new historic high for the Group. This performance reflects the momentum of the Television division and the integration of Radio, which together more than offset the lower sales of the Distance Selling division.

As a result, the Group's margin from recurring operations was 18.7%.

The capital gain of €12.3 million on subsidiary disposals relates to the sale of monAlbumPhoto.

Operating income and expenses related to business combinations generated a net expense of 3.4 million and include the amortisation of intangible assets (relationships with advertisers) accounted for as part of the acquisition of the Radio division, the amortisation of intangible assets (brands, technologies) valued as part of the acquisitions of Oxygem and Cyréalis, as well as the amortisation of the catalogue valued as part of the acquisition of Mandarin Cinéma and Fidélité Films.

Net financial expense totalled €2.3 million (compared with net expense of €1.5 million at 31 December 2017) and was primarily explained by the revaluation of financial assets and liabilities, the interest on the €50 million bond debt arranged for the acquisition of the Radio division in August 2017, and a decrease in the return on invested cash.

Income tax totalled €97.4 million, up €8.0 million. The effective tax rate was stable at 34.3%.

Net profit from discontinued operations related in 2017 to the net profit of the Girondins division and for 2018 to the division's net profit plus the capital gains on the disposal (see Note 12 to the consolidated financial statements).

Net profit for the period was €181.8 million, compared with €158.4 million in 2017. The net margin from continuing operations was 12.3%, compared with 12.2% in 2017.

4.1.2 Analysis of the consolidated income statement by segment

In 2018, M6 Group adapted its operational organisation following the acquisition of RTL's radio division and the merging of the teams in charge of the live and the on-demand broadcasting of the television channels. As a result, the Group has altered the structure of the segments included in its segment reporting. Pursuant to IFRS 8, 2017 data for each of the segments has been restated in the information provided hereafter.

The main changes to M6 Group's segment reporting are as follows:

- Creation of a Radio segment;
- Reclassification of the M6 Web's *"Channels - New Media"* (6play) branch into the Television segment;
- Strengthening of the Production and Audiovisual Rights segment with the two TV production companies (Studio 89 and C Productions) and the online content production subsidiary (Golden Network);

The Group now only publishes revenue and EBITA figures for the following 4 segments:

- Television (free-to-air channels – M6, W9 and 6ter; pay channels – Paris Première, Téva, etc.; on-demand TV – 6play; Sales house business);
- Radio (radio stations – RTL, RTL2 and Fun Radio; on-demand radio - podcasts; Sales house business);
- Production & Audiovisual Rights (cinema production, TV production, web production and distribution of audiovisual rights);
- Diversification (distance selling, other online revenue, Interactions division, and M6 Créations).

4.1.2.1 Television

(€ millions)	31/12/2018 Total revenue	31/12/2018 External revenue (consolidated)	31/12/2018 EBITA	31/12/2017 Total revenue	31/12/2017 External revenue (consolidated)	31/12/2017 EBITA	2018/2017 change Total revenue	2018/2017 change External revenue (consolidated)	2018/2017 change EBITA
TOTAL TV DIVISION	988.4	966.5	214.0	948.2	938.3	205.0	40.2	28.2	8.9

EBITA of the Television division may be analysed as follows based on the gross margin on programming of the Group's free-to-air channels:

(€ millions)	31/12/2018	31/12/2017	2018/2017 change (€ millions)	2018/2017 change (%)
External advertising revenue - Free-to-air TV	834.0	829.5	4.5	0.5%
Intra-Group advertising revenue - Free-to-air TV	3.4	4.4	(1.0)	-22.4%
Advertising agency costs, operating taxes and broadcasting costs	(176.9)	(166.2)	(10.7)	6.4%
Free-to-air net revenue[64]	**660.5**	**667.6**	**(7.1)**	**-1.1%**
Programming costs[65]	(466.3)	(461.2)	(5.1)	1.1%
GROSS MARGIN ON PROGRAMMING[66]	**194.2**	**206.4**	**(12.2)**	**-5.9%**
(%)	*29.4%*	*30.9%*		

The programming costs of free-to-air channels were €466.3 million, compared with €461.2 million in 2017. The Group continues to invest in its programming schedule in order to increase its coverage of local events that are making the news. The Group is now the official broadcaster of the French men's and women's national football teams. Moreover, it has broadcast new and original French series, such as *Papa ou Maman*, *La Faute* and *Souviens-toi*.

The TV advertising market posted slight growth in 2018. It benefited from the broadcast of major sporting events (Olympics, FIFA World Cup) on rival channels before slowing due to the challenging social environment at the end of the year. Against this unfavourable backdrop, M6 Group's free-to-air channels saw their advertising revenue grow 0.5% in 2018.

Furthermore, 6play's advertising business continued to grow, still driven by the momentum of the platform which currently has 25 million registered OTT users. It has established itself as one of the key on-demand services within the French audiovisual landscape with 1.4 billion videos viewed (against 1.3 billion in 2017).

Lastly, 2018 was also marked by the renewal of the Group's distribution agreements. These new agreements, which secure the broadcast of pay-TV channels by linking them to the payment for free-to-air channels and their related services, had a significant impact on EBITA for the TV division.

TV operations thus contributed €214.0 million to EBITA, compared with €205.0 million in 2017, representing an operating margin of 22.1% for the Group's core business (vs. 21.9% in 2017).

4.1.2.2 Radio

(€ millions)	31/12/2018 Total revenue	31/12/2018 External revenue (consolidated)	31/12/2018 EBITA	31/12/2017 Total revenue	31/12/2017 External revenue (consolidated)	31/12/2017 EBITA	2018/2017 change Total revenue	2018/2017 change External revenue (consolidated)	2018/2017 change EBITA
TOTAL RADIO DIVISION	168.4	167.0	28.0	54.8	54.3	12.5	113.6	112.7	15.4

Within a market experiencing slight growth, the Radio division managed to gain advertising market share in 2018 thanks to its audience momentum and leadership. Its revenue stood at €167 million. EBITA totalled €28.0 million, reflecting the implementation of initial synergies. The Group is also on course to achieve its €38 million EBITA target for the Radio division in 2020.

4.1.2.3 Production and audiovisual rights

(€ millions)	31/12/2018 Total revenue	31/12/2018 External revenue (consolidated)	31/12/2018 EBITA	31/12/2017 Total revenue	31/12/2017 External revenue (consolidated)	31/12/2017 EBITA	2018/2017 change Total revenue	2018/2017 change External revenue (consolidated)	2018/2017 change EBITA
TOTAL PRODUCTION & AUDIOVISUAL RIGHTS	151.0	76.5	8.7	163.5	95.6	4.7	(12.5)	(19.1)	4.0

Revenue from the Production and Audiovisual Rights division totalled €76.5 million, down €19.1 million compared to 2017, mainly due to a weaker line-up of films distributed by SND, in particular in international markets. The films distributed by SND generated 8.8 million admissions in 2018, compared with 10.7 million in 201710. 2018 was nevertheless marked by the release in December of the film *Asterix: The Secret of the Magic Potion*,

64 Net advertising revenue consists of advertising revenue earned by the M6, W9 and 6ter channels, offset by the net cost of services provided by M6 Publicité (share of free-to-air channels), mandatory charges levied as a proportion of revenue and broadcasting costs.
65 Programming costs represent the cost of programmes broadcast on the M6, W9 and 6ter channels (purchased, produced or coproduced), including charges relating to rights that are invalid or unlikely to be broadcast.
66 Gross margin on programming represents the difference between TV net revenue and programming costs.

produced in-house by M6 Studio and distributed by SND, which generated more than 3.9 million admissions overall. This new instalment, based on an original story, was the biggest box office success of the past 12 years for a French animated film.

Divisional EBITA was €8.7 million, compared with €4.7 million in 2017. It above all reflects the effectiveness of the audiovisual rights distribution business model (cinema releases and management of film catalogues) which, despite the fall in its revenue, achieved an increase in its operating profit. EBITA also benefited from the lower losses generated by the digital production studio, Golden Network.

4.1.2.4 Diversification

	31/12/2018			31/12/2017			2018/2017 change		
	Total revenue	External revenue (consolidated)	EBITA	Total revenue	External revenue (consolidated)	EBITA	Total revenue	External revenue (consolidated)	EBITA
TOTAL DIVERSIFICATION	213.4	211.1	25.1	237.8	236.0	37.1	(24.4)	(24.9)	(12.0)

In 2018, Diversification revenue totalled €211.1 million (compared with €236.0 million in 2017), with a contribution to EBITA of €25.1 million (compared with €37.1 million in 2017). Over the financial year,

- Ventadis saw a decline in both its revenue and its EBITA, due to: - The disposal of monAlbumPhoto at the end of July; - A range of products undergoing renewal which significantly impacted Best of TV's results.

Home Shopping Service managed to stabilise its sales and improve its EBITA thanks in particular to the growing momentum of its e-commerce distribution channel. Furthermore, constantly in search of new growth drivers, in late 2018 Ventadis launched Joikka, a new online jewellery brand.

- M6 Digital Services recorded an increase in its revenue and operating profit, despite the disposal at the start of the year of the digital and technology news portal clubic.com. M6 Digital Services benefited from the momentum of cashback specialist iGraal. Within a highly competitive display advertising market, the advertising business of the portals (cuisineaz.com, fourchette-et-bikini.fr, passeport- santé.net, etc.) also stood out, posting slight like-for-like growth.

4.1.2.5 Unallocated items

Eliminations and unallocated income/expenses related to:

- the cost of free share allocation plans, in accordance with IFRS 2 – Share-Based Payments;
- unallocated consolidation restatements primarily corresponding to the elimination of intra-Group gains on the disposal of non-current audiovisual assets or inventories;
- EBITA of property companies and dormant companies (€2.5 million in 2018 versus €2.6 million in 2017): the Group owns 20,000 m² of offices in Neuilly-sur-Seine, which are leased to Group companies; all leasing and sub-leasing agreements provide for transparent billings of rent and related charges to each tenant, under normal market conditions, in proportion to the space occupied.

The profitability of this business is equal to the difference between the rent charged and the operating expenses of these buildings (depreciation, utility and maintenance charges, etc.).

4.1.3 Significant contracts signed over the last 24 months

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

4.2 BALANCE SHEET AND CASH FLOW STATEMENT

4.2.1 Balance sheet

	31/12/2018	31/12/2017	Change (€ millions)
Goodwill	193.6	235.6	(42.0)
Non-current assets	363.0	405.3	(42.2)
Current assets	820.0	822.0	(1.9)
Cash and cash equivalents	132.8	54.3	78.5
TOTAL ASSETS	**1,509.5**	**1,517.1**	**(7.6)**
Equity Group share	716.6	662.3	54.3
Non-controlling interests	0.1	(0.1)	0.2
Non-current liabilities	125.9	146.0	(20.1)
Current liabilities	666.9	708.9	(42.0)
TOTAL EQUITY AND LIABILITIES	**1,509.5**	**1,517.1**	**(7.6)**

At 31 December 2018, total assets were €1,509.5 million, a decrease of €7.6 million (down 0.5%) compared with 31 December 2017.

Non-current assets (including goodwill) totalled €556.6 million, a decrease of €84.3 million (down 13.2%) compared with the 2017 year-end.

This sharp decrease primarily reflects the disposal of the Girondins division for €76.8 million.

Current assets, excluding cash and cash equivalents, were stable and totalled €820.0 million at 31 December 2018.

This stability reflects both the €27.3 million drop in current tax and the €10.2 million fall in net trade receivables, as well as the €4.1 million increase in inventories and €31.4 million growth in other current assets.

Cash and cash equivalents amounted to €132.8 million, up €78.5 million compared with 31 December 2017 (see comments on the consolidated cash flow statement).

The Group share of consolidated equity totalled €716.6 million. This €54.3 million increase was due to:

- the payment of dividends of €120.3 million;
- and the Group share of net profit for the year of €181.8 million.

Non-current liabilities totalled €125.9 million, a decrease of €20.1 million compared with the 2017 year-end.

This decrease was mainly the result of the reclassification as a current liability of the debt relating to the commitment to buy securities held by the minority shareholders of a Group subsidiary.

Current liabilities totalled €666.9 million, a decrease of €42.0 million compared with the 2017 year-end.

This decrease of 5.9% was primarily due to:

- The €35.9 million fall in financial debt following the repayment of credit facilities and the current account with Bayard d'Antin set up to fund the acquisition of the Radio division;
- and the decrease in provisions (down €23.5 million).

4.2.2 Cash flow statement

	31/12/2018	31/12/2017 Restated	Change (€ millions)
Self-financing capacity from operations	364.8	374.7	(9.9)
Change in operating WCR	(22.9)	(34.2)	11.3
Income tax	(61.2)	(111.2)	50.0
Cash flow from operating activities	**280.8**	**229.3**	**51.5**
Cash flow from investment activities	**(8.5)**	**(282.5)**	**273.9**
Recurring items	(107.2)	(85.5)	(21.7)
Non-recurring items	98.7	(197.0)	295.7
Cash flow from financing activities	**(181.8)**	**(33.3)**	**(148.5)**
Dividend payments	(120.3)	(108.6)	(11.7)
Equity transactions	(17.5)	(7.7)	(9.8)
Radio division financing	(34.0)	83.7	(117.7)
Other	(10.0)	(0.7)	(9.3)
Cash flow from operations held for sale / sold	(11.9)	(33.6)	21.6
Translation effect on cash and cash equivalents	0.0	(0.2)	0.2
NET CHANGE IN CASH AND CASH EQUIVALENTS	**78.5**	**(120.2)**	
Cash and cash equivalents - opening balance	54.3	174.4	(120.1)
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**132.8**	**54.3**	**78.6**
Net cash and cash equivalents -closing balance	*93.8*	*(28.3)*	*122.1*

Cash flow from operating activities was €280.8 million in 2018, markedly higher than the level of €229.3 million achieved in 2017.

This increase of €51.5 million (up 22.5%) was due to the following developments:

- the pre-tax self-financing capacity generated by the Group decreased slightly by €9.9 million to €364.8 million as the result notably of depreciation and amortisation charges, net of writebacks, and to provisions that were lower than those in the previous financial year (a decline of €19.0 million);
- an improvement in the change in working capital (down €11.3 million), primarily due to the favourable change in net inventories;
- a far lower tax payment (down €50.0 million) particularly taking into account the tax refund received in relation to dividends during the 2018 financial year and the exceptional corporate income tax payment of 15% made in 2017.

In 2018, cash flow applied to investments used cash resources of €8.5 million, compared with €282.5 million in 2017.

This sharp fall of €273.9 million primarily reflected:

- Net inflows relating to the acquisition and disposal of companies in 2018 (€98.7 million) notably due to the sale of monAlbumPhoto and Girondins de Bordeaux, compared with net outflows in 2017 (€197.0 million), as a result of the acquisition of RTL Group's Radio division.
- The growth in recurring investment (€21.7 million) reflecting in particular the production of the animated feature *Asterix: The Secret of the Magic Potion* by M6 Studio, and relocating the Radio division to Neuilly-sur-Seine.

Cash flow resulting from financing activities used cash resources of €181.8 million compared with €33.3 million in 2017.

This increase of €148.5 million was mainly due to the €117.7 million impact of financing the Radio division.

The 2018 financial year thus resulted in a €78.5 million decrease in cash and cash equivalents.

Cash and cash equivalents totalled €132.8 million at 31 December 2018, compared with €54.3 million at 31 December 2017.

The Group has a positive cash position[67], going from a net debt of €28.3 million at the 2017 year-end to net cash of €93.8 million at 31 December 2018.

4.2.3 Cash management policy

The cash management policy is detailed in this document in the section dedicated to the investment policy included in Note 21.4 to the consolidated financial statements.

4.2.4 Investment policy

A highly significant element of M6 Group's business is the acquisition of rights and the production of programmes. These "investments" in programmes are treated as operating expenses. They are therefore not capitalised but recognised as off-balance sheet commitments before the rights are opened, and then in inventory after the rights are opened.

67 *Net cash corresponds to cash and cash equivalents, plus debit current accounts and loans, less credit current accounts, bank overdrafts and financial debt.*

M6's capital expenditure policy is driven by the following:

- the concern to provide the Group with the necessary resources to develop future growth drivers that meet the challenges resulting from new broadcasting modes and media viewing patterns;
- the strategic necessity to supply existing operations with the best content and products possible in order to confirm their positioning and attractiveness;
- the importance of providing the Group with a safe and efficient working environment, both in terms of infrastructure and equipment (offices, production resources, etc.) and information and broadcasting systems;
- TV network obligations and contractual commitment obligations, as well as regulations that govern these activities.

As part of its contractual and regulatory obligations, M6 Group's obligations in terms of the production of audiovisual works amounted to €119.2 million in 2018.

Property, plant and equipment investments are set out in Note 17 to the consolidated financial statements included in Section 5.2 of this document.

The Company has made no firm commitments in terms of investments which are not mentioned in this Registration Document.

4.2.5 Contingent assets and liabilities

A description, a summary table and an analysis of changes in contingent assets and liabilities are included in Note 25 to the consolidated financial statements set out in this document.

4.3 FINANCIAL POSITION OF THE PARENT COMPANY AND AGREEMENTS WITH ITS SUBSIDIARIES

4.3.1 Financial position of the parent company

At 31 December 2018, Métropole Télévision (M6) had total assets of €1,410.8 million, an increase of €114.0 million (up 8.8%) compared with 31 December 2017.

Non-current assets increased by €30.0 million to €450.3 million. This net change was mainly due to the net increase of €67.6 million in intangible assets and net decrease of €50.9 million in investments, resulting in particular from the absorption of Ediradio by M6.

Current assets increased by €84.1 million to €960.2 million. The increase in trade receivables (up €39.7 million), in cash and cash equivalents (up €102.3 million), and in prepaid expenses (up €27.8 million), partly offset by the decline other receivables (down €76.3 million) linked to the decrease in debit current accounts with Group subsidiaries, explain most of this change.

Under equity and liabilities, liabilities increased by €68.9 million to €806.3 million, primarily due to the increase in other liabilities (up €70.9 million). The latter primarily include Group subsidiaries' current funding transactions.

Shareholders' equity totalled €548.4 million, an increase of €46.2 million. This change was primarily due to:

- the payment of dividends of €119.6 million;
- and net profit for the year of €167.0 million.

At 31 December 2018, cash and cash equivalents (cash and marketable securities less bank overdrafts) were €120.5 million, up €84.2 million compared with 31 December 2017.

4.3.2 Shareholders' agreements

Métropole Télévision and its subsidiaries have entered into shareholders' agreements, in addition to the Bylaws, with a view to organising relationships with joint shareholders in certain companies.

At 31 December 2018, the companies concerned were Extension TV (Série Club), CNH, Multi 4, R8 (in liquidation), Panora Services, Quicksign, La Place Media, iGraal, Elephorm, Best of TV, Victor & Charles, GLHF, 6&7, Life TV, Alliance Gravity Data Media, Music Nancy FM, Fun Radio Belgique, 2CED, Job Digital Networks and Ctzar.

4.3.3 Direct shareholding interests over 5%, 10%, 20%, 33% or 50% of capital and controlling interests acquired during the 2018 financial year

In accordance with legal provisions, in particular Article L. 233-6 of the Commercial Code, the table below shows the direct shareholding interests acquired by Métropole Télévision or any one of its subsidiaries during the 2018 financial year.

These shareholding interests are detailed in Paragraph 1.3 Group Structure of this document.

Company name	Legal form	2018 equity investments	% shareholding			Total
			Direct M6	Indirect M6	Company	
M6 Hosting (formerly Altima Hosting)	SAS	100%	-	100%	M6 Digital Services	100%
Ctzar	SAS	51%	-	51%	M6 Publicité	51%
Sociaddict	SAS	51%	-	51%	Ctzar	51%
HSS Belgique	SA	50%	-	100%	Home Shopping Service	100%

4.3.4 Parent company/subsidiaries relationships

Métropole Télévision has its own business activities and also defines the strategic objectives for the Group in its capacity as Parent Company.

It sets and defines the framework for oversight of the activities of Group entities, as follows:

- through the strategic objectives defined for Group activities;
- through the specific features of its four core business lines: Television, Radio, Production & Audiovisual Rights, and Diversification;
- through the existing business-wide functional departments (Finance, Corporate Services, Human Resources, Legal Affairs, Information Systems, Internal Communications, etc.) which operate as shared services across the Group. These functional responsibilities are held by specialists from each of the business lines. The provision of these resources is formalised in Technical Assistance Agreements and is invoiced to each subsidiary.

From a financial point of view:

- the cash pooling agreement with subsidiaries enables M6 to manage and consolidate the cash resources of most Group subsidiaries to optimise its use;
- Métropole Télévision is the parent company of a tax consolidation group pursuant to the provisions of Article 223 A of the General Tax Code.

At 31 December 2018, the Métropole Télévision Group had 84 subsidiaries and affiliates as follows:

- 21 significant consolidated subsidiaries;
- 45 insignificant consolidated subsidiaries;
- 18 non-consolidated subsidiaries.

Significant consolidated subsidiaries are as follows:

Significant consolidated subsidiaries (21)	Country	Financial transactions with Métropole Télévision		% interest (rounded up)
		Member of cash pooling agreement	Various significant transactions*	
TELEVISION				
M6 Publicité	France	yes	Sales house payment	100%
M6 Génération - 6TER	France	yes	Technical services, rebilling of personnel costs	100%
Paris Première	France	yes	Technical services, rebilling of personnel costs	100%
EDI TV – W9	France	yes	Sales of broadcasting rights, technical services, rebilling of personnel costs	100%
Sedi TV - Téva	France	yes	Technical services, rebilling of personnel costs	100%
SNDA	France	yes	Purchase and sale of broadcasting rights	100%
RADIO DIVISION				
ID (Information et Diffusion)	France	yes	Misc. reinvoicing	100%
SERC	France	yes	Misc. reinvoicing	100%
SODERA	France	yes	Misc. reinvoicing	100%
RTL France Radio	France	yes	Advertising, technical services, rebilling of personnel costs	100%
PRODUCTION AND AUDIOVISUAL RIGHTS				
C. Productions	France	yes	Purchase of broadcasting rights	100%
Studio 89 Productions	France	yes	Purchase of broadcasting rights	100%
M6 Studio	France	yes	Purchase of broadcasting rights	100%
Société Nouvelle de Distribution	France	yes	Purchase of broadcasting rights	100%
GM6 - Golden Network	France	yes	Technical services, rebilling of personnel costs	100%
DIVERSIFICATION				
M6 Créations	France	no	Advertising	100%
Home Shopping Service	France	yes	Rebilling of personnel costs	100%
M6 Interactions	France	yes	Technical services, rebilling of personnel costs	100%
M6 Digital Services (formerly M6 Web)	France	yes	Advertising, technical services, rebilling of personnel costs	100%
PROPERTY				
Immobilière M6	France	yes	Rent reinvoicing	100%
Immobilière 46D	France	yes	Rent reinvoicing	100%

** Transactions valued in excess of €500 K*

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

The duties performed by its executives in the subsidiaries are set out in Section 2.2 of this Document.

The contributions of major Group companies in terms of non-current assets, financial debt, balance sheet cash and cash equivalents, cash flow from operations and dividends paid by subsidiaries to the parent company during the financial year are presented below, to disclose the respective scale of each company within the Group and more specifically the relative size of the parent company compared to the direct and indirect subsidiaries.

The Group's financial liabilities totalled €51.9 million and mainly included the bond issue, bank debt and associates' current accounts.

Parent company - subsidiary relationships

(€ millions)	31/12/2018	31/12/2017 Restated
Non-current assets	**540.5**	**597.8**
Métropole Télévision	93.5	17.0
M6 Digital Services	75.4	74.5
RTL France Radio SAS	61.3	55.6
Sodera SA	36.3	34.1
SCI du 107	32.1	34.0
Immobilière M6	29.5	29.8
SERC SA	24.5	25.5
M6 Publicité	23.4	11.8
Immobilière 46D	23.3	24.6
iGraal	19.0	11.0
SNDA	18.1	22.3
Teleshopping **	17.1	18.2
SNC Audiovisuel FF SAS	13.3	7.2
SNC Catalogue MC SAS	10.4	7.8
M6 Studio	9.4	9.4
SND	7.8	12.1
M6 Interactions SAS	6.6	0.4
M6 Foot SAS	5.6	(0.0)
Canal Star	5.3	-
Stephane Plaza Franchise	5.2	4.2
CTZAR SAS	4.8	-
Life TV SA	3.3	3.5
M6 Hosting	2.5	-
Média Stratégie	2.1	-
Sprgb Sarl	2.1	-
M6 Films SA	1.8	0.3
Serie Club	1.3	2.0
Eléphorm	0.5	2.7
SNC	0.4	1.9
Ediradio SA	-	76.1
FCGB	-	58.6
E-Commerce *	-	27.6
IP FRANCE SA	-	11.1
RTL Special Marketing SARL	-	6.2
IP Régions SA	-	2.4
RTL Net SAS	-	2.3
Other	*4.3*	*3.7*
Balance sheet cash	**132.8**	**54.3**
Métropole Télévision	107.1	26.2
iGraal	6.6	11.3
M6 Publicité	5.0	3.8
SND	4.4	7.1
Teleshopping **	2.8	1.8
Paris Première	2.5	0.0
M6 Digital Services	1.3	0.1
SND USA	1.1	1.1
Sodera SA	0.0	1.5
FCGB	-	1.5
Other	*1.9*	*(0.1)*
Cash flow from operating activities	**280.8**	**229.3**
M6 Publicité	103.3	45.1
SNDA	52.1	45.1
Métropole Télévision	50.4	21.4
M6 Digital Services	41.3	37.4
SND	20.6	38.7
Sedi TV / Teva SNC	15.4	10.9
Paris Première	8.3	1.0
M6 Studio	6.4	1.9
M6 Interactions SAS	6.1	3.0
ID (Information et Diffusion)	5.5	0.3
M6 Génération / 6Ter	5.2	11.2
iGraal	4.3	2.4
Immobilière M6	3.2	3.2
Teleshopping **	1.6	7.7
GM6	0.4	(4.6)
IP FRANCE SA	0.0	(20.7)
E-Commerce *	(2.1)	5.0
Sodera SA	(2.9)	3.6
Studio 89 Productions SAS	(3.3)	(3.6)
SERC SA	(4.5)	3.8
Edi TV / W9 TV SNC	(8.8)	(5.2)
RTL France Radio SAS	(31.9)	9.6
Other	*10.2*	*12.0*
Dividends paid to Métropole Télévision	**56.2**	**40.4**
M6 Interactions	30.2	6.5
M6 Publicité	24.6	24.5
M6 Thématique SA	11.5	5.8
Sodera SA	6.5	-
M6 Digital Services	1.2	3.0
Immobilière M6	0.9	-
Capital Productions S.A.	0.4	0.4

SND	0.2	0.1
TCM Droits Audiovisuels SNC	-	0.2

** In 2017, E-Commerce included Mon Album Photo, Printic, Luxview and Optilens data.*

*** Teleshopping includes HSS, HSS Belgique, Best of TV and Best of TV Benelux data.*

Moreover, regulated agreements and commitments are presented in the Statutory Auditors' Special Report in Section 5.9 of this document.

4.3.5 Tax consolidation

On 1 January 1988, Métropole Télévision declared itself as the parent company of a tax consolidation group pursuant to the provisions of Article 223 A and subsequent of the General Tax Code.

All French-registered Group companies that are subject to income tax and are more than 95% continuously owned directly or indirectly by Métropole Télévision are members of the tax consolidation group.

4.4 OUTLOOK AND STRATEGIC DIRECTION

M6 Group, which has always made content the focal point of its strategy, will pursue its development in 2019 by relying on its multimedia TV, Radio, Digital strength.

Thanks to its creative internal resources and its unique power to attract all external creative partners (authors, journalists, production companies, presenters, etc.), it has an unrivalled ability to reach French audiences via powerful, innovative and leading mainstream media.

The Group's 3 free-to-air channels, which together achieved an audience share of more than 21.4% in 2018 on the commercial target, and also enjoyed an unprecedented success in their non-linear viewing on the 6Play platform, are now supplemented by three RTL, RTL2, and Fun Radio stations.

These combined powers enable the Group to boost its overall positions on the French media and advertising markets.

Furthermore, this scale effect enables the Group to invest in technologies and platforms that benefit all of the channels, by significantly boosting their audiences.

As such, the Group decided to launch, subject to the approval of the competition authorities, the joint distribution platform SALTO with other publisher partners. This increase in content and therefore of the audiences will directly benefit advertiser customers, who find in M6 Group a powerful media partner that has extremely wide coverage, and premium and secure broadcast platforms.

In 2018, M6 Group also renegotiated all its distribution agreements, notably by successfully introducing a new distribution model for its free-to-air channels and their related services.

Aside from its core businesses as a publisher of audiovisual content, M6 Group will continue to develop its non-advertising revenues, in order to achieve a balanced revenue model via these diversification measures, and to innovate in fast-growing sectors.

To do so, the Group specifically owns a unique portfolio of brands and know-how, which enables it to investigate new territories, such as the remarkable success encountered by the Stéphane Plaza Immobilier estate agency franchise, which has opened more than 300 agencies in less than three years.

The economic environment is expected to be mildly favourable in 2019, thanks to the return of a certain amount of confidence in customers' behaviour, and the introduction of reforms that may stimulate consumption.

However, in keeping with its financial discipline, the Group intends to pursue its strict cost control, as was the case with the first successful phase of implementing synergies between the radio and TV activities, in order to further improve its profitability.

4.4.1 Television

2019 will be marked by the implementation of distribution agreements for M6 Group channels and their related services, which were all renewed during 2018.

In addition to securing from distributors a share of the value related to the inclusion of M6, W9 and 6ter in their television packages, these agreements allow the Group to safeguard its availability to viewers, develop new on-demand content and service offerings based on its channel brands, and work on future market prospects (collaboration based on developing targeted advertising).

From an editorial standpoint, the Group is also planning to intensify its strategy focused on commercial target audiences, synergies between its channels and the strength of programme brands during key time slots, and will continue to pursue the efforts undertaken by the channels to develop inclusive event-based and local content (French drama, magazines, etc.):

- M6, whose varied access prime-time (magazines, entertainment and series) and prime-time (series, films, entertainment and magazines) programmes met with great success, is aiming to retain its status among the WRPs<50 commercial target.
- W9 intends to reaffirm its DTT leadership in the strategic primetime slot in 2019.

Building on its reality series brands that continue to be as popular as ever with viewers under 30 and on the commercial target, the channel intends to continue to develop in other genres such as with the primetime magazine shows *Enquêtes criminelles*, *Enquête d'action* and *État de choc*, which have all achieved record audiences.

- 6ter aims to continue the trajectory of its 2018 performance, which saw the channel consolidate both its HD DTT leadership on the commercial target for the 6th consecutive year and its position as the 5thplaced DTT channel across all age ranges on the commercial target for the 2nd year running.

Building on the many successful launches in 2018 (*Les Mamans*, *Vous avez un colis*, *Familles Extraordinaires*, etc.), 6ter plans to pursue its family friendly editorial strategy.

- Paris Première and Téva, leaders in their respective fields and whose distribution agreements were favourably renewed, will both continue to strive for inclusion in the top three most viewed pay-TV channels.
- Lastly, concerning digital the Group will continue the ambitious development of its own, exclusive digital range, to satisfy the new on-demand viewing habits.

6play, whose performance continues to develop and make a significant contribution to the Group's consolidated audiences, will pursue its efforts to develop its catalogue and improve its technological and data expertise, notably to enhance its appeal to advertisers.

Subject to the approval of the competition authorities, 2019 will also be the year of the effective development of SALTO, the shared pay platform of the M6, France Télévisions and TF1 Groups, which will let users enjoy the full wealth of their current and new line-ups.

4.4.2 Radio

In 2019, the Group intends to capitalise on the healthy momentum of the 3 stations of the Radio division, which in 2018 consolidated its position as the leading private group, achieving an audience share of more than 19.5% over the November/December 2018 wave:

- The main station, RTL, intends more than ever to consolidate its status as the leading radio station in France. As such, RTL aims to consolidate its leadership across all audience indicators, by continuing to attract listeners across its entire schedule.
- The music stations Fun Radio and RTL2 also continue to contribute to the Group's audience figures.

To support new listening patterns, the Radio division also intends to intensify its efforts in the development of native podcasts and new audio formats via the announced launch of the production studio "RTL Originals".

Lastly, in 2019 the 3 stations will continue to implement the measures undertaken in relation to both costs and revenues in order to achieve the EBITA target of €38 million by 2020.

Thanks to the synergies already implemented in 2018 with M6 Group's operations, the division has already improved its profitability in line with the targets set.

4.4.3 Other activities

Building on its brands and content, M6 Group has progressively expanded its activities through targeted diversifications and innovative offerings to drive non-TV growth, enabling it to strengthen the momentum of its traditional activity.

These many diversifications now involve business sectors as diverse as content production and acquisition, digital and e-commerce, as well as film, music and entertainment.

Linked with its core business, M6 Group has structured a production activity (C Productions, Studio 89, Golden Network, M6 Studio, M6 Films) as well as an audiovisual rights activity (SND, SNC, SNC Catalogue MC, SNC Audiovisuel FF, Les Films de la Suane) enabling it to position itself high up the value chain, improve Group access to more secure and diverse premium content and generate revenues that are not dependent on the advertising market.

In 2019, the Group intends to continue developing its media power and editorial expertise, notably for Millennials, and based on 5 new information media launched in 2018 on social media platforms related to the Golden brand.

For the activities not directly related to the Group's channels, 2018 was the opportunity to make adjustments to the Group's portfolio via the disposal of non-strategic assets and the acquisition of new companies to strengthen its other developing divisions.

In 2019, M6 Group is seeking to continue its strategy of expanding its diversification activities, grouped together under the divisions Ventadis (home shopping and e-commerce) and M6 Digital Services (media sites, BtoC and BtoB services notably comprising Cuisine AZ, Passeport Santé and iGraal) in order to continue to increase their profitability. Teams specifically intend to develop organic growth based on the new verticals and activities launched (Joïkka, Comptoir Botanique, Croq'Body, etc.).

4.4.4 Significant post-balance sheet events

On 31 January 2019, M6 Group entered into exclusive negotiations with Lagardère Active for the acquisition of Lagardère Group's Television Channels Division (excluding Mezzo), the French leader in live and on-demand children's TV, including:

- Gulli, the leading free-to-air digital channel for children, which had a 16.3%[68] share of its target audience in 2018 (1.7% of 4+ year-old viewers) and an advertising market share of almost 40% on said target in 2018;
- The two pay-TV channels dedicated to younger viewers, Canal J (the leading children's channel created in France, dedicated to viewers aged 6 to 12) and Tiji (dedicated to children aged 3 to 6);
- Lagardère's other entertainment and music pay-TV channels: Elle Girl TV, MCM, RFM TV and MCM Top;
- The catch-up TV platforms of the various channels, with a total of more than 300 million videos viewed in 2018, including Gulli Replay – the leading catch-up TV service for children – and Gulli Max, an S-VOD service offering children more than 4,000 TV show episodes and films;
- International distribution activities, which notably include the channels Gulli Africa, Gulli Bil Arabi, Gulli Girl and Tiji Russia, distributed in French-speaking Africa, the Middle East and within Russian-speaking countries respectively;
- The TV sales house business.

Since the project is subject to consultation with the staff representative bodies of the Television divisions of both Lagardère and M6 Groups and is contingent upon the approval of the Conseil Supérieur de l'Audiovisuel and the Competition Authorities, the next few months of 2019 will be devoted to preparing for these various deadlines with a view to finalising the transaction.

If the result if favourable, this project will represent a unique opportunity for M6 Group to complement its audiovisual offering for families and to strengthen its overall position in the French media market, both in TV advertising and digital, by leveraging the power of the Gulli brand in on-demand TV (replay and SVOD).

Established in more than 91 countries via distribution agreements, the division will also provide M6 Group with the opportunity to continue to expand its operations at international level.

In this respect, proforma consolidated revenue and proforma EBIT of Lagardère's TV division (excluding Mezzo) stood at €98 million and €20.6 million respectively in 2017.

To the best of the Company's knowledge, no other significant event that occurred since 1 January 2019 is likely to have, or to have had in the recent past, a significant impact on the Company and the Group's financial position, financial performance, activities and assets.

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5 2018 FINANCIAL STATEMENTS AND RELATED NOTES

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2018

5.1.1 Consolidated statement of financial position

ASSETS

(€ millions)	Note n°	31/12/2018	31/12/2017
Goodwill	15 and 16	193.6	235.6
Audiovisual rights	15	56.9	56.0
Other intangible assets	15	135.1	145.8
INTANGIBLE ASSETS		**385.6**	**437.4**
Land	17	19.1	19.3
Buildings	17	61.1	68.2
Other property, facilities and equipment	17	39.2	39.8
PROPERTY, FACILITIES AND EQUIPMENT		**119.4**	**127.2**
Equity instruments measured at fair value (1)	20.1	6.2	13.9
Other non-current financial assets	20.1	18.5	5.4
Investments in joint ventures and associates	19	10.8	13.8
FINANCIAL ASSETS		**35.5**	**33.2**
Other non-current assets	20.1	-	17.6
Deferred tax assets	11	16.2	25.5
NON-CURRENT ASSETS		**556.7**	**640.9**
Broadcasting rights inventory	18	260.9	251.3
Other inventories	18	8.6	14.1
Net trade receivables	20.1	320.5	330.7
Current tax		6.6	33.9
Derivative financial instruments	21.4	0.2	-
Other current financial assets	20.1	13.7	0.2
Other current assets	20.1	209.5	191.6
Cash and cash equivalents	20.1	132.8	54.3
CURRENT ASSETS		**952.8**	**876.2**
TOTAL ASSETS		**1,509.5**	**1,517.1**

(1) In accordance with IFRS 9 – Financial Instruments, available-for-sale financial assets have been reclassified as "Equity instruments measured at fair value" (see Note 5).

EQUITY AND LIABILITIES

(€ millions)	Note n°	31/12/2018	31/12/2017
Share capital		50.6	50.6
Share premium		7.6	7.6
Treasury shares		(12.0)	(6.8)
Consolidated reserves (2)		496.3	464.4
Other reserves		(7.7)	(11.9)
Net profit for the year (Group share)		181.8	158.4
GROUP EQUITY		**716.6**	**662.3**
Non-controlling interests		0.1	(0.1)
SHAREHOLDERS' EQUITY	**22**	**716.7**	**662.2**
Provisions	23 and 24	37.9	42.3
Financial debt	20.2	51.5	52.0
Other financial liabilities	20.2	25.4	43.2
Other liabilities	20.2	0.8	2.8
Deferred tax liabilities	11	10.2	5.6
NON-CURRENT LIABILITIES		**125.9**	**146.0**
Provisions	24	54.1	77.6
Financial debt	20.2	0.4	36.3
Derivative financial instruments	21.4	-	0.1
Other financial liabilities	20.2	29.8	15.0
Trade payables	20.2	414.9	389.3
Other operating liabilities	20.2	15.5	29.0
Current tax		5.2	3.3
Tax and social security payable	20.2	122.6	120.5
Liabilities relating to non-current assets	20.2	24.3	37.9
CURRENT LIABILITIES		**666.9**	**708.9**
TOTAL EQUITY AND LIABILITIES		**1,509.5**	**1,517.1**

(2) Opening equity has been adjusted to exclude the effects of IFRS 15 – Revenue from Contracts with Customers, adopted by the Group with effect from 1 January 2018 without any adjustment being applied to comparative figures (see Note 5).

5.1.2 Consolidated statement of comprehensive income

CONSOLIDATED INCOME STATEMENT

(€ millions)	Note n°	31/12/2018	31/12/2017 Restated[3]	31/12/2017 Published
Revenue	7	1,421.4	1,324.5	1,387.3
Other operating revenues	8.1	14.7	8.9	28.0
Total operating revenues		**1,436.1**	**1,333.5**	**1,415.4**
Materials and other operating expenses	8.2	(711.0)	(686.7)	(708.5)
Personnel costs (including profit sharing plan contributions)	8.3	(279.6)	(226.5)	(277.6)
Taxes and duties		(61.7)	(45.9)	(46.1)
Net depreciation/amortisation/provision charges	8.4	(120.1)	(123.2)	(137.0)
Impairment of non-depreciable assets	8.4 / 16	(0.9)	-	-
Total operating expenses		**(1,173.3)**	**(1,082.4)**	**(1,169.2)**
Capital gains on disposals of subsidiaries		12.3	-	-
Operating profit		**275.0**	**251.1**	**246.1**
Income from cash and cash equivalents		0.5	0.8	0.5
Cost of debt		(0.8)	(0.4)	(0.4)
Other financial expenses		(2.0)	(1.9)	(2.0)
Net financial income	**10**	**(2.3)**	**(1.5)**	**(2.0)**
Share of profit of joint ventures and associates	19	(0.8)	1.8	1.8
Profit before tax		**272.0**	**251.4**	**246.0**
Income tax	11	(97.4)	(89.4)	(87.5)
Net profit from continuing operations		**174.5**	**161.9**	**158.4**
Net profit/(loss) from operations sold	12	7.3	(3.5)	-
NET PROFIT FOR THE YEAR		**181.8**	**158.4**	**158.4**
attributable to the Group	**13**	**181.8**	**158.4**	**158.4**
attributable to non-controlling interests		0.0	(0.0)	(0.0)
Earnings per share - basic (€) - Group share	13	1.443	1.257	1.257
Earnings per share from continuing operations - basic (€) - Group share	13	1.385	1.230	1.257
Earnings per share - diluted (€) - Group share	13	1.438	1.249	1.249
Earnings per share from continuing operations - diluted (€) - Group share	13	1.380	1.222	1.249

[3] Pursuant to IFRS 5 – Non-current assets held for sale and discontinued operations, the Girondins division is presented as an operation sold in the consolidated statement of comprehensive income for the 2018 and 2017 financial years (see Note 12).

CONSOLIDATED COMPREHENSIVE INCOME

(€ millions)	Note n°	31/12/2018	31/12/2017 Restated[3]	31/12/2017 Published
CONSOLIDATED NET PROFIT		**181.8**	**158.4**	**158.4**
Other items of comprehensive income transferable to the income statement:				
Change in value of derivative instruments		6.6	(8.7)	(8.7)
Change in value of translation adjustment		0.1	(0.2)	(0.2)
Tax on transferable items	11	(2.4)	2.8	2.8
Other items of comprehensive income non-transferable to the income statement:				
Actuarial gains and losses		1.5	(2.6)	(2.6)
Equity instruments measured at fair value [1]		-	-	-
Tax on non-transferable items	11	(0.4)	0.6	0.6
Other items of comprehensive income	**22.3**	**5.4**	**(8.0)**	**(8.0)**
COMPREHENSIVE INCOME FOR THE YEAR		**187.2**	**150.4**	**150.4**
attributable to the Group		**187.2**	**150.4**	**150.4**
attributable to non-controlling interests		0.0	(0.0)	(0.0)

The provisions of IFRS 9 – Financial Instruments had no impact on the Group's consolidated comprehensive income.

[3] Pursuant to IFRS 5 – Non-current assets held for sale and discontinued operations, the Girondins division is presented as an operation sold in the consolidated statement of comprehensive income for the 2018 and 2017 financial years (see Note 12).

5.1.3 Consolidated statement of cash flows

(€ millions)	Note n°	31/12/2018	31/12/2017 Restated[3]	31/12/2017 Published
Operating profit from continuing operations		275.0	251.1	246.1
Non-current asset amortisation, depreciation and provisions		93.6	112.6	125.8
Capital gains (losses) on disposals		(12.3)	1.7	(17.3)
Other non-cash items		9.3	8.9	8.9
Operating profit after restatement for non-cash items		**365.7**	**374.3**	**363.5**
Income from cash and cash equivalents		0.7	0.9	0.5
Interest paid		(1.5)	(0.5)	(0.5)
SELF-FINANCING CAPACITY BEFORE TAX		**364.8**	**374.7**	**363.5**
Movements in inventories	18	(6.8)	(15.5)	(15.1)
Movements in net trade receivables	20	(50.2)	(18.8)	(18.7)
Movements in operating liabilities	20	34.2	0.1	1.9
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS		**(22.9)**	**(34.2)**	**(31.9)**
Income tax paid		(61.2)	(111.2)	(111.4)
CASH FLOW FROM OPERATING ACTIVITIES		**280.8**	**229.3**	**220.2**
Investment activities				
Intangible assets acquisitions	15	(91.8)	(71.5)	(110.6)
Property, facilities and equipment acquisitions	17	(17.5)	(15.7)	(16.6)
Investments acquisitions	20	(0.0)	(4.5)	(4.5)
Cash and cash equivalents arising from subsidiary acquisitions		(7.4)	(195.9)	(195.9)
Cash and cash equivalents arising from subsidiary disposals		105.1	-	-
Disposals of intangible assets and property, facilities and equipment	15/17	1.2	3.5	18.8
Disposals of investments	20	-	0.1	0.1
Dividends received		2.0	1.6	1.6
CASH FLOW FROM INVESTMENT ACTIVITIES		**(8.5)**	**(282.5)**	**(307.1)**
Financing activities				
Share capital increases		-	-	-
Financial assets	20	(7.5)	(1.7)	(1.4)
Financial liabilities	20	(36.6)	84.6	84.6
Purchase and sale of treasury shares	22	(17.5)	(7.7)	(7.7)
Dividends paid	14	(120.3)	(108.6)	(108.6)
CASH FLOW FROM FINANCING ACTIVITIES		**(181.8)**	**(33.3)**	**(33.0)**
Cash flow relating to assets held for sale	12	(11.9)	(33.6)	-
Translation effect on cash and cash equivalents		0.0	(0.2)	(0.2)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**20**	**78.5**	**(120.2)**	**(120.2)**
Cash and cash equivalents - start of year	20	54.3	174.4	174.4
CASH AND CASH EQUIVALENTS - END OF YEAR		**132.8**	**54.3**	**54.3**

[3] Pursuant to IFRS 5 – Non-Current Assets Held for Sale and discontinued operations, the Girondins division is presented as an operation sold in the consolidated cash flow statement for the 2018 and 2017 financial years (see Note 12).

5.1.4 Consolidated statement of changes in equity

(€ millions)	*Number of shares (thousands)*	Share capital	Share premium	Treasury shares	Consolidated reserves Group net profit	Fair value movements Foreign exchange difference	Equity Group share	Non-controlling interests	Shareholders' equity
BALANCE AT 1 JANUARY 2017	*126,414.2*	**50.6**	**7.6**	**(7.3)**	**571.2**	**(5.8)**	**616.3**	**(0.1)**	**616.2**
Change in value of derivative instruments						(5.9)	(5.9)		(5.9)
Actuarial gains and losses					(1.9)		(1.9)	(0.0)	(1.9)
Foreign exchange difference						(0.2)	(0.2)		(0.2)
Other items of comprehensive income		-	-	-	*(1.9)*	*(6.1)*	*(8.0)*	*(0.0)*	*(8.0)*
Net profit for the year					158.4		158.4	(0.0)	158.4
Total comprehensive income for the year		-	-	-	**156.5**	**(6.1)**	**150.4**	**(0.0)**	**150.4**
Dividends paid					(108.6)		(108.6)		(108.6)
Purchases/sales of treasury shares				0.5	(5.3)		(4.9)		(4.9)
Total shareholder transactions		-	-	**0.5**	**(113.9)**	-	**(113.4)**	-	**(113.4)**
Cost of stock options and free shares (IFRS 2)					8.9		8.9		8.9
Free shares allocation hedging instruments					0.2		0.2		0.2
Other movements					(0.1)		(0.1)	0.0	(0.0)
BALANCE AT 31 DECEMBER 2017	*126,414.2*	**50.6**	**7.6**	**(6.8)**	**622.8**	**(11.9)**	**662.3**	**(0.1)**	**662.2**
Impacts of IFRS 15 on shareholders' equity opening balance[2]		-	-	-	(0.2)	-	(0.2)	-	(0.2)
BALANCE AT 1 JANUARY 2018	*126,414.2*	**50.6**	**7.6**	**(6.8)**	**622.7**	**(11.9)**	**662.1**	**(0.1)**	**662.0**
Change in value of derivative instruments						4.2	4.2		4.2
Change in value of equity instruments [1]							-		-
Actuarial gains and losses					1.1		1.1	(0.0)	1.1
Foreign exchange difference						0.1	0.1		0.1
Other items of comprehensive income		-	-	-	*1.1*	*4.3*	*5.4*	*(0.0)*	*5.4*
Net profit for the year					181.8		181.8	(0.0)	181.8
Total comprehensive income for the year		-	-	-	**182.9**	**4.3**	**187.2**	**(0.0)**	**187.2**
Dividends paid					(120.3)		(120.3)	(0.0)	(120.3)
Purchases/sales of treasury shares				(5.2)	(8.1)		(13.3)		(13.3)
Total shareholder transactions		-	-	**(5.2)**	**(128.4)**	-	**(133.6)**	**(0.0)**	**(133.6)**
Cost of stock options and free shares (IFRS 2)					9.4		9.4		9.4
Free shares allocation hedging instruments					0.1		0.1		0.1
Other movements[4]					(8.6)		(8.6)	0.2	(8.4)
BALANCE AT 31 DECEMBER 2018	*126,414.2*	**50.6**	**7.6**	**(12.0)**	**678.1**	**(7.7)**	**716.6**	**0.1**	**716.7**

[1] The provisions of IFRS 9 – Financial Instruments had no impact on the Group's consolidated shareholders' equity.

[2] Opening equity at 1 January 2018 has been restated to include the effects of IFRS 15 – Revenue from Contracts with Customers, adopted by the Group for the first time with effect from that date without any adjustment being applied to comparative figures (see Note 5).

[4] Pursuant to IFRS 10 – Consolidated Financial Statements, the put option granted to the minority shareholders of Ctzar (covering all shares held by the latter, accounting for 49% of the company's share capital) is recognised in equity at its fair value at the acquisition date, i.e. €8.6 million. Of the €8.6 million, €0.2 million has been allocated to non-controlling interests (to neutralise their share of Ctzar's shareholders' equity at the acquisition date) and €8.4 million to the Group's consolidated reserves).

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, all amounts presented in the notes are expressed in millions of Euros.

1. Company information

The consolidated financial statements at 31 December 2018 of the Group of which Métropole Télévision is the parent company (the Group) were approved by the Executive Board on 18 February 2019 and reviewed by the Supervisory Board on 19 February 2019. They will be submitted for approval to the next Annual General Meeting on 25 April 2019.

Métropole Télévision is a public limited company governed by an Executive Board and a Supervisory Board, registered at 89, avenue Charles-de-Gaulle, Neuilly sur Seine in France. Its shares trade on compartment A of the Euronext Paris Stock Exchange (ISIN Code: FR0000053225). The Company is fully consolidated into RTL Group, which is listed on the Brussels, Luxembourg and Frankfurt stock exchanges.

2. Financial year highlights

- The first half of 2018 was notable for the renewal of M6 Group's distribution contracts with its main partners – Altice-SFR, Bouygues Telecom, Free, Canal+ Group and Orange. The agreements signed secure the broadcasting of pay-TV channels, mainly Paris Première and Téva, and provide revenue for the M6, W9 and 6ter channels and related services.
- On 15 June 2018, the Group announced its alliance with France Télévisions and TF1 to jointly build a French OTT platform: SALTO. This alliance between the three main content publishers on the market is born out of a desire to support the French public as usage patterns evolve. With the creation of SALTO, France Télévisions, M6 and TF1 intend to offer an ambitious response to the public's new expectations with a quality, innovative and easy to access service. This platform will offer an unrivalled variety of news (newscasts, magazines, special events), sports, entertainment, French drama, US series, documentaries and films. An independent company, owned in equal parts by the three groups, will be formed to operate the platform once the competent authorities have concluded their review.
- On 9 July 2018, M6 Web acquired 100% of Altima Hosting, which specialises in web hosting and managed IT services, to strengthen its Digital Services business based in Lille.
- On 26 July 2018, M6 Group announced that it had finalised the sale of 100% of monAlbumPhoto (including the Printic business, merged into monAlbumPhoto on 20 April 2018).
- On 31 August 2018, M6 Group, through its M6 Publicité advertising agency, acquired a majority (51%) stake in Ctzar, a pioneering influence marketing agency, and its international Sociaddict network of over 15,000 influencers.
- On 6 November 2018, M6 Group finalised the disposal of Football Club des Girondins de Bordeaux and its subsidiaries (Girondins division). In accordance with the provisions of IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, the Girondins division is presented as an operation sold in the consolidated statement of comprehensive income and in the consolidated cash flow statement for the 2018 and 2017 (restated) financial years (see Note 12).
- On 5 December 2018, the Group released animated movie "Asterix: The Secret of the Magic Potion", produced by M6 Studio and distributed by Société Nouvelle de Distribution, which sold over 3.9 million tickets.
- On 31 December 2018, M6 Group, through its subsidiary Home Shopping Service, acquired 50% of the share capital of Home Shopping Service Belgique from RTL Belgium, thus increasing its stake in the subsidiary to 100%.

3. Preparation and presentation of the consolidated financial statements

3.1 Accounting framework

The consolidated financial statements at 31 December 2018 have been prepared in accordance with the IFRS (International Financial Reporting Standards) in force within the European Union at that date. They are presented with comparative figures for 2017 prepared under the same framework.

The IFRS standards adopted by the European Union at 31 December 2018 are available in the section IAS/IFRS, SIC and IFRIC standards and interpretations adopted by the Commission on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

In relation to texts having an impact on M6 Group's consolidated financial statements, there were no differences between the texts approved by the European Union and the standards and interpretations published by the IASB.

Principles applied

The principles applied for the establishment of these financial statements result from the application of:

- all standards and interpretations adopted by the European Union, the application of which is mandatory for financial years starting on or after 1 January 2018;
- options retained and exemptions used.

New accounting standards, amendments and interpretations in force in the European Union, the application of which is mandatory for financial years starting on or after 1 January 2018

Adoption of IFRS 9 – *Financial Instruments*, IFRS 15 – *Revenue from Contracts with Customers* and clarifications to IFRS 15, applicable to periods beginning on or after 1 January 2018, affect the Group's accounting principles and policies.

The Group has opted to apply the modified retrospective method at 1 January 2018 and has recognised the cumulative impact on equity of first-time adoption of these standards at that date, without restating comparative information.

These changes are presented in greater detail in Note 5 *Changes in methods*.

Other standards and IFRS amendments applicable to the 2018 financial year had no material impact on the Group's consolidated financial statements at 31 December 2018:

- Amendments to IFRS 2 - *Share-based Payments Classification and Measurement of Share-Based Payment Transactions,* applicable to financial years starting on or after 1 January 2018;
- Annual improvements to IFRS (cycle 2014-2016), applicable to financial years starting on 1 January 2018 at the latest;
- IFRIC 22 – *Foreign Currency Transactions*, applicable to financial years starting on or after 1 January 2018;

Application of new standards prior to the date on which their application becomes mandatory

The Group has chosen not to apply in advance the following texts, the application of which is not mandatory until after 1 January 2018:

- IFRS 16 – *Leases*, applicable to financial years starting on or after 1 January 2019.

This new standard, approved by Regulation (EU) 2017/1986 of 31 October 2017 and published in the JOUE on 9 November 2017, replaces IAS 17 – *Leases* and the corresponding interpretations (IFRIC 4 – *Determining when an Arrangement Contains a Lease*, SIC 15 – *Operating Leases – Incentives* and SIC 27 – *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*).

The most significant change introduced by IFRS 16 is the removal of the distinction between an operating lease and a finance lease in the financial statements of lessees: the new standard treats all leases as finance leases. However, leases of 12 months or less at 1 January 2019 and leases where the underlying asset has a low value are not covered by these new provisions, and will thus be treated as operating leases (with a lease expense recognised in the income statement).

The expected key impacts on the consolidated financial statements are therefore as follows, for leases covered by the new standard where the Group is the lessee and which are currently classed as operating leases:

- an increase in "rights to use" (notably including initial measurement of the "lease liability") in balance sheet assets and an increase in "lease liabilities" (corresponding to the present value of lease payments not yet paid) in balance sheet liabilities;
- the removal of rental expenses and their replacement by amortisation expenses ("rights to use") and interest expenses (on "lease liabilities").

The Group has opted to apply the modified retrospective method at 1 January 2019 and will recognise the cumulative impact on equity of first-time adoption of this new standard at that date, without restating comparative information.

The consequences of the first-time application of IFRS 16 for the Group are currently being analysed. At Group level, the provisions of the new standards will notably have a material impact on property leases.

In this regard, liabilities under non-cancellable property leases totalled €55.9 million at 31 December 2018 (see Note 25).

- Amendments to IFRS 9 - *Financial Instruments: Prepayment Features with Negative Compensation*, applicable to financial years beginning on or after 1 January 2019;
- IFRIC 23 – *Uncertainty over Income Tax Treatments*, applicable to financial years beginning on or after 1 January 2019.

The Group does not expect any material impact from the first-time application of amendments to IFRS 9 and IFRIC 23 on its financial position or performance.

Standards published by the IASB but not yet approved by the European Union

The Group may be affected by:

- Amendments to IAS 28 - *Investments in Associates and Joint Ventures: Investments in Associates and Joint Ventures*, applicable to financial years beginning on or after 1 January 2019;
- Annual improvements to IFRS (cycle 2015-2017), applicable to financial years beginning on or after 1 January 2019;
- Amendment to IAS 19 - *Employee Benefits: Plan Amendment, Curtailment or Settlement* , applicable to financial years beginning on or after 1 January 2019;
- Amendments to IAS 1 and IAS 8 – *Definition of Material*, applicable to financial years beginning on or after 1 January 2020;
- Amendments to IFRS 3 – *Definition of a Business*, applicable to financial years beginning on or after 1 January 2020;
- IFRS 17 – *Insurance Contracts*, applicable to financial years beginning on or after 1 January 2021;

The impacts of the first-time application of these standards, which should not have any material impact on the Group's financial position or performance, is currently being assessed.

Options available and applied by the Group in relation to the accounting framework

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities. The options utilised by the Group are detailed in Note 3.5.

3.2 Preparation principles

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for derivative instruments, equity instruments and assets measured at fair value through the income statement, which have been measured at fair value. Other financial assets have been measured at amortised cost.

Except for derivatives measured at fair value, financial liabilities have been valued in accordance with the amortised cost principle. The book value of assets and liabilities recognised in the balance sheet and subject to a fair value hedge has been restated to reflect the movements in the fair value of the risks hedged against.

3.3 Use of estimates and assumptions

In order to prepare the consolidated financial statements in compliance with IFRS, Group Management makes estimates and formulates assumptions which affect the amounts presented as assets and liabilities on the consolidated balance sheet, the information provided on contingent assets and liabilities at the time of preparing this financial information, as well as the income and expenditure recognised in the income statement.

Management continually reviews its estimates and assumptions of the book value of asset and liability items, taking into account past experience as well as various other factors that it deems reasonable.

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; the estimation of the recoverable value of these assets effectively rests on the determination of cash flows resulting from their use (goodwill and audiovisual rights) or the known market value of the assets (notably the transfer fees of football players). It could turn out that the cash flows actually realised from these assets differ significantly from initial projections. In the same manner, the market value of assets, particularly sports club players, can change and differ from previously recognised values;
- the measurement, methods of usage and recoverable value of audiovisual rights recognised in inventories;
- the valuation of retirement benefits, the measurement methods of which are detailed in Note 4.14;
- the valuation of commercial discounts (Note 4.17);
- the determination of the amounts recognised as provisions for liabilities and charges given the uncertainties likely to affect the occurrence and cost of the events underlying the provisions.

3.4 Preparation principles

Presentation of the income statement

The Group presents the income statement based on the nature of expenses, as permitted by IAS 1 - *Presentation of Financial Statements*.

Operating profit is equal to consolidated net profit before taking into account:

- finance income;
- finance costs;
- income tax;
- share of profit of joint ventures and associates;
- net profit of operations sold.

Presentation of the statement of financial position

In compliance with IAS 1 - *Presentation of Financial Statements*, the Group presents current and non-current assets and liabilities separately on the balance sheet. Considering the nature of the Group's activities, this classification is based upon the timescale in which the asset will be realised or the liability settled: "current" when this is within the operating cycle (12 months) or less than one year, and "non-current" if longer.

Pursuant to IFRS 5 - *Non-Current Assets Held for Sale and Discontinued Operations*, assets and liabilities of operations held for sale are presented separately in the balance sheet.

Presentation of contingent assets and liabilities

Commitments given in respect of purchases of rights are stated net of advances and prepayments made in this regard for the corresponding rights not yet recognised in inventories.

3.5 Options retained in relation to measurement and recognition of assets and liabilities

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities.

Within this framework, the Group has opted for the valuation at historical cost of property, facilities and equipment and intangible assets, without revaluation at each balance sheet date.

4. Accounting principles, rules and methods

4.1 Preparation principles

Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the entity's financial and operating policies in order to derive benefits from its operations. Potential voting rights currently exercisable are taken into consideration to evidence the existence of control.

Companies exclusively controlled by Métropole Télévision are fully consolidated. Acquisitions or disposals of companies during an accounting period are taken into account in the consolidated financial statements from the date of taking control and until the date of effective loss of control. The full consolidation method implemented is that under which the assets, liabilities, income and expenses are entirely consolidated.

The proportion of net assets and net profit attributable to minority shareholders is presented separately as non-controlling interest in shareholders' equity in the consolidated balance sheet and in the consolidated income statement.

Joint ventures and associates

Joint ventures are jointly controlled entities (joint control is the shared control of a single entity operated jointly by a limited number of associates or shareholders, from whose agreement financial and operational decisions are made). They are accounted for under the equity method, in compliance with IFRS 11 - *Joint Arrangements*.

Associates are entities in which the Group has significant influence over the financial and operating policies, but does not control these policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights of an entity but a third party has exclusive control of this entity. They are accounted for under the equity method.

Joint ventures and associates are initially recognised at acquisition cost. The Group's shareholding includes goodwill identified upon the acquisition, net of cumulative impairment charges.

Under this method, the Group accounts for its share of net assets of the joint venture or associate in the balance sheet and records in the consolidated income statement, under a specific line item entitled "Share of profit/(loss) of joint ventures and associates", its share of the net income of the entity consolidated using the equity method.

Consolidated financial statements include the Group's share of total profit and loss and equity movements recognised by equity accounted companies, taking account of restatements necessary for accounting policies to comply with those of the Group, from the date on which joint control or significant influence is exercised and until joint control or significant influence ceases.

Pursuant to the provisions of IFRS 9 - *Financial Instruments*, the Group determines whether it is necessary to recognise any impairment loss with respect to its investment in a joint venture or an associate. Where necessary, the entire book value of the investment (including goodwill) is tested for impairment as a single asset, in accordance with IAS 36 - *Impairment of Assets*, 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.

Activities sold

An operation is qualified as discontinued or held for sale when it represents a separate major line of business for the Group and the criteria for classification as an asset held for sale have been met, or when the Group has sold the asset. Discontinued operations or operations held for sale are reported on a single line of the income statement for the periods reported, comprising the net profit of discontinued operations or operations held for sale until disposal and the gain or loss after tax on disposal or fair value measurement less the selling costs of the assets and liabilities of the discontinued operations or operations held for sale. In addition, cash flows generated by discontinued operations or operations held for sale are reported on a separate line of the consolidated statement of cash flows for the relevant periods.

Financial year end

All consolidated companies have a 31 December year-end.

4.2 Translation of financial statements of consolidated foreign entities

The presentation currency of the consolidated financial statements is the Euro.

The financial statements of foreign operations are translated into Euros, the Group's financial statement reporting currency. All assets and liabilities of the entities are translated at the closing exchange rate of the financial year and income and expenses are translated at the average rate of the year just ended, corresponding to the approximate rate at the transaction date in the absence of significant fluctuations. Translation adjustments resulting from this treatment and those resulting from the translation at the year-end rate of subsidiaries' opening equity are posted to "Other reserves" under consolidated equity and to "Change in value of translation adjustment" under other items of comprehensive income.

4.3 Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency (Euro) using the exchange rate prevailing at the date of the transaction, in application of IAS 21 – *Effects of Changes in Foreign Exchange Rates*.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. All differences are recorded in the income statement. Non-monetary items in foreign currencies which are valued at historical cost are translated at the exchange rate at the initial date of the transaction.

Exchange differences resulting from the conversion of assets and liabilities denominated in foreign currency arising from commercial transactions are accounted for in operating profit. For financial transactions, these same differences are accounted for in finance income and expense.

The treatment of foreign exchange hedges is detailed in Note 4.16.

4.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method on the acquisition date, which is the date control is transferred to the Group.

- In relation to acquisitions carried out since 1 January 2010, the Group applied revised IFRS 3 – *Business Combinations*, as well as revised IAS 27 – *Consolidated and Separate Financial Statements*.

Business combinations are now accounted for as follows:

- The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date,
- Investments that do not result in control over the company acquired (non-controlling interests) are measured either at fair value or at the non-controlling interests' proportionate share of the acquired company's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis;
- Acquisition-related costs are recognised in profit or loss as incurred;
- Potential restatements of the price of business combinations are measured at fair value on the acquisition date. After the acquisition date, the price restatement is measured at fair value at each balance sheet date;
- At any time after the first year following the acquisition date, any fair value change is recognised in profit or loss. Within this first-year timeframe, fair value changes explicitly related to events occurring after the acquisition date are also recognised in profit or loss. Other changes are offset against goodwill.
- In the case of business combinations under joint control, the Group has chosen the acquisition method in accordance with IFRS 3. This accounting method will be applied to all future business combinations under joint control in a consistent manner.
- On the acquisition date, goodwill is measured as the excess of:
- The fair value of the consideration transferred, increased by the value of non-controlling interests in the entity acquired and, within the framework of a staged business combination, the fair value on the acquisition date of the equity interest previously held by the acquirer in the entity acquired, thus restated through profit or loss, and
- Over the net value of the identifiable assets acquired, and the liabilities assumed on the acquisition date.
- Commitments to repurchase non-controlling interests, granted by the Group to minority shareholders, are recognised at their fair value under other financial liabilities and offset under equity. Under equity, these are deducted from non-controlling interests at the book value of the securities subject to the commitment, with the balance being deducted from the Group share of equity, pursuant to the provisions of IFRS 10 - *Consolidated Financial Statements*. Any subsequent change in the fair value of these financial liabilities is recognised in the income statement.
- When additional securities are acquired in an entity over which exclusive control is already being exercised, the excess of the acquisition price of the securities over the additional proportion of consolidated equity acquired is recognised under equity - Group share, with the consolidated value of identifiable assets and liabilities of the subsidiary, including goodwill, remaining unchanged.
- Pursuant to revised IAS 27 - *Consolidated and Separate Financial Statements,* acquisitions of non-controlling equity interests are accounted for as transactions with the owners of the entity, acting in this capacity, and consequently no goodwill is recognised following this type of transaction. Restatements of the value of non-controlling interests are measured based on the share of ownership of the subsidiary's net assets.
- Business combinations carried out between 1 January 2004 and 1 January 2010 remain accounted for in accordance with IFRS 3 – *Business Combinations*: Within this framework, goodwill represents the difference between the acquisition price, plus related expenses, of the shares of consolidated entities and the Group share of the fair value of their net assets, less any contingent liabilities at the date of investment. The evaluation period for this fair value may be up to 12 months following the acquisition. When the acquisition price, together with related expenses, is less than the fair value of the identified assets and liabilities and contingent liabilities acquired, the difference is immediately recognised in the income statement.
- Once allocated to each of the Cash Generating Units, goodwill is not amortised. It is subject to impairment tests from the point of indication of impairment, and as a minimum, once a year (see Note 4.7).
- In connection with its transition to IFRS in 2005, the Group adopted the option provided by IFRS 1 – *First-Time Adoption of IFRS* not to restate business combinations prior to 1 January 2004 which did not comply with the recommendations of IFRS 3 – *Business Combinations*.

Goodwill recorded prior to 1 January 2004 has been frozen at its book value at this date and will no longer be amortised as from this date.

Goodwill is valued at cost (on allocation of the price of the business combination), less cumulative impairment.

- As for equity-accounted companies, the book value of the goodwill is included in the book value of the shareholding. In case impairment is recognised, the full investment is written down, not only goodwill. This type of goodwill impairment may be reversed.

4.5 Other intangible assets

Intangible assets principally comprise:

- advances and prepayments for non-current assets;

▪ audiovisual rights held for commercialisation by companies with such a mandate;

▪ acquisition costs of sports club players (for the balances reported at 31 December 2017);

▪ production and co-production share of drama and feature films and other programmes;

▪ computer software and e-business websites;

▪ licences;

▪ brands.

Advances and prepayments for non-current assets

Advances and prepayments comprise:

▪ audiovisual rights not yet open held with a view to their commercialisation;

▪ co-production rights awaiting receipt of technical acceptance or commercialisation visa.

Audiovisual rights

Audiovisual rights, comprising rights to films for cinema distribution, as well as television and videographic rights, purchased with or without a minimum guarantee, in view of their commercialisation (distribution, trading), produced or co-produced, are classified as an intangible asset in compliance with IAS 38 *Intangible Assets* and amendment to *IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation*.

The amortisation method of an asset should reflect the pattern according to which the benefits generated by the asset are used. The presumption that an amortisation method which depends on the income generated by an asset is not appropriate is refuted in the case of audiovisual and co-production rights, given the very close correlation between revenue and the usage of the economic benefits of these rights.

That is why audiovisual rights:

▪ are amortised to match the net revenue generated as a percentage of total estimated net revenue, with the amortisation periods being consistent with industry practices and corresponding to the timeframe during which audiovisual rights are most likely to generate revenue and cash flow;

▪ are subject, in accordance with IAS 36 - *Impairment of Assets* (see Note 4.7), to an impairment test, which could lead to the recognition of impairment should the book value of the right exceed its recoverable value.

Co-production of feature films, drama and other

Co-production costs are also capitalised as audiovisual rights and are amortised as revenue is generated. In the case that revenue is insufficient in light of the book value of the production, the full shortfall is immediately amortised.

In application of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the Centre National du Cinéma et de l'Image Animée (CNC) are accounted for as a reduction in the acquisition cost of financed co-production assets, and are consequently accounted for in the income statement according to the pattern of consumption of the expected economic benefits of the co-productions as previously defined.

Computer software and e-business websites

Computer software purchased or internally developed is reported at acquisition or production cost and amortised on a straight-line basis over its period of use, which does not exceed seven years.

Under IAS 38 - *Intangible Assets*, development costs of websites must be capitalised as intangible assets from the time the Company can demonstrate the following:

▪ its intention and financial and technical capacity to complete the development project;

▪ the likelihood that future economic benefits attributable to the development costs will flow to the company;

▪ and the cost of this asset can be reliably measured.

Licences

Licences are recognised at acquisition cost. With the exception of the RTL licences contributed by RTL France Radio, as well as the RTL2 and Fun Radio licences recognised as part of the allocation of the acquisition cost of RTL Group’s Radio Division, the licences have a finite useful life, and are therefore amortised.

The licences contributed by RTL France Radio, RTL2 and Fun Radio correspond to rights relating to authorisation to use the radio-electric frequencies for France that relate to the three radio stations, which are issued by the Conseil Supérieur de l'Audiovisuel. These licences have an indefinite useful life to the extent that there is no foreseeable limit to the period during which they will generate net cash inflows for the company that holds them. Accordingly, these licences are not amortised, and their book value will be measured every year in accordance with IAS 36 - *Impairment of Assets*.

Brands

Only the brands that are separable and well known are recognised as assets in the case of business combinations and the resulting allocation of the acquisition price.

Acquired brands are initially recognised at their fair value, which is estimated on the basis of the methods normally used to measure brands.

When such brands have a finite useful life, i.e. they are expected to be no longer usable at the end of a determined period, they are amortised on a straight-line basis over their useful lives.

Brands are tested for impairment in accordance with IAS 36 – *Impairment of Assets.*

4.6 Property, facilities and equipment

Property, facilities and equipment are recorded at their acquisition cost, reduced by accumulated depreciation and impairment provisions, according to the treatment specified by IAS 16 – *Property, Plant & Equipment.* This cost includes costs directly attributable to the transfer of the asset to its place of operation and its adaptation to operate in the manner anticipated by Management.

Depreciation

Depreciation is calculated in line with the pattern of consumption of the expected economic benefits of each individual asset, based on its acquisition cost, less its residual value.

The straight-line method is applied over the following useful lives:

Buildings	10 to 25 years
General purpose facilities, office furniture	10 years
Computer hardware	3 to 4 years
Office and technical equipment	3 to 6 years

Residual value

The residual value of an asset is the estimated amount that the Group would obtain from disposal of the asset at the end of its useful life, after deducting the estimated costs of disposal.

The residual value of an asset may increase to an amount equal to or greater than the asset's book value. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's book value.

Impairment losses

Property, facilities and equipment are subject to impairment tests when indications of a loss of value are identified. Should this be the case, an impairment loss is recorded in the income statement under the caption "Net depreciation, amortisation and provision charges".

Finance leases

Assets acquired through finance leases are capitalised when virtually all risks and rewards of ownership of these assets have effectively been transferred to the Group. On their initial recognition in the balance sheet, they are recorded at the lower of their fair value and the discounted value of minimum lease payments. At year-end, they are recognised at their initial value reduced by accumulated depreciation and impairment.

These assets are depreciated over the shorter of the duration of the lease and their estimated useful lives.

Leases for which the risks and rewards are not transferred to the Group are classified as operating leases. Operating lease payments are accounted for as expenses on a straight-line basis over the duration of the lease.

The accounting principles set out above will cease to apply with effect from 1 January 2019, when they will be superseded by the provisions of IFRS 16 – *Leases* (see Note 3.1).

4.7 Impairment of assets

According to IAS 36 – *Impairment of assets*, the recoverable value of intangible assets and property, facilities and equipment is tested at the appearance of indications of impairment.

The recoverable value of unamortised intangible assets is tested at the appearance of indications of impairment, and at least once a year.

The recoverable value is determined on an asset by asset basis, unless the asset in question does not generate cash flows that are largely independent of those generated by other assets or groups of assets. These assets connected at operational and cash flow generation levels constitute a Cash Generating Unit ("CGU").

A CGU is the smallest group of assets, which includes the asset and which generates cash flows that are largely independent of other assets or groups of assets.

In this case, the recoverable value of the CGU is subject to an impairment test.

- Audiovisual rights recognised as intangible assets are monitored on an individual basis.
- Goodwill and intangible assets to which it is not possible to directly match independent cash flows are grouped together, at the time they are first recorded, into the Cash Generating Unit to which they belong.

Impairment is recognised when, as a result of specific events or circumstances arising during the period (internal or external criteria), the recoverable value of the asset or group of assets falls below its net book value.

The recoverable value is the higher of fair value, net of disposal costs, and value in use.

The value in use retained by the Group corresponds to the discounted cash flows of the CGU, including goodwill, and is determined within the framework of the economic assumptions and operating conditions, as provisionally established by the Management of Métropole Télévision, in the following manner:

- future cash flows stem from the medium-term business plan (5 years) drawn up by the Management;
- beyond this timescale, the cash flows are extrapolated by application of a perpetual growth rate appropriate to the potential development of the markets in which the entity concerned operates, as well as the competitive position held by the entity within these markets;
- the discount rate applied to the cash flows is determined using the rates which are most appropriate to the nature of the operations and the country. It takes into account the time value of money and risks specific to the CGU for which cash flows have not been adjusted.

Impairment recognised in respect of a cash generating unit (or group of units) is allocated firstly to reducing the book value of any goodwill associated with the cash generating unit, and subsequently to the book value of other assets of the unit (or group of units), proportionally to the book value of each asset of the unit (or group of units). Where the book value of goodwill and other non-current assets of the cash generating unit is insufficient, a provision may be recognised for the amount of unallocated loss.

Impairment recognised in respect of goodwill may not be reversed. As for other assets, the Group assesses at each balance sheet date if there is any indication that impairment recognised in previous financial years has decreased or no longer exists. Impairment is reversed if a change has occurred in estimates used to measure the recoverable value.

The book value of an asset, increased by an impairment reversal, may not exceed the book value which would have been measured, net of amortisation and depreciation charges, if no impairment had been recognised.

4.8 Equity instruments measured at fair value, other financial assets and financial liabilities

Fair value

The fair value is determined by reference to a quoted price in an active market where such a market price exists. Failing that, it is calculated using a recognised valuation technique such as the fair value of a similar and recent transaction or the discounting of future cash flows, based on market data. However, the fair value of short-term financial assets and liabilities can be deemed to be similar to their balance sheet value due to the short maturity of these instruments.

Financial assets

- In accordance with the recommendations of IFRS 9 - *Financial Instruments*, the shares of non-consolidated (either via full consolidation or using the equity method) companies belong to the equity instrument category. They are initially recognised at fair value, corresponding to their original acquisition cost, and are then revalued at fair value, either through profit and loss or items of other comprehensive income, depending on their initial classification. Loans and receivables, as well as other financial assets, are measured at fair value and then revalued at their amortised cost.
- Financial assets at fair value through profit or loss comprise:
- assets that are regarded as held for trading, which comprise assets that the company intends to sell in the short term in order to realise a capital gain, which are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking (mainly cash and cash equivalents and other cash management financial assets);
- assets explicitly designated by the Group upon initial recognition as financial instruments, the changes in fair value of which are recognised in profit or loss. This designation is used when such use results in the provision of better quality financial information and enhances the consistency of the financial statements.
- The following assets are tested for impairment at each period end:
- loans and receivables issued by the entity and other financial assets: when there is an objective indication of impairment, the amount of the impairment loss is recognised in profit or loss;
- Equity instruments measured at fair value through profit and loss: when there is an objective indication of impairment, the amount of the impairment loss is recognised in profit or loss;
- Equity instruments measured at fair value through equity: unrealised gains and losses on equity instruments are recognised as other items of comprehensive income until the sale, collection or exit of the financial asset on any other ground or where there is an objective indication that all or part of the value of the financial asset has been impaired. The cumulative gain or loss, which had so far been recognised under other items of comprehensive income, is transferred to the income statement on that date.
- Impairment is evidenced in the case the following conditions are met simultaneously:
- the Group share of equity or an objective estimate (i.e. from experts or resulting from a transaction or planned transaction) results in a value which is less than the value of the securities;
- a business plan or other objective information demonstrates the inability of the entity in which the Group holds an equity investment to create value through the generation of cash inflows.

Financial liabilities

Financial debt is measured at amortised cost in accordance with the effective interest rate method, and primarily consists of a bond issue and similar debt, including revolving credit facilities arranged with banks.

Financial liabilities at fair value through profit or loss correspond to commitments to buy out non-controlling interests given to minority shareholders of companies controlled by the Group.

Other financial liabilities are valued at amortised cost, with the exception of derivative financial instruments which are valued at fair value.

Derivative instruments relating to cash flow hedges are valued at fair value at each balance sheet date, and the change in the fair value of the ineffective portion of the hedge is recognised in the income statement and the change in the fair value of the effective portion of the hedge in other items of comprehensive income.

4.9 Income tax

Income tax includes current tax and deferred tax charges. Tax is recognised against profit and loss except where it relates to items directly recognised as other items of comprehensive income or under equity, in which case it is recognised under equity as other items of comprehensive income or under equity.

Current tax is the estimated amount of income tax payable in respect of the taxable income of a period, measured using taxation rates adopted or virtually adopted at the balance sheet date, before any adjustment of current tax payable in respect of previous periods.

Since the 2010 financial year, pursuant to the provisions of IAS 12 - *Income Taxes*, the Group has reclassified the CVAE tax as income tax.

Deferred tax is measured and recognised according to the liability method balance sheet approach for all temporary differences between the book value of assets and liabilities and their tax base.

As such, a deferred tax asset is recognised when the tax base value is greater than the book value (expected future tax saving); a deferred tax liability is recognised when the tax base value is lower than the book value (expected future tax charge).

However, the following items do not give rise to the recognition of deferred tax:

- the initial recognition of an asset or liability as part of a transaction that is not a business combination and that affects neither book profit nor taxable profit;
- temporary differences, to the extent that they may not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset. Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset.

Recognised deferred tax assets reflect the best estimate of the schedule of taxable temporary difference reversal and realisation of future taxable profits in the tax jurisdictions concerned. These future taxable profit forecasts are consistent with business and profitability assumptions used in budgets and plans and other forecast data used to value other balance sheet items.

Deferred tax assets and liabilities are valued at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax regulations that have been adopted or virtually adopted at the balance sheet date.

In accordance with IAS 12 - *Income Taxes*, deferred tax assets and liabilities are not discounted and are offset if a legally enforceable right to offset current tax assets and liabilities exists and if it concerns income tax collected by the same tax authority, either from the same taxable entity or from different taxable entities, which intend to settle current tax assets and liabilities based on their net value or to realise the assets and pay the tax liabilities at the same time.

4.10 Inventories

Inventories consist of programmes, broadcasting rights and merchandise inventories.

Programmes and broadcasting rights

In compliance with IAS 2 - *Inventories*, programmes and broadcasting rights are recorded in inventory at the date the rights are open.

Rights which are not open and not yet billed are classified as off-balance sheet commitments.

The billed portion of rights not open is recognised in advances and prepayments.

Programmes and broadcasting rights are valued at their acquisition costs, reduced at each year end by the amount consumed, as calculated according to the following methods.

Métropole Télévision programmes, which constitute the predominant part of the Group’s broadcasting rights inventories, are considered to be utilised when broadcast, in accordance with the following rules:

- rights acquired for a single broadcast and various rights (documentaries, concerts, sporting events, etc.): 100% expensed on first broadcast;
- rights acquired for multi-broadcasts:
- 1st broadcast 66%.
- 2nd broadcast 34%.

Different amortisation schedules may be considered in highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

On the other hand, a writedown provision is established for broadcasting rights relating to programmes that are not likely to be broadcast or whose expected economic benefits turns out to be lower than the book value, on the basis of a review, title by title, of the portfolio of broadcasting rights.

Other inventories

Other inventories comprise products and goods relating to the brand diversification activities of the Group. These inventories are valued at the lower of their acquisition cost and their net realisable value, which corresponds to the estimated sales price, net of estimated costs necessary to realise their sale.

A writedown provision is established whenever their net realisable value is less than their acquisition cost, measured on a case by case basis (slow rotation, inventories for reimbursement, returns, etc.).

4.11 Operating receivables

If the maturity date is less than one year and the effects of discounting are not significant, receivables are measured at cost (nominal amount of the receivable). Conversely, receivables are measured at amortised cost, using the effective rate of interest, when their maturity date exceeds one year and the effects of discounting are significant.

Furthermore, operating receivables are impaired to reflect the best estimate of expected credit losses over their lives. Impairment losses are no longer recognised at the date of occurrence of events casting doubt on the recoverability of the corresponding assets; rather, they are recognised upon initial recognition of the assets. Initial and subsequent measurements of expected credit losses are based, individually or collectively, on probabilistic weightings that take into account, in particular, the age of receivables, past events and the current and future economic environment Adjustments to the value of operating receivables in respect of expected credit losses over their lives are reviewed at each balance sheet date. Any resulting changes are recognised in net profit for the period.

4.12 Treasury shares

Treasury shares are recorded as a reduction to shareholders' equity at their purchase cost.

When future contracts are entered into to purchase treasury shares at a given price and on a given date, the commitment is reflected by the recognition of a financial liability representative of the discounted buyback value and offset against equity. Subsequent variations in the value of this financial liability are recognised under finance income and expense.

On the disposal of treasury shares, gains and losses are recorded in consolidated reserves, net of tax.

4.13 Share-based payments

Since 2009, M6 Group has been implementing free share allocation plans for the benefit of its personnel (see Note 8). In compliance with IFRS 2 - *Share-Based Payments*, personnel remuneration items paid in equity instruments are recognised as personnel costs in the income statement and offset against equity.

The total initial cost is estimated to be the market value of the M6 share on the date of allocation less dividends expected during the vesting period. This cost is posted to the income statement and spread over the same vesting period.

4.14 Retirement benefits and other employee benefits

Retirement benefits

The Group has retirement benefit commitments under defined benefit plans.

A defined benefit plan is a post-employment benefit plan under which payments made to a distinct entity do not discharge the employer from its obligation to pay additional contributions.

The Group's net obligation in respect of defined benefit plans is measured using the value of future benefits acquired by personnel in exchange of services rendered during the current and previous periods. This amount is discounted to measure its present value. The discount rate is equal to the interest rate, at the balance sheet date, of top-rated bonds with a maturity date close to that of the Group's commitments and denominated in the same currency as that used to pay out benefits.

Calculations are carried out every year by a qualified actuary using the projected unit credit method.

The Group immediately recognises against other items of comprehensive income all actuarial differences arising in respect of defined benefit plans.

Severance pay

Severance pay is recognised as an expense when the Group is obviously committed, with no real possibility to retract and as part of individually-negotiated terms, to a formal and detailed redundancy plan before the normal retirement age.

Short-term benefits

Obligations arising from short-term benefits are measured on a non-discounted basis and recognised as corresponding services are rendered.

A liability is recognised for the amount the Group expects to pay in respect of employee profit-sharing plans and for bonuses paid in short-term cash when the Group has an actual obligation, legal or constructive, to make these payments as consideration for past services rendered by personnel and this obligation may be reliably assessed.

4.15 Provisions

In compliance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources embodying economic benefits will be required, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised under provisions is the best estimate of the cash outflow necessary to settle the present obligation at the balance sheet date.

In the event this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

Provisions are predominantly intended to cover probable costs of trials or litigation in process, of which the trigger event existed at the balance sheet date.

4.16 Derivative financial instruments

M6 Group is principally exposed to foreign exchange rate risk when purchasing broadcasting rights in a foreign currency. In order to protect itself from foreign currency exchange risk, the Group uses simple derivative instruments guaranteeing it a hedged amount and a maximum exchange rate for this hedged amount.

The Group's use of derivative instruments is with the sole aim of hedging commitments arising from its activity. and never for a speculative purpose.

Determination of fair value

In accordance with IFRS 7 - *Financial Instruments: Disclosures,* and IFRS 9 - *Financial Instruments*, derivative financial instruments are measured at fair value, based on a valuation carried out by a third party derived from observable market data. The fair value of foreign currency purchase contracts is therefore calculated with reference to a standard forward exchange rate for contracts with similar maturity profiles. The fair value of interest rate swaps is determined with reference to the market values of similar instruments.

Financial instruments qualifying as hedges

The Group has decided to apply hedge accounting to the majority of its derivative instruments in order to reduce the impact on profit of hedges implemented.

At 1 January 2018, when IFRS 9 entered into force, the Group opted to continue to apply the provisions of IAS 39 on hedge accounting.

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 recognised in finance income/expense.

For all other cash flow hedges, the amounts taken directly to other items of comprehensive income are transferred to the income statement for the year in which the forecast transaction or firm commitment affects the income statement.

Financial instruments not qualifying as hedges

Certain financial instruments are not treated as hedges according to the definition of IFRS 9 - *Financial Instruments*, despite effectively being hedge instruments used to manage economic risks. Gains and losses resulting from the revaluation of financial instruments which may not be accounted for as hedges are recognised in the income statement of the period.

4.17 Other revenues

The Group adopted IFRS 15 – *Revenue from Contracts with Customers* for the first time on 1 January 2018.

The fundamental principle of the new standard is that revenue recognition must reflect the transfer of promised goods and services to customers in an amount that reflects the consideration to which the seller expects to be entitled.

The transfer of goods and services must reflect the transfer of control to the customer. This may happen at a given date (e.g. when goods are delivered) or over a given period (e.g. as and when a service is provided or an asset is constructed).

With this guideline being established, the new standard identifies five steps for the recognition of revenue:

- *Identification of contract(s) with a customer*

Under the new standard, a contract is an agreement between two or more parties that creates enforceable rights and obligations.

The standard also specifies the conditions under which multiple contracts must be combined and recognised as a single contract, as well as how contract modifications should be recognised (as a separate contract or a modification to the original contract).

- *Identification of the various separate performance obligations in the contract*

A performance obligation is a promise to provide the customer with a good or service (or a bundle of goods or services) considered distinct from other goods or services promised under the contract.

The standard specifies the criteria that must be met in order for a promise to transfer goods or services to be considered distinct.

This step of identifying the performance obligations in a contract is very important insofar as it affects in particular how the transaction price is allocated to the various performance obligations, as well as when contract revenue is recognised, with different performance obligations potentially being satisfied at different times.

- *Determination of the transaction price*

The transaction price is the amount of consideration (including variable and non-cash consideration) to which the seller expects to be entitled in exchange for transferring promised goods or services to a customer.

- *Allocation of the transaction price to the various performance obligations in the contract*

The aim here is to allocate to each distinct performance obligation an amount that reflects the amount of consideration to which the seller expects to be entitled in exchange for transferring the promised goods or services to the customer.

Generally speaking, this allocation should be based on standalone selling prices for each distinct good or service.

- *Recognition of revenue when (or as) the entity satisfies a performance obligation.*

In the vast majority of cases, the seller must recognise revenue when (or as) it satisfies a performance obligation by transferring the promised good or service to the customer.

Revenue is thus recognised either at a given date or over a given period.

More specifically, the general revenue recognition principles per activity are as follows:

- advertising revenues are recorded as the advertisements and commercials which are the subject of the sale are broadcast; revenue is recognised net of commercial rebates in accordance with the general and special terms and conditions, which results in the issuance of current and year-end credit notes;
- remuneration of digital channels granted by cable and satellite broadcast operators that broadcast them are calculated on a per subscription basis or at an annual set price;
- diversification activities revenues are recognised on the provision of the service or delivery of the products; they are recognised net of provisions for returns. Where the Group acts as an agent instead of a principal in a transaction, recognised revenue corresponds to the net value of commissions received by the Group;
- sales of audiovisual rights are recognised at the opening date of the rights, essentially within the framework of television sales; other sales (cinema, video) are recognised on admission or on delivery of the material. In the latter case (licences with fees based on sales or usage), there may thus be a difference between the point at which the performance obligation is satisfied (e.g. when the right to sell cinema tickets begins) and the point at which revenue is recognised (e.g. as entry tickets are sold by the cinema operator). However, the effects of such timing differences are not material and therefore do not require a special mention in the notes to the consolidated financial statements;
- sports revenues generated by Football Club des Girondins de Bordeaux until the date of its disposal by the Group, such as broadcasting rights paid by the organisers of competitions, are recognised as the sports season progresses, with the exception of premiums relating to future ranking which are recognised at the date on which the ranking is acquired.

4.18 Earnings per share

In accordance with the recommendations of IAS 33 - *Earnings Per Share,* basic earnings per share is determined by dividing the net profit attributable to Group shareholders by the weighted average number of ordinary shares outstanding during the period.

The dilutive effect of non-vested stock option plans and free share allocation plans to be settled by the delivery of shares and in the process of being acquired is reflected in the calculation of diluted earnings per share.

Diluted earnings per share is calculated using net profit attributable to equity holders of the parent company and the weighted average number of outstanding shares, restated for the effects of all potentially dilutive ordinary shares.

The number of shares having a dilutive effect is determined on a plan by plan basis. This number is calculated by comparing the issue price of options or shares granted and the market value of the share during the period. The issue price corresponds, in the case of free shares, to the fair value of services still to be provided, and, in the case of subscription options, to the exercise price of options increased by the fair value of services still to be provided.

4.19 Cash and cash equivalents

Cash comprises cash in hand in the bank current account and demand deposits.

Cash equivalents are liquid investments, readily convertible into a known amount of cash, subject to an insignificant risk of change in value, with a maturity of less than 3 months.

In this respect, the FCP mutual funds held by the Group are exposed to a very limited rate risk and their volatility over 12 months is very close to that of EONIA. They are therefore recognised as cash equivalents.

4.20 Cash flow statement

The table presents actual cash flows relating to the operations of the entities within the scope of consolidation at the year end. It has been established in compliance with IAS 7 - *Statement of Cash Flows.*

Cash flow from operating activities

Movements in inventories and receivables are calculated net of movements in provisions against current assets.

In addition, in order to highlight the effect of taxation on the movement in cash, the tax expense is removed from the self-financing capacity, and the movement in the tax liability is removed from the change in working capital requirements (WCR). The disbursement for taxation is thus isolated as a specific line item.

Cash flow from investment activities

The effects on cash of adjustments to the consolidation scope resulting from acquisitions and disposals of entities (other than discontinuing operations) are identified on the lines “Cash and cash equivalents arising from subsidiary acquisitions” and “Cash and cash equivalents arising from subsidiary disposals”.

Operations held for sale / sold

The effects on the Group’s cash of operations sold are shown on a separate line in the cash flow statement, “Cash flow linked to operations sold”.

5. Changes in methods

IFRS 15

The Group adopted IFRS 15 – *Revenue from Contracts with Customers* for the first time on 1 January 2018. The later replaces IAS 11 - *Construction Contracts* and IAS 18 - *Revenue*, as well as the corresponding IFRIC 13 - *Customer Loyalty Programmes*, IFRIC 15 - *Agreements for the Construction of Real Estate*, IFRIC 18 - *Transfers of Assets from Customers*, and SIC 31 - *Revenue – Barter Transactions Involving Advertising Services* interpretations.

Application of these new provisions has not had a material impact on recognition of the Group's revenue. More specifically, the general revenue recognition principles per activity are unchanged (see Note 4.17).

The main change introduced by the new standard in the case of the Group's businesses concerns the sale of content, and specifically the income relating to licences. The issue here is to determine whether this income consists in granting customers rights to access the intellectual property as it exists throughout the period covered by the licenses, or rather rights to use the intellectual property as it exists at the exact time when the licences are granted. In the first case, the revenues are spread over the term of the licences granted (recognition over time), whereas in the second case, the revenues are recognised in full at the date when the licences are granted (recognition at a point in time).

This key change for the Group mainly affects licences granted in connection with the merchandising business and promotional campaigns of M6 Créations, as well as the endorsement business of M6 Interactions, for which associated revenue was previously recognised in full at the date on which the licence was granted, whereas it is now spread over the period of the licence.

The Group has chosen to apply the new standard retrospectively only to contracts that have not been completed at 1 January 2018, and to recognise the cumulative effect of the initial application at the first application date as an adjustment to the opening balance of retained reserves at 1 January 2018.

The resulting €0.2 million decrease in opening consolidated equity at 1 January 2018, reflecting the net impact of the new rules on the timing and rate of recognition of licence revenue, is broken down as follows:

	Impacts of IFRS 15
Revenue	(1.1)
Materials and other operating expenses	0.8
Income tax	0.1
EQUITY - OPENING BALANCE	**(0.2)**

For financial year 2018, the impacts of the change of revenue recognition method on key items in the consolidated income statement are as follows:

	31/12/2018	**Impacts of IFRS 15**	**31/12/2018 IAS 18**
Revenue	1,421.4	0.2	1,421.6
Materials and other operating expenses	(711.0)	(0.1)	(711.1)
Income tax	(97.4)	0.0	(97.4)
NET PROFIT FOR THE YEAR	**181.8**	**0.0**	**181.8**

Furthermore, the breakdown of revenue by type is as follows (€ millions):

	31/12/2018	**31/12/2017 Restated**	**31/12/2017 Published**
Advertising revenue	1,067.1	948.0	948.0
Non-advertising revenue	354.3	376.5	439.3
Total revenue	1,421.4	1,324.5	1,387.3

IFRS 9

The Group also adopted IFRS 9 – *Financial Instruments* for the first time on 1 January 2018. The latter replaces IAS 39 – *Financial Instruments: Recognition and Measurement*.

IFRS 9 notably introduces a single classification approach for all financial assets, either at amortised cost or at fair value (through other comprehensive income or net profit) depending on the entity's business model for managing financial assets and the characteristics of cash flows arising from financial assets. However, the new standard does not result in any major changes in respect of financial liabilities, the vast majority of which will continue to be classified as being subsequently measured at amortised cost.

IFRS 9 also introduces a new impairment model for financial instruments. In particular, this means expected credit losses on financial instruments will be recognised as soon as the instruments themselves are recognised.

The provisions of the new standard on the classification, measurement and impairment of financial instruments have been retrospectively applied by the Group with effect from 1 January 2018, without restating comparative information.

Since the new rules on impairment of financial instruments introduced by IFRS 9 have no impact on the Group, the main effect is that financial assets previously recorded in the consolidated statement of financial position under “Available-for-sale financial assets”, in accordance with IAS 39, will henceforth be recorded under “Equity instruments measured at fair value”:

At 31 December 2017	**IAS 39**	**IFRS 9**
Financial assets available for sale	13.9	
Equity instruments measured at fair value through profit and loss		*4.4*
Equity instruments measured at fair value through equity		*9.5*
Equity instruments measured at fair value		13.9

6. Business combinations / Changes in the scope of consolidation

6.1 Acquisitions during the financial year

Altima Hosting (renamed M6 Hosting)

On 9 July 2018, M6 Web acquired 100% of Altima Hosting, which specialises in web hosting and managed IT services, to strengthen its Digital Services business based in Lille.

This acquisition was recognised as a business combination within the meaning of IFRS 3 revised and generated provisional goodwill of €2.4 million.

Over the 2018 financial year, Altima Hosting’s contribution to Group consolidated revenue was €0.6 million. Its contribution to Group profit from recurring operations (EBITA) was €0.2 million.

Ctzar and Sociaddict

On 31 August 2018, M6 Group, through its M6 Publicité advertising agency, acquired a majority (51%) stake in Ctzar, a pioneering influence marketing agency, and its international network Sociaddict. In completing the transaction, the parties entered into commitments to buy and sell the remaining 49% of the company held by minority shareholders.

This acquisition was recognised as a business combination within the meaning of IFRS 3 revised and generated provisional goodwill of €4.9 million.

Over the 2018 financial year, Ctzar and Sociaddict ’s contribution to Group consolidated revenue was €0.7 million. Their contribution to Group profit from recurring operations (EBITA) was a loss of €0.2 million.

Home Shopping Service Belgique

On 31 December 2018, M6 Group, through its subsidiary Home Shopping Service, acquired 50% of the share capital of Home Shopping Service Belgique from RTL Belgium, thus increasing its stake in the subsidiary to 100%.

The total cost of acquisitions in the year was €6.8 million, of which €0.8 million arose from estimated earn-outs at 31 December 2018.

6.2 Follow-up on acquisitions carried out in 2017

RTL’s French Radio Division

On 1 October 2017, M6 Group finalised the acquisition via its Métropole Télévision subsidiary of 100% of the capital of the companies RTL France Radio, Ediradio, Information et Diffusion, SCP RTL, SERC, SODERA, IP France, IP Régions, RTL net and RTL Spécial Marketing, together with their subsidiaries, which make up the RTL Group’s French Radio Division. As part of the transaction, Métropole Télévision also purchased the shares in Médiamétrie held by Bayard d'Antin (which represent a 2.7% interest).

With effect from 1 January 2018, the Group also consolidated all subsidiaries of the RTL2 and Fun Radio networks.

The final acquisition cost at 31 December 2018 was €193.7 million.

This jointly controlled acquisition has been treated as a business combination in accordance with revised IFRS 3.

The final allocation of the acquisition cost of companies in the Radio division is analysed as follows:

	31/12/2018
Acquisition cost	**193.7**
Of which financial assets available for sale	1.0
Restated net book value of assets acquired	**53.1**
Licences	31.1
Relationships with advertisers	11.0
Brands	4.5
Deferred tax liabilities	(12.2)
Fair value adjustment of assets acquired and liabilities assumed	**34.4**
GOODWILL	**105.2**

Licences valued at €31.1 million arising from allocation of the acquisition cost correspond to FM licences for the RTL2 and Fun Radio networks (authorisations to use frequencies granted by the Conseil Supérieur de l’Audiovisuel to operate a frequency modulation radio service). They are measured based on the value used for the RTL licences contributed by RTL France Radio and, like the latter, have an indefinite life.

Relationships with advertisers valued at €11.0 million reflect the fair value of the portfolio of RTL, RTL2 and Fun Radio advertising clients at the acquisition date. They are measured using the excess earnings method and had residual lives of between 12 and 19 months at the acquisition date.

The €4.5 million "Brands" item corresponds to the Fun Radio brand, measured using the royalties method. Given its positioning, brand awareness and history, it also has an indefinite life.

Fidélité Films

The Group had acquired the entire capital of Fidélités Films during the 2017 financial year. The final goodwill amounted to €1.6 million at 31 December 2018.

6.3 Disposals during the financial year

- On 26 July 2018, M6 Group announced the finalisation of the sale of the entire capital of monAlbumPhoto.

The selling price, net of associated costs, and the capital gain on disposal, recognised in the income statement under "Capital gains on disposals of subsidiaries", totalled €39.2 million and €12.3 million respectively.

Given its non-materiality at Group level, the contribution made by the divested business up to the date of its disposal is included in each item of the Group's consolidated statement of comprehensive income to 31 December 2018. In 2018, monAlbumPhoto contributed €12.9 million to consolidated Group revenue (with no impact on profit from recurring operations).

- On 6 November 2018, the Group finalised the disposal of Football Club des Girondins de Bordeaux and all its subsidiaries. In accordance with the provisions of IFRS 5 – *Non-current assets held for sale and discontinued operations*, the Girondins division is presented as an operation sold in the consolidated statement of comprehensive income and in the consolidated cash flow statement for the 2018 and 2017 (restated) financial years (see Note 12).

6.4 Other changes in the scope of consolidation

The Group's scope of consolidation also changed as follows in financial year 2018 (transactions effective at 1 January 2018):

- consolidation of the French subsidiaries of the RTL2 and Fun Radio networks (these companies correspond to the two stations' local radio stations);
- merger of RTL Net into M6 Web;
- merger of Ediradio into Métropole Télévision;
- merger of RTL Special Marketing into M6 Interactions;
- merger of IP France, IP Régions and Mediapanel into M6 Publicité;
- merger of Parisonair into M6 Événements;
- merger of Printic into monAlbumPhoto;

Furthermore:

- on 5 March 2018, Mandarin Cinéma became SNC Catalogue MC;
- on 5 March 2018, Fidélité Films became SNC Audiovisuel FF;
- on 26 June 2018, M6 Talents became M6 Distribution;
- on 10 September 2018, M6 Divertissements became Joikka;
- on 22 October 2018, Métropole Télévision transferred the entire share capital of M6 Distribution to M6 Web;
- on 28 December 2018, SNC Catalogue MC, SNC Audiovisuel FF and SNC were transferred to Société Nouvelle de Distribution by Métropole Télévision;
- on 28 December 2018, SNDA was transferred by Société Nouvelle de Distribution to Métropole Télévision;
- on 31 December 2018, Home Shopping Service (H.S.S.) acquired the remaining 50% of the share capital of H.S.S. Belgique, which is thus fully consolidated in the Group's consolidated financial statements with effect from that date.

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.

Over recent years, M6 Group has adapted its operational structure according to the markets in which it carries out its different activities.

With the acquisition of RTL Group's French Radio Division in the 2017 financial year, the Group has added a new operating segment to its segment reporting.

Likewise, in 2018 M6 Group has adapted its operational organisation following the merging of the teams in charge of the live and the on-demand broadcasting of the television channels. As a result, the Group has altered the structure of the segments included in its segment reporting.

- distribution of the Group's channels and on-demand services, and development and operation of M6 Web's 6play technical platform ("Diversification" segment), were reclassified under the Television segment (within the latter's Distribution CGU);
- strengthening of the Production and Audiovisual Rights segment with the two TV production companies (Studio 89 and C Productions) and the online content production subsidiary (Golden Network), previously included in the Television segment.

The operating segments presented are currently as follows:

Television

The segment features a high degree of pooling between the various Group channels (acquisitions, technical resources, broadcasting, etc.). It includes free-to-air channels (M6, W9 and 6TER) and pay channels (Paris Première, Téva, etc.), whose business model is based on mixed funding (advertising and payments from platforms that distribute these channels as part of packages broadcast via IPTV, cable or satellite).

This sector also includes all primarily related activities, such as the operation of the 6play technical platform and the sales house.

Radio

The segment includes the radio stations (RTL, RTL2 and Fun Radio), where the business model is entirely funded by advertising, as well as all the activities that are to a large extent related to it, such as the sales house.

Production and Audiovisual Rights

Apart from production and co-production activities (cinema, TV and Internet), this operational sector includes operations relating to the distribution of audiovisual film rights throughout their consumer-based (cinema, sale of physical and digital videos), and subsequently their professional-based (distribution of the rights portfolio to national free-to-air and pay-TV channels and international distribution) operating cycles.

Diversification

This segment includes all activities considered independent, in part or in full, from the TV channel broadcasting business. Their main features notably include the distribution of physical or intangible goods to consumers, merchandise inventory building, buying and reselling and event organisation.

Revenues primarily originate from sales to consumers and admissions. The contribution of advertising revenue from the Group's websites, although remaining marginal for this segment, is growing rapidly.

Eliminations and unallocated items relate to the cost of the share purchase and subscription plans, the cost of the free share allocation plans, the net profit of property companies and dormant companies, as well as unallocated consolidation restatements primarily corresponding to the elimination of intra-Group gains on the disposal of non-current assets or inventories.

Pursuant to IFRS 8 – *Operating segments*, data (revenue and EBITA) shown for each segment in respect of 2017 have been restated in the information set out below to reflect changes to the composition of segments in 2018 (reclassification of businesses between operating segments).

Income statement

Each operating segment's contribution to income is as follows (information shown for 2017 has been restated to also reflect the disposal of the Girondins division in 2018):

In 2017:

	Television	Radio	Production and Audiovisual Rights	Diversification	Eliminations and unallocated items	Total 31/12/2017 Restated
External revenue	938.3	54.3	95.6	236.0	0.3	1,324.5
Inter-segment revenue	9.9	0.5	68.0	1.7	(80.2)	-
Revenue	948.2	54.8	163.5	237.8	(79.8)	1,324.5
Profit from recurring operations (EBITA) of continuing operations	**205.0**	**12.5**	**4.7**	**37.1**	**(5.7)**	**253.7**
Operating income and expenses related to business combinations			(1.6)	(1.1)		(2.6)
Income from disposal of subsidiaries and investments	(0.0)					(0.0)
Operating profit (EBIT) from continuing operations						**251.1**
Net financial income						(1.5)
Share of profit of joint ventures and associates						1.8
Profit before tax (EBT) from continuing operations						**251.4**
Income tax						(89.4)
Net profit from continuing operations						**161.9**
Net profit of operations sold						**(3.5)**
Net profit for the year						**158.4**
attributable to the Group						158.4
attributable to non-controlling interests						0.0

In 2018:

	Television	Radio	Production and Audiovisual Rights	Diversification	Eliminations and unallocated items	Total 31/12/2018
External revenue	966.5	167.0	76.5	211.1	0.3	1,421.4
Inter-segment revenue	21.9	1.4	74.6	2.3	(100.2)	-
Revenue	988.4	168.4	151.0	213.4	(99.9)	1,421.4
Profit from recurring operations (EBITA) of continuing operations	**214.0**	**28.0**	**8.7**	**25.1**	**(9.6)**	**266.1**
Operating income and expenses related to business combinations		(0.9)	(1.5)	(1.0)		(3.4)
Income from disposal of subsidiaries and investments				12.3		12.3
Operating profit (EBIT) from continuing operations						**275.0**
Net financial income						(2.3)
Share of profit of joint ventures and associates						(0.8)
Profit before tax (EBT) from continuing operations						**272.0**
Income tax						(97.4)
Net profit from continuing operations						**174.5**
Net profit of operations sold						**7.3**
Net profit for the year						**181.8**
attributable to the Group						181.8
attributable to non-controlling interests						0.0

The Group does not present any segmental information by geographical segment as it has no significant operations outside of mainland France.

8. Other operating income and expenses

8.1 Other operating revenues

Other operating revenues totalled €14.7 million (compared with €8.9 million in 2017), and primarily comprised:

- Operating grants received of €6.9 million, compared with €3.2 million in 2017;
- CICE (tax credit aimed at encouraging business competitiveness and employment) and research tax credits of €4.5 million, compared with €3.4 million in 2017.

8.2 Materials and other operating expenses

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Broadcasting rights consumption and programme flows (including writedown of broadcasting rights inventory)	(261.7)	(263.2)	(263.2)
Cost of sales	(48.3)	(54.4)	(56.6)
Other external services	(399.6)	(366.8)	(386.3)
Operating foreign exchange losses	(0.1)	(0.1)	(0.2)
Other expenses	(1.4)	(2.2)	(2.2)
MATERIALS AND OTHER OPERATING EXPENSES	**(711.0)**	**(686.7)**	**(708.5)**

8.3 Employee and workforce expenses

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Wages and salaries	(161.4)	(129.3)	(165.7)
Social security charges	(75.0)	(56.8)	(68.9)
Profit sharing plan contributions	(18.8)	(13.3)	(13.3)
Other employee costs	(24.4)	(27.1)	(29.8)
EMPLOYEE COSTS	**(279.6)**	**(226.5)**	**(277.6)**

"Full Time Equivalent" (FTE) workforce is broken down as follows:

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Fully-consolidated companies	2,639	2,690	2,929
Joint ventures	-	2	2

The “full time equivalent” (FTE) workforce by category can be analysed as follows:

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Employees	23%	24%	28%
Managers	47%	46%	44%
Senior executives	2%	3%	3%
Journalists	11%	10%	9%
Event contract workers	17%	17%	16%
Total	100%	100%	100%

Other employee costs include provision charges and reversals for retirement, provisions for employee litigations, as well as the cost of the IFRS 2 charge.

8.4 Amortisation, depreciation and impairment charges

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Amortisation and net provisions - audiovisual rights	(74.0)	(76.7)	(76.7)
Amortisation and net provisions - production costs	(15.0)	(18.3)	(18.3)
Amortisation and net provisions - other intangible assets	(14.4)	(12.5)	(25.3)
Depreciation - property, facilities and equipment	(15.0)	(13.5)	(14.5)
Other	(1.8)	(2.3)	(2.2)
Impairment of unamortised intangible assets	(0.9)	-	-
TOTAL AMORTISATION AND DEPRECIATION (NET)	**(121.0)**	**(123.2)**	**(137.0)**

9. Share-based payments

Plans allocated in 2018

Pursuant to the authorisation granted by the Combined General Meeting of 26 April 2016, two allocations of free shares were decided by the Executive Board on 25 July 2018, following approval by the Supervisory Board on 24 July 2017:

- One plan involves 179 beneficiaries and covers 313,400 shares, subject to beneficiaries remaining employed by the Group at 25 July 2020 and the achievement of consolidated net profit objectives in 2018;
- Another plan involves 28 beneficiaries and covers 247,100 shares. It is allocated annually based on performance and employment conditions over the 2018-2019-2020 period;

Valuation at fair value of benefits granted to employees

The fair value of free shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability.

Features of plans and fair value of benefits granted

The principal features of option plans for the purchase, the subscription or the allocation of free shares outstanding at 31 December 2018, or which expired during the year, and for which a valuation of the fair value of the benefit granted to employees was carried out pursuant to IFRS 1 - *First-time adoption of IFRS*, are as follows:

Plans granting free shares	Reference price	Exercise price	Historic volatility	Risk-free rate (*)	Expected yield	Fair value
11/05/2015	18.62	N/A	N/A	0.16%	4.80%	13.89
28/07/2015	18.38	N/A	N/A	0.22%	4.90%	13.97
28/07/2016	16.24	N/A	N/A	-0.10%	5.50%	14.51
27/07/2017	20.59	N/A	N/A	-0.17%	4.31%	18.82
02/10/2017	20.59	N/A	N/A	-0.17%	4.31%	18.82
25/07/2018	16.92	N/A	N/A	-0.10%	5.66%	14.97

(*) Risk-free rate: specified term after 2 years

The maturity used corresponds to the vesting period (2 years or 2 years and 8 months) for all plans granting free shares. In addition, it is assumed, based on historical observations, that 5 to 10% of the shares will not be delivered due to the departure of beneficiaries during the vesting period.

During the financial year, the balance of shares granted changed as follows:

	Allocation at plan date	Maximum allocation	Balance at 31/12/2017	Change based on performance	Allocated	Delivered	Cancelled	Balance at 31/12/2018
Plans granting free shares	**1,895,884**	**1,895,884**	**1,319,684**	**-**	**560,500**	**(774,600)**	**(21,700)**	**1,083,884**
28/07/2016	440,600	440,600	424,900	-	-	(413,600)	(11,300)	-
28/07/2016	361,000	361,000	361,000	-	-	(361,000)	-	-
27/07/2017	217,667	217,667	217,667	-	-	-	-	217,667
27/07/2017	307,200	307,200	307,200	-	-	-	(10,400)	296,800
02/10/2017	8,917	8,917	8,917	-	-	-	-	8,917
25/07/2018	313,400	313,400	-	-	313,400	-	-	313,400
25/07/2018	247,100	247,100	-	-	247,100	-	-	247,100

The cancellations recorded during the financial year are due to beneficiaries leaving before the exercise period of their rights began. They may also be due to non-achievement of financial performance targets set on allocating the plans.

Data relating to the free share allocation plans are reference data corresponding to the achievement of performance objectives set within the context of the 2016, 2017 and 2018 plans.

Charges recognised in 2018

In light of the data set out above and the assessment of the charge resulting from the free share allocation plans based on the number of shares likely to be granted, this resulted in the following impact to the line "Personnel costs" in the income statement:

	Employee costs	
Plans granting free shares	**31/12/2018**	**31/12/2017**
11/05/2015	-	(0.1)
28/07/2015	-	(1.9)
28/07/2016	(3.8)	(5.2)
27/07/2017	(4.0)	(1.7)
02/10/2017	(0.1)	(0.0)
25/07/2018	(1.4)	-
TOTAL COST	**(9.4)**	**(8.9)**

10. Net financial income

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Investment income	0.2	0.4	0.4
Other interest income	0.3	0.4	0.1
Revaluation of derivative financial instruments	0.1	0.1	0.1
Other financial income	**0.6**	**0.9**	**0.5**
Interest on loans from banks and associates	(0.8)	(0.4)	(0.4)
Capitalised interest on pension	(0.7)	(0.3)	(0.3)
Revaluation of derivative financial instruments	(0.2)	(0.4)	(0.4)
Financial expense	**(1.7)**	**(1.1)**	**(1.1)**
Other financial expenses	(1.2)	(1.3)	(1.4)
NET FINANCIAL INCOME/(EXPENSE)	**(2.3)**	**(1.5)**	**(2.0)**

- Investment income declined in the 2018 financial year due to a lower average amount invested (€37 million over 2018, versus €121 million over 2017). The EONIA benchmark rate remained negative throughout the year at an average -0.36% (compared with -0.35% in 2017).
- The interest on loans from banks and associates was a negative €0.8 million for the year to 31 December 2018, and primarily corresponded to the interest on the bond issue arranged in order to finance the purchase of the RTL Group's Radio Division. Average financial debt in 2018 was €82 million.
- The other financial expenses primarily comprised the revaluation of other financial assets and liabilities (commitments to purchase securities held by the minority shareholders in Best of TV and iGraal, forward purchases of treasury shares, pension commitments, and foreign currency accounts).

11. Income tax

The components of income tax are as follows:

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Current income tax:			
Tax charge for the year	(92.7)	(84.1)	(82.3)
Deferred tax:			
Creation and reversal of temporary differences	(4.7)	(5.3)	(5.2)
TOTAL	**(97.4)**	**(89.4)**	**(87.5)**

The corporate income tax rate for 2018 was 34.43% for companies included in the French tax consolidation group (compared with 39.43% for 2017, which included the exceptional 15% contribution created in December 2017 by the first Supplementary Finance Act for 2017).

In accordance with the provisions of the Budget Act for 2018, timing differences for French entities are recognised using a declining tax rate.

The rates used range from 32.02% (for timing differences to be reversed by 31 December 2019) to 25.83% (for timing differences to be reversed after 31 December 2021).

Deferred tax directly taken to items of other comprehensive income was as follows:

	31/12/2018	Change	31/12/2017
Fair value revaluation of foreign exchange contracts (cash flow hedges)	(0.0)	(0.1)	0.0
Actuarial gains and losses	1.5	(0.5)	2.0
Treasury shares forward purchase	2.8	(2.3)	5.1
TOTAL	**4.2**	**(2.9)**	**7.1**

The reconciliation between the income tax charge calculated by applying the applicable rate to profit before tax and the charge calculated by applying the Group's actual tax rate is as follows:

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Net profit - Group share	**181.8**	**158.4**	**158.4**
Non-controlling interests	0.0	(0.0)	(0.0)
Net profit/(loss) from operations sold	7.3	(3.5)	-
Income tax	(97.4)	(89.4)	(87.5)
Share of profit of joint ventures and associates	1.5	1.8	1.8
Income and expenses related to business combinations	(0.6)	(0.4)	(0.4)
Goodwill impairment	(3.1)	-	-
Cost of free shares (IFRS 2)	(9.4)	(8.9)	(8.9)
Profit from continuing operations before restated income tax	**283.6**	**258.9**	**253.5**
Theoretical standard tax rate	34.43%	34.43%	34.43%
2017 exceptional contribution (1)	-	5.00%	5.00%
Theoretical tax charge	**(97.6)**	**(102.1)**	**(100.0)**
Reconciling items:			
C.V.A.E. tax	(6.8)	(7.0)	(7.4)
3% tax on dividends	2.8	16.6	16.6
Capital gain on disposals taxed at the reduced rate	3.5		
Other differences	0.7	3.2	3.3
EFFECTIVE TAX CHARGE	**(97.4)**	**(89.4)**	**(87.5)**
Effective tax rate	34.35%	34.51%	34.53%

(1) In 2017, the 15% exceptional contribution to corporate income tax generated an additional corporate income tax expense of €10.7 million for the Group.

Since the 2013 financial year, the Group had been subject to an additional income tax contribution of 3% on dividends paid. This payment was ruled to be in breach of the French Constitution by the French Constitutional Council on 6 October 2017. A tax receivable of €19.8 million was therefore recognised on 31/12/2017. This receivable corresponds to the expected reimbursement of all payments made in relation to the period between 2013 and 2017, which are disputed by the Group. After taking into account the €3.2 million payment made by the Group in respect of the dividends paid in May 2017, the net impact for the 2017 financial year, as set out in the table below, was €16.6 million. Income of €2.8 million in 2018 corresponds to late payment interest received in respect of the €19.8 million reimbursement.

The sources of deferred tax were as follows:

	31/12/2018	31/12/2017
Deferred tax assets		
Intangible assets	1.4	0.3
Other assets	6.9	5.2
Retirement provisions (non-deductible)	10.1	11.3
Non-deductible provisions	11.7	18.6
Expenses payable non-deductible	4.8	4.3
Financial instruments	2.8	5.2
Losses brought forward	3.7	3.3
Other	0.6	1.7
Impact of offsetting deferred tax assets and liabilities on the balance sheet	(25.8)	(24.4)
TOTAL	**16.2**	**25.5**
Deferred tax liabilities		
Catalogues	(9.4)	(8.9)
Brands	(1.5)	(1.9)
Licences - Relationships with advertisers - Radio brand	(11.9)	-
Accelerated depreciation and amortisation	(6.3)	(7.6)
Writedown of treasury shares	(3.4)	(3.0)
Other	(3.6)	(8.5)
Impact of offsetting deferred tax assets and liabilities on the balance sheet	25.8	24.4
TOTAL	**(10.2)**	**(5.6)**

The deferred tax assets and liabilities of companies included in the tax consolidation were offset.

The cumulative losses brought forward of Group companies were €16.1 million at 31 December 2018.

The losses that were capitalised as deferred tax assets amounted to €12.8 million at 31 December 2018.

At 31 December 2018, no deferred tax liability was recognised for taxes which may be due on the undistributed profits of certain Group subsidiaries, associated companies or joint ventures.

12. Operation sold

Pursuant to IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, and in light of their sale to US investment fund General American Capital Partners (GACP) on 6 November 2018, Football Club des Girondins de Bordeaux and its subsidiaries (Girondins division) are shown in the consolidated statement of comprehensive income and the consolidated statement of cash flows as an operation sold.

In practice, the Girondins division is recognised in the Group's consolidated financial statements as follows:

- its contribution to each line of the consolidated income statement is shown under "Net profit/(loss) from operations sold";
- its contribution to each line of the consolidated statement of cash flows is shown under "Cash flow related to operations sold".

In accordance with IFRS 5, and for the sake of consistency and comparability of financial information, these restatements have been applied to all periods shown in the consolidated financial statements (namely 2017 and 2018).

Post-tax profit or loss for the Girondins division (which accounts for the whole of the "Net profit/(loss) from operations sold" item in the income statement) is broken down as follows:

	31/12/2018	31/12/2017
Revenue	59.7	62.8
Other operating revenues	39.2	19.1
Operating expenses	(93.1)	(86.8)
Income tax	(3.1)	1.8
Net tax income or loss on operations	**2.7**	**(3.2)**
Other financial income and expenses, after tax	(0.2)	(0.3)
Capital gain on disposal	4.9	-
NET PROFIT/(LOSS) FROM OPERATIONS SOLD	**7.3**	**(3.5)**

Meanwhile, the €4.9 million net capital gain on disposal is broken down as follows:

	31/12/2018
Value of financial liabilities of the Girondins division at the divestment date	**41.2**
Value of consolidated net assets (excluding financial liabilities) of the Girondins division at the divestment date	**45.5**
Purchase and reimbursement of financial liabilities at the divestment date	41.2
Purchase of shares in the Girondins division [1]	51.9
Transaction costs	(1.6)
Net value of the transaction at the divestment date	**91.5**
CAPITAL GAIN ON DISPOSAL	**4.9**

[1] The purchase price of the shares is estimated at €51.9 million, of which €34.1 million had been collected at 31 December 2018.

Net cash flows related to the Girondins division were as follows:

	31/12/2018	31/12/2017
Operating profit of operations sold	5.8	(4.9)
Operating profit from operations sold - Non-Group	6.0	*(4.9)*
Operating profit from operations sold - Intra-Group	(0.2)	*(0.0)*
Non-cash items - Non-Group	(26.1)	(5.8)
Intra-Group cash items	(0.3)	(0.4)
Self-financing capacity before tax	**(20.6)**	**(11.2)**
Movement in working capital requirements - Non-Group	2.7	2.7
Movement in working capital requirements - Intra-Group	0.4	(0.5)
Net movement in working capital requirements	**3.1**	**2.2**
Income tax paid	(0.5)	(0.2)
Cash flow from non-Group operating activities	(17.8)	(8.3)
Cash flow from intra-Group operating activities	(0.2)	(0.9)
Cash flow from operating activities	**(18.0)**	**(9.2)**
Cash flow from non-Group investment activities	6.0	(24.7)
Cash flow from intra-Group investment activities	-	-
Cash flow from investment activities	**6.0**	**(24.7)**
Cash flow from non-Group financing activities	0.1	0.3
Cash flow from intra-Group financing activities	40.7	12.8
Cash flow from financing activities	**40.9**	**13.1**
Net change in non-Group cash and cash equivalents	(11.7)	(32.7)
Net change in intra-Group cash and cash equivalents	40.5	11.9
NET CHANGE IN CASH AND CASH EQUIVALENTS	**28.8**	**(20.7)**
Cash and cash equivalents - start of year	(48.1)	(27.4)
CASH AND CASH EQUIVALENTS - END OF YEAR	**(19.3)**	**(48.1)**

13. Earnings per share

	31/12/2018	31/12/2017 Restated
Net profit attributable to shareholders	181.8	158.4
Profit / (loss) from operations sold attributable to shareholders	7.3	(3.5)
Net profit from continuing operations attributable to shareholders	174.5	155.0
Average weighted number of shares (excluding treasury shares) for basic earnings per share	125,989,249	125,997,253
Potential dilutive effect of share-based payments	467,110	805,468
Average weighted number of shares (excluding treasury shares) adjusted for dilutive effect*	126,456,359	126,802,721
Net earnings per share (€)	1.443	1.257
Net earnings per share from continuing operations (€)	1.385	1.230
Diluted earnings per share (€)	1.438	1.249
Diluted earnings per share from continuing operations (€)	1.380	1.222

** Only includes dilutive shares (with regard to prevailing market conditions at year-end).*

The calculation of diluted earnings per ordinary share takes into account the free shares granted by the plans of 27 July 2017, 02 October 2017 and 25 July 2018.

The number of shares with a potential dilutive impact was 467,110 at December 31, 2018, with a dilutive effect on EPS of 0.5 euro cent per share.

14. Dividends

Métropole Télévision	31/12/2018	31/12/2017
Declared and paid during the year	**119.6**	**107.1**
Number of outstanding shares (thousands)	*125,932*	*126,020*
Dividend paid per ordinary share (€)	0.95	0.85
Proposed for approval at AGM	**125.7**	**119.7**
Number of outstanding *shares* (thousands)	*125,722*	*125,994*
Dividend paid per ordinary share (€)	1.00	0.95

15. Intangible assets

	Audiovisual rights *(distribution and trading)*	Co-production	Advances and prepayments	Total audiovisual rights	Other intangible assets	Goodwill	Total 31/12/2017
At 1 January 2017, net of amortisation and writedowns	**43.2**	**8.1**	**24.9**	**76.1**	**62.1**	**101.5**	**239.8**
Acquisitions	48.6	0.5	19.2	68.3	62.3	-	130.6
Disposals	(73.3)	-	(1.4)	(74.6)	(27.8)	-	(102.4)
Acquisition/disposal of subsidiaries	5.7	-	-	5.7	65.9	134.1	205.7
Reclassification and other movements - gross value	19.7	32.7	(29.7)	22.7	(3.2)	(2.1)	17.5
2017 amortisation charge	(82.0)	(19.3)	-	(101.4)	(25.5)	-	(126.9)
Writedowns	5.3	1.9	(0.9)	6.3	0.3	-	6.6
Reversal of amortisation on disposals	73.1	-	-	73.1	19.9	-	92.9
Reversal of amortisation on acquisitions/disposals of subsidiaries	0.0	-	-	0.0	(8.8)	-	(8.8)
Reclassification and other amortisation movements	2.1	(21.1)	(1.2)	(20.2)	0.7	2.1	(17.5)
At 31 December 2017, net of amortisation and writedowns	**42.4**	**2.8**	**10.8**	**56.0**	**145.8**	**235.6**	**437.4**
At 1 January 2017							
Gross value	930.0	627.0	25.7	1,582.7	184.7	136.2	1,903.6
Accumulated amortisation and writedowns	(886.8)	(618.9)	(0.8)	(1,506.5)	(122.6)	(34.7)	(1,663.8)
NET AMOUNT AT 1 JANUARY 2017	**43.2**	**8.1**	**24.9**	**76.1**	**62.1**	**101.5**	**239.8**
At 31 December 2017							
Gross value	930.7	660.3	13.8	1,604.7	281.9	267.9	2,154.6
Accumulated amortisation and writedowns	(888.3)	(657.4)	(3.0)	(1,548.7)	(136.1)	(32.3)	(1,717.1)
NET TOTAL AT 31 DECEMBER 2017	**42.4**	**2.8**	**10.8**	**56.0**	**145.8**	**235.6**	**437.4**

	Audiovisual rights (distribution and trading)	**Co-production**	**Advances and prepayments**	**Total audiovisual rights**	**Other intangible assets**	**Goodwill**	**Total 31/12/2018**
At 1 January 2018, net of amortisation and writedowns	**42.4**	**2.8**	**10.8**	**56.0**	**145.8**	**235.6**	**437.4**
Acquisitions	47.9	3.2	29.4	80.5	29.9	-	110.4
Disposals	(4.4)	-	(1.0)	(5.4)	(26.0)	-	(31.4)
Acquisition/disposal of subsidiaries	0.3	-	-	0.3	(81.2)	(14.1)	(95.0)
Reclassification and other movements - gross value	23.1	41.2	(33.8)	30.6	46.9	(27.9)	49.6
2018 amortisation charge	(69.3)	(16.4)	-	(85.7)	(26.1)	-	(111.9)
Writedowns	(4.7)	1.8	(0.4)	(3.2)	0.9	(0.9)	(3.1)
Reversal of amortisation on disposals	4.4	-	-	4.4	13.0	-	17.4
Reversal of amortisation on acquisitions/disposals of subsidiaries	-	-	-	-	32.2	-	32.2
Reclassification and other amortisation movements	-	(20.7)	-	(20.7)	(0.3)	0.9	(20.1)
At 31 December 2018, net of amortisation and writedowns	**39.8**	**12.0**	**5.1**	**56.9**	**135.1**	**193.6**	**385.6**
At 1 January 2018							
Gross value	930.7	660.3	13.8	1,604.7	281.9	268.0	2,154.6
Accumulated amortisation and writedowns	(888.3)	(657.4)	(3.0)	(1,548.7)	(136.1)	(32.4)	(1,717.1)
NET AMOUNT AT 1 JANUARY 2018	**42.4**	**2.8**	**10.8**	**56.0**	**145.8**	**235.6**	**437.4**
At 31 December 2018							
Gross value	997.6	704.7	8.4	1,710.8	251.5	226.0	2,188.2
Accumulated amortisation and writedowns	(957.9)	(692.7)	(3.3)	(1,653.9)	(116.4)	(32.4)	(1,802.6)
NET TOTAL AT 31 DECEMBER 2018	**39.8**	**12.0**	**5.1**	**56.9**	**135.1**	**193.6**	**385.6**

- Audiovisual rights include cinematographic, television and videographic rights acquired within the framework of productions, as well as in application of distribution agreements for which a fixed amount (guaranteed minimum) was paid to the producer (see Note 4.5).
- The "Coproduction" heading covers, more specifically, producers' and coproducers' shares of feature films, drama and other programmes.

In application of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the CNC are recognised as a reduction in the value of the co-production assets.

- The main items recognised as "advances and prepayments" include advances paid on unopened audiovisual rights held for marketing. Amounts paid are reclassified as audiovisual rights when rights are opened.
- "Other intangible assets" mainly consist of licences (including the FM licences for the RTL, RTL2 and Fun Radio stations), computer software, customer relationships recognised in respect of allocation of the acquisition cost of the RTL Group's French Radio division and, for 31 December 2017 only, assets linked to footballers' transfer fees.

Apart from licences contributed by RTL France Radio, the Fun Radio brand and licences recognised against RTL2 and Fun Radio in respect of allocation of the acquisition cost of RTL Group's French Radio division (see Note 6.2), all other intangible assets are amortisable.

16. Goodwill impairment tests and intangible assets with an indeterminable life

Movements

Goodwill evolved as follows during the 2018 financial year:

		31/12/2018	31/12/2017
Opening balance net of impairment		235.6	101.5
Acquisitions		7.3	134.1
Disposals		(21.4)	-
Other movements		(27.9)	-
Impairment losses		-	-
Closing balance		193.6	235.6
Opening balance			
	Gross values	268.0	136.2
	Accumulated impairment	(32.4)	(34.7)
	NET AMOUNT	**235.6**	**101.5**
Closing balance			
	Gross values	226.0	268.0
	Accumulated impairment	(32.4)	(32.4)
	NET AMOUNT	**193.6**	**235.6**

The main changes in the year reflect the following:

- €7.3 million in respect of the acquisition of Altima Hosting and Ctzar/Sociaddict;
- -€27.9 million in respect of the revision and/or allocation of goodwill arising from acquisitions in 2017 (RTL Group's French Radio division and Fidélité Films);
- -€21.4 million in respect of Clubic's E-Commerce division and goodwill.

No impairment was recognised during the 2018 financial year on goodwill from continuing operations (see impairment tests hereafter).

Analysis

Goodwill is analysed by Cash Generating Unit ("CGU") as follows:

Net value		31/12/2018	31/12/2017
Television			
	Distribution	44.6	-
	Other	4.9	-
Radio		99.4	132.7
Production and Audiovisual Rights			
	Audiovisual rights	4.8	5.2
Diversification			
	Digital Services	21.6	64.7
	Interactions	5.7	-
	E-Commerce	-	20.5
	Teleshopping	12.5	12.5
TOTAL		**193.6**	**235.6**

In 2018, to reflect the new operating structure put in place, distribution of the Group's non-linear channels and services, and development and operation of M6 Web's 6play technical platform (Online CGU of the "Diversification" segment), were reclassified under the new Distribution CGU within the Television segment. M6 Web's other businesses – namely the digital pure player business (e-commerce sites and services, technology services, etc.) – remained within the Online CGU (renamed Digital Services) of the Diversification segment.

Following this internal reorganisation, €44.6 million of the €64.7 million of goodwill recognised against the Online CGU at 31 December 2017 was reallocated to the Distribution CGU based on the relative fair values of the two CGUs affected at the reorganisation date.

The Group's CGUs at 31 December 2018 are broken down as follows:

- the Distribution CGU includes distribution of non-linear channels and services, as well as development and operation of 6play (brought together within the M6 Distribution legal entity with effect from 1 January 2019);
- the Radio CGU includes the whole of the French Radio division of RTL Group, acquired in 2017 (with the exception of RTL Special Marketing and Parisonair, absorbed in 2018 by M6 Interactions and M6 Événements respectively, and thus henceforth included in the Interactions CGU);
- the Digital Services CGU includes M6 Web's digital pure player businesses (legal entity renamed M6 Digital Services with effect from 1 January 2019) and the iGraal and Altima Hosting businesses, given their similar business models;
- The Home Shopping CGU includes the entities Home Shopping Service, Best of TV and Best of TV Benelux;
- The Audiovisual Rights CGU includes Société Nouvelle de Distribution and the audiovisual rights catalogue companies;
- The Interactions CGU includes M6 Interactions, M6 Événements et M6 Éditions;
- the E-Commerce CGU, which was classified under "Assets held for sale" at 30 June 2018, disappeared following the disposal of monAlbumPhoto and Printic.

Impairment tests

During the last quarter of 2018, the Distribution, Radio, Digital Services, Interactions et Teleshopping CGUs were 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 cash flow forecasts established at the end of the year based on the following key assumptions: EBITA, capital expenditure, WCR, competitive environment, upgrade of IT systems and level of marketing expenditure.

The key financial assumptions used for the various CGUs are detailed below.

- Assumptions specific to the Distribution CGU:
- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 10.4%;
- The infinite growth rate was 0%.

- Assumptions specific to the Radio CGU:
- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, i.e. 8.4%;
- The infinite growth rate was 1%.

- Assumptions specific to the Digital Services CGU:
- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 10.4%;
- The infinite growth rate was 0%.

- Assumptions specific to the Interactions CGU:
- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, i.e. 8.4%;
- The infinite growth rate was 0%.

- Assumptions specific to the Teleshopping CGU:
- The discount rate used was the same as for M6 Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 10.4%;
- The infinite growth rate was 0%.

An analysis of the sensitivity of the value in use to testing factors has been conducted, as shown by the tables below:

		Discount rate				
Distribution		**9.4%**	**9.9%**	**10.4%**	**10.9%**	**11.4%**
Growth rate	-1.0%	113.3	108.2	103.6	99.4	95.5
	-0.5%	117.3	111.8	106.8	102.2	98.0
	0.0%	121.6	115.7	**110.2**	105.3	100.9
	0.5%	126.5	120.0	114.1	108.8	103.9
	1.0%	131.9	124.7	118.3	112.5	107.3

Net book value of CGU recognised in Group financial statements = €38.9 million

		Discount rate				
Radio		**7.4%**	**7.9%**	**8.4%**	**8.9%**	**9.4%**
Growth rate	-2.0%	268.0	255.6	244.3	234.0	224.6
	-1.5%	277.9	264.3	252.1	241.0	230.9
	-1.0%	289.0	274.1	**260.7**	248.6	237.7
	-0.5%	301.5	285.0	270.3	257.1	245.3
	0.0%	315.7	297.3	281.0	266.6	253.6

Net book value of CGU recognised in Group financial statements = €188.6 million

		Discount rate				
Digital Services		**9.4%**	**9.9%**	**10.4%**	**10.9%**	**11.4%**
Growth rate	-1.0%	65.7	62.6	59.8	57.2	54.8
	-0.5%	68.2	64.8	61.7	58.9	56.4
	0.0%	70.9	67.2	**63.9**	60.9	58.1
	0.5%	73.9	69.8	66.2	63.0	60.0
	1.0%	77.2	72.8	68.9	65.3	62.1

Net book value of CGU recognised in Group financial statements = €15.7 million

		Discount rate				
Interactions		**7.4%**	**7.9%**	**8.4%**	**8.9%**	**9.4%**
Growth rate	-1.0%	41.0	38.6	36.4	34.5	32.8
	-0.5%	43.0	40.4	38.0	35.9	34.0
	0.0%	45.4	42.4	**39.8**	37.4	35.4
	0.5%	48.0	44.7	41.8	39.2	36.9
	1.0%	51.1	47.3	44.0	41.1	38.6

Net book value of CGU recognised in Group financial statements = €8.8 million

		Discount rate				
Teleshopping		**9.4%**	**9.9%**	**10.4%**	**10.9%**	**11.4%**
Growth rate	-1.0%	54.4	51.4	48.6	46.0	43.7
	-0.5%	56.9	53.6	50.5	47.8	45.3
	0.0%	59.6	56.0	**52.7**	49.8	47.1
	0.5%	62.6	58.6	55.1	51.9	49.0
	1.0%	66.0	61.6	57.7	54.2	51.1

Net book value of CGU recognised in Group financial statements = €18.6 million

Following this analysis, the Group concluded that the recoverable values of the Distribution, Radio, Digital Services, Interactions and Teleshopping CGUs exceeded their net book value in the Group's financial statements at 31 December 2018.

17. Property, facilities and equipment

	Land	Buildings	Technical facilities	Other property, facilities and equipment	Assets under construction	Total 31/12/2017
At 1 January 2017, net of depreciation and writedowns	**19.3**	**72.7**	**12.8**	**8.4**	**2.0**	**115.2**
Acquisitions	-	0.1	6.5	4.6	6.8	18.0
Disposals	-	(0.0)	(7.4)	(20.4)	-	(27.8)
Acquisition/disposal of subsidiaries	-	0.0	26.6	27.7	5.9	60.3
Reclassification and other movements - gross value	-	0.0	0.5	0.3	(0.9)	-
2017 depreciation charge	-	(4.7)	(5.1)	(4.3)	-	(14.1)
Writedowns	-	0.1	(0.1)	(0.4)	-	(0.4)
Reversal of depreciation on disposals	-	0.0	7.4	20.3	-	27.7
Reversal of depreciation on acquisitions/disposals of subsidiaries	-	(0.0)	(25.7)	(26.0)	-	(51.6)
Reclassification and other depreciation movements	-	-	0.0	(0.0)	-	-
At 31 December 2017, net of depreciation and writedowns	**19.3**	**68.2**	**15.6**	**10.3**	**13.8**	**127.2**
At 1 January 2017						
Gross value	19.3	131.6	67.2	34.0	2.0	254.0
Accumulated depreciation and writedowns	-	(58.9)	(54.4)	(25.6)	-	(138.8)
NET AMOUNT AT 1 JANUARY 2017	**19.3**	**72.7**	**12.8**	**8.4**	**2.0**	**115.2**
At 31 December 2017						
Gross value	19.3	131.7	93.5	46.3	13.8	304.5
Accumulated depreciation and writedowns	-	(63.5)	(77.9)	(36.0)	-	(177.3)
NET TOTAL AT 31 DECEMBER 2017	**19.3**	**68.2**	**15.6**	**10.3**	**13.8**	**127.2**

	Land	Buildings	Technical facilities	Other property, facilities and equipment	Assets under construction	Total 31/12/2018
At 1 January 2018, net of amortisation and writedowns	**19.3**	**68.2**	**15.6**	**10.3**	**13.8**	**127.2**
Acquisitions	-	0.0	12.7	3.8	2.1	18.6
Disposals	-	(1.0)	(12.2)	(3.9)	-	(17.1)
Acquisition/disposal of subsidiaries	(0.2)	(8.7)	(7.9)	(8.6)	(0.4)	(25.8)
Reclassification and other movements - gross value	-	1.3	9.7	2.7	(13.6)	0.0
2018 depreciation charge	-	(4.0)	(7.3)	(4.7)	-	(15.9)
Writedowns	-	0.0	0.0	0.0	-	0.1
Reversal of depreciation on disposals	-	-	12.2	3.7	-	16.0
Reversal of depreciation on acquisitions/disposals of subsidiaries	-	5.2	5.8	5.3	-	16.3
Reclassification and other depreciation movements	-	0.0	(0.0)	(0.0)	-	(0.0)
At 31 December 2018, net of depreciation and writedowns	**19.1**	**61.1**	**28.7**	**8.6**	**1.9**	**119.4**
At 1 January 2018						
Gross value	19.3	131.7	93.5	46.3	13.8	304.5
Accumulated depreciation and writedowns	-	(63.5)	(77.9)	(36.0)	-	(177.3)
NET AMOUNT AT 1 JANUARY 2018	**19.3**	**68.2**	**15.6**	**10.3**	**13.8**	**127.2**
At 31 December 2018						
Gross value	19.1	123.4	95.8	40.3	1.9	280.3
Accumulated depreciation and writedowns	-	(62.2)	(67.1)	(31.6)	-	(161.0)
NET TOTAL AT 31 DECEMBER 2018	**19.1**	**61.1**	**28.7**	**8.6**	**1.9**	**119.4**

18. Inventories

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2017
At 1 January 2017, net of writedowns	**237.6**	**12.7**	**250.3**
Acquisitions	335.2	60.2	395.5
Acquisition of subsidiaries	-	-	-
Disposal of subsidiaries	-	-	-
Expensed	(276.2)	(58.9)	(335.1)
(Charge)/reversal 2017	(45.2)	0.0	(45.2)
At 31 December 2017, net of writedowns	**251.3**	**14.1**	**265.4**
At 1 January 2017			
Cost or fair value	356.1	16.4	372.4
Accumulated writedowns	(118.5)	(3.6)	(122.1)
NET AMOUNT AT 1 JANUARY 2017	**237.6**	**12.7**	**250.3**
At 31 December 2017			
Cost or fair value	415.0	17.7	432.8
Accumulated writedowns	(163.7)	(3.6)	(167.3)
NET TOTAL AT 31 DECEMBER 2017	**251.3**	**14.1**	**265.4**

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2018
At 1 January 2018, net of writedowns	**251.3**	**14.1**	**265.4**
Acquisitions	348.8	48.7	397.5
Acquisition of subsidiaries	-	0.0	0.0
Disposal of subsidiaries	-	(2.4)	(2.4)
Expensed	(311.2)	(51.8)	(363.0)
(Charge)/reversal 2018	(28.0)	0.0	(28.0)
At 31 December 2018, net of writedowns	**260.9**	**8.6**	**269.5**
At 1 January 2018			
Cost or fair value	415.0	17.7	432.8
Accumulated writedowns	(163.7)	(3.6)	(167.3)
Net amount at 1 January 2018	**251.3**	**14.1**	**265.4**
At 31 December 2018			
Cost or fair value	452.6	12.2	464.8
Accumulated writedowns	(191.8)	(3.6)	(195.3)
NET TOTAL AT 31 DECEMBER 2018	**260.9**	**8.6**	**269.5**

19. Investments in joint ventures and associates

The contributions of joint ventures and associates to the Group's consolidated statement of financial position and the consolidated statement of comprehensive income were as follows:

	% held	31/12/2017	Share of net profit	Impairment losses	Change in Group structure	Dividends paid	31/12/2018
Investments in joint ventures		**2.7**	**0.7**	**-**	**(0.4)**	**(1.5)**	**1.6**
Série Club	50%	2.0	0.5	-	-	(1.3)	1.3
HSS Belgique	100%	0.3	0.3	-	(0.4)	(0.3)	-
Panora Services	50%	0.4	(0.1)	-	-	-	0.3
Investments in associates		**11.1**	**0.8**	**(2.2)**	**0.0**	**(0.5)**	**9.2**
Quicksign	24%	0.2	0.0	-	-	-	0.2
Stéphane Plaza France	49%	4.2	1.4	-	-	(0.5)	5.2
Elephorm	34%	2.7	0.1	(2.2)	-	-	0.5
6&7	49%	0.5	(0.5)	-	0.0	-	(0.0)
Life TV	33%	3.5	(0.3)	-	-	-	3.3
INVESTMENTS IN JOINT VENTURES AND ASSOCIATES		**13.8**	**1.5**	**(2.2)**	**(0.3)**	**(2.0)**	**10.8**

HSS Belgique

On 31 December 2018, M6 Group acquired 50% of the share capital of Home Shopping Service Belgique from RTL Belgium, thus increasing its stake in the subsidiary to 100%. The latter is therefore fully consolidated with effect from that date.

Elephorm

At 31 December 2018, the financial position of Elephorm prompted the Group to recognise an impairment loss against its investment in the amount of the goodwill arising on acquisition (-€2.2 million).

The contributions of joint ventures to Group consolidated revenue would have been as follows:

	31/12/2018	31/12/2017
Revenue	**12.7**	**12.8**
Contribution by company:		
Série Club	6.1	6.8
HSS Belgique	3.8	3.7
Panora Services	2.8	2.3
	12.7	**12.8**

20. Financial instruments

20.1 Financial assets

The various categories of financial assets at 31 December 2017 and 31 December 2018 are presented by balance sheet item in the table below (the analysis by category of instruments reflects the provisions of IFRS 9 - *Financial Instruments*, applicable from 1 January 2018):

	31/12/2017				Valuation		
	Gross value	Writedowns	Book value	Fair value	Fair value through profit and loss	Fair value through equity	Amortised cost
Equity instruments measured at fair value	13.9	-	13.9	13.9	4.4	9.5	-
Other non-current financial assets	5.4	-	5.4	5.4	1.8	-	3.6
Other non-current assets	17.6	-	17.6	17.6	-	-	17.6
Trade receivables	348.7	(18.0)	330.7	330.7	-	-	330.7
Derivative financial instruments	-	-	-	-	-	-	-
Other current financial assets	0.5	(0.3)	0.2	0.2	-	-	0.2
Other current assets	199.5	(7.9)	191.6	191.6	-	-	191.6
Cash and cash equivalents	54.3	-	54.3	54.3	34.0	-	20.2
ASSETS	**639.9**	**(26.2)**	**613.8**	**613.8**	**40.2**	**9.5**	**564.0**

	31/12/2018				Valuation		
	Gross value	Writedowns	Book value	Fair value	Fair value through profit and loss	Fair value through equity	Amortised cost
Equity instruments measured at fair value	6.2	-	6.2	6.2	4.4	1.8	-
Other non-current financial assets	18.5	(0.0)	18.5	18.5	9.1	-	9.4
Other non-current assets	-	-	-	-	-	-	-
Trade receivables	337.6	(17.1)	320.5	320.5	-	-	320.5
Derivative financial instruments	0.2	-	0.2	0.2	0.2	-	-
Other current financial assets	14.0	(0.3)	13.7	13.7	-	-	13.7
Other current assets	211.8	(2.3)	209.5	209.5	-	-	209.5
Cash and cash equivalents	132.8	-	132.8	132.8	12.7	-	120.1
ASSETS	**721.1**	**(19.7)**	**701.5**	**701.5**	**26.4**	**1.8**	**673.3**

At 31 December 2017, other non-current assets comprised the share of the advance made by the Football Club des Girondins de Bordeaux to the City of Bordeaux under the 30-year occupancy agreement for the new stadium, to be repaid after 31 December 2018.

Equity instruments

Equity instruments comprise equity securities held by the Group in non-consolidated companies and receivables which are directly related to them.

The balance sheet position was as follows:

		31/12/2018		Valuation	
	Reference currency	Fair value	% held	Fair value through profit and loss	Fair value through equity
2CED	Euro (€)	1.8	15.3%	1.8	
Job Digital Networks	Euro (€)	1.5	2.0%	1.5	
Médiamétrie	Euro (€)	1.0	2.7%		1.0
Youmiam	Euro (€)	0.5	8.8%	0.5	
GLHF	Euro (€)	0.5	17.5%	0.5	
Alliance Gravity Data Média	Euro (€)	0.4	11.1%		0.4
European News Exchange	Euro (€)	0.1	20.0%		0.1
Victor et Charles	Euro (€)	0.1	4.5%	0.1	
Fun Radio Belgique	Euro (€)	0.1	25.0%		0.1
Audiance Square	Euro (€)	0.1	20.0%		0.1
Other	Euro (€)	0.1	-		0.1
TOTAL EQUITY INSTRUMENTS		**6.2**		**4.4**	**1.8**

Other financial assets

The balance sheet position was as follows:

	31/12/2018	31/12/2017
Current accounts with joint ventures and associates	0.6	0.6
Security deposits	3.2	3.0
Receivables on disposals of subsidiaries	5.6	-
Other financial assets	9.1	1.8
OTHER NON-CURRENT FINANCIAL ASSETS	**18.5**	**5.4**
Receivables on disposals of subsidiaries	13.6	-
Other financial assets	0.1	0.2
OTHER CURRENT FINANCIAL ASSETS	**13.7**	**0.2**

Growth in other financial assets in 2018 mainly reflects the portion of the price of shares in the Girondins division not collected at the year-end, estimated at €17.9 million (€12.2 million of which is to be collected by 31 December 2019).

Cash and cash equivalents

Cash and cash equivalents totalled €132.8 million at 31 December 2018, compared with €54.3 million at 31 December 2017.

Bank accounts, term deposits and marketable securities are financial assets held for trading and as such are measured at fair value (fair value through income statement). The FCP and SICAV mutual funds do not contain any unrealised capital gains, as these were realised at 31 December 2018.

In application of the deposit policy described in Note 21.4, virtually all cash is invested, with an average term of less than 90 days, in interest-bearing current accounts, mutual funds and term deposits with investment grade counterparts.

20.2 Financial liabilities

The various categories of financial liabilities at 31 December 2017 and 31 December 2018 are presented in the table below by balance sheet item:

	31/12/2017		Analysis by category of instruments		
	Book value	Fair value	Fair value through profit and loss	Amortised cost	Derivative instruments
Non-current financial debt	52.0	52.0	-	52.0	-
Other non-current financial liabilities	43.2	43.2	33.0	10.2	-
Other non-current debt	2.8	2.8	-	2.8	-
Current financial debt	36.3	36.3	-	36.3	-
Derivative financial instruments	0.1	0.1	-	-	0.1
Other current financial liabilities	15.0	15.0	-	15.0	-
Trade payables	389.3	389.3	-	389.3	-
Other operating liabilities	29.0	29.0	-	29.0	-
Tax and social security payable	120.5	120.5	-	120.5	-
Other current financial liabilities	37.9	37.9	-	37.9	-
LIABILITIES	**726.1**	**726.1**	**33.0**	**693.0**	**0.1**

	31/12/2018		Analysis by category of instruments		
	Book value	Fair value	Fair value through profit and loss	Amortised cost	Derivative instruments
Non-current financial debt	51.5	51.5	-	51.5	-
Other non-current financial liabilities	25.4	25.4	20.5	4.9	-
Other non-current debt	0.8	0.8	-	0.8	-
Current financial debt	0.4	0.4	-	0.4	-
Derivative financial instruments	-	-	-	-	-
Other current financial liabilities	29.8	29.8	21.7	8.1	-
Trade payables	414.9	414.9	-	414.9	-
Other operating liabilities	15.5	15.5	-	15.5	-
Tax and social security payable	122.6	122.6	-	122.6	-
Other current financial liabilities	24.3	24.3	-	24.3	-
LIABILITIES	**685.2**	**685.2**	**42.2**	**643.0**	**-**

Financial debt

Financial debt positions were as follows:

	31/12/2018	31/12/2017
Bank loans	50.3	50.6
Other	1.3	1.4
TOTAL NON-CURRENT FINANCIAL DEBT	**51.5**	**52.0**
Bank debt and credit facilities	0.4	36.3
TOTAL CURRENT FINANCIAL DEBT	**0.4**	**36.3**

- On 28 July 2017, the Group carried out a €50.0 million bond issue, in order to finance the acquisition of the French Radio Division.

These bonds bear interest at an annual rate of 1.5%, with bullet redemption at maturity after 7 years (1 August 2024).

- Furthermore, three revolving medium-term (5-year) bank credit facilities were arranged amounting to €120.0 million, in order to protect the Group against liquidity risk, as described in Note 21.2.

The conditions for drawdown of the Group's credit facilities are primarily governed by a change of control clause.

As at 31 December 2018, these facilities had not been drawn down (€10.0 million drawn down at 31 December 2017), and the maximum amount drawn down during the financial year was €55.0 million.

- Lastly, the Group also set up a credit facility from its principal shareholder (Bayard d'Antin), under which a maximum of €50.0 million may be drawn down. At 31 December 2018, this facility was undrawn (vs. €24.0 million at 31 December 2017).

Other financial liabilities

Other current financial liabilities of €29.8 million include:

- the liabilities relating to acquisitions and to the estimated earn-outs for the acquisitions of Life TV and Mandarin Cinéma;
- the debt relating to the forward purchase agreement for 300,000 treasury shares, expiring on 25 July 2019 (see Note 22.1).
- the liability relating to the commitment to purchase shares held by minority shareholders in iGraal (commitment fulfilled on 1 January 2019; see Note 28)

Other non-current financial liabilities of €25.4 million include:

- the liability relating to the estimated earn-out on the Ctzar acquisition;
- the liabilities relating to commitments to buy shares held by minority shareholders in Best of TV and Ctzar/Sociaddict;
- the debt relating to the forward purchase agreement for 220,000 treasury shares, expiring on 31 March 2020 (see Note 22.1).

These financial debts are measured at fair value through profit and loss (level 3 in the hierarchy for determining fair value pursuant to IFRS 7).

20.3 Analysis of financial assets and liabilities under the fair value hierarchy

The disclosures required by IFRS 7 are classified in accordance with a fair value hierarchy which reflects the materiality of data used in valuations. This fair value hierarchy is as follows:

- Level 1: prices (unadjusted) quoted in active markets for identical assets or liabilities;
- Level 2: inputs, other than the quoted prices included under Level 1, that are observable for assets and liabilities, either directly (prices for example), or indirectly (for example, elements derived from prices);
- Level 3: inputs on assets or liabilities that are not based on observable market data (unobservable inputs).

		Level 1	**Level 2**	**Level 3**
31/12/2017		**Listed prices**	**Observable inputs**	**Unobservable inputs**
Equity instruments		-	-	13.9
Other non-current financial assets		-	1.8	-
Cash and cash equivalents:				
Mutual funds, money market funds		-	-	-
Term deposits		-	34.0	-
ASSETS		-	**35.8**	**13.9**
Other non-current financial liabilities		-	-	33.0
Derivative financial instruments		-	0.1	-
LIABILITIES		-	**0.1**	**33.0**

		Level 1	**Level 2**	**Level 3**
31/12/2018		**Listed prices**	**Observable inputs**	**Unobservable inputs**
Equity instruments		-	-	6.2
Other non-current financial assets		-	9.1	-
Derivative financial instruments		-	0.2	-
Cash and cash equivalents:				
Mutual funds, money market funds		-	-	-
Term deposits		-	12.7	-
ASSETS		-	**22.0**	**6.2**
Other non-current financial liabilities		-	-	20.5
Other current financial liabilities				21.7
LIABILITIES		-	-	**42.2**

20.4 Effect of financial instruments on the income statement

The effects of financial instruments on the income statement were as follows:

	31/12/2017 Restated	Analysis by category of instruments			
	Effect on income statement	Fair value through profit and loss	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME	**(1.1)**				
Total interest income	0.9	-	0.9	-	-
Total interest expense	(0.4)	-	-	(0.4)	-
Revaluations	(0.7)	(0.4)	-	-	(0.3)
Net gains/(losses)	(0.3)	(0.3)	-	-	-
Income/(loss) on disposals	(0.4)	-	(0.4)	-	-
IMPACT ON EBIT	**(2.4)**				
Net gains/(losses)	0.0	-	0.0	-	-
Impairment	(2.4)	-	(2.4)	-	-
NET INCOME/(LOSS)	**(3.4)**	**(0.8)**	**(1.9)**	**(0.4)**	**(0.3)**

	31/12/2018	Analysis by category of instruments			
	Effect on income statement	Fair value through profit and loss	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME	**(1.7)**				
Total interest income	0.5	-	0.5	-	-
Total interest expense	(1.3)	-	-	(1.3)	-
Revaluations	(0.8)	(0.6)	-	-	(0.1)
Net gains/(losses)	(0.2)	(0.2)	-	-	-
Income/(loss) on disposals	-	-	-	-	-
IMPACT ON EBIT	**(1.9)**				
Net gains/(losses)	(0.0)	-	(0.0)	-	-
Impairment	(1.8)	-	(1.8)	-	-
NET INCOME/(LOSS)	**(3.6)**	**(0.8)**	**(1.4)**	**(1.3)**	**(0.1)**

21. Risks associated with financial instruments

This note presents information on the Group's exposure to each of the following risks, as well as its objectives, policy and risk assessment and management procedures.

The net book value of financial assets represents the maximum exposure to the credit risk.

21.1 Credit risk

The credit risk represents the risk of financial loss for the Group in the event a customer was to fail to meet its contractual commitments.

Trade receivables

Risk assessment differs across Group operations.

Advertising revenue

The main step taken by the M6 Publicité, IP France et IP Régions advertising agencies to secure their advertising revenues is to conduct credit inquiries. These are systematically carried out with the support of specialised external companies on new customers and on an on-going basis on recurring customers.

The latter represent the large majority of advertisers. The advertiser base thus appears relatively stable, with more than 90% of revenue being generated from the same customers from one year to the next. Furthermore, it comprises a majority of quoted French companies and French subsidiaries of major international corporations.

Based on the results of credit enquiries and the amounts incurred in relation to the campaign, different payment terms are granted to customers: In particular, M6 demands that advertisers who do not meet its solvency criteria pay their campaigns in advance. These provisions are included in the terms and conditions of sale of the M6 Publicité advertising agency.

Due to this prudent policy, the risk of non-payment of advertising campaigns remained less than 0.5% of revenue (equal to the year to 31 December 2017).

In order to further curtail this risk, the Group's advertising agencies impose late payment penalties on unpaid invoices and have internal teams dedicated to recovering trade receivables.

Non-advertising revenues

As regards non-advertising revenue, no single customer risk is material enough to significantly impair the Group's profitability.

Nonetheless, the team dedicated to collecting trade receivables guarantee throughout the year that everything is done to reduce bad debts. In addition to follow-up by this dedicated team, the Group may call upon the services of specialised debt collectors.

Banking counterparts

The Group neither securitises, nor assigns nor factors trade receivables.

The Group pays particular attention to the quality of its banking counterparties. The Group strives to diversify its mutual fund depositories, in which excess cash is invested in accordance with the cash management policy described in Note 19.3.

The Group works with leading European banks that benefit from an investment grade rating.

Maturity of financial assets

The maturity dates of financial assets were as follows at the balance sheet date:

	Year end		Neither written down nor due		<= 1 month		2 - 3 months	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other financial assets	32.5	5.9	32.2	5.7	0.0	-	-	-
Trade receivables - gross	337.6	348.7	185.9	170.5	87.8	108.5	25.7	29.3
Derivative financial instruments	0.2	-	0.2	-	-	-	-	-
Other receivables - gross	211.8	217.1	209.1	211.5	0.9	0.5	-	-
TOTAL	**582.1**	**571.8**	**427.5**	**387.6**	**88.7**	**109.0**	**25.7**	**29.3**

	3 - 6 months		6 - 12 months		> 1 year		Other*	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other financial assets	-	-	-	-	-	-	0.3	0.3
Trade receivables - gross	9.1	14.2	12.8	5.4	5.4	1.9	10.9	18.9
Derivative financial instruments	-	-	-	-	-	-	-	-
Other receivables - gross	-	-	-	-	-	-	1.8	5.1
TOTAL	**9.1**	**14.2**	**12.8**	**5.4**	**5.4**	**1.9**	**13.0**	**24.2**

** These include trade receivables (inclusive of VAT) for which writedowns are established on an individual basis. Writedowns of receivables (inclusive of VAT) calculated based on a statistical model are broken down by age.*

Trade and other receivables comprise commercial receivables and other receivables linked to operations, such as advances and deposits.

21.2 Liquidity risk

The liquidity risk is the risk that the Group may find it difficult to meet its liabilities when they fall due. In order to manage the liquidity risk, the Group has implemented a policy of forecast cash position and financing needs monitoring, so that it always has sufficient cash to meet its current liabilities. Cash management is centralised in a cash pooling, in order to optimise financial resources.

The book value of financial liabilities posted to the balance sheet represents the maximum exposure to the credit risk at year-end.

Group debt may be analysed as follows by maturity date (excluding current tax liabilities):

	< 1 year		1 - -5 years		> 5 years		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Financial debt	0.4	36.3	1.6	2.3	49.9	49.7	51.9	88.3
Derivative financial instruments	-	0.1	-	-	-	-	-	0.1
Other financial liabilities	29.8	15.0	13.5	43.2	11.9	-	55.2	58.2
Trade payables	414.9	389.3	-	-	-	-	414.9	389.3
Other liabilities	15.5	29.0	-	1.0	-	0.0	15.5	30.0
Tax and social security payable	122.6	120.5	0.8	1.8	-	-	123.4	122.3
Liabilities relating to non-current assets	24.3	37.9	-	-	-	-	24.3	37.9
TOTAL	**607.6**	**627.9**	**15.9**	**48.4**	**61.8**	**49.7**	**685.2**	**726.1**

21.3 Payment terms risks

The provisions of the Law for Modernisation of the Economy in respect of terms of payment between customer and supplier came into force on 1 January 2009: since that date, the period agreed upon between parties to pay amounts owing may not exceed 60 days or, exceptionally, 45 days end of month.

Any company that fails to observe the new mandatory payment periods is subject to a certain number of financial risks including late payment penalties and administrative fines.

Given the nature of audiovisual activities, a substantial majority of the purchases of services are made on a contractual basis with payment schedules specific to each activity due to the content delivery cycles.

In order to meet its settlement terms and to ensure that it always complies with applicable laws, the Group implements specific and strict follow-up of each contractual relationship:

- **Supplier payment procedures**

The Group has put into place a supplier payment procedure governed by numerous internal controls and an IT system to process invoices received. Moreover, every supplier's payment terms to the Group are checked frequently.

- **Follow-up of late payments**

Two alert and monitoring tools are available to the Group's finance department to deal with payment terms: a summary of invoices that are due and not yet paid and a summary of every accounting department's payment terms.

Pursuant to Art. D. 441-4 of the Commercial Code, the breakdown of Métropole Télévision's trade payables and receivables not paid by the year end are set out below:

	Article D.441 I.- 1°: Invoices received, unpaid and overdue at year end						**Article D.441 I.- 2°: Invoices issued, unpaid and overdue at year end**					
(€ millions)	**0 (days are only indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**	**0 (days are only indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payment ranges												
Number of invoices concerned	5					838	10					1,617
Total value of invoices concerned inc. VAT	0.0	2.0	1.5	0.0	1.1	4.6	0.0	54.2	21.6	0.0	3.2	79.1
Percentage of total value of purchases inc. VAT over the financial year	0.0%	0.6%	0.4%	0.0%	0.3%	1.3%						
Percentage of revenue inc. VAT over the financial year							0.0%	5.7%	2.3%	0.0%	0.3%	8.4%
(B) Invoices excluded from (A) relating to contested or unrecorded trade payables and receivables												
Number of invoices excluded	-						-					
Total value of invoices excluded inc. VAT	-						-					
(C) Standard payment terms used (contractual or statutory period - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used for calculating late payments	Statutory terms: 60 days						Contractual terms: 30 days from the end of the month by the 10th day of the month					

This data does not include liabilities relating to the purchase of audiovisual rights, since these liabilities primarily fall due on the basis of operational milestones (including "ready to broadcast", "first broadcast", etc.) and not on calendar dates.

21.4 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 primarily exposed to exchange risks at operational level.

The Group is exposed to foreign exchange risk through a number of audiovisual rights purchase contracts, particularly through its cinema distribution activity, as well as through a fraction of purchases of goods by the distance-selling division.

These purchases are primarily denominated in US dollars.

In order to protect itself from random currency market movements that could adversely impact its financial income and the value of its assets, the Group decided to hedge all its purchases. The coverage is undertaken at the signing of supplier contracts and is weighted as a function of the underlying due date. Commitments to purchase rights are fully hedged.

Purchases of goods are hedged on a statistical basis and adjusted regularly based on orders placed.

The Group only uses simple financial products that guarantee the amount covered and a set rate of coverage. These are forward purchases, for the most part.

Foreign currency purchase flows represented approximately 2.9% of 2018 total purchases, compared with 3.1% over 2017.

Foreign currency-denominated sales are not hedged as they are not significant (less than 0.5% of revenue).

Analysis of exposure to operational foreign exchange risk at 31 December 2018

	USD (€ millions) [(1)]	
	31/12/2018	31/12/2017
Assets	2.9	7.3
Liabilities	(1.5)	(1.9)
Off-balance sheet	(6.1)	(10.2)
Gross foreign exchange exposure	(4.7)	(4.8)
Forex hedges	5.5	7.2
NET FOREIGN EXCHANGE EXPOSURE	**0.7**	**2.4**

[(1)] at closing rate: *1.1306* *1.1749*

In order to hedge against market risks, the Group put into place 38 new foreign exchange hedges during the year in relation to its USD-denominated liabilities, for a total value of €14.9 million.

The Group's gross exposure in US dollars was a negative €4.7 million, including €6.1 million relating to off-balance sheet commitments. At the same date, hedging totalled €5.5 million (*cash-flow hedges*). The €0.7 million excess hedge (long position) thus mainly reflects US dollar bank balances that do not need to be hedged.

The risk of loss on the overall net exposed position would yield a €0.1 million loss in the event of an unfavourable and consistent 10% movement of the Euro against the US dollar.

Derivative financial instruments

They are classified as other current financial assets when the market value of the instruments is positive and classified as current financial liabilities when their market value is negative.

IFRS 13 – *Fair value measurement*, which was applied for the first time to assets and liabilities in 2013, had no significant impact on the fair value of derivative financial instruments at 31 December 2018, unchanged from 31 December 2017.

Fair value

Net balance sheet positions of derivatives were as follows:

	31/12/2018	31/12/2017
Forward call contracts	Fair value	Fair value
Métropole Télévision	0.0	(0.0)
SND	0.1	0.0
HSS	0.0	(0.0)
TOTAL	**0.2**	**(0.0)**

The €0.2 million fair value of derivative financial instruments at 31 December 2018 reflected the favourable difference between year-end rate used for the valuation (USD 1.1306) and the average rate of hedges in inventory (USD 1.1895) at the end of December 2018 (a 5.2% uplift).

The fair value of derivative financial instruments was not material at 31 December 2017 and reflected the very small difference between the year-end rate used for the valuation (USD 1.1749) and the average rate of hedges in inventory (USD 1.1731) at the end of December 2017 (a 0.2% uplift).

Maturities

The maturity of hedge instruments (nominal value of the hedge expressed in euro at the year-end forward hedge rate) was as follows:

	31/12/2018			31/12/2017		
	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years
Métropole Télévision	0.3	0.3	-	0.8	0.8	-
SND	1.8	1.8	-	2.2	2.2	-
HSS	3.0	3.0	-	4.2	4.2	-
TOTAL	**5.2**	**5.2**	-	**7.2**	**7.2**	**-**

Interest rate risk

The Group has little exposure to risks pertaining to interest rate movements, mainly in relation to its returns on financial assets. Interest rate risk management relating to the Group's net cash position is established based on the consolidated position and market conditions.

The main objective of the interest risk management policy is to optimise the cost of Group financing and maximise cash management income.

The main features of financial assets and financial liabilities are as follows:

Maturity schedule of financial debt and financial assets at 31 December 2018

(€ millions)	< 1 year	1 to 5 years	> 5 years	Total
Variable rate financial assets	132.9	3.8	-	136.7
Other fixed-rate financial assets	-	9.1		9.1
TOTAL FINANCIAL ASSETS	**132.9**	**12.9**	**-**	**145.8**
Variable rate financial debt	(0.1)	(1.3)	-	(1.4)
Other fixed-rate financial debt	(0.3)	(0.5)	(49.7)	(50.5)
TOTAL FINANCIAL DEBT	**(0.4)**	**(1.8)**	**(49.7)**	**(51.9)**

The Group had net cash of €93.8 million at 31 December 2018. This position was primarily comprised of interest-bearing accounts and term deposits, with bank borrowings and bonds on the liability side.

The financing provided by the Group to its jointly controlled subsidiaries is treated as a financial asset.

Cash management policy

The Group's cash management policy is designed to ensure that cash resources can be mobilised rapidly while limiting capital risk. The Group's approach is absolutely prudent and non-speculative.

All investments made by the Group meet the criteria of IAS 7 - *Statement of Cash Flows*.

The corresponding deposits are thus considered as cash equivalents, since they are liquid, can easily be converted into a known amount of cash and are subject to a negligible risk of change in value.

The matter of counterparty risk remains topical and the Group pays particular attention to the selection process of instruments and to diversifying counterparts, depositaries and management companies.

All securities in which the Group's cash holdings are invested, as well as a list of securities in which the Group would consider investing is monitored daily. On this basis, the Group arbitrates in favour of both the most regular and the most profitable funds.

Investment yields are regularly measured and reported to management every month. A detailed analysis of the various risks of these deposits is also produced quarterly.

22. Shareholders' equity

22.1 Share capital management policy

Management of the Group's shareholders' equity primarily refers to the dividend distribution policy and more generally to the remuneration of Métropole Télévision shareholders.

Despite the loans taken out at the time of the acquisition of the RTL Group's Radio Division, the Group maintains a substantial borrowing capacity, in terms of borrowings from banks as well as from its majority shareholder, providing it with significant potential for investments.

As regards remuneration of the shareholders, the Group has for many years paid out a dividend of approximately 80% of net earnings (from continuing operations, Group share) per share, equating to an ordinary dividend of €0.95 per share for the 2018 financial year.

Furthermore, the Executive Board of Métropole Télévision was granted an authorisation to buy back its own shares by the Combined General Meeting of 26 April 2016, with the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with the AMAFI Ethics Charter approved by the AMF;
- to retain the shares purchased and ultimately use them via exchange or payment within the framework of potential acquisitions, provided that the shares acquired for this purpose do not exceed 5% of the Company's share capital;
- to provide adequate coverage for share option plans and other forms of share allocations to Group employees and/or corporate officers within the conditions and according to the methods permitted by law, notably in order to share the profits of the Company, through a company savings plan or by the granting of free shares;
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;
- to potentially cancel the purchased shares.

During the financial year ended 31 December 2018 and pursuant to this authorisation:

- Daily market transactions were carried out by Métropole Télévision as part of the liquidity contract;
- Métropole Télévision bought and delivered shares to cover its free share allocation plans.

In addition, ahead of the next delivery of free shares in 2019 and 2020, Métropole Télévision has entered into three forward purchase contracts for 300,000 and 220,000 treasury shares respectively, which will mature on 25 July 2019 and 31 March 2020.

Furthermore, the Company comes within the scope of Article 39 of the Law no 86-1067 of 30 September 1986 as amended, as well as Law no 2001-624 of 17 July 2001, which state that an individual or entity, acting alone or in concert, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a nationwide television service by terrestrial transmission. Therefore, any decision liable to have a dilutive or enhancing effect on existing shareholders must be assessed in the light of this specific legal requirement.

22.2 Shares comprising Métropole Télévision's capital

(thousands of shares)	Ordinary shares issued	Treasury shares held	Shares outstanding
NUMBER OF SHARES AT 1 JANUARY 2017	**126,414**	**418**	**125,996**
Exercised stock options			
Movement in treasury shares:			
- held for the purpose of allocating free shares		(6)	
- held as part of the liquidity contract		7	
Implementation of the share buyback programme for cancellation	-	-	
NUMBER OF SHARES AT 31 DECEMBER 2017	**126,414**	**420**	**125,994**
Exercised stock options			
Movement in treasury shares:			
- held for the purpose of allocating free shares		175	
- held as part of the liquidity contract		97	
Implementation of the share buyback programme for cancellation	-	-	
NUMBER OF SHARES AT 31 DECEMBER 2018	**126,414**	**692**	**125,722**

The shares making up the capital of Métropole Télévision are all ordinary shares with one vote each. All shares are fully paid up.

Five free share allocation plans for the benefit of certain members of management and senior executives of the Group were in place at 31 December 2018 (see Note 9).

22.3 Movements in equity not recorded in the income statement

Movements in the fair value of derivative financial instruments, actuarial gains and losses and foreign exchange differences are recorded in other items of comprehensive income and added to the "other reserves" caption of equity.

Movements in actuarial gains and losses are accounted for as other items of comprehensive income and are added to the "consolidated reserves" caption.

The net impact on equity, under other reserves and consolidated reserves, was as follows:

BALANCE AT 1 JANUARY 2017	**(6.5)**
New hedges	(10.4)
Previous hedge variations	(0.0)
Maturity of hedges	4.6
Change in value of translation adjustment	(0.2)
Movement in pension commitments	(4.4)
Total movements of the year	**(10.5)**
BALANCE AT 31 DECEMBER 2017	**(17.0)**
New hedges	0.1
Previous hedge variations	-
Maturity of hedges	4.1
Change in value of translation adjustment	0.1
Movement in pension commitments	1.3
Total movements of the year	**5.6**
BALANCE AT 31 DECEMBER 2018	**(11.5)**

23. Retirement benefits

Commitments undertaken in respect of retirement benefits severance pay are not covered by any dedicated insurance contract or assets.

Main actuarial assumptions

	31/12/2018	31/12/2017
Discount rate	1.60	1.50
Future salary increases *	2.83	3.04
Inflation rate	2.00	2.00

** median measured on the basis of age and position*

The discount rate is determined at the year-end date based on market rates for high-quality corporate bonds that are rated AA, and depending on the term and characteristics of the scheme.

Income statement expenses

	31/12/2018	31/12/2017 Restated	31/12/2017 Published
Current service cost	(2.6)	(2.2)	(2.2)
Interest expense	(0.6)	(0.3)	(0.3)
Decreases	0.8	0.3	0.3
Amortisation of past service costs	-	(0.1)	(0.1)
NET EXPENSE	**(2.4)**	**(2.3)**	**(2.3)**

Provision and present value of obligation

	31/12/2018	31/12/2017
Value of obligation - opening balance	42.3	13.4
Current service cost, reductions/termination	2.6	2.2
Interest expense	0.6	0.3
Decreases	(0.8)	(0.3)
Benefits paid	(4.3)	(3.2)
Plan change	-	0.1
Actuarial gain or loss - Changes in financial assumptions	(0.5)	2.0
Actuarial gain or loss - Changes in demographic assumptions	-	0.6
Actuarial gain or loss - Experience effect	(1.0)	(0.1)
Change in Group structure	(1.0)	27.3
VALUE OF OBLIGATION - CLOSING BALANCE	**37.9**	**42.3**

The cumulative actuarial losses recognised in other items of comprehensive income were €5.3 million at 31 December 2018.

Sensitivity to assumptions

Sensitivity analyses carried out on pension commitments gave the following results:

	+ 0.5%	- 0.5%
Sensitivity of obligation at year end:		
to a change in the discount rate	35.5	40.5
to a change in the rate of salary increase	40.5	35.7

24. Provisions

Provision movements between 1 January 2017 and 31 December 2018 were as follows:

	Provisions for retirement benefits	Provisions for restructuring	Provisions for litigations	Provisions for off-balance sheet rights	Other provisions for charges	Total
At 1 January 2017	**13.4**	**2.2**	**15.2**	**42.2**	**18.2**	**91.2**
Acquisition of subsidiaries	27.3	-	5.8	-	0.3	33.4
Disposal of subsidiaries	-	-	-	-	-	-
Charge for the period	2.3	1.5	6.2	23.3	9.7	43.0
Use	(3.2)	(1.2)	(1.7)	(32.7)	(5.6)	(44.4)
Unused reversals	-	-	(4.2)	(0.1)	(1.5)	(5.8)
Other	2.6	-	-	-	-	2.6
At 31 December 2017	**42.3**	**2.6**	**21.2**	**32.7**	**21.2**	**120.0**
Acquisition of subsidiaries	-	-	0.7	-	0.1	0.8
Disposal of subsidiaries	(1.0)	-	(0.6)	-	(1.7)	(3.3)
Charge for the period	3.3	-	6.4	9.1	7.1	25.8
Use	(4.3)	(1.2)	(6.5)	(26.3)	(4.3)	(42.6)
Unused reversals	(0.8)	(0.5)	(2.9)	(0.0)	(3.1)	(7.3)
Other	(1.5)	-	(0.2)	-	0.4	(1.3)
At 31 December 2018	**37.9**	**0.9**	**18.1**	**15.4**	**19.8**	**92.1**
Current at 31 December 2017	-	2.6	21.2	32.7	21.2	77.6
Non-current at 31 December 2017	42.3	-	-	-	-	42.3
TOTAL	**42.3**	**2.6**	**21.2**	**32.7**	**21.2**	**120.0**
Current at 31 December 2018	-	0.9	18.1	15.4	19.7	54.1
Non-current at 31 December 2018	37.9	-	-	-	0.0	37.9
TOTAL	**37.9**	**0.9**	**18.1**	**15.4**	**19.7**	**92.1**

Provisions at 31 December 2018 and 2017 are analysed by business segment as follows:

	31/12/2018	31/12/2017
Television	54.0	62.3
Radio	25.4	32.5
Production and Audiovisual Rights	3.9	2.2
Diversification	8.7	22.8
Other	0.1	0.1
TOTAL	**92.1**	**120.0**

- Litigations included in the “provisions for litigations” caption relate to all legal proceedings instituted against one or several Group companies, for which it is probable that the outcome will be unfavourable for the Group. In the large majority of cases, such litigations have gone beyond the pre-litigation stage and are currently being considered or are undergoing judgement or appeal by competent courts (Commercial Court, Industrial Court, Court of First Instance, Criminal Court or Supreme Court of Appeal).

Additional information in respect of litigations in progress has not been included individually as disclosure of such information could be prejudicial to the Group

- Provisions for off-balance sheet rights relate to the loss in value of broadcasting rights the Group is committed to purchase but are not yet included in balance sheet inventories.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) will not be broadcast during the anticipated programming slot may not be accounted for by writing down a balance sheet asset, and therefore was recognised through a provision for liabilities and charges.

The writedown of an unopened right is consistent with the operation of the audiovisual rights market, since TV channels have generally entered into sourcing agreements with producers in relation to future productions, without having the certainty that the quality of the latter will be consistent and may be broadcast given their editorial policy and target audiences.

Channels may also be committed to acquiring a throwaway programme or an event where the expected economic benefits are less than the value of the commitment.

The value of rights is notably written down when a programme or event is unlikely to be broadcast.

In any event, impairment losses are assessed and defined in consultation with the Group’s channels’ programming departments as part of a programme-by-programme portfolio review in light of audience targets attached to each programme and the editorial policy.

- “Other provisions for charges” relate to costs Métropole Télévision would have to incur to implement a contract or settle its regulatory or tax obligations, without the amounts in question being due or having been due, in particular within the framework of dispute settlement or legal proceedings.

- The amounts reported for all these types of provisions are the best possible estimate of the future outflow of Company resources, taking account of plaintiffs' claims, judgments already passed, if applicable, or the management's appraisal of similar instances and/or calculations made by the finance department.

The Group considers that the disbursement terms attached to these provisions come within the framework of its normal operating cycle, which justifies the classification of these provisions as current provisions.

25. Off balance sheet commitments / contingent assets and liabilities

Purchase of rights and co-production commitments (net)

These commitments mainly comprise:

- purchase commitments relating to rights not yet produced or completed;
- contractual commitments relating to co-productions awaiting receipt of technical acceptance or exploitation visa, net of prepayments made;

They are expressed net of advances and prepayments made in that respect for rights that are not yet recognised as inventories.

Image and signal transmission, satellite and transponders rental

These commitments relate to the supply of broadcasting services and the rental of satellite and transponder capabilities from private companies for digital broadcasting.

These commitments were measured using amounts remaining due up to the end date of each contract.

Non-cancellable leases

This item includes minimum future payments due in respect of non-cancellable operating leases on-going at the balance sheet date, which primarily comprise property leasing.

Responsibility for partnership liabilities

To the extent that the partners in a Partnership (Société en Nom Collectif - SNC) are liable in full and indefinitely for the liabilities of the partnership, the Group presents in full the liabilities of partnerships in which it is a partner, net of accruals and partners' current account balances, as an off-balance sheet commitment given, and presents the other partners' share of these liabilities as an off-balance sheet commitment received.

Sale of rights

These commitments comprise sales contracts of broadcasting rights that are not yet available at 31 December 2018.

Broadcasting contracts

These commitments relate to Group channel broadcasting contracts with Canal+ France and other distributors.

They were measured using amounts remaining due for each contract, up to the certain or probable contract end date.

None of the Group's non-current assets have been pledged or mortgaged.

Off-balance sheet commitments are analysed as follows:

	< 1 year	1 to 5 years	> 5 years	Total 31/12/2018	Total 31/12/2017	Terms and conditions of implementation
Commitments given						
Purchase of audiovisual and radio rights and co-production commitments (gross) [(1)]	298.1	244.7	127.1	669.9	593.9	Contracts signed
Advances paid for the purchase of rights and co-production commitments	(12.7)	(5.3)	(51.3)	(69.3)	(68.0)	
Purchase of audiovisual and radio rights and co-production commitments (net)	*285.4*	*239.4*	*75.8*	*600.6*	*525.9*	
Image and signal transmission, satellite and transponders rental	29.7	44.6	0.2	74.4	96.0	Contracts signed
Non-cancellable property leases	7.9	32.0	16.0	55.9	183.9	Leases
Liability for debts	-	0.2		0.2	0.5	
Other	8.2	16.4	-	24.6	27.4	Contracts signed
TOTAL COMMITMENTS GIVEN	**331.2**	**332.6**	**92.0**	**755.8**	**833.7**	
Commitments received						
Sale of rights	22.7	5.7	-	28.4	30.5	Annual maturities
Broadcasting contracts	83.9	153.8	-	237.6	28.1	Contracts signed
Other	4.4	0.1	0.2	4.7	4.1	
TOTAL COMMITMENTS RECEIVED	**111.0**	**159.6**	**0.2**	**270.7**	**62.7**	

[(1)] *The amount of the commitments given on the channels' broadcasting rights was €529.6 million at 31 December 2018.*

At 31 December 2018, commitments given by the Group totalled €755.8 million, compared with €833.7 million at 31 December 2017.

This €77.9 million fall in commitments given primarily originated from the following movements:

- a €128.0 million decrease in commitments relating to non-cancellable property leases, mainly due to the disposal of the Girondins division on 6 November 2018 (which notably included a €124.9 million commitment at 31 December 2017 in respect of future rental payments for the Bordeaux stadium);
- rights purchase commitments and co-production commitments – net of advance payments made – increased by €74.7 million compared with 31 December 2017; this was primarily due to the purchase of sports broadcasting rights;
- commitments linked to the transmission and broadcast contracts of the channels and radio stations fell by €21.6 million compared with the year to 31 December 2017, to €74.4 million.

At 31 December 2018, commitments received by the Group totalled €270.7 million, compared with €62.7 million at 31 December 2017.

The significant increase of €208.1 million in commitments received primarily resulted from the following movements:

- The renewal of the Group's distribution contracts with its main partners – Altice-SFR, Bouygues Telecom, Free, Canal+ Group and Orange, resulting in an increase of €228.3 million;
- An €18.7 million reduction in the commitment received from Orange in respect of managing the "M6 Mobile" subscriber base and brand licence;
- A €2.0 million fall in commitments to sell rights.

26. Related parties

26.1 Identification of related parties

Related parties to the Group comprise joint ventures and associates, RTL Group – 48.26% Group shareholder, Bertelsmann AG – RTL shareholder, corporate officers and members of the Supervisory Board.

26.2 Transactions with shareholders

Borrowings from shareholders

At 31 December 2018, no funds were borrowed from Bayard d'Antin.

In fact, under the terms of a framework cash pooling agreement signed between Bayard d'Antin SA and Métropole Télévision, the first implementation of which dates back to 1 December 2005, Métropole Télévision has the option of borrowing funds from Bayard d'Antin, as long as the amount borrowed does not exceed 48% of that borrowed from banking institutions for periods ranging from 1 week to 3 months; the terms and conditions being consistent with those of the market. The Group still has the option of depositing surplus cash with Bayard d'Antin, either on a day to day basis or by depositing part of it for a period not exceeding 3 months. The remuneration provided by this agreement is in line with the market.

The renewal of this agreement for a further period of 12 months was authorised by the Supervisory Board on 05 November 2018.

In order to adhere to the cash depositing policy of Métropole Télévision (described in Note 21.4), the deposit with Bayard d'Antin may not exceed a given ratio of the cash resources of the Métropole Télévision Group.

Current transactions

	31/12/2018		31/12/2017	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Sales of goods and services	8.0	1.2	7.5	0.4
Purchases of goods and services	(24.4)	(1.2)	(27.4)	(1.1)

Day-to-day transactions with shareholders have been conducted at arms' length, it being specified that purchases primarily include the purchase of programmes from production companies owned by RTL Group.

The outstanding balances arising from these sales and purchases are the following:

	31/12/2018		31/12/2017	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Receivables	3.9	0.6	3.8	0.3
Liabilities	11.5	0.3	15.2	0.1

Specific transactions

M6 Group purchased the French radio division (RTL, RTL2 and Fun Radio) of RTL Group, its leading shareholder.

Following this acquisition, two contracts were concluded by the Group with its shareholders during the 2017 financial year. One contract relates to the royalty fee for the RTL brand, while the second relates to the use of the long-wave licence.

26.3 Transactions with shareholders

The following transactions have taken place between Group subsidiaries and joint ventures:

	31/12/2018	31/12/2017
Sales of goods and services	9.0	8.3
Purchases of goods and services	(0.1)	(0.1)

Sales and purchase transactions with joint ventures have been conducted at arms' length.

The net balance sheet positions were as follows:

	31/12/2018	31/12/2017
Receivables	2.5	2.2
relating to financing	*0.3*	*0.3*
Liabilities	1.6	4.3
relating to financing	*1.6*	*4.1*

Receivables relating to financing comprise profit of partnerships due to be transferred to the parent company.

Over the course of the 2018 financial year, dividends received from joint ventures totalled €1.5 million.

26.4 Transactions with associates

The following transactions have taken place between Group subsidiaries and associates:

At 100%	31/12/2018	31/12/2017
Sales of goods and services	1.3	0.5
Purchases of goods and services	-	-

Sales and purchase transactions with associates have been conducted at arms' length.

The net balance sheet positions were as follows:

	31/12/2018	31/12/2017
Receivables	0.3	0.4
relating to financing	*0.3*	*0.4*
Liabilities	-	0.6
relating to financing	-	-

Over the course of the 2018 financial year, dividends received from associates totalled €0.5 million.

26.5 Transactions with corporate officers

The remuneration paid in 2018 to the members of the Executive Board amounted to €5,028,479, of which €2,738,130 was fixed and €2,290,349 variable.

91,600 free shares were allocated to members of the Executive Board in July 2018.

167,200 free shares were transferred over the same period to Executive Board members as part of the plans of 28 July 2016 (members at the allocation date).

In addition, in this respect and in accordance with the same conditions as Group employees, the members of the Executive Board are entitled to a legally binding end of career payment (see Note 4.14).

Members of the Supervisory Board were paid attendance fees amounting to €235,800. Moreover, private individual members of the Supervisory Board or representing a legal entity member of the Supervisory Board held 108,030 Group shares at 31 December 2018.

Total remuneration paid to the main corporate officers in respect of their duties within the Group, as referred to by IAS 24.17, was as follows:

	31/12/2018	31/12/2017
Short-term benefits		
Remuneration items	5.1	4.3
Other short-term benefits	0.0	0.0
Long-term benefits		
Share-based payments	1.4	1.5
TOTAL	**6.5**	**5.8**

Furthermore, detailed disclosure of remuneration is provided in Note 2.3 of the Registration Document.

27. Statutory Auditors' fees

Statutory Auditors fees for the 2017 and 2018 financial years were as follows:

	EY				PWC				TOTAL			
	2018	2017	% 2018	% 2017	2018	2017	% 2018	% 2017	2018	2017	% 2018	% 2017
Audit												
Statutory Audit, Certification of parent company and consolidated financial statements	0.3	0.3	98%	79%	0.4	0.4	100%	69%	0.7	0.7	99%	72%
Métropole Télévision	*0.1*	*0.1*	*32%*	*27%*	*0.1*	*0.1*	*22%*	*14%*	*0.2*	*0.2*	*26%*	*19%*
Fully-consolidated subsidiaries	*0.2*	*0.2*	*66%*	*52%*	*0.3*	*0.4*	*78%*	*55%*	*0.5*	*0.6*	*73%*	*54%*
Other services	0.0	0.1	2%	21%	0.0	0.2	0%	31%	0.0	0.3	1%	28%
Métropole Télévision	*0.0*	*0.1*	*0%*	*21%*	*0.0*	*0.2*	*0%*	*23%*	*0.0*	*0.3*	*0%*	*23%*
Fully-consolidated subsidiaries	*0.0*	*-*	*2%*	*0%*	*0.0*	*0.1*	*0%*	*8%*	*0.0*	*0.1*	*1%*	*5%*
TOTAL	**0.3**	**0.4**	**100%**	**100%**	**0.4**	**0.6**	**100%**	**100%**	**0.7**	**1.0**	**100%**	**100%**
TOTAL IN %	**41%**	**36%**			**59%**	**64%**						

In the case of EY, other services in the 2017 financial year related to the IFRS 15 assessment, and in the case of PwC, they relate to opinions and agreed upon procedures on the opening balance sheets of companies acquired during the period and the internal control of a subsidiary.

28. Subsequent events

- With effect from 1 January 2019, M6 Web, which historically brought together the Group's digital activities, has been split into two separate entities to align legal structures with the operating structure put in place in 2018 (see Note 16): M6 Digital Services, which brings together digital pure player activities (e-commerce sites and services, technology services, etc.), and M6 Distribution, which notably brings together distribution of the Group's channels and on-demand services, and development and operation of the 6play technical platform.
- On 1 January 2019, the commitment to purchase shares held by the minority shareholders of iGraal was fulfilled, with the Group acquiring the remaining 49% of the latter.
- On 31 January 2019, M6 Group's Supervisory Board has today entered into exclusive negotiations with Lagardère Active for the acquisition of Lagardère Group's Television Channels Division (excluding Mezzo), the French leader in live and on-demand children's TV.

29. Consolidation scope

			31/12/2018		31/12/2017	
Company	**Legal form**	**Nature of operations**	**% share capital**	**Consolidation method**	**% share capital**	**Consolidation method**
TELEVISION						
Métropole Télévision - M6	SA	Parent company	-	FC	-	FC
89 avenue Charles de Gaulle - 92575 Neuilly-sur-Seine cedex						
M6 Publicité	SAS	Advertising agency	100.00%	FC	100.00%	FC
Ctzar	SAS	Agency specialised in influencer marketing	51.00%	FC	-	-
Sociaddict	SAS	Agency specialised in influencer marketing	51.00%	FC	-	-
M6 Thématique	SAS	Holding company of free-to-air and pay DTT channels	100.00%	FC	100.00%	FC
Edi TV - W9	SAS	W9 free-to-air channel	100.00%	FC	100.00%	FC
M6 Génération - 6Ter	SAS	6TER free-to-air channel	100.00%	FC	100.00%	FC
M6 Communication - M6 Music	SAS	M6 Music pay channel	100.00%	FC	100.00%	FC
Paris Première	SAS	Paris Première pay channel	100.00%	FC	100.00%	FC
Sedi TV - Téva	SAS	Téva pay channel	100.00%	FC	100.00%	FC
Extension TV - Série Club	SAS	Série Club pay channel	50.00%	EA	50.00%	EA
SNDA	SAS	Audiovisual rights distribution	100.00%	FC	100.00%	FC
M6 Distribution (formerly M6 Talents)	SAS	6Play	100.00%	FC	100.00%	FC
RADIO DIVISION						
Ediradio	SA	Production company	-	M	100.00%	FC
ID (Information et Diffusion)	SARL	Production company	100.00%	FC	100.00%	FC
IP France	SA	Advertising agency	-	M	100.00%	FC
IP Régions	SA	Advertising agency	-	M	100.00%	FC
RTL net	SAS	Internet company	-	M	100.00%	FC
RTL Special Marketing	SARL	Exploitation of merchandising rights and production of shows	-	M	100.00%	FC
SCP	SARL	Advertising agency	-	M	100.00%	FC
SERC	SA	Fun Radio music radio station	100.00%	FC	100.00%	FC
Canal Star	SARL	Fun Radio local radio station	100.00%	FC	-	-
Sprgb Sarl	SARL	Fun Radio local radio station	100.00%	FC	-	-
Société Communication A2B	SARL	Fun Radio local radio station	100.00%	FC	-	-
Gigasud sarl	SARL	Fun Radio local radio station	100.00%	FC	-	-
Sodera	SA	RTL2 music radio station	100.00%	FC	100.00%	FC
Média Stratégie	SARL	RTL2 local radio station	100.00%	FC	-	-

FM Graffiti	SARL	RTL2 local radio station	100.00%	FC	-	-	
Radio Golfe	SARL	RTL2 local radio station	100.00%	FC	-	-	
Radio Porte Sud	SARL	RTL2 local radio station	100.00%	FC	-	-	
RTL France Radio	SAS	Radio RTL	100.00%	FC	100.00%	FC	
PRODUCTION AND AUDIOVISUAL RIGHTS							
M6 Films	SA	Co-production of films	100.00%	FC	100.00%	FC	
M6 Studio	SAS	Production of animated feature films	100.00%	FC	100.00%	FC	
C. Productions	SA	Programme production	100.00%	FC	100.00%	FC	
Studio 89 Productions	SAS	Production of audiovisual programmes	100.00%	FC	100.00%	FC	
GM6 - Golden Network	SAS	Digital production and publishing	100.00%	FC	100.00%	FC	
Société Nouvelle de Cinématographie	SA	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC	
Société Nouvelle de Distribution	SA	Distribution of films to movie theatres	100.00%	FC	100.00%	FC	
Les Films de la Suane	SARL	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC	
SNC Catalogue MC (formerly Mandarin cinéma)	SAS	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC	
SNC Audiovisuel FF (formerly Fidélité Films)	SAS	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC	
DIVERSIFICATION							
M6 Foot	SAS	Holding company - Sports	100.00%	FC	100.00%	FC	
M6 Interactions	SAS	Entertainment and exploitation of merchandising rights	100.00%	FC	100.00%	FC	
6&7	SAS	Music production and publishing company	49.00%	EA	49.00%	EA	
M6 Evénements	SA	Event production	100.00%	FC	100.00%	FC	
M6 Editions	SA	Print publications	100.00%	FC	100.00%	FC	
M6 Digital Services (formerly M6 Web)	SAS	Internet content and access provider	100.00%	FC	100.00%	FC	
Elephorm	SAS	Internet company	34.00%	EA	34.00%	EA	
iGraal	SAS	Internet company	51.00%	FC	51.00%	FC	
M6 Hosting	SAS	Web hosting and managed services	100.00%	FC	-	-	
QuickSign	SAS	Various specialised, scientific and technical activities	24.14%	EA	24.14%	EA	
Panora Services	SAS	Online bank comparison engine	50.00%	EA	50.00%	EA	
M6 Créations	SAS	Production of audiovisual works	100.00%	FC	100.00%	FC	
Stéphane Plaza France	SAS	Property development	49.00%	EA	49.00%	EA	
HSS sub-group							
Home Shopping Service	SA	Teleshopping programmes	100.00%	FC	100.00%	FC	
HSS Belgique	SA	Teleshopping programmes	100.00%	FC	50.00%	EA	
HSS Hongrie	SA	Teleshopping programmes	100.00%	FC	100.00%	FC	
SETV Belgique	SCRL	Teleshopping management office	0%	-	100.00%	FC	
Unité 15 Belgique	SA	Customer service	100.00%	FC	100.00%	FC	
monAlbumPhoto	SAS	Distance selling with specialised catalogue	0%	-	100.00%	FC	
Printic	SAS	Photographic activities	0%	-	100.00%	FC	
Joïkka (formerly M6 Divertissement)	SAS	Online jewellery selling	100.00%	FC	100.00%	FC	
M6 Shop	SAS	Dormant	100.00%	FC	100.00%	FC	
Luxview	SAS	E-commerce	95.56%	FC	95.56%	FC	
Optilens	SPRL	E-commerce	100.00%	FC	100.00%	FC	
Best of TV	SAS	Wholesale trade	51.00%	FC	51.00%	FC	
Best of TV Benelux	SPRL	Wholesale trade	100.00%	FC	100.00%	FC	
PROPERTY - DORMANT COMPANIES							
Immobilière 46D	SAS	Neuilly building	100.00%	FC	100.00%	FC	
Immobilière M6	SAS	Neuilly building	100.00%	FC	100.00%	FC	
SCI du 107	SCI	Neuilly building	100.00%	FC	100.00%	FC	
Life TV	SA	DTT channel	33.33%	EA	33.33%	EA	
M6 Bordeaux	SAS	Local TV station	100.00%	FC	100.00%	FC	
M6 Diffusion	SA	Holding company - digital operations	100.00%	FC	100.00%	FC	
M6 Développement	SASU	Training organisation	100.00%	FC	100.00%	FC	
SND SA	INC	Holding Company - audiovisual rights	100.00%	FC	100.00%	FC	
SND Films	LLC	Development of cinematographic works	100.00%	FC	100.00%	FC	
OPERATIONS SOLD							
FC Girondins de Bordeaux	SA	Football club	-	-	100.00%	FC	
33 FM	SAS	Radio programmes editing and broadcasting	-	-	95.00%	FC	
Girondins Expressions	SAS	24/7 channel dedicated to FCGB	-	-	100.00%	FC	
Girondins Horizons	SAS	Travel agency	-	-	100.00%	FC	

FC: Full consolidation
EA: Equity accounted
M: Merged

The Group is not a shareholder or participating stakeholder in any special purpose entities.

5.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444

92037 Paris-La Défense Cedex

Simplified joint stock company with variable capital

Statutory Auditors' report on the consolidated financial statements

(Financial year ended 31 December 2018)

To the Shareholders' General Meeting,

Métropole Télévision

89, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine, France

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Métropole Télévision for the year ended 31 December 2018.

In our opinion, the consolidated financial statements provide a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We have performed our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described herein in the section "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics for Statutory Auditors.

Observation

Without qualifying the opinion expressed above, we draw attention to Note 5 to the consolidated financial statements which details the impact of the first-time application at 1 January 2018 of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. Accordingly, we do not provide any opinions on specific items of the consolidated financial statements.

Recognition of revenue, and estimation of receivables and credit notes linked to advertising revenues

Risk identified

Advertising revenues were €1,067.1 million in the Group's consolidated financial statements. Their recognition is based on the broadcasting of advertisements. Commercial discounts are granted to advertisers according to general and special terms and conditions, which are reflected in the award of credit notes during the year and at year-end, as described in Note 4.17 "Revenue" to the consolidated financial statements, and depending on whether a contractually agreed audience level is reached.

We considered that the recognition of revenue and the estimation of the level of receivables and credit notes are key points of the audit in view of their material amount in the Group's financial statements, and the diversity and number of agreements existing between the Group and its customers, as well as of the judgement required to estimate the credit notes and the recoverable nature of trade receivables at the year-end.

Our response

Our audit approach to the recognition of revenue and the estimation of receivables and customer credit notes includes both tests on internal control, and substantive controls on the financial statements.

Our work on internal control primarily covered the contractualisation, invoicing, recovery, and estimation of the credit notes, and the recognition of revenue. We have reviewed and tested the controls deemed to be key that were implemented by the Group in relation to these various aspects. A number of members with particular expertise in information systems have been included in our team in order to test certain application controls on the data integrated into the system and used as a basis for revenue recognition.

Our substantive controls relating to revenue and to the estimation of the receivables and credit notes specifically consisted in:

- Analysing the revenue depending on the trend in the advertising market and external data;
- Reviewing the correlation between full-year revenue and the changes in cash and trade receivables;
- Analysing the contractual clauses in a sample of contracts in order to assess the correct measurement of revenue and year-end credit notes;
- Verifying that the year-end credit notes, for which a provision had been established at the end of the previous financial year, were issued during the financial year;
- Reviewing the processes for estimating provisions for impairment of trade receivables.

Measurement of goodwill

Risk identified

At 31 December 2018, goodwill totalled €193.6 million in the consolidated financial statements. This goodwill has been recognised under business combinations in accordance with IFRS 3, revised.

Notes 4.7 "Impairment of assets", and 16. "Goodwill impairment tests and intangible assets with an indeterminable life" in the notes to the consolidated financial statements describe the processes for performing the impairment tests.

We considered that the measurement of these goodwill amounts is one of the key points of the audit due to (i) their material amount in the Group's financial statements, and (ii) the estimates and assumptions used to determine their recoverable value, which is based on discounted cash flow forecasts, the achievement of which is by nature uncertain.

Our response

We reviewed the processes for performing impairment tests, and especially the determination of cash generating units, and the methods for estimating recoverable value.

Furthermore, we assessed the reasonable nature of the main estimates used by Management to draw up the cash flow forecasts based on the information available, including the market outlook, and past performance.

We assessed the relevance of the discount rates used, and reviewed the sensitivity tests performed by Management. We have also assessed the appropriateness of the disclosures made in the notes to the consolidated financial statements.

Measurement of broadcasting rights inventories, off-balance sheet items and provisions for broadcasting rights

Risk identified

M6 Group buys programme in order to broadcast them on all of the Group's channels. The purchase commitments are treated as off-balance sheet commitments until the period when the rights become available. Once the rights are available, they are recorded in broadcasting rights inventories.

A provision is established when Management, on the basis of a title-by-title review of the rights portfolio, considers that a programme will not be broadcast in the timeslot for which it was acquired.

We considered this issue as a key point of the audit due to the material amount of the rights portfolio in the Group's financial statements, and because any provisions arising from that portfolio are dependent by nature on Management forecasts regarding audience figures and whether programmes can be broadcast or not.

At 31.12.2018	**(€ millions)**	**Note**
Gross value of inventory	453	Note 18
Accumulated amortisation	(192)	Note 18
Net value of rights inventory	261	
Off-balance sheet rights purchase commitments	530	Note 25
Provision for off-balance sheet rights	(15)	Note 24

Our response

In order to assess the reliability of Management assumptions, we have notably:

- Analysed, for a selection of programmes, the consistency of broadcasting forecasts with the audience trajectories of the programmes and the risk of non-broadcast, particularly with regard to the expiry date of the rights;
- We compared the actual broadcast windows with the broadcast windows anticipated by Management on a test basis.

We also verified:

- The reclassification of provisions for programmes previously carried as off-balance sheet commitments and transferred to inventories when the rights become available;
- That the calculation of the provisions was compliant with the accounting rules and methods, as set out in Note 4.10 to the consolidated financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by law and regulations on the information relating to the Group given in the Executive Board's Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated non-financial statement provided for by Article L.225-102-1 of the French Commercial Code is included in the Management Report, it being specified that in accordance with the provisions of Article L.823- 10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Métropole Telévision by the General Meetings of 3 May 2002 for ERNST & YOUNG et Autres and 6 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2018, ERNST & YOUNG et Autres was in the 17th year of uninterrupted engagement and PricewaterhouseCoopers Audit was in the 11th year of uninterrupted engagement.

Management and individuals responsible for corporate governance in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or that it will cease to operate.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been prepared by the Executive Board.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Audit objectives and approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users take on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit.

Furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the procedures relating to the preparation and processing of accounting and financial information that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Marty

Ernst & Young et Autres

Bruno Bizet

5.4 PARENT COMPANY FINANCIAL STATEMENTS AT 31/12/2018

Balance Sheet - Assets

(€ millions)	Note n°	31/12/2018 Gross	31/12/2018 Am., Dep. & Prov.	31/12/2018 Net	31/12/2017
Intangible assets	3.1	296.5	226.1	70.4	2.8
Technical facilities, equipment & tools	3.2	49.5	41.8	7.7	5.0
Other property, facilities & equipment	3.2	32.0	21.3	10.7	3.8
PFE under construction	3.2	4.7	-	4.7	1.0
Equity investments	3.3	417.6	63.6	354.1	404.1
Loans	3.3/3.5	-	-	-	0.2
Other investments	3.3/3.5	2.8	-	2.8	3.5
TOTAL NON-CURRENT ASSETS		**803.1**	**352.8**	**450.3**	**420.3**
Broadcasting rights inventories	3.4	349.5	160.2	189.3	185.2
Advances and prepayments on orders		73.8	-	73.8	70.9
Trade receivables	3.5	329.0	3.0	326.0	286.3
Other receivables	3.5	208.0		208.0	284.3
Marketable securities	3.6	17.9	-	17.9	34.3
Bank and cash	3.6	104.8	-	104.8	2.5
Prepaid expenses	3.7	40.4	-	40.4	12.6
TOTAL CURRENT ASSETS		**1,123.5**	**163.3**	**960.2**	**876.1**
Loan issue costs to be apportioned over time		0.1	-	0.1	0.1
Bond issue premium		0.2	-	0.2	0.2
TOTAL EQUITY AND LIABILITIES		**1,926.9**	**516.1**	**1,410.8**	**1,296.8**

Balance sheet - Equity and liabilities

(€ millions)	Note n°	31/12/2018	31/12/2017
Share capital	3.8	50.6	50.6
Share premium	3.8	7.6	7.6
Legal reserve	3.8	5.3	5.3
Retained earnings	3.8	317.3	302.1
Financial year net profit	3.8	167.0	134.9
Regulated provisions	3.8	0.7	1.8
SHAREHOLDERS' EQUITY		**548.4**	**502.2**
Provisions for liabilities	3.9	12.8	14.2
Provisions for charges	3.9	43.3	42.9
PROVISIONS FOR LIABILITIES AND CHARGES		**56.1**	**57.1**
Debenture loans and other bank loans	3.10	50.3	60.3
Bank overdrafts	3.10	2.2	0.5
Trade payables	3.10	230.5	232.4
Advances and prepayments on orders	3.10	-	0.1
Tax and social security payable	3.10	80.3	71.2
Liabilities on non-current assets	3.10	0.0	0.1
Other liabilities	3.10	436.3	365.4
Deferred revenues		6.6	7.4
TOTAL LIABILITIES		**806.3**	**737.4**
Deferred translation loss		-	-
TOTAL EQUITY AND LIABILITIES		**1,410.8**	**1,296.8**

Income statement

(€ millions)	Note n°	31/12/2018	31/12/2017
Revenue	**4.1**	**703.8**	**679.6**
Own work capitalised		2.7	2.8
Amortisation, depreciation & provision reversals		80.6	70.8
Other operating revenues		91.8	58.7
OPERATING REVENUES		**878.9**	**811.9**
Merchandise purchases and movements in inventories	4.2	354.3	312.0
Other purchases and external charges	4.3	124.2	114.7
Tax and duties	4.4	51.3	38.9
Payroll & employment benefits	4.6	109.2	81.5
Non-current asset depreciation and amortisation	3.1/3.2	10.8	7.7
Non-current asset investment writedowns	3.1	6.1	5.1
Current asset provisions charges	3.4/3.5	65.2	74.2
Provisions for liabilities and charges		13.5	24.5
Other expenses	4.5	29.8	30.1
OPERATING EXPENSES		**764.4**	**688.9**
OPERATING PROFIT		**114.5**	**123.0**
Investments financial income (excluding current account interests)		75.6	40.4
Interest and other financial income		1.1	2.2
Financial provision reversals		14.8	4.6
Foreign exchange gains		0.1	0.0
Net income from disposal of marketable securities		-	0.1
FINANCIAL INCOME		**91.6**	**47.3**
Interest and financial expenses		1.7	1.3
Financial depreciation, amortisation and provision charges		0.0	6.0
Foreign exchange losses		0.0	0.0
Net expense on disposal of marketable securities		0.3	-
FINANCIAL EXPENSES		**2.1**	**7.4**
NET FINANCIAL INCOME	**4.7**	**89.4**	**40.0**
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		**204.0**	**163.0**
Exceptional income - investment & financing activities		38.8	24.4
Exceptional depreciation, amortisation and provision reversals		19.0	15.4
EXCEPTIONAL INCOME		**57.8**	**39.8**
Exceptional expenses - investment & financing activities		48.3	28.7
Exceptional depreciation, amortisation and provision charges		9.8	10.0
EXCEPTIONAL EXPENSES		**58.2**	**38.6**
NET EXCEPTIONAL INCOME/(EXPENSE)	**4.8**	**(0.4)**	**1.2**
Employee profit sharing plan contributions		4.7	3.6
Income tax	4.9/4.10	31.9	25.7
NET PROFIT		**167.0**	**134.9**

5.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Métropole Télévision reported a net profit of €167.0 million with total assets of €1,410.8 million for the 12-month financial year ended 31 December 2018.

These annual financial statements were approved by the Executive Board on 18 February 2019 and reviewed by the Supervisory Board on 19 February 2019.

Unless otherwise stated, the amounts presented in the notes are expressed in millions of Euros.

1. 2016 financial year highlights

The 2018 financial year was marked by a large number of acquisitions and disposal of securities:

Following the acquisition of RTL Group's French Radio division in 2017, an earn-out totalling €2.7 million was paid by Métropole Télévision in 2018. In return, Métropole Télévision received a €1 million earn-out on those companies in the Radio division that had been disposed of by the Group.

In accordance with the decision by its sole partner on 26 March 2018, it was decided to dissolve EDIRADIO on 30 April 2018 and transfer all its assets to Métropole Télévision, with effect from 1 January 2018.

On 22 October 2018, Métropole Télévision transferred the entire share capital of M6 Distribution to M6 Web.

On 28 December 2018, the catalogue entities SNC Audiovisuel FF, SNC Catalogue MC and SNC were transferred to Société Nouvelle de Distribution, a Métropole Télévision subsidiary.

Lastly, at that same date, Métropole Télévision also acquired SNDA from Société Nouvelle de Distribution.

2. Accounting rules and methods

The financial statements for the financial year are presented in the general accounting rules, principles and methods defined by the French Chart of Accounts as presented by Regulation n°2014-03 of the *Autorité des Normes Comptables* (ANC) of 5 June 2014, supplemented by subsequent regulations.

Generally-accepted accounting practices were applied in compliance with the principles of prudence, true and fair presentation and consistency, in accordance with the following basic assumptions:

- going concern,
- consistency of accounting policies,
- independence of the accounting periods,

and according to the general rules of preparation and presentation of annual financial statements.

2.1 Intangible assets

Intangible assets principally comprise business goodwill, computer software and co-production rights.

BUSINESS GOODWILL

This consists of the non-assignable portion of the technical merger loss. It is non-amortisable and will be tested for impairment in subsequent periods. An impairment loss will be recognised if its present value falls below its net carrying amount.

COMPUTER SOFTWARE

Computer software is amortised on a straight-line basis over a period of between 1 to 5 years. Software packages purchased before 31 December 2016, and where the useful life is estimated to be greater than one year, are amortised on an accelerated basis over one year for tax purposes.

COPRODUCTION OF DRAMA, DOCUMENTARIES, CONCERTS, PROGRAMMES AND MUSIC VIDEOS

Once contracts have been signed, co-productions are disclosed as off-balance sheet commitments with regard to outstanding net payments.

The payments made for co-productions awaiting technical approval or whose broadcasting licence is pending are recorded as advances and prepayments upon receipt of corresponding invoices.

Co-productions are recognised as intangible assets upon receipt and technical acceptance.

Co-production costs are amortised on a straight-line basis over 3 years and may be written-off, based on future revenue forecasts.

2.2 Property, facilities and equipment

Property, facilities and equipment are recorded at their acquisition cost. This cost includes expenses directly attributable to the transfer of the assets to their operational location and the commissioning costs incurred to enable assets to be operated in the manner intended by Management.

They are depreciated on a straight-line or reducing balance basis. The key periods of depreciation are as follows:

- Mobile technical equipment: 3 years
- Other mobile equipment: 4 or 5 years
- Technical equipment: 3 or 4 years
- Computer hardware - PCs: 3 or 4 years
- Office equipment: 5 years
- Video equipment: 6 years
- General facilities: 10 years
- Office furniture: 10 years

2.3 Investments

Assets defined as investments are:

- equity securities,
- deposits and guarantees,
- loans granted to Group companies.
- FCPR (mutual fund) shares the Company will hold over the long term.

Financial investments are valued at their purchase cost, and may be impaired if their carrying value justifies it. The carrying value of the subsidiaries is determined by comparing the net book value of equity investments with their share of net assets, and by taking their prospects into account.

The acquisition cost of investments acquired with effect from 2007 comprises the purchase cost and the acquisition costs (transfer tax, fees, commissions and legal costs). These acquisition costs are subject to an accelerated amortisation over 5 years.

In the case that the equity of the company whose securities are being written down is negative, and in the absence of any prospects, a provision for writedown of the current accounts potentially owed by this subsidiary is recognised for an amount not exceeding the negative equity. In the case that the negative equity of this subsidiary exceeds the value of the current accounts, an additional provision for liabilities and charges is recognised.

2.4 Broadcasting rights inventories

Broadcasting rights are classified as inventory with effect from their opening date, which is when the channel is contractually authorised to broadcast the corresponding programmes.

The contracted but not yet invoiced value of broadcasting rights that are not open is reported under off-balance sheet commitments. Rights invoiced but not open are recorded as 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 multiple broadcasts:
- The first broadcast is valued at 66% of the contract value;
- The second broadcast is valued at 34% of the contract value.

Different amortisation schedules may be considered in the highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

On the other hand, a writedown provision is established for broadcasting rights relating to programmes that are not likely to be broadcast or whose expected economic benefits turns out to be lower than the book value, on the basis of a review, title by title, of the portfolio of broadcasting rights.

2.5 Receivables and liabilities

Receivables and liabilities are recorded at their nominal value.

A provision for writedowns is established where the recoverable value of the receivables is lower than the book value.

Foreign currency denominated receivables and liabilities which are not the subject of a financial hedge are translated at the exchange rate at the balance sheet date. Only unrealised exchange losses are recognised in the income statement.

2.6 Marketable securities

Marketable securities are recorded at their gross value.

A provision for writedown is established whenever the market value is less than the acquisition cost.

Treasury shares

Pursuant to the authorisation granted at the General Meeting of 26 April 2016, Métropole Télévision holds treasury shares:

- as part of a liquidity contract,
- to cover the exercise of plans to allocate free shares granted to employee beneficiaries.

These treasury shares are recorded at their gross value as marketable securities.

As regards treasury shares held as part of a liquidity contract, a provision for writedown is established when the book value of these treasury shares, corresponding to the average price of the last month of the financial year, is lower than their acquisition cost.

For treasury shares to be used to service plans to allocate free shares, a provision for liabilities and charges equal to the gross value of these shares is recognised (see Note 2.10).

2.7 Regulated provisions

Regulated provisions comprise accelerated amortisation in respect of computer software and acquisition costs of investments.

2.8 Provisions for liabilities and charges

Métropole Télévision recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources with no compensation at least equivalent will be required, and where a reliable estimate can be made of the amount of the loss or liability.

The amount recognised under provisions is the best estimate of the cash outflow necessary to settle the present obligation at the balance sheet date.

In the case this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

2.9 Provision for retirement benefits

Pension commitments have been calculated in accordance with the same method as IAS 19R, namely using an actuarial method that takes into account the vested rights of employees, their most recent salary and their average probable residual service period. Actuarial gains and losses and past service costs are recognised through profit and loss immediately and in full.

Actuarial assumptions are detailed in Note 23 to the consolidated financial statements at 31 December 2018.

2.10 Provision for plans granting free shares

In application of *Conseil National de la Comptabilité* (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. This provision is spread over the entire rights acquisition period.

2.11 Bonds and other bank borrowings

Bonds are recorded at the total amount received on the payment date, which is the trigger event.

The issue premium is recorded in a deferred expense account under assets.

The bank charges invoiced as part of the bond issue are recognised as an expense, and then reclassified under assets (in a deferred expense account) via an expense reclassification account.

The issue premium and bank charges recognised as assets are amortised over the term of the bonds.

Other bank borrowings correspond to credit facilities. These credit facilities are recognised as bank debt at their gross amount at the date when they are received. The non-utilisation fees for these credit facilities are recognised under financial expenses.

2.12 Advertising revenues

Advertising revenues are recorded net of commercial discounts, at the time of broadcast of the relevant advertising.

2.13 CICE tax credit

In accordance with the *Autorité des Normes Comptables* (ANC) Circular of 28 February 2013, accrued income from the CICE (tax credit aimed at encouraging business competitiveness and employment) has been recognised as a reduction of payroll costs.

2.14 Off-balance sheet commitments

Off-balance sheet commitments essentially comprise:

- acquisitions of broadcasting rights that are not open and uninvoiced;
- co-production costs for which technical approval has not yet been granted;
- the uninvoiced value of radio hosts' contracts;
- technical broadcasting costs invoiced but not yet executed (image transmission) on the basis of contracts with technical broadcasters.

2.15 Financial instruments

The application of ANC Regulation 2015-05 dated 2 July 2015, which made the application of hedge accounting mandatory, had no material impact during the financial year. The only financial instruments implemented by Métropole Télévision concern foreign exchange and share risk hedging.

Métropole Télévision hedges against the main foreign currency-denominated transactions, using simple financial instruments, primarily forward purchases. Hedged transactions are accounted for at the exchange rate applicable on the day the hedge is implemented.

3. Notes to the parent company balance sheet

3.1 Intangible assets

Intangible assets essentially comprise shares of co-production programmes and the business goodwill related to the Ediradio merger.

The movements in intangible assets were as follows:

	Intangible assets
Amount net of writedowns and amortisation at 31/12/2017	2.8
Acquisitions during the year	73.7
Net acquisition of amortisation generated by the merger	0.1
Disposals during the year	-
Depreciation charge for the year	(5.2)
Reversal of amortisation on disposals	-
Charges to provisions for writedowns	(6.1)
Reversal of provisions for writedowns	5.1
Amount net of writedowns and amortisation at 31/12/2018	**70.4**
Gross value at 31/12/2017	221.2
Accumulated amortisation and writedowns	(218.5)
Net value at 31/12/2017	**2.8**
Gross value at 31/12/2018	296.5
Accumulated amortisation and writedowns	(226.1)
Net value at 31/12/2018	**70.4**

Acquisitions in the year mainly correspond to the following:

- a €68.2 million non-assignable technical loss arising from the merger of Ediradio;
- co-production shares in new programme formats in an amount of €2.7 million;
- software packages, in an amount of €1.2 million.

Charges to and reversal of provisions for writedowns relate to co-production shares with no future prospects of generating revenues.

3.2 Property, facilities and equipment

The movements in property, facilities and equipment during the year were as follows:

	Technical facilities	Other property, facilities & equipment	Assets under construction	Total
Amount net of writedowns and depreciation at 31/12/2017	5.0	3.8	1.0	9.8
Acquisitions during the year	4.4	9.2	1.8	15.4
Net acquisition of depreciation generated by the merger	0.2	0.3	11.3	11.9
Reclassification within property, plant and equipment	0.9	0.1	(1.0)	0.0
Disposals during the year	(1.4)	(0.2)	(8.5)	(10.1)
Depreciation charge for the year	(2.8)	(2.8)	-	(5.7)
Reversal of depreciation on disposals	1.4	0.2	-	1.6
Charges to provisions for writedowns	-	-	-	-
Reversal of provisions for writedowns	-	-	-	-
Amount net of writedowns and depreciation at 31/12/2018	7.7	10.7	4.7	23.1
Gross value at 31/12/2017	42.0	19.7	1.0	62.7
Accumulated depreciation and writedowns	(37.0)	(15.9)	-	(52.9)
Net value at 31/12/2017	**5.0**	**3.8**	**1.0**	**9.8**
Gross value at 31/12/2018	49.5	32.0	4.7	86.2
Accumulated depreciation and writedowns	(41.8)	(21.3)	-	(63.1)
Net value at 31/12/2018	**7.7**	**10.7**	**4.7**	**23.1**

Acquisitions during the financial year include fittings relating to RTL Radio’s recording studios, totalling €6.7 million.

3.3 Investments

The movements in the various investments were as follows:

	Equity investments	Loans	Other investments	Total
Amount net of writedowns at 31/12/2017	404.1	0.2	3.4	407.7
Acquisitions during the year	16.2	-	0.4	16.6
Disposals during the year	(76.8)	(0.2)	(1.1)	(78.1)
Charges to provisions for writedowns	-	-	-	-
Reversal of provisions for writedowns	10.5	-	-	10.5
Amount net of writedowns at 31/12/2018	**354.1**	**-**	**2.8**	**356.9**
Gross value at 31/12/2017	478.2	0.2	3.4	481.8
Accumulated writedowns	(74.1)	-	-	(74.1)
Net value at 31/12/2017	**404.1**	**0.2**	**3.4**	**407.7**
Gross value at 31/12/2018	417.6	-	2.8	420.4
Accumulated writedowns	(63.6)	-	-	(63.6)
Net value at 31/12/2018	**354.1**	**-**	**2.8**	**356.9**

- Equity investments mainly consist of the acquisition of all shares in SNDA from Société Nouvelle de Distribution and earn-outs paid in 2018 in connection with the acquisition of RTL Group’s French Radio division.
- Disposals of equity investments mainly consist of €50.4 million in respect of the elimination of Ediradio shares after the latter was merged into Métropole Télévision, €25.2 million in respect of the disposal of the SNC Audiovisuel FF, SNC Catalogue MC and SNC catalogues to Société Nouvelle de Distribution and €1 million in respect of an earn-out in connection with the internal disposal of certain subsidiaries of the Radio division.
- In addition, in relation to equity investments held by Métropole Télévision, provisions for impairment have been updated taking into account the share of net assets in the entities concerned. Provisions totalling €10.5 million were thus reversed, with €9.9 million of this amount relating to shares in M6 Foot.

- As regards other investments, disposals reflect redemption of a €1.1 million investment in a venture capital mutual fund.

3.4 Inventory and work in progress

This comprises broadcasting rights that are open and not consumed, as well as in-production programmes.

The movements in the year were as follows:

	Balance at start of year	Acquisitions	Decreases/ transfers	Invalid rights / rights sold	Balance at end of year
Inventories	323.3	255.0	(194.1)	(36.9)	347.3
In-progress	2.1	66.3	(66.2)	-	2.2
TOTAL	**325.4**	**321.3**	**(260.3)**	**(36.9)**	**349.5**

The provision for writedowns is analysed as follows:

	Balance at start of year	Increases	Reversals	Balance at end of year
Provision for inventory writedowns	139.5	62.3	(42.2)	159.5
Provision to writedown work-in-progress	0.8	-	(0.1)	0.7
TOTAL	**140.3**	**62.3**	**(42.4)**	**160.2**

3.5 Receivables

The change in other receivables primarily reflects the day-to-day financing transactions of the Group's subsidiaries.

The maturity of all receivables is as follows:

	Gross value	Due within 1 year	Due after 1 year
Non-current assets			
Loans	-	-	-
Other investments	2.8	-	2.8
Total	**2.8**	-	**2.8**
Current assets			
Trade receivables	329.0	326.0	3.0
Other receivables (1)	208.0	208.0	-
Total	**537.0**	**534.0**	**3.0**
TOTAL RECEIVABLES	**539.8**	**534.0**	**5.8**

(1) Other receivables include the debit current accounts of Group subsidiaries of €181.1 million.

Accrued income relating to trade receivables was €124.5 million at 31 December 2018, compared with €125.7 million at 31 December 2017.

Trade and other receivables in current assets were the subject of writedown provisions as follows:

	Balance at start of year	Increases	Reversals (used)	Reversals (unused)	Balance at end of year
Provision for writedown of trade receivables	3.6	2.9	(0.2)	(3.3)	3.0
Provision for writedown of other receivables	4.3	-	-	(4.3)	-
TOTAL	**7.9**	**2.9**	**(0.2)**	**(7.6)**	**3.0**

The reversal of the provision to writedown other receivables relates to the reversal of a €4.3 million writedown of current account with M6 Studio.

3.6 Cash and marketable securities

They are broken down as follows:

	31/12/2018	31/12/2017
Treasury shares	10.2	6.3
Liquidity contracts (treasury shares and other marketable securities)	2.7	3.0
Investment funds, SICAV	5.0	25.0
Bank and cash	104.8	2.5
Cash and marketable securities	122.7	36.8
Writedown of treasury shares	-	-
Net cash and marketable securities	**122.7**	**36.8**

774,600 shares were delivered in 2018 as part of the free share plan set up in 2016, 290,460 of which were granted to individuals employed by subsidiaries.

At 31 December 2018, Métropole Télévision directly held 570,654 treasury shares acquired for €10.2 million. These shares will be granted when the subsequent plans granting free shares mature.

Marketable securities do not include any unrealised gains, as these were realised at 31 December 2018.

3.7 Prepaid expenses

Prepaid expenses primarily include sports programmes and rights billed in 2018 to be broadcast at a later stage.

3.8 Equity

The movements in the year were as follows:

			Other movements		
	31/12/2017	Dividends paid	Additions	Reductions	31/12/2018
Share capital	50.6	-	-	-	50.6
Share premium	7.6	-	-	-	7.6
Legal reserve	5.3	-	-	-	5.3
Retained earnings	302.1	(119.6)	134.9	-	317.3
Financial year net profit	134.9		167.0	(134.9)	167.0
Equity excluding regulated provisions	500.4	(119.6)	301.8	(134.9)	547.7
Regulated provisions	1.8	-	-	(1.1)	0.7
TOTAL EQUITY	**502.2**	**(119.6)**	**301.8**	**(136.0)**	**548.4**

At 31 December 2018, the share capital comprised 126,414,248 ordinary shares of €0.40 each.

Regulated provisions relate to accelerated amortisation of licences.

3.9 Provisions for liabilities and charges

The movements in provisions during 2018 were:

	Balance at start of year	Increases	Reversals (used)	Reversals (unused)	Balance at end of year
Provisions for liabilities:					
Provisions for litigation	3.8	3.3	(1.4)	(0.8)	4.9
Provision for plans granting free shares	10.4	9.8	(12.3)	-	7.9
Provisions for charges:					
Provisions for retirement benefits	5.7	17.3	(3.7)	-	19.3
Other provisions for charges	37.2	10.5	(23.6)	(0.1)	24.0
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**57.1**	**40.9**	**(41.1)**	**(0.9)**	**56.1**

- Litigations included in the “provisions for litigation” caption relate to all legal proceedings instituted against Métropole Télévision, for which it is probable that the outcome will be unfavourable for the Company. In the vast majority of cases, such litigations have gone beyond the pre-litigation stage and are currently being considered or are undergoing judgement or appeal by competent courts (Commercial Court, Industrial Court, Court of First Instance, Criminal Court or Supreme Court of Appeal).

Additional information in respect of litigations in progress has not been included individually as disclosure of such information could be prejudicial to the Group

- The “provisions for plans granting free shares” are intended to cover the probable outflow of resources corresponding to the obligation to transfer shares to employees. In accordance with CNC opinion n°2008-17, they are spread over the vesting period of the entitlements and totalled €3.9 million at 31 December 2018 for the plans maturing in 2019, €3.3 million for the plans maturing in 2020 and €0.7 million for the plan maturing in 2021.
- €15.6 million of the increase in the provision for retirement benefits corresponds to the Ediradio provision that was added when the latter was merged into Métropole Télévision.
- €12.6 million of “other provisions for charges” relate to the writedown of audiovisual rights. that Métropole Télévision is committed to buy but which have not yet been posted to inventories.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) in the schedule slot that was initially planned will not be broadcast may not be accounted for by writing down a balance sheet asset, and is therefore recognised through a provision for liabilities and charges.

The writedown of an unopened right is consistent with the operation of the audiovisual rights market, since TV channels have generally entered into sourcing agreements with producers in relation to future productions, without having the certainty that the quality of the latter will be consistent and may be broadcast given their editorial policy and target audiences.

Channels may also be committed to acquiring a throwaway programme or an event where the expected economic benefits are less than the value of the commitment.

The value of rights is notably written down when a programme or event is unlikely to be broadcast.

In any event, impairment losses are assessed and defined in consultation with the Group’s channels’ programming departments as part of a programme-by-programme portfolio review in light of audience targets attached to each programme and the editorial policy.

“Other provisions for charges” also relate to costs Métropole Télévision would have to incur to implement a contract or settle its regulatory or tax obligations, without the amounts in question being due or having been due, in particular within the framework of dispute settlement or legal proceedings.

- The amounts reported for all these types of provisions are the best possible estimate of the future outflow of Company resources, taking account of plaintiffs’ claims, judgments already passed, if applicable, or the management’s appraisal of similar instances and/or calculations made by the finance department.

3.10 Liabilities

The change in other liabilities reflects the day-to-day financing of the Group’s subsidiaries.

Métropole Télévision arranged the following in order to finance the acquisition of the RTL Group’s Radio Division:

- on 1 August 2017, a €50.0 million bond issue maturing on 1 August 2024;
- on 22 September 2017, 3 credit facilities amounting to €40.0 million each, available for a period of 5 years.

€105 million was drawn down from the credit facilities during the financial year, repaid in full at 31 December 2018.

The bond issue includes an issue premium of €0.2 million, and an arrangement fee of €0.1 million. These items are recorded in deferred expenses, and amortised over 7 years.

Liabilities may be analysed as follows, by maturity date:

	Gross value	Due within 1 year	Due within 1 to 5 years	Due after 5 years
Bonds	50.3	0.3	-	50.0
Other borrowings	-	-	-	-
Bank overdrafts	2.2	2.2	-	-
Trade payables	230.5	230.5	-	-
Tax and social security payable	80.3	80.3	-	-
Liabilities on non-current assets	-	-	-	-
Other liabilities (1)	436.3	436.3	-	-
TOTAL	**799.7**	**749.7**	**-**	**50.0**
Accrued expenses included within the above:				
- trade payables	46.7	46.7		
- income tax and social security	30.1	30.1		
- liabilities on non-current assets	-	-		

(1) Other liabilities include credit current accounts of Group subsidiaries of €305.6 million.

4. Notes to the parent company income statement

4.1 Revenue analysis

Advertising revenues are recorded net of commercial discounts and are analysed as follows:

	2018	**2017**
TV advertising and sponsorship revenue	669.1	673.4
Other revenue	34.7	6.2
TOTAL REVENUE	**703.8**	**679.6**

Analysis by geographic region(*)	
France	86.89%
Europe	11.46%
Other countries	1.65%

**on the basis of invoicing*

Other revenue henceforth includes the sale to RTL France Radio of radio programmes produced by Métropole Télévision.

4.2 Merchandise purchases and movements in inventories

These rights relate to the purchase of rights to so-called "flow" programmes, primarily comprising sports programmes and events, the value of which is derived from a single broadcast.

The inventory movement corresponds to the use of broadcasting rights that are recorded as inventory, as disclosed in Note 3.4.

4.3 Other purchases and external costs

This mainly comprises services of digital broadcast of the channel as well as remuneration of the advertising service.

4.4 Taxes and duties

Business taxes paid by the channel are notably recorded under this heading of the income statement. In 2018, €36.0 million was specifically paid in connection with the contribution to the support fund for the Centre National du Cinéma et de l'Image Animée, compared with €37.7 million in 2017.

4.5 Other expenses

This comprises payments to various copyright companies for a total of €28.7 million in 2018, compared with €29.6 million in 2017.

4.6 Payroll costs

The CICE tax credit is recognised in 2018 as a €0.6 million reduction of payroll costs. This receivable was not pre-financed.

Furthermore, the CICE tax credit receivable related to 2017 was collected in 2018; it amounted to €0.7 million and was used in particular to finance investment for the completion of works performed inside Métropole Télévision's various buildings in order to house the three RTL radio channels' teams and their studios.

4.7 Financial income

Net financial income can be analysed as follows:

	2018	2017
Dividends from equity investments	75.6	40.4
Net income/(expense) on cash pooling	0.2	0.1
Net interest and income from marketable securities	(0.2)	0.4
Interest on debenture loans and other loans	(0.8)	(0.4)
Net losses on exchange differences	-	-
Net merger profit/(loss) and other financial charges	(0.2)	0.9
Net provision for writedown of investments	10.5	(5.5)
Net provision for writedown of current accounts	4.3	4.1
TOTAL FINANCIAL INCOME	**89.4**	**40.0**

Interest on borrowings mainly consists of interest on the debenture loan payable annually (€0.8 million).

Net provisions for writedown of investments were €10.5 million and are analysed in Note 3.3.

The net provisions for writedown of current accounts correspond to the reversal of the M6 Studio provision, as detailed in Note 3.5.

4.8 Net exceptional income/(expense)

Net exceptional income/(expense) may be analysed as follows:

	2018	2017
Provision charges net of reversals (including accelerated depreciation and amortisation) and transfer of charges	9.2	5.5
Capital gains and losses on disposal of non-current assets	(1.5)	0.0
Writedown of treasury shares	(12.4)	(8.1)
Reinvoicing to subsidiaries of cost of free shares allocated to their employees	4.3	3.8
TOTAL NET EXCEPTIONAL INCOME/(EXPENSE)	**(0.4)**	**1.2**

Capital gains and losses on disposal of non-current assets correspond to net losses on the disposal of SNC, SNC Audiovisuel FF, SNC Catalogue MC and M6 Distribution.

4.9 Income tax

Since 1 January 1988, Métropole Télévision has declared itself as the parent company of a tax consolidation scheme pursuant to the provisions of Articles 223A of the General Tax Code. Métropole Télévision is solely liable for income tax due by its subsidiaries in order to determine the Group's overall performance, in accordance with the provisions of Article 223A of the General Tax Code.

One new company, SNC Audiovisuel FF, was added to the Group's tax consolidation scope as from 1 January 2018.

Following the disposal of monAlbumPhoto by HSS and of Football Club des Girondins de Bordeaux by M6 Foot, these companies were removed from the tax consolidation group in the course of the year.

The tax consolidation arrangement adopted by the Group is based on non-discriminatory tax treatment. Each subsidiary therefore pays its own tax charge as if it was independent for tax purposes.

Following the decree issued by the French Constitutional Council on 6 October 2017, which ruled that the additional 3% corporate income tax payment relating to distributed income was in breach of the French Constitution, additional income of €2.8 million was recognised in the 2018 financial statements in respect of late payment interest.

Income tax can therefore be analysed as follows:

	2018	2017
Current tax at applicable rate	34.7	31.9
Exceptional contribution of 15%	-	10.4
Supplementary income tax on dividends	(2.8)	(16.6)
TOTAL CORPORATE INCOME TAX	**31.9**	**25.7**

The theoretical income tax charge was €33.3 million in the 2018 financial statements. After taking into account a tax consolidation deficit of €0.5 million, a tax credit of €0.8 million related to sponsorship, the correction of errors in previous tax years having generated an expense of €1.7 million, corporate income tax totalled €34.7 million.

Furthermore, the Company is liable for a Group tax payment of €76.6 million for 2018.

Income tax can be analysed as follows:

	Profit before tax	Income tax
Profit from ordinary activities	204.0	33.5
Net exceptional income/(expense)	(0.3)	1.2
Profit before tax and employee profit-sharing	203.7	-
Current tax at applicable rate		**34.7**

4.10 Future tax liability at the end of the year

	Deferred tax assets	Deferred tax liability	Net deferred tax liability at 31/12/2018
Description of temporary differences			
Regulated provisions	0.2	-	0.2
Tax on non-deductible provisions	16.0		16.0
Tax on long-term capital losses	-	-	-

5. Other notes

5.1 Related party disclosures

All transactions carried out between related parties are intra-group transactions and have been carried out at arm's length.

5.2 Off-balance sheet commitments

At 31 December 2018, off-balance sheet commitments, by description and maturity, were as follows:

	Commitments at 31/12/2018	Due within 1 year	Due after 1 year	Commitments at 31/12/2017	Terms and conditions of implementation
Commitments given	**628.2**	**298.6**	**329.6**	**701.7**	
Purchase of broadcasting rights	451.6 (*)	165.1	286.5	392.9	Contracts signed
Co-production commitments	116.3	116.3	-	109.3	Contracts signed
Contracts for broadcast	10.3	4.8	5.5	15.0	Contracts signed
Contracts - Radio hosts	0.9	0.9			
Contracts for future purchases of shares	9.5	5.4	4.2	16.0	Contract terms
Commercial commitments	38.7	5.9	32.8	42.3	Contracts signed
Donations to the corporate foundation	0.2	0.2	-	0.5	Bylaws signed
Commitment to subscribe to shares in a mutual fund	0.6	-	0.6	0.8	Contracts signed
Commitments given on behalf of subsidiaries			-	124.9	Contracts signed
Commitments received	**20.9**	**16.5**	**4.4**	**29.3**	
Sales commitments	20.9	16.5	4.4	29.3	Contracts signed
Distribution commitments	-	-	-	-	Contracts signed

(*) including €524.6 m in broadcasting rights (gross) and €72.9 m in prepayments

Broadcasting contracts relate to image transfer and broadcasting services. The commitments have been measured by taking account of the balance remaining due until the maturity of each contract.

Commercial commitments relate mainly to contracts for the rental of premises.

Métropole Télévision has received audiovisual rights purchase commitments from other television services.

5.3 Directors' remuneration allocated during the financial year

	Amount in €
Directors' remuneration	4,413,876

In addition, in this respect and under the same conditions as Company employees, members of the Executive Board may benefit from legal compensation at the end of their career. No loans or advances were granted to any Director.

5.4 Average workforce

The average workforce of Métropole Télévision was made up as follows:

	2018 salaried employees	2017 salaried employees
Permanent workforce	831	**686**
Employees	62	53
Supervisors	212	160
Managers	453	369
Journalists	102	104
Artists	2	
Temporary workforce (full-time equivalent)	113	**76**
TOTAL	**944**	**762**

5.5 Provision for plans granting free shares

Plans granting free shares are serviced using outstanding shares.

The main features of stock option plans, plans granting free shares and share subscription plans in force at 31 December 2018, or which lapsed during the year are as follows:

	Number of shares granted at plan date	Maximum allocation	Balance at 31/12/2017	Performance-based allocation	Granted	Delivered	Cancelled	Balance at 31/12/2018
Plans granting free shares	**1,895,884**	**1,895,884**	**1,319,684**	-	**560,500**	**(774,600)**	**(21,700)**	**1,083,884**
28/07/2016	440,600	440,600	424,900	-	-	(413,600)	(11,300)	-
28/07/2016	361,000	361,000	361,000	-	-	(361,000)	-	-
27/07/2017	217,667	217,667	217,667	-	-	-	-	217,667
27/07/2017	307,200	307,200	307,200	-	-	-	(10,400)	296,800
02/10/2017	8,917	8,917	8,917	-	-	-	-	8,917
25/07/2018	313,400	313,400	-	-	313,400	-	-	313,400
25/07/2018	247,100	247,100	-	-	247,100	-	-	247,100

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 2016, 2017 and 2018 plans.

A total of 361,000 and 413,600 shares were vested respectively under the plans of 28 July 2016 at a total cost of €12.4 million, compared with €8.1 million in 2017. After rebilling of the shares delivered to employees of subsidiaries, Métropole Télévision incurred a charge of €5.6 million in 2018 and €5.8 million in 2017.

Taking account of the financial performances achieved or estimated and the employee departures already noted and projected, the number of shares to be permanently vested under the various outstanding plans is currently estimated as follows:

- Plans of 27 July 2017: 514,467 shares;
- Plans of 02 October 2017: 8,917 shares;
- Plan of 25 July 2018: 560,500 shares.

5.6 Attendance fees

The amount of attendance fees paid in 2018 was €235,800.

5.7 Earnings per share (€)

	2018	2017
Profit after tax, employee profit sharing, before amortisation, depreciation and provisions	1.29	1.40
Profit after tax, employee profit sharing, amortisation, depreciation and provisions	1.32	1.07
Ordinary dividend per share	0.95	0.95

5.8 Note on the consolidation of accounts

Métropole Télévision is the parent company of a consolidated group. Its financial statements are also fully consolidated into the financial statements of RTL Group, a Luxembourg-registered company, itself consolidated into the financial statements of Bertelsmann Group, registered in Gütersloh, Germany.

5.9 Significant post-balance sheet events

On 31 January 2019, M6 Group's Supervisory Board has today entered into exclusive negotiations with Lagardère Active for the acquisition of Lagardère Group's Television Channels Division (excluding Mezzo), the French leader in live and on-demand children's TV.

5.10 Subsidiaries and associates

(€ K)	Siren No.	Share capital	Reserves Retained earnings	Share capital ownership	Gross
SUBSIDIARIES					
M6 PUBLICITE sas	340949031	50	2,757	99.99	38
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 FILMS sa	380727404	60	395	99.98	6,646
89, Avenue Charles de Gaulle - 92200 NEUILLY					
C. PRODUCTIONS sa	407908656	50	129	99.98	1,038
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 INTERACTIONS sas	388909459	34,271	64,817	100.00	34,007
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 THEMATIQUE sa	403105109	57,615	7,901	100.00	113,988
89, Avenue Charles de Gaulle - 92200 NEUILLY					
IMMOBILIERE M6 sa	399476357	9,600	4,509	100.00	9,147
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 FOOT sas	423133784	38,360	(27,004)	100.00	76,485
89, Avenue Charles de Gaulle - 92200 NEUILLY					
SCI 107 sci	421699133	5,002	(1,472)	99.90	5,002
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 DEVELOPPEMENT sas	428115224	40	(71)	99.99	140
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 STUDIO sas	428115299	45	(4,313)	99.99	45
89, Avenue Charles de Gaulle - 92200 NEUILLY					
IMMOBILIERE 46 D sas	493897516	26,040	(5,876)	100.00	26,040
89, Avenue Charles de Gaulle - 92200 NEUILLY					
M6 BORDEAUX sas	433503364	40	32	100.00	40
89, Avenue Charles de Gaulle - 92200 NEUILLY					
STUDIO 89 sas	428895122	1,040	851	100.00	4,583
89, Avenue Charles de Gaulle - 92200 NEUILLY					
SNDA sas	538767955	5,395	604	100.00	11,596
89, Avenue Charles de Gaulle - 92200 NEUILLY					
INFORMATION ET DIFFUSION	562135566	32	(4,098)	100.00	198
89, Avenue Charles de Gaulle - 92200 NEUILLY					
RTL France RADIO	830320461	55,623	2,568	100.00	55,623
89, Avenue Charles de Gaulle - 92200 NEUILLY					
SERC	341103117	38	12,762	100.00	26560
89, Avenue Charles de Gaulle - 92200 NEUILLY					
SODERA	343224556	3,323	669	100.00	39,769
89, Avenue Charles de Gaulle - 92200 NEUILLY					
EQUITY INVESTMENTS					
SOCIETE NOUVELLE DE DISTRIBUTION sa	414857227	18,271	12,034	7.12	1,650
89, Avenue Charles de Gaulle - 92200 NEUILLY					
DIGITAL SERVICES sas	414549469	740	36541	6.75	50
89, Avenue Charles de Gaulle - 92200 NEUILLY					
EUROPEAN NEWS EXCHANGE sa		496	NC	20.00	100
45 bld Pierre Frieden 1543 LUXEMBOURG-KIRCHBERG					
MULTIPLEX R4 (MULTI 4) sas	449753979	52	11	16.75	10
89, Avenue Charles de Gaulle - 92200 NEUILLY					
MULTIPLEX R5 sas	505128777	38	(34)	33.33	13
1, quai Point du Jour - 92100 BOULOGNE					
MEDIAMETRIE	333344000	930	nc	2.70	1,000

70 rue Rivay 92300 LEVALLOIS PERRET					
ALLIANCE GRAVITY	830408803	90	nc	11.11	375
10 boulevard de grenelle ,- 75015 PARIS					
LIFE TV	N/A	459	(77)	33.34	3,500
Riviera Bonoumin - 1589 ABIDJAN					

Book value of shares owned Net	**Loans and advances granted and outstanding**	**Guarantees and sureties given by the Company**	**Revenue 2017**	**Revenue 2018**	**Net profit 2017**	**Net profit 2018**	**Dividends received during the financial year**
38		-	277,983	459,757	25,690	29,187	-
730	76	-	1,732	2,956	(122)	275	-
1,038	-	-	17,492	19,871	432	242	-
34,007	-	-	13,619	10,585	45,436	47,000	19,925
113,988	-	-	371	395	11,163	15,234	11,004
9,147	-	-	6,097	6,202	831	893	-
21,271	-	-	-	-	(5,766)	9,843	-
5,002	30,436	-	3,345	3,415	156	106	-
-	69	-	1,056	1,041	2	(90)	-
45	-	-	2,876	13,397	4,071	5,549	-
26,040	3,669	-	2,244	2,122	(181)	(340)	-
40	126	-	360	390	17	19	-
2,287	12,516	-	42,386	41,173	440	747	-
11,596	-	-	48,970	60,420	(1,835)	1,635	
198		-	21,976	21,584	164	(806)	
55,623	4,586	-	27,105	84,330	2,568	1,825	
26560	-	-	29,933	26,441	2,797	2,561	
39,769	-	-	27,793	29,799	7,039	8,164	
1,650	-	-	84,018	66,803	3,259	5,263	
50	-	-	**82493**	**111205**	**18288**	**13132**	-
100	-	-	NC	NC	NC	NC	-
10	-	-	57	nc	0	1	-
13	-	-	53	NC	(9)	NC	-
1,000	-	-	nc	nc	nc	nc	-
375	-	-	-	nc	-	nc	-
3,500	-	-	-	-	(77)	(941)	-

5.6 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444

92037 Paris-La Défense Cedex

Simplified joint stock company
with variable capital

Statutory Auditors' report on the parent company financial statements

(Financial year ended 31 December 2018)

To the Shareholders' General Meeting,

Métropole Télévision

89, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine, France

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying parent company financial statements of Métropole Télévision for the year ended 31 December 2018.

In our opinion, the parent company financial statements provide a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2017 and of the results of its operations for the year then ended in accordance with French accounting principles and methods.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We have performed our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described herein in the section "Statutory Auditors' responsibilities for the audit of the parent company financial statements" of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgement, were of most significance in our audit of the parent company financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the parent company financial statements as a whole, and in forming our opinion thereon. Accordingly, we do not provide any opinions on specific items of the parent company financial statements.

Recognition of revenue, and estimation of receivables and credit notes linked to advertising revenues

Risk identified

Advertising revenues were €669.1 million in the Group's parent company financial statements. Their recognition is based on the broadcasting of advertisements. Commercial discounts are granted to advertisers according to general and special terms and conditions, which are reflected in the award of credit notes during the year and at year-end, as described in Note 4.1 "Revenue" to the parent company financial statements, and depending on whether a contractually agreed audience level is reached.

We considered that the recognition of revenue and the estimation of the level of receivables and credit notes are key points of the audit in view of their material amount in the Company's financial statements, and the diversity and number of agreements existing between the Company and its customers, as well as of the judgement required to estimate the credit notes and the recoverable nature of trade receivables at the year-end.

Our response

Our audit approach to the recognition of revenue and the estimation of receivables and customer credit notes includes both tests on internal control, and substantive controls on the financial statements.

Our work on internal control primarily covered the contractualisation, invoicing, recovery, and estimation of the credit notes, and the recognition of revenue. We have reviewed and tested the controls deemed to be key that were implemented by the Company in relation to these various aspects. A number of members with particular expertise in information systems have been included in our team in order to test certain application controls on the data integrated into the system and used as a basis for revenue recognition.

Our substantive controls relating to revenue and to the estimation of the receivables and credit notes specifically consisted in:

- Analysing the revenue depending on the trend in the advertising market and external data;
- Reviewing the correlation between full-year revenue and the changes in cash and trade receivables;
- Analysing the contractual clauses in a sample of contracts in order to assess the correct measurement of revenue and year-end credit notes;
- Verifying that the year-end credit notes, for which a provision had been established at the end of the previous financial year, were issued during the financial year;
- Reviewing the processes for estimating provisions for impairment of trade receivables.

Measurement of equity investments

Risk identified

The net amount of the equity investments shown on the balance sheet was €354 million at 31 December 2018. These investments are recognised at the purchase cost on the date when they are booked, and impaired if their carrying value justifies an impairment.

As specified in Note 2.3 to the parent company financial statements, the carrying value of the securities is determined by comparing their net book value with the share of net assets, and by taking the development prospects for each company into account.

In this context, and in view of the uncertainty inherent to achieving the forecasts included when measuring the carrying value, we considered that the valuation of the equity investments, and of the related provisions for contingencies, where applicable, was a key point of the audit.

Our response

To assess the reasonable nature of the carrying value of the equity investments on the basis of the information disclosed to us, our work primarily consisted in:

- Verifying that the values estimated by Management are based on a measurement method and quantified information that are appropriately substantiated;
- Depending on the securities concerned, reconciling the shareholders' equity with the financial statements of the relevant entities and, where adjustments have been made to this shareholders' equity, assess whether it is substantiated by documentation.

Our work also consisted in verifying the recognition of a provision for liabilities in cases where the Company has committed to bearing the losses of an equity investment where the shareholders' equity is negative.

Measurement of broadcasting rights inventories, off-balance sheet items and provisions for broadcasting rights

Risk identified

Métropole Télévision buys programme in order to broadcast them on all of the M6 channel. The purchase commitments are treated as off-balance sheet commitments until the period when the rights become available. Once the rights are available, they are recorded in broadcasting rights inventories.

A provision is established when Management, on the basis of a title-by-title review of the rights portfolio, considers that a programme will not be broadcast in the timeslot for which it was acquired.

We considered this issue as a key point of the audit due to the material amount of the rights portfolio in the Company's financial statements, and because any provisions arising from that portfolio are dependent by nature on Management forecasts regarding audience figures and whether programmes can be broadcast or not.

At 31.12.2018	**(€ millions)**	**Note**
Gross value of inventory	347	*3.4*
Accumulated writedowns	(159)	*3.4*
Net value of rights inventory	188	
Off-balance sheet rights purchase commitments	525	***5.2***
Provision for off-balance sheet rights	13	***3.9***

Our response

In order to assess the reliability of Management assumptions, we have notably:

- Analysed, for a selection of programmes, the consistency of broadcasting forecasts with the audience trajectories of the programmes and the risk of non-broadcast, particularly with regard to the expiry date of the rights;
- We compared the actual broadcast windows with the broadcast windows anticipated by Management on a test basis;

We also verified:

- The reclassification of provisions for programmes previously carried as off-balance sheet commitments and transferred to inventories when the rights become available;
- That the calculation of the provisions was compliant with the accounting rules and methods, as set out in Note 2.4 to the parent company financial statements.

Specific verifications

We have also performed the specific verifications required by French law and regulations, in accordance with professional standards applicable in France.

Information provided regarding the financial position and the annual financial statements in the management report and in the other documents sent to shareholders

We have no observations to make concerning the fairness and consistency with the parent company financial statements of the information given in the management report and in the other documents sent to the shareholders concerning the financial situation and the parent company financial statements.

We certify that the information relating to payment terms mentioned in Article D.441-4 of the French Commercial Code is true and fair, and consistent with the parent company financial statements.

Report on corporate governance

We hereby certify that the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code is included in the Executive Board's report on corporate governance.

Concerning the information provided in accordance with provisions of Article L.225-37-3 of the Commercial Code on remuneration and benefits paid to Directors as well as commitments given in their favour, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and if necessary, with data collected by your company from its parent company or subsidiaries. On the basis of this work, we confirm the accuracy and the fairness of this information.

In the case of the information relating to the factors that your Company has considered as likely to have an impact in the event of a public tender or exchange offer, and provided pursuant to the provisions of Article L.225-37-5 the French Commercial Code, we checked the consistency of this information with the documents from which it was derived, and which were disclosed to us. On the basis of this work, we have no observation to make on this information.

Other information

As required by law, we ensured that the information concerning equity investments, controlling interests and the identity of holders of the share capital and voting rights was provided to you in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Métropole Telévision by the General Meetings of 3 May 2002 for ERNST & YOUNG et Autres and 6 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2018, ERNST & YOUNG et Autres was in the 17th year of uninterrupted engagement and PricewaterhouseCoopers Audit was in the 11th year of uninterrupted engagement.

Management and individuals responsible for corporate governance in relation to the parent company financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with French accounting principles and methods, and for such internal control as Management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or that it will cease to operate.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The parent company financial statements have been prepared by the Executive Board.

Statutory Auditors' responsibilities for the audit of the parent company financial statements

Audit objectives and approach

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users take on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit.

Furthermore:

- Identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the parent company financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the procedures relating to the preparation and processing of accounting and financial information that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the parent company financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Marty

Ernst & Young et Autres

Bruno Bizet

5.7 SUMMARY OF FINANCIAL RESULTS FOR THE LAST 5 YEARS

FINANCIAL YEAR END	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
NUMBER OF MONTHS	**12 months**	**12 months**	**12 months**	**12 months**	**12 months**
Closing financial year capital (€)					
Share capital	50,565,699	50,565,699	50,565,699	50,565,699	50,504,975
Number of shares:					
- Number of ordinary shares outstanding	126,414,248	126,414,248	126,414,248	126,414,248	126,262,437
Revenue and results (€ millions)					
Revenue (ex-VAT)	703.8	679.6	658.6	643.6	641.6
Profit before tax, employee profit sharing and amortisation, depreciation and provision charges	200.3	206.8	156.6	181.9	188.4
Income tax	31.9	25.7	30.7	33.7	32.5
Employee profit sharing plan	4.7	3.6	3.7	3.5	3.2
Basic earnings per share – after tax, employee profit sharing and amortisation, depreciation and provision charges	167.0	137.1	102.5	108.5	132.8
Dividends paid	119.6	119.7	102.5	107.4	107.3
Earnings per share (€)					
Basic earnings per share – after tax, employee profit sharing, before amortisation, depreciation and provision charges	1.29	1.40	0.97	1.15	1.21
Basic earnings per share – after tax, employee profit sharing and amortisation, depreciation and provision charges	1.32	1.07	0.81	0.86	1.05
Ordinary dividend per share	0.95	0.95	0.85	0.85	0.85
Exceptional dividend per share	-	-	-	-	-
Workforce					
Average workforce size	944	762	771	744	725
Total amount of payroll*	71.5	51.6	57.8	53.0	48.7
Total employment benefits costs (social security, social welfare, etc.)**	37.7	29.9	29.4	29.8	27.8
** (€ millions)*					

5.8 PARENT COMPANY CASH FLOW STATEMENT

	31/12/2018	31/12/2017
. **Financial year net profit**	167.0	134.9
. Depreciation, amortisation & provision charges	(3.3)	42.6
. Gains & losses from non-current assets disposal	1.4	-
. Other non-cash items	-	-
CASH FLOW FROM OPERATIONS	**165.1**	**177.4**
Movements in working capital requirements		
. Inventories	(24.1)	(54.9)
. Operating receivables	34.1	29.4
. Operating liabilities	49.1	(43.3)
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	**59.2**	**(68.8)**
CASH FLOW FROM OPERATING ACTIVITIES	**224.3**	**108.7**
INVESTMENT ACTIVITIES		
. Intangible assets acquisitions	(5.4)	(3.6)
. Property, facilities & equipment acquisitions	(14.6)	(5.6)
. Investment acquisitions	(16.6)	(203.4)
. Intangible assets and property, facilities & equipment disposals	-	0.1
. Investments disposals/writedowns	26.1	21.6
NET CASH USED IN INVESTMENT ACTIVITIES	**(10.5)**	**(191.0)**
FINANCING ACTIVITIES		
. Share capital increase	-	-
. Other equity reductions	-	-
. Costs to be amortised over several financial years	-	-
. Proceeds from new borrowings	105.0	210.3
. Financial debt repayments	(115.0)	(150.0)
. Dividends paid	(119.6)	(107.1)
NET CASH USED IN FINANCING ACTIVITIES	**(129.6)**	**(46.8)**
Net change in cash and cash equivalents	84.2	(129.1)
Cash and cash equivalents - start of year	36.3	165.5
CASH AND CASH EQUIVALENTS - END OF YEAR	**120.5**	**36.3**

5.9 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine

ERNST & YOUNG et Autres

Tour First TSA 14444

92037 Paris-La Défense Cedex

Simplified joint stock company
with variable capital

Statutory Auditors' special report on regulated agreements and commitments

General Meeting to approve the financial statements for the year ended 31 December 2018

To the General Meeting of Métropole Télévision,

As Statutory Auditor of your Company, we hereby present our report on the regulated agreements and commitments.

Our role is to provide you, on the basis of the information given to us, with the characteristics, the essential terms and conditions of, and justification for the agreements and commitments brought to our attention, without having to issue an opinion on whether or not these agreements or commitments are useful or warranted. Pursuant to the provisions of Article R. 225-58 of the Commercial Code, it is your role to assess the interest in concluding these agreements and commitments, with a view to approving them.

It is also our role, if applicable, to inform you of disclosures required by Article R. 225-58 of the Commercial Code relative to the implementation during the year just ended of agreements and commitments approved by the General Meeting in prior years.

We have performed the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment. Such due diligence consisted in verifying that the information we were given was consistent with the information disclosed in their source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING

In application of Article L. 225-88 of the French Commercial Code, we have been notified of the following agreements and commitments concluded during the financial year just ended and which received prior approval from your Supervisory Board.

AGREEMENTS AND COMMITMENTS APPROVED AND CONCLUDED DURING THE FINANCIAL YEAR JUST ENDED

1) With the company RTL Group S.A., a shareholder of your company, to buy back shares to a maximum of 48.26%, acting on behalf of the company Immobilière Bayard d'Antin S.A.

Agreement to buy back shares in your company

Persons concerned:

Elmar Heggen (Deputy CEO of RTL Group S.A.), Bert Habets (Chief Executive Officer of RTL Group S.A.), Guillaume de Posch (Co-CEO of RTL Group S.A.), Philippe Delusinne (Chief Executive Officer of RTL Belgium S.A.), Vincent de Dorlodot (General Counsel of RTL Group S.A.), Anke Schäferkordt (Co-CEO of RTL Group S.A.), Juliette Valains (Director of RTL AdConnect International S.A.), Cécile Frot-Coutaz (Chief Executive Officer of Fremantle Média) and Catherine Lenoble (representing Immobilière Bayard d'Antin S.A.).

Nature and purpose

Your Company concluded an agreement with RTL Group S.A., acting on behalf of Immobilière Bayard d'Antin S.A., in respect of the acquisition of blocks of shares in your Company, up to 10% of the share capital, in particular with a view to cancelling them.

Terms and conditions

This agreement, which was signed on 30 April 2018 following authorisation by the Supervisory Board at its meeting of 19 April 2019, is part of the share buyback programme pursuant to Article L. 225-209 of the Commercial Code of up to 10% of its share capital, authorised by the Combined General Meeting of 19 April 2018, 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 S.A..

In 2018, no shares were bought back under this agreement.

This agreement expires on 30 April 2019.

Reason the agreement is in the Company's interest

Your Supervisory Board justified this agreement as follows: this agreement is intended to maintain RTL Group S.A.'s equity investment below 49% of the share capital of the Company, in accordance with the provisions of Article 39 of the law of 30 September 1986 on the freedom of communication.

2) With Immobilière Bayard d'Antin S.A.

Cash management agreement

Persons concerned:

Elmar Heggen, Bert Habets, Guillaume de Posch, Philippe Delusinne, Vincent de Dorlodot, Anke Schäferkordt, Juliette Valains, Cécile Frot-Coutaz and Catherine Lenoble (representing Immobilière Bayard d'Antin S.A.).

Nature and purpose

Your Company entered into a cash management agreement on 19 February 2010, which was renewed on 15 November 2011, 15 November 2012, 15 November 2013, 15 November 2014, 13 November 2015, 14 November 2016, 15 November 2017 and 15 November 2018.

Terms and conditions

Your Company may loan its surplus cash to Bayard d'Antin S.A. and borrow a maximum of €50,000,000 from Bayard d'Antin, providing this amount does not exceed 48% of amounts borrowed from banking institutions. In order to comply with your Company's cash management policy, the aggregate amount that may be invested by your Company with Bayard d'Antin S.A. shall never exceed more than 20% of the cash resources of Métropole Télévision Group.

Your Company may make deposits or borrow funds for periods of 1, 2 or 3 weeks or of 1, 2 or 3 months. The amount deposited or borrowed shall be a multiple of €1,000,000, with a minimum of €5,000,000 for each loan. The remuneration provided by this agreement is in line with market conditions.

At 31 December 2018, no funds were deposited or borrowed under this agreement.

Unless it is renewed, this agreement will expire on 15 December 2019.

Reason the agreement is in the Company's interest

Your Board has given the following justification for this agreement: taking into account the financial terms and conditions appended to this agreement which are in strict compliance with what your Company practises with its subsidiaries and the limitations attached thereto, the Supervisory Board considered the agreement to be consistent with the corporate interest of your Company.

AGREEMENTS AND COMMITMENTS ENTERED INTO IN PRIOR FINANCIAL YEARS AND NOT SUBMITTED FOR APPROVAL BY A PREVIOUS GENERAL MEETING

We have been informed of the following agreements and commitments approved and entered into during the 2016 and 2017 financial years and which have not been submitted for approval by the General Meeting called to approve the 2017 financial statements.

With the company RTL Group S.A., a 48.26% shareholder of your Company

Contract for the acquisition of RTL Group S.A.'s French radio division

Persons concerned

Elmar Heggen, Bert Habets, Guillaume de Posch, Philippe Delusinne, Vincent de Dorlodot, Anke Schäferkordt, Juliette Valains, Cécile Frot-Coutaz and Catherine Lenoble (representing Immobilière Bayard d'Antin S.A.).

Nature and purpose

Your company signed a contract with RTL Group S.A. on 1 September 2017, having secured the approval of your Supervisory Board on 13 December 2016, for the acquisition of 100% of the shares in RTL Group S.A.'s French radio division, which includes RTL, RTL2 and Fun Radio, as well as their sales houses (IP France and IP Regions) and their Internet activities.

Terms and conditions

As all the entities in the radio division were sold by the Company's controlling shareholder, the acquisition contract and the ancillary agreements fell fully within the scope of Article L. 225-86 of the French Commercial Code relating to regulated agreements.

The investment authorisation was granted solely by the independent members of your Supervisory Board, who took care, firstly, to form an ad hoc committee in advance, in order to be able to analyse the transaction and its interest for the Group, and, secondly, to entrust FINEXSI with an independent consultancy assignment to evaluate the activities acquired and the acquisition cost of the entities to be acquired.

At the end of their work, the independent members of your Supervisory Board issued a positive opinion regarding your Company's corporate interest in completing the transaction, certified that the transaction was in the interest of all the shareholders of your Company and that it did not involve any conflict of interest, and finally confirmed the appropriateness of the acquisition cost of the entities from RTL Group S.A.

Reasons the agreement is in the Company's interest

Your Board of Directors justified this agreement as follows: the acquisition was in line with your Company's corporate interest and represented an obvious and major opportunity for your Company, making it possible to strengthen its overall positions on the French media and advertising market, whilst optimising the Group's balance sheet by setting up ad hoc financing.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS

In addition, we were informed of the following agreements and commitments already approved by the General Meeting in previous years, which were not implemented during the financial year.

1) With Nicolas de Tavernost, Thomas Valentin, Christopher Baldelli, Jérôme Lefébure and David Larramendy

Supplementary pension scheme of the members of your Executive Board

Nature, purpose and terms and conditions

At its meeting of 7 March 2006, your Supervisory Board approved the implementation of a defined contributions pension scheme intended for the benefit of a group of executives, including Executive Board members, co-financed by your Group and by each of the beneficiaries. This scheme was established in July 2017 and provides for the setting-up of an individual pension fund to finance the payment of a life annuity.

2) With Nicolas de Tavernost, Chairman of the Executive Board

a) Nature, purpose and terms and conditions

Non-compete commitment of Nicolas de Tavernost in the event of the termination of his term of office

At its meeting of 21 February 2017, your Supervisory Board authorised that the rules relating to the non-compete commitment of Nicolas de Tavernost be maintained.

In the event of the termination of his duties relating to his term of office for reasons other than (i) resignation, or (ii) voluntary or enforced retirement, or (iii) departure by mutual agreement with the Supervisory Board of your Company, Nicolas de Tavernost will be prohibited from carrying out, within the European Union, an activity in competition with that of your Company in the television sector (including TV production and online activities connected with television), for a period of twelve months as of the date on which he stops carrying out any role within your Company.

In the event that this commitment is implemented, Nicolas de Tavernost would receive gross monthly financial compensation equal to 50% of the gross fixed and variable remuneration (excluding free shares, LTIP, options or similar benefits) received over the course of the twelve months preceding the date of termination of his duties within your Company.

b) Nature, purpose and terms and conditions

Severance pay of Nicolas de Tavernost in the event of the termination of his term of office

At its meeting of 21 February 2017, your Supervisory Board amended the compensation mechanism of Nicolas de Tavernost in the event of his departure and subject to a performance-related condition.

In the event of the termination of the term of office of Nicolas de Tavernost for any reason whatsoever, M. Nicolas de Tavernost will be entitled to receive severance pay equal to 24 months' gross monthly remuneration calculated based on the total fixed and variable remuneration (excluding free shares, LTIP, stock-options and similar benefits) received over the course of the 12 months preceding termination of the term of office of the Chairman of the Executive Board, this amount comprising the legal and contractual redundancy or retirement (either voluntary or enforced) pay and the total amount of the financial consideration of the non-compete commitment that is due. This commitment will not apply in the event of dismissal for gross misconduct personally committed by Nicolas de Tavernost contrary to the interests of your Company.

The payment of this severance pay will, in accordance with Article L. 225-90-1 of the French Commercial Code, remain subject to the fulfilment of a performance related condition defined as follows: Métropole Television Group's profit from recurring operations (EBITA) for the 48 months preceding the termination of the term of office of Nicolas de Tavernost shall be equivalent to at least 80% of the budgeted target for this same aggregate such as approved by your Supervisory Board. The amount of severance pay will be calculated on a straight-line basis according to the percentage of the profit from recurring operations (EBITA) achieved in relation to the budgeted target, it being specified that the compensation will be due in full as soon as the percentage achieved is equal to or higher than 90% of the budgeted target. No severance pay shall be paid when profit from recurring operations (EBITA) for the forty-eight months prior to the termination of the term of office proved lower than 80% of the budgeted objective. Payment of severance pay is subject to prior acknowledgement by your Supervisory Board that the performance condition has been fulfilled.

3) With Thomas Valentin, Christopher Baldelli and Jérôme Lefébure

Commitments made for the benefit of certain members of the Executive Board in the event of termination of their duties

Nature and purpose

Upon the reappointment of Thomas Valentin and Jérôme Lefébure as members of your Executive Board by your Supervisory Board at its meeting of 21 February 2017, the Supervisory Board renewed the mechanisms put into place in favour of Thomas Valentin and Jérôme Lefébure in the event of termination of their duties.

Mr Christopher Baldelli was appointed as a member of your Executive Board by your Supervisory Board on 7 November 2017. On this occasion, a mechanism was put in place in the event of termination of his duties.

Terms and conditions

The compensation for the termination of Thomas Valentin, Christopher Baldelli and Jérôme Lefébure's employment contract is now equal to the difference between twenty four months of gross monthly remuneration calculated on the basis of the total of their individual remuneration, including fixed and variable items, received over the last twelve months preceding the termination of their employment contract and the cumulative legal and statutory compensation potentially due to them in respect of the termination of their employment contract and, if applicable, the amount due as consideration for their non-compete commitment.

These commitments were approved by the Supervisory Board on 21 February 2017 for Thomas Valentin and Jérôme Lefébure, and on 7 November 2017 for Christopher Baldelli.

Neuilly-sur-Seine and Paris La Défense, 25 February 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Marty

Ernst & Young et Autres

Bruno Bizet

6 CORPORATE SOCIAL RESPONSIBILITY

M6 Group is now subject to the European Directive on non-financial reporting transposed into French law, which amends the scope of application of the previously applicable regulations (Article 225 of the Grenelle II Act and its implementing Decree).

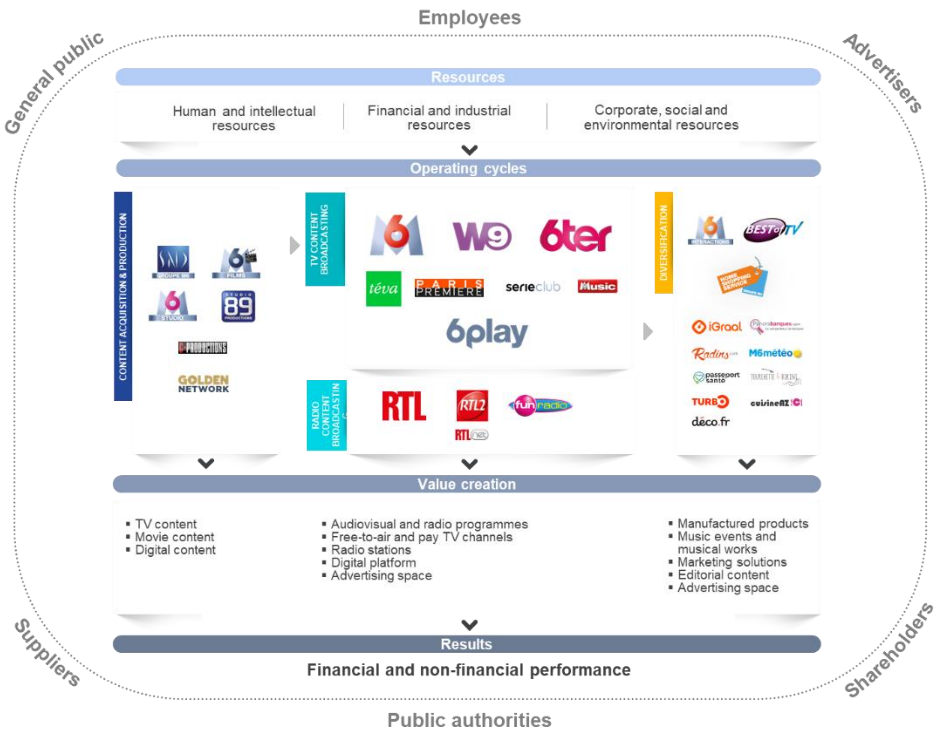
This legislative background also gave M6 the opportunity to look into its CSR (Corporate Social Responsibility) policy. The Group firmly believes that CSR is essential to the implementation of the strategy since contributes in full to the creation of value, as shown in this Report, and notably in the diagram below. Moreover, the corporate, social and environmental information provided by the Company enables stakeholders to better assess its overall medium- and long-term performance.

Group business model

At its meeting of 21 November 2018, the Executive Board adopted a diagram based presentation of the “Group Business Model” (within the meaning of Decree n° 2017-1265 of 9 August 2017 enacted to implement Order n° 2017-1180 of 19 July 2017 relating to the publication of non-financial information by certain major companies and certain groups of companies), which presents an overview of the components of this value chain, and sources of revenue and growth for the Group.

This business model includes both financial and non-financial performance, and is intended to provide an understanding of M6’s medium- to long-term strategy and overall performance.

M6 GROUP BUSINESS MODEL



To present its business model, the Group has taken the integrated reporting analysis framework of the International Integrated Reporting Council (IIRC) as its reference:

- In accordance with the options offered by the reporting reference framework adopted, M6 presents the resources used in 3 forms:
- Human and intellectual resources. Employees hold a privileged position within the value chain. Training and skills development are therefore essential resources for M6, which also relies on the expertise of teams and the intellectual property of formats and brands.
- Financial and industrial resources, which are the capital invested by shareholders as well as the profits generated over the years and reinvested in the development of M6. M6 also uses buildings, studios, warehouses, facilities, etc. to create value.
- Corporate, social and environmental resources, which are simultaneously the natural resources utilised (electricity, paper, etc.) as well as M6's commitments to society, the relationships between the Group's brands and the audience, etc.

- For each of the Group's business cycles (which are grouped into 4 segments of financial information), there are corresponding values created by M6 (audiovisual content, channels, etc.) that form the basis of financial and non-financial performance.

- Lastly, the Group's stakeholders are the source of the funds made available to the Company, and benefit from the value created: authors and creators, viewers and listeners, internet users and audiences, as well as employees and suppliers, rights holders and advertisers, customers and investors, consumers and shareholders, etc.

These M6 Group stakeholders are numerous and can be classified according to the types below:

- Employees, the company's leading "talents",
- The public, for whom the channels and programmes are intended,
- Suppliers, who supply the Group, particularly with audiovisual content,
- Public authorities, primarily including the French State and the CSA,
- Shareholders, whose invested capital allows M6 to operate, who vote in General Meetings and receive dividends,
- Advertisers who benefit from the commercial breaks made available to them.

Key CSR challenges

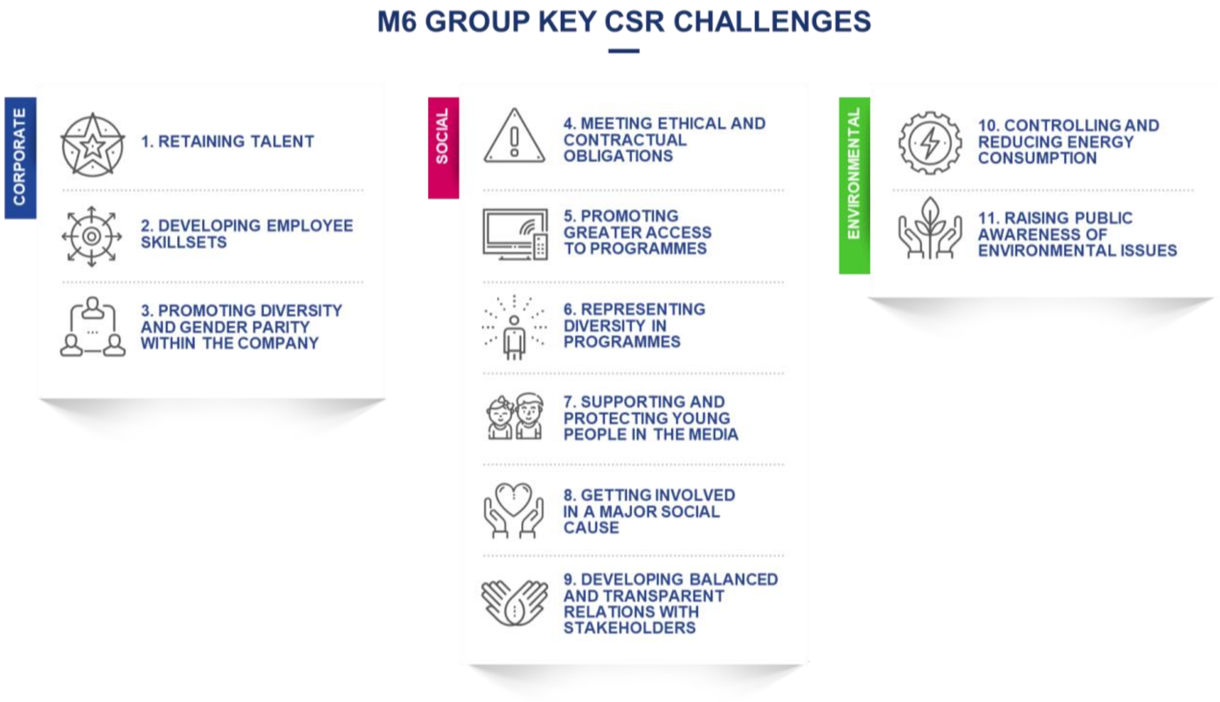
Faced with various corporate, social and environmental challenges, M6 Group has been pursuing an active CSR policy for many years and clearly states its commitments to all its partners: it has developed a CSR policy structured around three priorities, directly related to its activities:

- Talent management: the Group firmly believes that its employees are the cornerstone of its success. It is for this reason that the Human Resources Department places employee selection and subsequent loyalty building at the heart of its concerns, and endeavours to promote employee development in all aspects of their professional life.
- Non-discrimination: taking diversity into account is a key concern for the Group, both in relation to audiovisual content and the audience it addresses. This is reflected notably by a cross-organisational and acknowledged commitment to promote equality and better representation of women and minorities in the media.
- Respect for the public and responsibility towards society: since the Group's activity is primarily intangible and cultural, the societal impact is the unifying thread of its commitment. Through its programmes, the Group actually enters into peoples' homes and therefore respect for viewers must be at the heart of what it does.

M6 has no "environmental priority", since the Group does not carry out activities that structurally present a significant impact on the environment, particularly on climate change. The Group is nevertheless mindful that preserving natural resources is a key challenge for the 21st century, At its own level, the Group is therefore involved in protecting the environment, while monitoring its own consumption and seeking to take action both in relation to recycling and raising public awareness regarding sustainable development issues.

Similarly, due to the very nature of its activity, combatting food waste, promoting animal welfare, and making responsible, equitable and sustainable food choices do not represent priority areas for the Group's CSR policy. Nevertheless, mindful of their importance, it takes action in this regard and regularly deals with these issues in the news programming on its channels.

During its meeting of 26 November 2018, the members of the Executive Board formally set out the list of key CSR challenges for M6 Group. Closely related to its performance, and creators of long-term value, they represent the cornerstone of its CSR policy. The eleven challenges have been ranked by order of importance and include the M6 Group Corporate Foundation, which symbolises its social purpose:



The major challenges identified by the Executive Board during this meeting also include editorial independence (although the main programmes on the flagship M6 channel are dramas and light entertainment shows) and the management of personal data (which could have operational consequences on the online, e-commerce and home shopping subsidiaries), while GDPR came into force in 2018.

This list of priorities is not set in stone and could be developed over the coming financial years depending on changes to the Group and its environment.

Key measures and indicators

The analysis of these challenges, and the resultant opportunities and risks, enables their financial, corporate and environmental impacts on M6 Group to be anticipated, and practical operational responses to be made.

The main points raised by this analysis have been incorporated into the process to develop the risk matrix, as detailed in Paragraph 1.7.1.1 of this Registration Document. The risks associated with the key challenges detailed above are therefore restated in the description of the risk factors (in Section 1.7), as explained in the correlation table below.

CSR CHALLENGES	ASSOCIATED RISKS	SECTIONS	
1. RETAINING TALENT	Risks related to the Group's market structure Adapting the cost structure and increase in costs	1.7.2.1 1.7.2.3	6.1
2. DEVELOPING EMPLOYEE SKILLSETS	Adapting the cost structure and increase in costs	1.7.2.3	6.1
3. PROMOTING DIVERSITY AND GENDER PARITY WITHIN THE COMPANY	Adapting the cost structure and increase in costs Risks related to regulatory and contractual obligations	1.7.2.3 1.7.6.1	6.1
4. MEETING ETHICAL AND CONTRACTUAL OBLIGATIONS	Risks related to regulatory and contractual obligations Intellectual property, freedom of the press and personal privacy	1.7.6.1 1.7.6.2	6.2
5. PROMOTING GREATER ACCESS TO PROGRAMMES	Risks related to the Group's market structure Risks related to the broadcasting and transmission of the signals of the Group's TV channels Risks related to the production, broadcasting and transmission of the signals of the Group's radio stations	1.7.2.1 1.7.7.1 1.7.7.1	6.2
6. REPRESENTING DIVERSITY IN PROGRAMMES	Risks related to the Group's market structure Risks related to regulatory and contractual obligations	1.7.2.1 1.7.6.1	6.2
7. SUPPORTING AND PROTECTING YOUNG PEOPLE IN THE MEDIA	Risks related to the Group's market structure Risks related to regulatory and contractual obligations	1.7.2.1 1.7.6.1	6.2
8. GETTING INVOLVED IN A MAJOR SOCIAL CAUSE	Risks related to the Group's market structure	1.7.2.1	6.2
9. DEVELOPING BALANCED AND TRANSPARENT RELATIONS WITH STAKEHOLDERS	Risks related to the Group's market structure Risk of customer default Risk of supplier default Risks relating to non-observance of contractual commitments	1.7.2.1 1.7.4.1 1.7.4.2 1.7.6.3	6.2
10. CONTROLLING AND REDUCING ENERGY CONSUMPTION	Environmental risks	1.7.0	6.3
11. RAISING PUBLIC AWARENESS OF ENVIRONMENTAL ISSUES	Risks related to the Group's market structure	1.7.2.1	6.3

For each of the challenges, M6 has identified a priority lever, "the key action", and has linked it to a priority indicator to monitor the implementation of its action plan:

CSR CHALLENGES	KEY ACTION	PRIORITY INDICATOR
1. RETAINING TALENT	Developing employee loyalty (personalised follow-up of employees, pleasant working atmosphere and environment, attractive remuneration, team-building events, etc.)	*Turnover rate*
2. DEVELOPING EMPLOYEE SKILLSETS	Providing training to employees	*% of employees who received training during the period*
3. PROMOTING DIVERSITY AND GENDER PARITY WITHIN THE COMPANY	Committed to helping people with a disability	*Number of workers with a disability*
4. MEETING ETHICAL AND CONTRACTUAL OBLIGATIONS	Verifying compliance of programmes with ethical and contractual obligations	*Number of confirmed formal notices from the CSA over the year just ended*
5. PROMOTING GREATER ACCESS TO PROGRAMMES	Subtitling programmes and making them available in audio description	*Accessibility rate of M6 programmes to deaf and hard-of-hearing people*
6. REPRESENTING DIVERSITY IN PROGRAMMES	Ensuring gender parity in programmes	*% of female presenters on internally-produced free-to-air channels' news programmes (inc. news bulletins)*
7. SUPPORTING AND PROTECTING YOUNG PEOPLE IN THE MEDIA	Implementing a fit-for-purpose rating system	*Number of warnings and formal notices from the CSA for the year just ended concerning the signalling code*
8. GETTING INVOLVED IN A MAJOR SOCIAL CAUSE	Developing the M6 Corporate Foundation dedicated to helping and improving the quality of life of inmates	*Budget of the M6 Foundation*
9. DEVELOPING BALANCED AND TRANSPARENT RELATIONS WITH STAKEHOLDERS	Developing a dedicated viewer relations department	*Number of subscribers on social media*
10. CONTROLLING AND REDUCING ENERGY CONSUMPTION	Limiting electricity consumption	*Change in electricity consumption*
11. RAISING PUBLIC AWARENESS OF ENVIRONMENTAL ISSUES	Broadcasting reports on current ecological issues	*Number of items on the television news devoted to the environment*

The actions taken in 2018 are detailed within this chapter. A cross-reference table available at the end of this chapter provides a link between the text and figures published in this document and the information listed in Article R. 225-105-1 of the French Commercial Code.

6.1 CORPORATE RESPONSIBILITY

1st **Challenge** : retaining talent

PRIORITY INDICATOR: STAFF TURNOVER

	2016	2017	2018
STAFF TURNOVER	**9.3%**	**8.4%**	**10.8%**

2018 was marked by the integration of the Radio Division into the workforce. The resulting restructuring and the business synergies triggered an increase in the turnover rate.

A. Workforce

Breakdown of M6 Group workforce by type of contract

	2016	2017	2018
Permanent contracts	1,519	2,001	1,966
Fixed-term contracts	122	263	257
TOTAL WORKFORCE	**1,641**	**2,264**	**2,223**

At 31 December 2018, M6 Group's total workforce was 2,223 people, compared with 2,264 at 31 December 2017, including 1,966 on permanent contracts in 2018, compared with 2,001 in 2017. The net change in the number of permanent contracts is detailed below:

WORKFORCE AT END DECEMBER 2017	**2,001**
External recruitments	121
Integration of companies (Altima, Ctzar, Socciadict, Joïkka)	24
Event contract workers/service providers made permanent	9
Fixed-term contracts made permanent	38
Departures	
Resignation	*-81*
Redundancy	*-46*
Termination by mutual agreement	*-56*
Retirement	*-19*
Other (end of trial period, etc.)	*-25*
WORKFORCE AT END DECEMBER 2018	**1,966**

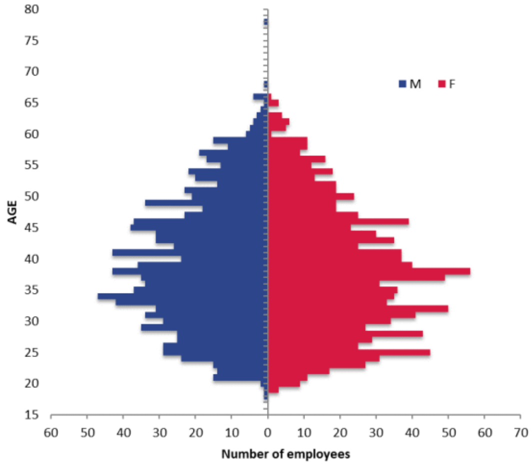
In order to ensure gender equality, M6 Group pays particular attention to balancing its workforce.

At 31 December 2018, the Group's workforce was made up of 51% of women and 49% of men, distributed as follows:

Breakdown of M6 Group workforce by category and by gender

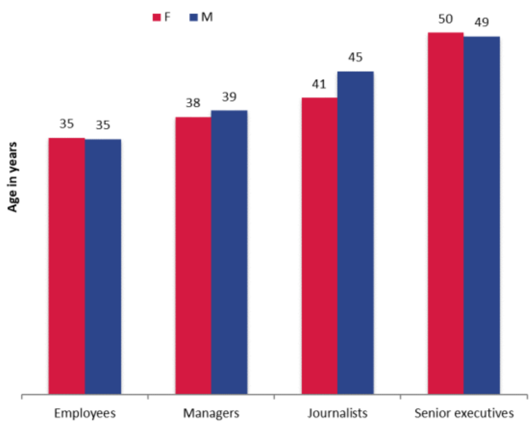
	2018	Male	Female
Employees	617	290	327
Managers	1,265	587	678
Journalists	280	169	111
Senior executives	61	44	17
TOTAL	**2,223**	**1,090**	**1,133**

Age pyramid

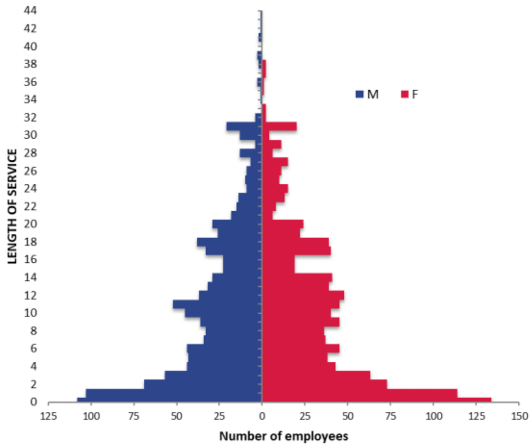


The average age of Group employees is 38.6 years, with 37.9 years for women and 38.0 for men.

Average age of M6 Group permanent workforce by category and gender

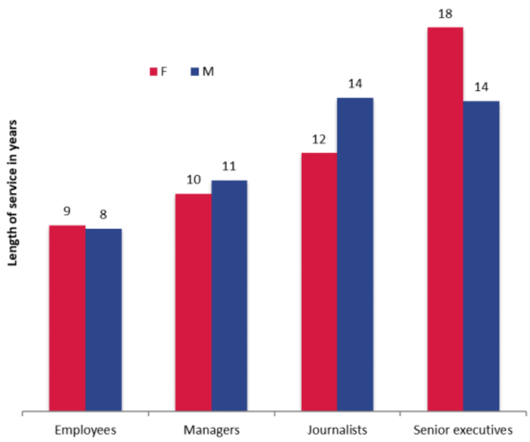


Length of service pyramid



The average length of service within the Group is 10.3 years: 10.8 for men and 9.9 for women.

Average length of service of M6 Group permanent workforce by category and gender



Breakdown of permanent workforce by division

	2016	2017	2018
TV	991	1,149	1,156
Radio	-	459	435
Production & Audiovisual Rights	91	94	90
Diversification	559	562	542
TOTAL	**1,641**	**2,264**	**2,223**

Breakdown of fixed-term contracts

	2016	2017	2018
Fixed-term contracts	60	165	141
Work experience contracts	47	80	80
Apprenticeships	15	18	36
TOTAL FIXED-TERM CONTRACTS	**122**	**263**	**257**

Event contract workers

	2016	2017	2018
FTE EVENT CONTRACT WORKERS AND FREELANCERS	**327**	**446**	**454**

Following a sharp increase in 2017, with the arrival of the companies from the radio division (RTL, RTL2 and Fun Radio) and increasing activity for the production companies, 2018 remained stable in terms of use of event-contract workers.

B. Organisation of working time

Since the signing of a company-wide agreement in 2000, Group employees benefit from an organisation of their working time calculated in hours or days according to their categories.

Main working time arrangements by category

	Average annual working time	35-hour week overtime
Employees	1,575 hours	22 days
Managers	215 days	13 days
Journalists	205 days	11 days
Senior executives	Not applicable	Not applicable

Part-time work

M6 Group firmly believes that providing its employees with a good work/life balance contributes to the Company’s performance and has no hesitation in offering flexible working hours.

At 31 December 2018, 150 employees were on a part-time permanent contract, of which 71.3% were women. In total, they represented 109.2 FTEs.

Reasons for absence

Types of absence (in working days)	2017*	2018
Number of sick days	8,673	15,351
Number of days absent for maternity/paternity/parental leave	4,914	4,864
Number of days absent due to work and travel related accidents	916	837
Number of days absent due to exceptional holidays	3,406	2,657
TOTAL	**17,909**	**23,709**
*Absenteeism rate***	*4.3%*	*4.2%*
** Excluding Radio | **Excluding iGraal, Altima, Ctzar and Socciadict*		

The Group's absenteeism rate was stable at 4.2%.

In addition, during the 2018 financial year, 8,432 hours of overtime were worked by M6 Group employees compared with 8,010 hours in 2017. This 5% increase was related to the integration of teams from the Radio division.

C. Group remuneration

The pay packages of M6 Group employees are reviewed on an annual basis as part of the annual salary review. Employees may benefit from individual performance-based increments.

In addition to their basic salary, all employees receive a 13th month salary. Best Of TV and Sociétés des Musicales from the Radio Division do not receive a 13th month, with the exception of journalists.

This is supplemented for 925 employees in 2018, compared with 908 in 2017, by variable remuneration primarily based on performance indicators (financial indicators, revenue, audience share, box office ticket sales, etc.). This increase reflects the Group's commitment to encouraging better individual and collective performance by as many employees as possible.

Change in average remuneration

The average remuneration of the Group's permanent employees (excluding iGraal) in 2018 amounted to €60,459, compared to €61,676 in 2017.

Employee savings

Profit-sharing agreement

Several profit-sharing agreements have been signed within M6 Group.

The results of the various Group companies made it possible to establish a special reserve for profit-sharing for 2017, and paid in 2018, totalling €9,329 K, compared with €8,057 K paid in 2017 for 2016; 2,839 employees benefited, compared with 2,123 employees the previous year.

Bonus scheme

A Group-wide bonus scheme (excluding Ventadis) was concluded on 27 June 2017 with the various representative groups for the next three financial years, i.e. until 31 December 2019.

Total bonuses (excluding Ventadis) paid in 2018 for 2017 were €5,442 K, i.e. €1.9 K per employee.

Employees of the Ventadis division received no bonus payments for 2017.

Group savings plan

In 2018, M6 Group (including the Radio division) renewed its Group savings plans under which the Group matches the individual contributions of each employee. This year, the amount paid in respect of this contribution was €1,139 K.

In total, the amounts paid by the Group in respect of employee savings (Bonus Scheme, Profit-Sharing and Contribution to the Group Savings Plan) were €15,911 K, compared with €13,797 K in 2017.

Lastly, the management of employee savings (excluding the Radio division) was entrusted to an external organisation, which offers employees the following seven funds, which vary in terms of yield and risks:

- FCPE Diversifié Actions (70% shares, 30% bonds), high yield but high risk;
- FCPE Diversifié Taux (20% shares, 80% bonds) modest yield but lower risk;
- FCPE Monétaire (100% money market), low yield and risk free;

- FCPE “M6 Group”, 100% METROPOLE Télévision shares;
- FCPE Impact ISR rendement solidaire, a diversified FCPE, invested in European markets, of which between 5 and 10% in socially responsible shares;
- FCPE Avenir sélection patrimoine (50% shares, 50% bonds);
- FCPE Perspective conviction Europe (100% external institutional funds).

Mutual health insurance and provident fund

Permanent employees of M6 Group benefit from a private healthcare costs scheme and a provident fund, providing a higher rate of reimbursement for healthcare costs and covering employees against the risk of disability, incapacity and death.

Private health scheme

The main purpose of the private health scheme is to supplement the amounts reimbursed by the state social security system for medical costs (hospital admissions, medicines, dental and optical charges, health checks).

For Group employees, excluding Ventadis and Radio employees who have a separate scheme, membership of the private health scheme is mandatory and must correspond to the individual's family circumstances. In 2018, the monthly contribution was €129.31, with payment split between employee and employer as follows:

- family contribution: the employee pays 50% of the contribution and the employer pays 50%,
- individual contribution: the employee pays 40% of the contribution and the employer pays 60%, in order to make the scheme attractive to young employees.

Permanent employees of Ventadis benefited in 2018 from a private health scheme, membership of which is mandatory. Employees may choose between an individual scheme and a family scheme. Monthly contributions range from €4.54 for the basic individual scheme to €61.42 for the family scheme. The employer pays €52.48, regardless of the scheme.

Provident fund

The scheme provides:

- Incapacity cover, supplementary payments in addition to the benefits in kind provided under the state social security insurance schemes for health, maternity, work-related accidents and occupational-illness,
- Life insurance cover,
- Disability cover.

For Group employees, excluding Ventadis, all employees on a permanent or fixed-term contract benefit from this cover from the start of their employment. Subscription is mandatory. Payment of contributions is split between employee and employer. All Group employees belong to a single scheme, regardless of status (with the same percentage contribution and the same division of contribution payments between employer and employee).

In 2018, all Ventadis employees benefited from an insurance scheme, which varied depending on the companies and involved different contributions according to status.

Total remuneration of 10 highest paid employees

In 2018, a total amount of €5,986 K was paid to the 10 highest paid Group employees (excluding Nicolas de Tavernost, a corporate officer) compared with €5,410 K in 2017, of which €1,816 K was variable remuneration in 2018, compared with €1,564 K in 2017.

Supplementary defined contributions retirement scheme

In 2007, marking its desire to improve loyalty among senior executives and to meet their expectations in enhancing their pension cover, a supplementary and compulsory defined contributions retirement scheme was put in place for this category of personnel.

This scheme enables the creation of an external individual retirement account whose objective is the payment of a life annuity. Management of this account was entrusted to an insurance company that is recognised on the Paris stock exchange.

In accordance with Decree n° 2012-25 of 9 January 2012 confirmed by Circular n°2013-344 of 25 September 2013, employees with remuneration paid in n-1 equal to or higher than 4 PASS* (annual social security ceiling) are beneficiaries of the supplementary pension scheme.

At 1 January 2019, 54 M6 Group employees benefited from this scheme.

In 2018, employees from the companies Information et Diffusion as well as former Ediradio staff continued to benefit from their own defined contributions pension scheme, via a specific mechanism.

D. Promoting social dialogue within the Company

M6 Group complies with the Labour Code and applicable collective agreements with regard to social dialogue, the exercise and protection of trade union rights and employee representation.

M6 Group also complies with the provisions of the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining, and in particular the ILO's conventions C87, C98 and C135.

Furthermore, to emphasize its commitment to this issue, the Métropole Télévision ESU (economic and social unit) signed an agreement relating to trade union rights on 5 April 2018.

Various unions are represented within M6 Group: In this way, within the ESU made up of the companies Métropole Télévision, M6 Bordeaux, Paris Première, Sedi TV, Edi TV, M6 Thématique and M6 Génération, (bringing together 863 employees), the union representative bodies are as follows after the most recent employee representative elections, held in 2018:

- CFE-CGC with 36.2% of the votes, represented by one union delegate,
- CFDT with 22.0% of the votes, represented by two union delegates,
- FO with 22.0% of the votes, represented by one union delegate,
- CGT with 10.1% of the votes, represented by one union delegate,
- CFTC, not deemed representative with 9.1% of the votes, is represented by a local union delegate.

At 31 December 2018, M6 Group had 15 employee representation committees and 124 elected representatives (all representative bodies combined and taking into account those who hold multiple offices):

- 2 committees of employee representatives, with 9 elected members,
- 4 social and economic committees with 67 elected representatives (elections took place in 2018 within the Métropole Télévision ESU and the M6 Publicité ESU and the companies Studio 89 and Best of Shopping),
- 1 works council, with 6 elected members,
- 6 single employee representative committees with 36 elected members; the remit of 5 of these committees extending to the functions of the Health, safety and working conditions committee,
- 2 health, safety and working condition committees, with 6 elected members.

These various employee representative institutions promote regular and active social dialogue. In 2018, on average 14 ordinary and extraordinary meetings took place every month with employee representatives (across the various bodies).

Within the ESU (Métropole Télévision, M6 Bordeaux, Paris Première, Sedi TV, Edi TV, M6 Thématique and M6 Génération), works council committee meetings (housing committee, catering, gender equality, training, etc.) subsequently replaced by Economic and Social Committee meetings, were held regularly in order to have a close understanding of employee concerns.

The key points raised during works committee meetings or by single employee delegations during 2018 were as follows:

- Monthly topics: operation of Group companies;
- Quarterly topics: workforce monitoring;
- Ad-hoc or annual topics:
- The draft "Information Systems Security Policy",
- The proposed update of the "IT Code of Conduct",
- The draft "Computer Engineers' Code of Conduct",
- The extension of the terms of office of members of the Works Council and the creation of a Social and Economic Committee,
- Expansion of the Economic and Social Unit,
- Opening of negotiations relating to a transfer of undertakings (protection of employment) (TUPE) agreement,
- Harmonisation schedule for additional social protection schemes,
- Introduction of a commission dedicated to minimising psycho-social risks,
- preliminary 2018 review and 2017 review of the private health scheme,
- 2017 review of the body in charge of the "1% logement" scheme (employer-sponsored housing assistance fund),
- review of the annual appraisals and professional interviews,
- Group savings plan for 2018,
- the economic and financial position of the ESU (2017 annual financial statements, use of CICE tax credit),
- social, working conditions and employment policy,
- review of the 2017 training plan,
- 2018 mandatory annual salary negotiations,
- 2017 review of the provident scheme,
- provisional training plan for 2019,
- information on the M6 Foundation's activities,
- review of the Agreement on the transfer of paid leave between co-workers
- the draft Social and Economic Committee's internal regulations.

The main topics on which the health and safety committees were consulted or on which they gave advice were as follows:

- an assessment of "the collective agreement relating to the integration and retention in employment of disabled people";
- establishment of a Social and Economic Committee;
- The draft "Information Systems Security Policy";
- The proposed update of the "IT Code of Conduct";
- The draft "Computer Engineers' Code of Conduct";
- the proposal to change the Company's internal regulations,
- 2018 update of the comprehensive risk assessment inventory,
- 2018 occupational risk prevention programme,
- work-related accidents over the 4th quarter of 2017 and the 1st, 2nd and 3rd quarters of 2018,
- the 2017 Health, Safety and Working Conditions review,
- occupational health annual report for 2017,
- review of quality of life at work and psychosocial risks for 2017 and first-half 2018,

These agreements are specifically aimed at improving the working conditions of employees as well as the Company's economic performance.

Moreover, following the merger by absorption of the company Ediradio by Métropole Télévision and mergers by absorption of the companies IP France, IP Régions, RSM and Médiapanel by M6 Publicité, negotiations have been initiated to conclude TUPE agreements in order to harmonise the employment terms and conditions.

E. Improving health and safety at work

Safety

Employee safety and working conditions are the main priority for the elected individuals of the Group's health, safety and working conditions committees, extended single employee representative committees and social and economic committees.

The areas for which these bodies are responsible are monitored on a regular basis, in particular through regular or extraordinary meetings.

Following the terrorist attacks of January and November 2015 in Paris, security measures which had been implemented across all M6 Group's sites were relaxed in 2018.

Tighter security at the entrances to all buildings has been maintained, including at local level (checking of badges and identities of people from outside the Group, limited access to certain buildings and to parking areas).

The shop stewards have been informed of all the measures that have been implemented.

Refurbishment

In 2018, notably in relation to the purchase of the RTL Radio division by M6 and the arrival of the RTL , RTL2 and Fun Radio employees, 1,364 workstations were moved between the various sites in Neuilly-sur-Seine and Paris.

These refurbishment projects improve communication and dialogue between the teams and the Group's departments.

Quality of life at work

As part of the policy relating to prevention of psychosocial risks, the Group continued to offer specific training to raise awareness among various company stakeholders: staff representatives, managers and human resources managers to ensure they identify risks and respond accordingly.

A more comprehensive mechanism has been proposed as part of the "Quality of Life at Work Process" (QLW).

In 2018, a QLW training session was attended by the following within the Group (excluding Ventadis):

- 19 managers,
- 8 employees from the Human Resources department.

In 2018, the Group continued its "Wellbeing" measures through sophrology workshops, yoga for the eyes, traditional Japanese amma massage and self-massage.

Moreover, as part of the training sessions organised for the managers, they learnt more about the right to disconnect, in accordance with the provisions set out in the charter relating to the right to disconnect.

Annual performance and career development reviews

Annual reviews of quality of life at work and psychosocial risks are prepared within the ESU and M6 Group subsidiaries (excluding Ventadis). Indicators by department concerning human resources and corporate aspects (mobility, absenteeism, turnover, age pyramid, seniority, etc.), working conditions (working hours) and health and safety (number of occupational and commuting accidents, medical exams, etc.) provide the basis for an analysis of the information and the solutions required to ensure the smooth running of the department.

In addition, as part of their annual appraisal, each employee is encouraged to consider their work-life balance and to monitor their workload. These indicators are then considered alongside the employee's manager and the Human Resources Department in order to ascertain the need to implement, where necessary, an action plan to ensure this balance. Elected members receive a review on an annual basis.

Pursuant to the French law on professional training, all Group employees with at least two years' seniority are offered a professional interview. The purpose of this interview is to review the employee's professional career and discuss with them their professional development (skills, mobility or redeployment project, etc.). An interview is held in less than two years if the employee is returning from an extended period of absence or wants to move to another position in the company.

Safety, hygiene and health training

In 2018, 65 people underwent safety standards training (evacuation, use of fire-fighting equipment, etc.), 32 of whom were trained as workplace first aiders:

- 9 employees attended initial OHS training,
- 23 employees attended OHS training on recycling,
- 33 employees attended fire training.

In 2018, 80 employees (managers, Human Resources Managers and elected representatives within our staff representative bodies) received training on quality of life at work and minimising psycho-social risks.

Lastly, 47 journalists and camera technicians (radio and television) were also trained in first aid techniques and the management of risks during events.

Occupational Health

The daily presence of the qualified nurse in the medical room, in conjunction with Internal Communication, enabled the renewal of the annual blood donation campaigns, with a total of 3 campaigns which represented 140 blood donations in 2018.

The nurse gives preventive advice to employees on various subjects notably via the enterprise social network Blender, by indicating the positions to adopt for sedentary work, recommendations in the event of a heatwave, good hygiene and vaccination measures in the event of flu, the procedure to follow in the event of a medical emergency, benefits in the event of pregnancy, etc.

The nurse also monitors personnel who work at night, under the supervision of the occupational health doctor, as part of intensified medical follow-up.

The annual occupational risk prevention and improvement of working conditions programme was updated.

Work related accidents and illnesses:

	2017	2018
Work-related accidents resulting in lost time	14	10
Frequency rate[69]	2.88	2.12
Severity rate[70]	0.065	0.042

F. Offering an attractive working environment

Benefits and services of the Works Council

The Group's community enterprises budget was €1,181 K in 2018 (compared with €1,052 K in 2017). This amount is set in line with a percentage of between 0.80% and 0.95% inclusive of the total payroll for each ESU, subsidiary and for Ventadis.

The Group's Works Councils and Social and Economic Committees offer a number of benefits to employees: gift-vouchers for births, contribution towards costs incurred by employees in sporting or cultural activities, organisation of holidays, sporting or tourist weekends in France or abroad, etc.

Office refurbishment

As part of the refurbishments completed in 2017, and in 2018 notably subsequent to the arrival of the Radio division within the Group, particular attention was paid to working conditions. In 2018, 1,364 workstations were relocated between the various sites in Neuilly-sur-Seine and Paris.

These new layouts were completed by providing ergonomic and safe working tools, and co-working and relaxation areas thereby promoting a pleasant working environment.

Internal communication

Supporting the arrival of employees from the radio division

Several measures were introduced to facilitate the arrival and integration of the 600 employees from the radio division into M6 Group:

- Initial contact with employees to prepare for their arrival,
- Information meetings to introduce them to M6 Group and provide them with all the practical information required for their move,

69 *Frequency rate: number of accidents resulting in lost time of more than one day occurring over a 12 month period per million hours worked.*

70 *Severity rate: number of sick days compensated per 1,000 hours worked.*

- Creation of a "*Welcoming the RTL Radio Division*" group within the enterprise social network collating all practical information,
- Introduction of a telephone hotline to answer their questions,
- On the day of their arrival, employees were greeted with bouquets of flowers, a box of chocolates and a word of welcome.

The radio teams have been supported on a day-to-day basis since the "physical" arrival of employees. In addition to the synergies that were implemented very quickly within the teams, Internal Communications regularly organised vocational talks and joint projects to promote numerous discussions between the different worlds.

Involve employees in the Group's major projects and advertise work opportunities

Improving awareness of the Group's activities and career opportunities, in order to develop both internal mobility and synergies, is one of the main aims of internal communication. Strengthening ties and the sense of belonging to M6 Group are also major issues.

Day-to-day activities for employees…

To enable employees to get to know each other, to share enjoyable moments together and to talk about M6 Group values, Internal Communications introduced many in-house events in 2018:

- Preview showings of programmes broadcast on M6 Group channels,
- Preview showings of films produced by M6 Films or distributed by SND,
- Talks on the media and digital (TV/radio audience ratings, CES trade show, etc.) and practical (tax deducted at source, Allées de Neuilly, etc.) worlds, available either live, or recorded via Blender,
- Invitations to attend TV and radio events (visit to the *Top Chef* set, *Le Grand Studio RTL* shows, *Concert très très privé RTL2*, etc.) and to shows and events of which the Group is a partner,
- Fun activities (blind tests, table football tournaments, etc.)
- Discovering backstage at M6 Group (visit to the master control room, tour of TV sets and radio studios, etc.)
- Wellbeing workshops (sophrology, etc.)

In total, almost 250 initiatives were undertaken over the course of 2018.

… and events for and with our employees

- The 2018 financial year was marked by several events: The "Vœux du Groupe M6" ("M6 Group New Year's Wishes"), at the Salle Wagram, brought together more than 1,600 employees, including those from the radio division recently acquired by M6 Group. It was the opportunity for the Chairman of the Executive Board to review the year just ended and for employees to enjoy a special evening,
- To mark the second "*M6 Family Day*", and thanks to the involvement of staff, 50 children of employees were able to discover the world of TV and radio via 5 workshops (tour of the TV and radio studios, recording of a radio section, seeing the start of the du 19'45, etc.). Accompanied by their parents, they were able to see where they work every day.
- On Tuesday 5 June 2018, the 5th annual "Work-based Learning Day". During this day, 250 applicants met and talked with their future tutors. They were also able to participate in CV and social media coaching guidance workshops, and met a professional photographer who took their photos for their CVs.
- On the occasion of the European Heritage Days, on Saturday 15 and Sunday 16 September 2018, M6 Group opened its doors to the public. 850 visitors were welcomed by more than 100 Group employees. Viewers and listeners were able to discover the world of television and radio through 5 workshops, some of which were hands-on (tour of the master control room with a virtual reality headset, start of the 19'45 on the Jean Drucker set, recording of a time signal in Mini Live, etc.),
- To mark the release of the new film *Asterix: The Secret of the Magic Potion*, produced by M6 Studio / M6 Films and distributed by SND, Internal Communications organised 9 screenings at the Neuilly-sur-Seine Auditorium, on 9 and 16 December. In total, 600 employees were able to watch the film with their family and friends and enjoy a snack.

Keeping employees informed

Through Blender, M6 Group's enterprise social network, redesigned in September 2018, internal communication provides information to employees:

- Nicolas de Tavernost, Chairman of the Executive Board, records a monthly video message to assess the month just ended and discuss the challenges for the following month,
- In immersive videos, the internal communications team offers a look behind the scenes (*Capital* with Julien Courbet, etc.) and introduces the Group's major projects (launch of the new W9 graphic identity, new television news format, etc.),
- Focus on mobility via profiles of employee who have transferred to new roles and circulation of internal job vacancies,
- Every new employee joining the Group benefits from a profile,
- Widespread circulation of acronyms and technical terms via "Word of the Week", explained by an M6 Group employee,
- Coverage of current events, new projects and the successes of the various M6 Group subsidiaries (TV / radio audience figures, etc.),
- Preview showings of content prior to their widespread broadcast (episodes of *Scènes de Ménages*, RTL commercials, etc.).

Beyond the enterprise social network, this information is broadcast in the Group's various buildings on digital signage screens.

G. Trainee policy

	2017	2018
Number of trainees received during the period, for a period of 3 to 6 months	237	244
% of trainees hired at the end of their training period (permanent or fixed-term)	12%	12%
Number of work/study students received during the year	100	116
- Apprenticeships	*18*	*36*
- Work-based learning	*80*	*80*

M6 Group, confident that the trainees and work/study students of today are the talents of tomorrow, pays particular attention to the relationship with students and to this end has taken various steps:

- **Developing partnerships with schools** through M6 Group's participation in student forums, hosting student promotional activities within the Group, the participation in examination panels and the organisation of "job dating" (short job interviews).
- **Organising the 5th Work Placement Day:** M6 Group repeated last year's format to offer applicants a unique experience by putting video at the heart of recruitment thanks to a solution developed by the French start-up Talentview. Each opportunity was portrayed in a video by the tutor. The candidates were invited to apply via their PC, smartphone or tablet and were pre-selected to take part in the day by the recruitment team.

A total of almost 250 students attended and 55 tutors spoke throughout the day about what they do and opportunities for work placement contracts commencing in September 2018. In addition, different workshops were held to set the tempo for this day: an HR coaching workshop (CV, interview technique, social media), a photo workshop thanks to which every applicant was able to leave with their own professional photo, as well as time to speak with the current work/study student to benefit from an in-depth feedback session.

As a result of this day, 32 students were recruited under work placement and professional development contracts.

- **Joining M6 Group by becoming the future Mo(bile) Jo(urnalist)!** Just like Manon Labat, who won the 2017 edition, Sarah Duhieu, the winner of the 2nd edition, was awarded a year-long fixed-term contract with M6 Group's national and digital newsrooms, thus benefiting from a complete insight into the journalistic profession. The purpose of this scholarship is to identify the talents of the future and to strengthen the brand image of the Editorial Office with young journalists from specialised schools. The competition is open to final year journalism students at the 14 schools recognised by the Journalists Agreement. Following an application-based selection process, 6 finalists are invited to the offices to produce a report using a smartphone on a specific issue under real conditions.
- **Promoting the integration of young people into internships and work placements:** Welcoming and integrating young people during their internships and work placements is an ongoing and primary concern of the recruitment and schools relations team. "Welcome Day" are organised on a regular basis for our young people, enabling them to develop their knowledge of the Group and its activities and businesses, to create their first professional network, feel comfortable in their placement, and take part in workshops on the Group's employment brand, Mission Disability.
- **Happy Trainees:** In 2018, M6 Group launched the second *"Happy Trainees"* survey, conducted by the company meilleures-entreprises.com with all the trainees and students at M6 Group (excluding Ventadis). This survey helped assess the induction, integration and support offered to trainees and students. M6 received the *"Happy Trainees"* label for the second year with an overall rating of 4/5 and a recommendation rate of 93.6%.
- **Making M6 more attractive to young people**

In addition to the initiatives involving schools, M6 Group is present on social media via M6Campus (Facebook, Twitter, Instagram, Linkedin) to strengthen its employer brand. Connecting with the everyday lives of employees via *#laviechezm6*, these accounts disseminate all M6 Group's HR news and job and traineeship offers.

This HR digital communication strategy is specifically reflected in several rankings:

- For the 4th consecutive year, the magazine *Capital* has partnered with the Statista institute and published a list ranking[71] the best employers in France in 2018 (companies with 500+ employees). M6 Group was ranked top in the "Media / Communication" category.
- For the past 2 years, M6 Group has been certified with the "*Happy Trainees*" label by the company Choosemycompany.com. This ranking, based on the HappyIndex/Trainees method, values companies that take care to welcome, support and manage their trainees.
- **Inspiring the young and sharing our love of broadcasting:** In 2018, M6 Group welcomed 160 secondary school students on job shadowing placements. For these students aged 14-15, it is the opportunity to discover M6 Group, its diversity of jobs, to meet and talk to employees, and to inspire career choices.
- **Preparing for M6 Group future recruitment and encouraging loyalty among trainees:** Before the end of their training period, the young people have an interview with their supervisor, in order to carry out an overall assessment of their work experience and validate their choice of professional direction as well as their potential and motivation to work for the Group.

Their job applications are given priority for filling junior roles immediately following the end of their training period or subsequently.

71 Following a completely anonymous and independent survey of 20,000 respondents who selected their preferred employer from 2,100 companies

H. Ethics and professional integrity

As well as complying with its legal and contractual obligations, M6 Group has set out a code of ethical and professional standards that all employees must observe in their own behaviour and to guide them in the actions they undertake. These standards apply to all employees regardless of status or position, including those at the highest level. Individuals must be guided by principles of professionalism and trustworthiness at all times, not only towards M6 Group, but also towards the public, customers and suppliers. They must abide by the laws and regulations in force and adhere to the standards of professional ethics set out by the Group.

Each new recruit is provided with a copy of M6 Group's professional ethics code, which also sets out the behaviour expected of employees with regard to personal conflicts of interest, sensitive data, gifts and invitations, and the periods during which employees must refrain from dealing in the company's shares. A copy of this code is also available on the Group's enterprise social network.

In 2017, M6 Group rewrote its Ethics Code, which has become the Code of Ethics and Professional Conduct. This Code, attached to the Internal Regulations of Group Companies, deals notably with the following subjects:

General standards of behaviour

Compliance with the law

M6 Group conducts its business in full compliance with the laws and regulations of the legal framework within which it operates. Group employees are required to adhere strictly to all laws and regulations relating to commercial companies in general, and the audiovisual and film sectors in particular. Under no circumstances should they disregard these statutes nor should they interpret them in a way that will damage Group companies.

M6 Group's commitments as an employer

All the decisions taken in relation to recruitment, hiring, discipline, promotion and other employment measures must be free of all discriminatory practices. Psychological and sexual harassment is prohibited.

Furthermore, pursuant to Decree n° 2017-564 of 19 April 2017, M6 Group has implemented a professional whistleblowing system. This enables a whistle-blower to report, selflessly and in good faith, a serious matter, such as a crime or an offence, of which they have personal knowledge.

Conflicts of interest

When, during the normal course of their work, employees are confronted with a situation in which a decision deemed to be in the best interests of the company conflicts with their personal interest, they are encouraged to inform their line manager or a company manager in order to resolve the conflict of interest as soon as possible.

Fraud prevention

M6 Group ensures that all the company's tangible and intangible assets are used and treated responsibly, including its products, business equipment, information systems and intellectual property. To this end, all employees are made aware of the fact that the company's assets must be used exclusively for the business purposes for which they are intended and not put to improper personal use or used for illegal or other illicit purposes.

The Group has implemented appropriate control measures (described in Paragraph 1.7.1 of this document) to prevent any form of fraudulent activity.

Freedom of expression and social networks

A policy on the use of social networks is issued to the Group's employees as a reminder of certain principles. In exercising their right to free expression, inside or outside the company, employees are required to avoid expressing publicly any opinion that may be taken to represent the position of M6 Group or its managers, to respect their obligation of professional discretion and loyalty towards the Group and to refrain from disclosing confidential information. These principles apply to all employees but especially individuals who may have a high public profile due to their role, their level of responsibility, their degree of public exposure or their prominent position on social networks.

Internal control

Every employee is involved in improving the management of the Group's risks and helps to identify and correct failings. There must be no impediment to the smooth progress of the audits and checks carried out by the internal audit department of the statutory auditors.

Relations with our commercial partners and third parties

Relations with our commercial partners

M6 Group acts with integrity in its joint business activities and expects its commercial partners to comply with the law.

Relations with government bodies and regulatory authorities

Responsibility for M6 Group's institutional relations rests with the Corporate Affairs Department where a dedicated team is in constant dialogue with the various stakeholders and regulators. The Group maintains statutory links with all relevant regulatory bodies and government institutions.

Combatting corruption and influence peddling

Conducting business lawfully and maintaining the highest ethical and professional standards are essential components of the Group's corporate culture. It is the obligation of every employee to adopt the correct behaviour in order to ensure these standards are maintained.

In accordance with Law n°2016-1691 of 9 December 2016 relating to transparency, anti-corruption and modernising the economy, known as the "Sapin II" law, the Group's Code of Ethics and Professional Conduct defines and illustrates the different types of behaviour to be prohibited due to it likely constituting corruption or influence peddling.

As a general rule, employees must refuse gifts of any kind if they are of a higher value than would be deemed reasonable by the Group if it had to pay for them. Furthermore, any gift or invitation is deemed unacceptable if it could be regarded as likely to influence the behaviour of the recipient towards the donor.

Competition

The Group complies with anti-trust legislation and competition regulations. It has adopted a Code of Conduct and provides training on its implementation. Members of the executive committee and any other personnel particularly exposed to competition law issues can refer to the Code.

IT

IT Code of Conduct

M6 Group has an IT Code of Conduct that was overhauled in 2018. This Code sets out the rules for using the IT solutions made available to employees. It specifically provides that employees use them within fair and legal limits, and do not use them to cause harm to either a private individual or a legal entity, or to disrupt the proper functioning of the Group's information systems.

Computer Engineers' Code of Conduct

The Computer Engineers' Code of Conduct details the principles and ethical rules that programmers must routinely apply, whether they are employed by M6 Group or are service providers, to perform their roles. It stipulates, amongst other things, that computer engineers must demonstrate integrity, must not carry out any illegal or unethical orders, and it notes their confidentiality obligation.

Content and programming

Agreement signed with the CSA

M6 Group is committed to ensuring its networks comply with the codes of conduct and professional ethics set out in agreements signed with the CSA.

Ethics, independence and accountability of journalists

In France, the main journalists' trade unions have adopted the Code of Professional Conduct for journalists. In addition, the "Convention Collective Nationale de Travail des Journalistes" (CCNTJ), a national collective agreement for journalists which applies to all journalists holding a press card in France, also sets out a number of ethical principles. This agreement is therefore applicable to journalists working within the Group, mainly in the National Editorial Service and at C. Productions, the subsidiary responsible for producing news magazines such as "Capital" and "Zone Interdite".

In accordance with the Law of 14 November 2016 aimed at improving the freedom, independence and pluralism of the media, M6 Group has created a Journalists' Code of Conduct. This Code was jointly drafted by journalists' representatives and M6 Group management. Its purpose is to set out the key principles of independence, freedom, and the reliability and truthfulness of information as well as specifying the rights and duties of journalists and the management of M6 Group. In parallel with this Code, an Ethics Committee, made up of five people, has been set up for a period of three years in accordance with legislation.

The Group maintains total editorial and journalistic independence in its news gathering and broadcasting. Editorial and journalistic independence is fundamental to its news reporting and broadcasting activities. The Group is conscious of its responsibility towards the general public as a leader of opinion and acts accordingly.

Consequently, the Group refrains from exercising external influence of any kind on journalistic investigations and refuses to let itself be influenced by external political or economic forces.

Furthermore, the Group complies with all laws, regulations and business principles relating to the separation of editorial content from commercial advertising.

Protection of intellectual property

M6 Group respects and protects intellectual property and protected content in all its forms. As a media company, the Group is fully aware of the particular importance of protecting intellectual property in its business activities.

Insider trading

The Group has adopted an ethical trading code of conduct intended to prevent insider misconduct. This code complies with recommendation No. 2010-07 of the AMF (French markets regulator), dated 3 November 2010, and applies to anyone who has access, or may potentially have access, to insider information. It prescribes the rules applicable to all Group employees and is available on the intranet. A new version of this Code came into force in 2017, in accordance with Regulation (EU) 596/2014 on Market Abuse and Article 622-2 of the AMF General Regulation.

2nd Challenge: developing employee skillsets

PRIORITY INDICATOR: % OF EMPLOYEES WHO RECEIVED TRAINING DURING THE PERIOD

	2017	2018
% of employees who received training during the period*	47%	45%
**Figures excluding iGraal, Altima, Ctzar and Socciadict*		

	2017	2018
Number of employees who were promoted during the period*	164	169
% of employees who were promoted during the period	9.6%	9.7%
Number of employees who benefitted from in-house mobility during the period*	62	61
Number of employees who received training during the period*	789	975
** Excluding iGraal*		

A. Integration of new hires and discovery of Group career opportunities

The Human Resources Department organises HR mornings for employees who have recently joined the Group, within two months of their recruitment.

These mornings have the dual objective of presenting to the employees the HR divisions that will support them throughout their careers and of promoting the creation of a network within the Group.

In addition to this scheme, employees have numerous opportunities to develop their knowledge of the Group's activities and businesses: in-house training, placements, conferences on our operations, etc.

B. Annual review and career development

Every year, all employees have an annual review with their manager. In addition to an appraisal of the results attained over the course of the year just ended, this also provides the opportunity to assess the efficiency of training programmes undertaken, the skillsets used and professional balance (work load and organisation, work/life balance).

Since 2015, employees have also benefited from a second review with their manager, entitled the professional review. This individual review takes place at least every two years, and is mandatory after a long leave of absence (a sabbatical, for example).

The annual review as well as the professional interview is available in confidential digital format accessible to each employee and archived for future years on the enterprise social network.

Needs and/or comments expressed during the reviews are analysed and addressed by the Human Resources Department throughout the year.

C. In-house mobility and promotion

The Group gives priority to in-house mobility that offers support for career and personal development. In 2018, one out of every three positions was once again filled in this way, illustrating the Group's ability to offer career opportunities.

"Mobility Committee" meetings are held every two weeks with Human Resources officers and the Career and Expertise Development department to discuss all vacancies and potential in-house candidates. from amongst employees who have applied for in-house mobility opportunities and those interested in moving job or making a career change to further their careers and expand their skills sets

In 2018, the communication systems relating to our in-house opportunities were improved. All vacancies within M6 Group are posted on the Enterprise Social Network in order to give priority to internal candidates. Current opportunities are now accessible via screens in the lifts and in the break rooms. Each month, an email is forwarded to all employees to present the featured opportunity with the header "What if it was You? ". All applications are considered to offer every employee the opportunity for career development and promotions.

In order to prepare the ground for subsequent moves, the "In the Shoes of" initiative was successfully repeated for the 7th consecutive year. This initiative lets Group employees experience work placements lasting between a half and a full day. For those who wish to take part, these placements are a chance to find out about different job roles in the company in the interests of career mobility, networking, or simply out of curiosity. In 2018, 111 placements (a 1% increase in placements in relation to 2017) were provided to all employees wishing to take part, a figure that increases each year. This year, the Radio division offered 9 placements and 28 radio employees completed a placement.

D. Training

M6 Group is keen to develop the skills and talents of its workforce and has an active and agile training policy offering "Occupational", "Management", "Personal Development" and "Group Culture" courses.

	2017*	2018
Training investment ** [72]	€780 K	€1,056 K
Training initiatives **	1,162	1832
Number of hours' training ** [73]	12,933	16,267
Number of employees who received training during the period **	789	975

** Excluding Radio division*

*** Excluding iGraal, Altima, Ctzar and Socciadict*

The total training expenditure in 2018 was €1,048 K, demonstrating M6 Group's commitment to talent development. This training investment thus led to the funding of 1,841 training initiatives representing a total of 16,180 hours. Overall, 940, or 45%, of employees benefitted from training in 2018.

In 2018, M6 Campus – M6 Group's training body – continued to expand its range and to be a key partner in developing the skills of Group employees in compliance with the French Quality Decree (certification of training organisations) and its referencing in DATA DOCK (in 2017).

In this way, M6 Campus organised 669 training initiatives in 2018 by providing training primarily related to Management, Group Culture and personal development. M6 Campus further enhanced its range of tailored training, intended for both managers and employees, in 2018.

Supporting managers was once again a strategic priority in 2018, with 297 training initiatives conducted via three levels of so-called "initial" training (*Management - The Recipe !*, *The Keys to Management* and *Managing Managers*) and Manager Workshops by M6 Campus.

As part of the Manager By M6 Campus workshops, three new manager workshops were custom built, namely, "*Driving Change*", "*Managing in Open Space*" and "*Learning from your Emotions*". The manager workshops celebrated their first anniversary on 6 November 2018 and have proved to be a real success with managers. M6 Campus offers ten agile 4-hour workshops completely open to self-enrolment via our Enterprise Social Network.

These topical workshops, lasting one morning per topic per group of six managers, are intended to support managers in their day-to-day role with subjects such as *"overseeing"*, *"supporting"*, *"communicating"* and "promoting a decision". With a take-up rate of more than 84% for the Workshops, 153 managers have attended at least one workshop since their launch in November 2017.

In 2018, the "*Optimising your Time*" and "*Learning from your Emotions*" workshops were developed to ensure that each Group employee could have access to these training sessions.

3rd **Challenge**: Promoting diversity and gender parity within the company

PRIORITY INDICATOR: NUMBER OF WORKERS WITH A DISABILITY

	2017	2018
Number of workers with a disability	21	26

A. Commitment to the integration of workers with a disability

The Group's commitment to disability rights and the measures it has undertaken in this regard are described in Section 6.2 of this document.

B. Commitments to gender equality

The Group is committed to its gender-equality action plan guaranteeing equal treatment of men and women during the recruitment process.

In the light of this commitment, since 2012, all the Group's HR recruitment personnel, as well as all employees recruited since that date, have been trained in non-discrimination in employment and occupation during interviews.

72 Included are the training programmes that have been fully or partially financed in the budgeted training programmes and skills training periods.

73 Only training funded as part of the training plan or the skills training period without any other additional scheme are included in these training hours.

	2017	2018
% of women in total workforce	50%	51%
% of female managers/executives	52%	52%

	2017	2018
% of female Management Committee members	18%	23%
% of female senior executives	27%	28%
% of women who received training*	51%	53%

** Excluding iGraal*

	2017	2018
% of women recruited on permanent contract	53%	54%

To further strengthen the Group's commitments to equality between men and women, the Group concluded several collective agreements on gender equality and introduced action plans in all subsidiaries.

The Métropole Télévision and M6 Publicité ESUs renewed their commitments to gender equality in the workplace under 2015 collective agreements for an additional 3 years. Other Group companies set up action plans renewable every year, depending on Group-wide commitments.

Based on the balanced results seen at the end of the first action plans, the agreements, concluded with management and unions, renew the Group's commitments, particularly in relation to recruitment, career development, training, work/life balance and remuneration.

Moreover, M6 Group is placed at nº. 36 in terms of companies with the most female representation in the SBF 120[74] (French stock market company index) for the Ethics & Boards ranking created for the Secretariat of State for Gender Equality.

Work/life balance:

Management renewed the protection process for pregnant women, in particular by organising interviews with the HR Department and the employee's manager, subject to the employee's agreement, in the month before their maternity leave is due to begin and during the month before their return to work. It has been decided to facilitate the relationship with the employee during the period of maternity leave, enabling her to keep up to date with Group activities by providing her with online access to internal communications.

Moreover, Management has made a commitment as part of the structure of working hours, to promote respect for personal life, for example with meetings to be set for times during working hours, flexible working time to match school term, etc. An innovative step has also been taken to extend the parental leave period to incorporate part time working for a maximum of 80% of working hours until the child is six years old.

Remuneration

Management is committed to ensuring a maximum gap of 5 points between the access rates of men and women to the individual increases over a three-year period. Similarly, Management will track the average percentage of individual increase of men and women.

74 *Ethics & Boards Study - 2018*

6.2 SOCIAL RESPONSIBILITY

4th Challenge: Meeting ethical and contractual obligations

PRIORITY INDICATOR: NUMBER OF CONFIRMED FORMAL NOTICES FROM THE CSA OVER THE YEAR JUST ENDED

	2017	2018
Number of confirmed formal notices from the CSA over the year just ended	0	0

M6 Group is keenly aware of its responsibilities as a media group with national reach and M6 Group is committed to remaining attentive to the social consequences of its activities. The Group's channels pay close attention to ensuring they fulfil their promises under their various agreements, in line with the general principles of the Law of 30 September 1986, as amended.

A. Excerpts of the agreement between the Conseil Supérieur de l'Audiovisuel and M6 Métropole Télévision in terms of general and professional ethics obligations

The agreement between M6 and the Conseil Supérieur de l'Audiovisuel (CSA) covers general and professional ethical obligations to guarantee a robust commitment to civil society. It also stipulates that the Company is responsible for the content of the programmes that it broadcasts. In accordance with French constitutional freedoms of expression and communication and the company's editorial independence, it ensures compliance with the principles of the clauses on the design and production of its programmes under conditions that guarantee its editorial independence, especially with respect to the economic interests of its shareholders.

In addition, the Company undertakes to refrain from establishing any business or financial relationship between companies of the Métropole Télévision Group and that of the principal shareholder or controlling shareholders that would diverge from usual business conditions noted in the market.

The obligations and undertakings in the agreement with the CSA also cover:

Plurality of expression of schools of thought and opinion

The Company guarantees the plurality of expression of schools of thought and opinion.

Public life

Pursuant to the right to information, the Company ensures compliance with the presumption of innocence, respect for privacy and the anonymity of juvenile delinquents.

Programme content must not incite to delinquent or anti-social behaviour. It must respect the political, cultural and religious sensitivities of the public and must not encourage discrimination on the basis of race, gender, religion or nationality. Programmes must promote the French Republic's values of integration and solidarity and be representative of the cultural and ethnic diversity of French society.

Every year, the channel informs the CSA of its commitments to promote the representation of the diversity of French society in its programmes for the coming year.

Individual rights

The Company must guarantee personal dignity and individual rights relating to privacy, image, honour and reputation, and ensure restraint is shown in the broadcast of images or testimonials liable to humiliate people, to avoid complacency in reporting human suffering, and ensure that individuals' testimonies on facts regarding their private lives are only collected with their informed consent.

Protection of children and adolescents

The family friendly nature of the Company's programming must be reflected during the hours when a young audience is most likely to be watching, i.e. between 6am and 10pm. Within these time slots, and all the more so in the portion devoted to youth programmes, violence, even psychological, should not be perceived as continuous, omnipresent or presented as the sole solution to conflicts. The Company complies with the classification of programmes in accordance with five degrees of assessment of their acceptability in light of the protection of children and adolescents and applies the rating system accordingly.

Integrity of information and programmes

The integrity requirement applies to all programmes. The Company verifies the validity and sources of information. Its origin must be specified wherever possible. Uncertain information must be qualified when presented. In sequences filmed using a hidden camera, it should be impossible to identify people and places, except where the individuals involved have given their consent before the programme is broadcast.

When the Company presents on air, outside advertising slots, audiovisual communication service editing or distribution activities developed by a legal entity with which it has a significant capital relationship, it should strive to give a strictly informative character to the presentation, in particular by moderating the tone and restraining the significance attached to the topic. It should point out the nature of this relationship to the audience on this occasion.

Defence and promotion of the French language

The Company ensures the correct use of the French language in its programmes, as well as in adaptation, dubbing and subtitling of foreign programmes. The Company must strive to use French in the titles of its programmes.

The Group's other channels must also comply with these standard obligations. All agreements between Group channels and the CSA are available at www.csa.fr.

Monitoring the compliance of programmes is overseen by a dedicated department within M6 Group.

B. Compliance of advertisements

The Group's sales house, M6 Publicité, has entrusted ARPP *(Autorité de régulation professionnelle de la publicité)*, by way of an inter-professional agreement, with a consulting role in guaranteeing the compliance of advertisements with general audiovisual advertising and communication rules. The current procedure, at the expense of agencies and/or advertisers, provides for prior disclosure to the ARPP before the first broadcast. On submission to the ARPP, the ad is assigned a serial number which must be provided to M6 Publicité before broadcast. The ad can be cleared, rejected, or the ARPP can request changes prior to broadcast.

As mentioned in its General Terms and Conditions of Sales, M6 Publicité reserves the right to refuse to broadcast or suspend the broadcast of any advertisement, if it considers that it fails to comply with the laws, regulations and practices governing audiovisual advertising and communication, or if it is contrary to the channel's interests or those of its subsidiaries, or if the CSA subsequently deems that an advertisement is non-compliant and bans any further broadcast and/or demands that the film is withdrawn from air. The editorial quality and legal control aspects are managed by the agency's advertising broadcast department.

In addition, M6 is a signatory to the advertisers' charter on responsible communication. As part of this, M6 is specifically committed to promoting, across all Group audiences, responsible behaviour and the respectful use of information relating to the private lives of its stakeholders in advertising and communication campaigns.

The Group does not broadcast any advertising in relation to firearms, alcohol or tobacco, or any pornographic material.

The Group also implements the CSA charter to promote a healthy lifestyle (health-promoting nutrition and physical exercise, and restorative sleep) in its TV programming and advertising.

Lastly, M6 Group, via the Group's sales house M6 Publicité, agreed in 2018 for the second year running to support the brand social responsibility award, the Grand Prix de la Responsabilité Sociétale des Marques, a key lever for nurturing the reputation and trust capital of the brands.

Organised by Produrable* and Link Up Factory**, this event strives to highlight and recognise the brands and services that build and develop their identities by leveraging an ethical and sustainable development model.

C. Sound level compliance of TV programmes

M6 Group pays particular attention to the comfort of viewers and complies with the provisions of Decree No. 92-280 of 27 March 1992, which notably made it compulsory for TV channels to make the sound levels of programmes consistent with those of advertising breaks. Moreover, M6 Group participated in the consultation, after and on which the CSA based its ruling No. 2011-29 of 19 July 2011 that enabled editors to comply with these provisions by defining technical parameters relating to the sound intensity of advertising breaks.

D. Encourage a better understanding of the world

M6 Group seeks to deliver the most complete and most diverse information possible and, as stated in Article 3-1-1 of its agreement, "*develop a policy of programming magazines and documentaries promoting understanding of the contemporary world, by dealing with diverse subjects such as employment, integration, the economy, science, ecology and the consumer society.*" ".

Capital, Zone Interdite, 66 Minutes, E=M6, Enquête Exclusive, Kid & Toi, le 12'45 and *le 19'45* are programmes and magazines that illustrate, via the subjects dealt with, the M6 channel's commitment to inform and increase awareness of current and social issues and its expertise in deciphering major challenges.

E. Fit-for-purpose governance structure

M6 corporate governance principles are governed by all the standards and laws applicable in France. Since 2000, Métropole Télévision has been a limited liability company with an Executive Board and a Supervisory Board, which offers a clear separation between Group operational management and the supervision of that management.

In addition, the organisation of corporate governance is repeated in the Bylaws, in accordance with French legislation and the agreement concluded by M6 with the CSA.

As such, within the framework of the provisions of Article 39 of the Law of 30 September 1986, no natural person or legal entity, acting alone or in concert, may directly or indirectly hold more than 49% of the share capital or voting rights of a company holding a broadcasting licence for a national terrestrial free-to-air television service;

Lastly, within M6 Group, there is an internal control mechanism aimed at ensuring:

- compliance with laws and regulations,
- application of the instructions and guidelines set by the General Management or the Executive Board,

- the proper functioning of the Company's internal procedures, especially those contributing to the protection of its assets,
- the reliability of financial information,

and generally, contribute to control and efficiency of operations and the efficient use of resources.

By helping to prevent and control the risk of not achieving the objectives set by the Company, the internal control mechanism plays a key role in managing and steering the various operations.

This mechanism is detailed in the section dedicated to Risks in this registration document (Chapter 1.7).

5th **Challenge**: Promoting greater access to programmes

PRIORITY INDICATOR: ACCESSIBILITY RATE OF THE M6 CHANNEL'S PROGRAMMES TO DEAF AND HARD-OF-HEARING PEOPLE

	2017	2018
Accessibility rate of the M6 channel's programmes to deaf and hard-of-hearing people	100%	100%

To M6 Group, and in accordance with the Law of 11 February 2005 on equal rights and opportunities, accessibility not only means the participation and citizenship of people with disabilities, but also taking account of disabilities, first and foremost by subtitling its programmes for the benefit of the deaf and hard-of-hearing.

All M6 and W9 programmes are accessible to people with hearing difficulties (excluding commercial breaks, self-promotion, trailers, teleshopping, songs performed live and instrumental music, teleshopping and live broadcasts of sporting events between 12pm and 6am). 6ter has undertaken to subtitle 60% of its programmes.

In addition, since 2009, the new broadcasting control room enables all Group channels to broadcast specific subtitles for the deaf and hard of hearing and thus provide access to the greatest number of broadcasts by Paris Première, Téva and M6 Music. Paris Première and Téva are thus committed to subtitling 40% and 20% of their programmes, respectively.

	M6	W9	6ter
Accessibility of programmes to the deaf and hard of hearing (subtitling)			
2015	100%	100%	60%
2016	100%	100%	60%
2017	100%	100%	60%
2018	100%	100%	60%
Accessibility of programmes to the blind and partially sighted (audio-description)			
2015	70 programmes including 40 new with audio-description	17 new programmes* with audio-description	12 new programmes* with audio-description
2016	80 programmes including 50 new with audio-description	20 new programmes* with audio-description	12 new programmes* with audio-description
2017	100 programmes including 55 new with audio-description	22 new programmes* with audio-description	12 new programmes* with audio-description
2018	100 programmes including 55 new with audio-description	22 new programmes* with audio-description	12 new programmes* with audio-description

** new to the channel*

6th **Challenge**: Representing diversity in programmes

PRIORITY INDICATOR: PROPORTION OF FEMALE PRESENTERS ON THE FREE-TO-AIR CHANNELS' NEWS PROGRAMMES

	2017	2018
Proportion of female presenters on the free-to-air channels' news programmes	69%	68%

M6 Group holds diversity dear and seeks to ensure that its programming is as representative as possible of the diversity of French society so that all groups in the community can identify with the content offered on its channels.

In addition to their contractual commitments in relation to representing the diversity of French society, M6 Group channels are duty bound, as nationwide broadcasters, to reflect on their channels the image of multicultural France both by the promotion of the values of integration and solidarity and by the presence of minorities in its programmes. The CSA sees that commitments made by the channels each year are honoured, basing themselves on the results of diversity scales, whose results are satisfactory for the Group.

The four themes upheld by the Conseil Supérieur de l'Audiovisuel on its diversity scale are as follows:

- socio-professional categories,
- perceived origin,
- disability,
- and age.

Gender equality is now subject to particular scrutiny, since the competence of the CSA in this field was strengthened by Law n° 2014-873 of 4 August 2014 for true gender equality.

M6 is also committed to combatting all other forms of discrimination (based on sexual orientation, against pregnant women, people suffering illness, etc.).

A. Socio-professional diversity

M6 attaches great importance to representing all socio-professional groups in society in its programmes, both in its reports and programmes (M6 has this year for example broadcast "*Rire pour un toit*" and a new documentary on poor housing), and in the casting of its entertainment programmes *(L'amour est dans le pré*, *Les Reines du shoppin*g, *Top Chef*, etc.).

B. Diversity of origins

Similarly, the promotion of visible minorities is also a real priority for M6 Group, as demonstrated by the diversity of its team of presenters (Kareen Guiock, Karine Lemarchand, Laurence Roustandjee, Cristina Cordula, Anaïs Grangerac, Issa Doumbia, Sugar Sammy, etc.), as well as by the actors and artists shown on its channels (*Le Marrakech du rire, La grande soirée des mille et une nuits – Ensemble pour la tolérance)*.

The Group's commitment to inclusion is also seen in the reports and outside broadcasts shown on its channels (for example, *Kid & toi* broadcast a report called *Comment faire face au racisme ?*) and in its fictional programming, such as *La petite histoire de France* and *Scènes de ménages*, not to mention the films the Group has been involved in producing, such as *Mauvaises Herbes* and *Neuilly sa mère sa mère*.

As every year, the Group also run a free ad on 14 July 2018 to promote diversity.

C. A strong commitment to people with disabilities

M6 Group's mission is not just to tackle the daily life of people with disabilities in its reports, but also to allow them to participate in the programmes and games, just like the other contestants *(La France a un incroyable talent*, *The Island*, etc.). Group channels strive to highlight the work and the actions of organisations for the disabled in most of the topics dedicated to this theme.

In 2018, M6 Group launched a weekly TV news bulletin in sign language. Completely unprecedented, *Le 10 Minutes* is available on 6play and provides specific content intended for deaf people. Widely popular online, this programme has successfully found and increased its audience.

M6 Group is also committed to the employment of people with disabilities. Since 2014, it has been a signatory to the Charter promoting the training and professional integration of students with disabilities. In 2018, the Group thus recruited people with disabilities, including 1 on a fixed-term contract and 7 on traineeships or work placements.

During Disability Week, from 19 to 25 November 2018, M6, W9 and 6ter broadcast four short sign language music interpretation features throughout the day. Each portrays artists performing the songs of Orelsan, Vianney, Angèle and Christine and the Queens in sign language.

Special programmes were also on the schedule on free-to-air channels (one specific item included in M6 news programmes and one in *Kids & toi*). A number of special programmes also went out on the Group's free airtime.

Kids & Toi is a weekly programme on M6 aimed at a young audience and broadcast with sign language translation provided by an employee who is hearing-impaired.

In 2018 and for the twelfth consecutive year, the Group mobilised its employees for the disability employment week which took place between 19 and 25 November 2018. Activities during the week included workshops for staff to raise awareness of the various forms of disability, and daily newsletters were sent to employees via the intranet or by email.

M6 Group is a responsible corporate citizen and regularly places orders with the sheltered employment organisation ESAT for everyday services, such as delivering ready-meals.

D. Gender equality

Gender equality remains central to the commitments of Group channels, both in the structure of the Group (see Section 6.1.3 of this document on the Group's commitments to gender equality) and programming.

Women are very well represented in television news programmes, with two women and one man presenting the *12'45* and *19'45* programmes. Current affairs and news bulletins are however pursuing their aim of significantly increasing the airtime of female experts; The Group notably makes sure that the judging panels for competitive talent shows on its channels are balanced between men and women (*La France a un incroyable Talent*, *Top Chef, Le meilleur pâtissier de France*).

The Group is absolutely committed to ensuring women are fairly portrayed in the music videos shown across the Group's channels and restricts those it considers to be denigrating of women.

Promoting women in sport is also a priority for M6 Group. This year, it took part in "*Sport féminin toujours*", an event organised by the CSA on 10 and 11 February to throw the spotlight on women's sport in the French media. Once again this year, M6 and W9 also relayed the all-female Aïcha des gazelles rally. Established in 1990, the event attracts women aged 18 to 65 from 33 different countries. Since September 2018, W9 has also been broadcasting the French women's football team's matches.

The Group also lends its support to groups dedicated to gender equality. It has for example joined forces with the Fondation des Femmes women's foundation by broadcasting a clip on its channels aimed at promoting its activities. The channels also included International Women's Day in its programmes and in particular in its news broadcasts on 8 March 2018 (a report on the 12.45pm bulletin was devoted to a profile of Marlène Schiappa, Secretary of State for Gender Equality, and a report on the 7.45pm bulletin presenting the gender equality measures announced by Édouard Philippe with the broadcast of a portrait of Karine Lejeune, spokesperson for the police, which condemned the different forms of violence committed against women).

7th **Challenge**: Supporting and protecting young people in the media

PRIORITY INDICATOR: NUMBER OF CONFIRMED WARNINGS AND FORMAL NOTICES FROM THE CSA OVER THE YEAR JUST ENDED CONCERNING THE SIGNALLING CODE

	2017	2018
Number of confirmed warnings and formal notices from the CSA for the year just ended concerning the signalling code	0	0

Protecting children and young people is one of the pillars of M6 Group's commitment to society. Making sure that the programmes broadcast by the Group on its channels go out at the appropriate times and that they do not include content that could be detrimental to the physical, mental and moral development of children and young people is an absolute priority for M6. The Group also support many voluntary initiatives aimed at children.

A. Reviewing content

M6 Group carries out a review of its programmes which varies according to the type of content. The content of our current affairs programmes is the responsibility of the editors, while news programmes like *Capital* and *Zone Interdite* are viewed by a special committee overseen by the Company Secretary's office.

B. Rating system

As far back as 1989, M6 took the initiative to introduce a content rating system that clearly flags the type of audience programmes are intended for. It was subsequently imposed on other channels by the Conseil Supérieur de l'Audiovisuel in 1996. However, the commitment of M6 in this area has not weakened and the Group also ensures that its daytime programmes do not contain violence, vulgarity, or anything likely to shock young viewers. Where content may not be suitable, the programme is rated and the appropriate message shown; alternatively, it is moved to a later time slot in the interests of protecting young viewers. For example, the Group closely monitors the development of co-produced series, from concept to delivery of the final episode. Dubbing of foreign films is also done with the greatest care. Thus, all the youth programmes, films, series, made-for-TV films, or music videos are viewed and validated by a Viewing Committee that gives its recommendations to the Ratings Committee, the final arbitrator of the allocation of the 4 categories (all viewers, under 10 years, under 12 years and under 16 years).

In addition, M6 Group channels supported and broadcast the ratings campaign proposed by the CSA between 20 November and 10 December 2018 as well as the specific campaign for the protection of children under three which was held from 19 to 21 October 2018.

Furthermore, pursuant to the terms of the CSA deliberation dated 17 April 2007, M6 has drafted a charter governing the participation of minors in its TV shows, with a view to protecting them and establishing specific conditions for participation.

C. Food charter and combatting childhood obesity

Under the auspices of the SCA and in collaboration with the French Health Minister and the Minister for Culture and Communication, on 18 February 2009 TV channels, producers and advertisers signed a charter devoted to fighting childhood obesity in France. This charter, with a duration of 5 years and controlled by the CSA, grants preferential prices to the National Institute for Prevention and Education in Health, *"Institut national de prevention et d'éducation pour la santé"*, to broadcast its prevention messages aimed at encouraging a balanced diet and physical activity. It includes editorial commitments by channels to promote and educate young audiences, in particular by promoting balanced eating behaviours and the practice of sports.

M6 Group renewed its commitment to promote a healthy and balanced diet and physical activity in programmes and advertising, by signing, on 23 May 2013, a renewal of the food charter for a period of five years. The renewal of this charter is currently under discussion.

M6 Group thus supported and reported on the European Anti-Obesity Days on 18 and 19 May 2018 via special programming on the channels M6, W9 and 6ter (with, in particular, the broadcast of a piece called "*connected against obesity*" in *Le 19.45* and an episode of E=M6 entitled *"Lose weight without dieting: eat less by reducing portion size / the effects of sport on our bodies")*.

D. Control and awareness

M6 Group is responsible for the information broadcast on its websites. Concerning its community sites, a service provider is responsible for moderation and, once the messages have become public, verifies those which are insulting, defamatory, racist or that represent any other incitement to violence or hatred and, where appropriate, removes them from the websites.

E. Television, a powerful media

The M6 network is a powerful contributor to the Alerte Enlèvements system, implemented in 2005 by all main radio stations and television channels that are signatory to a memorandum of understanding modelled on what has been successfully experimented in the United States for a number of years. It involves the mobilisation of maximum media power during the first 24 hours after a child has been kidnapped, and to broadcast over as wide an area as possible information that could lead to the child's rescue. This commitment by the Group consists of communicating essential information to as many people as possible, such as a description of the child or the abductor, as well as the circumstances of the kidnap, using tickers passing at the bottom of TV screens, programme interruptions, or the repeated showing of photographs to help identification. The system has proved its worth, as, to date, every time Alerte Enlèvement has been triggered the child has been found.

F. Supporting creation and new talents

As part of its production and broadcasting obligations, M6 is committed to developing artistic creation and to valuing its diversity by focusing on young talent in cinema, audiovisual works and music.

The Group thus shares its cinematic investments carried out by its subsidiary M6 Films between established producers and young talent. Over the past 10 years, 50% were either first or second films. For example, M6 Films co-produced Clovis Cornillac's first feature film, *Belle et Sébastien 3*, with Félix Bossuet, which was released to cinemas in 2018.

On air, the Group is strongly attached to revealing new talent, including young actors in its audiovisual co-productions (*Soda*, *Scènes de ménages*, etc.), presenters and hosts (Bastien Cadeac, Ophélie Meunier, Anaïs Grangerac, etc.) and programme participants (Norbert Tarayre, Xavier Koenig, etc.). This desire is the Group's trademark, which is accompanied by loyalty to the talents discovered, as shown by the Group's support for their shows, record production, recipe books, new films, etc.

8th **Challenge**: Getting involved in a major social cause – The M6 Corporate Foundation

PRIORITY INDICATOR: ANNUAL BUDGET OF THE M6 FOUNDATION

	2017	2018
Annual budget of the M6 Foundation	€500,000	€500,000

In 2010, M6 Group created its own corporate foundation, having decided to get involved in the sensitive issue of prison life.

The Group exercises its responsibility for a cause that unites its employees around a project financed by all Group companies. The Foundation, which has a €2.5 million budget over five years, has set itself the target of supporting individuals who have spent time in prison at some point in their life, in order to combat reoffending and thereby support their reintegration into society. It is also working to break down barriers between the prison world and civil society, in order to help change perceptions of prisoners.

This commitment was born out of a finding relating to alarming reoffending figures, that jail without rehabilitation is harmful to society as a whole, and of a deep conviction, that business can provide other solutions to social issues – that is why M6 Group wanted to create a foundation dedicated to the issue of prison. By breaking down the barriers between public and private, between financial results and social issues, the levers for moving forward will be multiplied. Instead of mistrust, there is now a convergence of interests in promoting constructive measures that are useful to all.

A. Helping and improving the quality of life of inmates: a social necessity

M6 Group is the first company to devote its foundation to issues related to the prison environment, considering that it is the duty of companies to commit to a genuine civic and socially responsible approach, all the more so for a powerful media group present in the public domain.

Although life in prison and reintegration into society continue to attract little media attention, the Group's project deals with a genuine social issue: in fact, 61% of prisoners reoffend within five years of their release from prison[75]. The M6 Foundation has made this finding the basis of its action, responding to high demand from organisations and prisoners themselves.

Beyond prison, an offender's "reintegration" into civil society is a real issue for society, deserving of both human and financial resources, so that, apart from its punitive element, prison is a time for reflection and rebuilding for the offender with a view to their

75 *Statistical series on people within the justice system 2014 – Prison Administration*

reintegration: every person who goes to prison comes out eventually and in future becomes our neighbour once again. It is important for them and for all citizens that they have the will and the right support to live in the heart of society once again.

Pragmatism is in the DNA of M6 Group, and the approach to the prison environment by the Foundation is no exception. The Group's concern is to identify the most useful actions to help those in prison prepare for their release and in the first instance to acquire vocational skills.

The challenge is to increase the number of the most effective initiatives, to extend them and to create a ripple effect, including in relation to other companies.

B. Activities implemented by the Foundation

The Foundation's activities aim to enable inmates to become stakeholders in their reintegration. Throughout its 8 years of prison-based intervention, the M6 Foundation has gradually focused is activities on the following 3 areas:

- Reintegration via a return to employment or vocational training,
- Combatting illiteracy,
- Culture as a vehicle to relearn social skills

EMPLOYMENT AS A TOOL FOR REINTEGRATION

The Foundation supports reintegration programmes via jobs and training.

Helping companies to take action to support the reintegration of newly released prisoners, with the charity SPILE

The organisation Sortir de Prison, Intégrer l'entreprise (SPILE) supports prisoners as they seek employment following their release. It mobilises a network of businesses that it guides in their recruitment and the monitoring of job seekers who have experienced prison. It relies on a network of more than 100 partners, from businesses, associations and institutional settings. In addition to individual support, it aims to raise awareness amongst businesses and encourage them to take concrete action and implement a policy of actively seeking to employ individuals who have spent time in prison.

2018 key figures:

- 43 people supported by SPILE
- 1 in 2 individuals made their professional integration project a reality, with 60% entering employment and 32% beginning training

Report: "*Working in Prison – (Genuinely) Preparing for Life Outside*"

It is the belief of the M6 Group Foundation and the Institut Montaigne that working in prison and professional training are genuine levers for professional reintegration, as advocated in the report, *"Working in Prison - (Genuinely) Preparing for Life Outside*" published in February 2018.

The report concluded with 9 practical propositions related to the skills of prisoners, digital technology in prison, the skills training of prison officials in professional integration, and the promotion of the social commitment of companies that get involved in prison related work.

2018 key figures:

- 44 interviews
- 9 recommendations

COMBATTING ILLITERACY

Starting from the finding that 11% of prisoners in France have literacy problems and 35% of them are almost completely illiterate, the Foundation is concentrating part of its work on combatting illiteracy: In fact, without adequate proficiency in reading, writing and arithmetic, all basic skills, the lack of independence in simple everyday situations makes reintegration more complicated.

"Au-Delà des Lignes" ("Beyond the Lines") writing competition

For the third consecutive year, in 2018 the M6 Group Foundation organised the writing competition, "Au-Delà des Lignes" ("Beyond the Lines") in the prison environment, in partnership with the Ministry of Education and the Prison Administration.

Since 2016, almost 500 prisoners have put pen to paper as part of the competition, which takes place in two stages: writing workshops led by teachers from the national education system, then the selection of the winners by a jury made up of authors, journalists, etc.

Between January and April 2018, 207 men, women and children took part in the writing workshops held in 26 institutions. They dared, often for the very first time, to produce a piece of writing, encouraged by a jury that came to meet them in order to chat with them about the joy of words and offer them advice.

This initiative is aimed at combatting the exclusion of prisoners who find writing a challenge. Giving a pen to those who never use one rapidly emerges as a way of rediscovering the desire to learn, and to thus promote reintegration.

2018 key figures:

- 3 out of 4 prisoners have a level at or below CAP, a vocational skills qualification[76]
- 23% of prisoners are schooled in jail

CULTURE TO THINK ABOUT THE WORLD DIFFERENTLY

Whether they relate to writing, theatre, music, visuals or video, cultural initiatives in the prison environment are organised as a gateway into the world, via debate and discussion with many external contributors. Being confronted with people who are different from oneself also means giving back prisoners a place in a society that they often feel has forgotten them: a vital paradigm shift for life on the outside, both for prisoners and external contributors alike.

Open-air theatre with the Avignon Festival

Since 2016, the Foundation has been supporting twice-weekly theatre workshops run by the Avignon Festival at Avignon-le-Pontet prison. From these workshops, where a process of self-reflection and being open to others is encouraged, two pieces were performed, both inside and outside the prison walls, as part of the 71st and 72nd editions of the Avignon Festival.

In 2017, ten inmates of Avignon-Le Pontet prison were granted exceptional release to share an intense version of Hamlet with the general public.

In 2018, seven prisoners took to the stage to perform Antigone to the Festival audience. Talking, listening, discovering and learning artistic techniques gradually help to explore the behaviours needed to live together. By supporting projects spanning several months, facilitating encounters with external artists and contributors and the acquisition of technical and interpersonal skills, the M6 Group Foundation wants to provide a fertile ground for reintegration.

C. A uniting project for employees

The M6 Foundation raises awareness among Group employees and brings them together around an inspired and inspiring project, which testifies to the Company's awareness of its role in society as a corporate citizen.

In 2018, Group employees took part on more than 130 occasions to the Foundations' activities, contributing their assistance, expertise and experience in their respective fields as well as their time to support the 2 employees who work full time for the M6 Foundation.

Sharing video skills at Fresnes remand centre, discovering careers in journalism and directing at the Group's premises, practice job interviews, accompanying children on prison visits, and participation in the selection of projects or in a jury for young entrepreneurs are all opportunities to involve employees in their Foundation's initiatives.

2018 key figures:

- 27 projects supported
- 33 correctional facilities addressed
- 137 cases of employee involvement in projects
- 20,000 prisoners and their families have benefited from the initiatives since the Foundation was created

D. Support for numerous other initiatives

Raising public awareness of worthy causes

In addition, M6 is highly committed to promoting a more socially responsible television service and broadcasts messages and short films with a social content free of charge.

M6 intends to assist and to encourage not-for-profit and charitable actions and to increase the general public's awareness of them. In 2018, many campaigns from humanitarian, non-governmental and charitable organisations were thus broadcast free of charge on M6 and on the Group's digital channels, supporting causes in the fields of solidarity (Handicap international, French Red Cross, Fondation de France, Fondation pour l'enfance, Le Refuge, août secours populaire, etc., etc.), health (the fight against AIDS, cancer research, research into Alzheimer disease, "un rêve un sourire" organisation, etc.) and education/culture (combatting bullying at school, Unicef, etc.

M6 Group also broadcast *Urgences Greffes*, a special programme filmed in Lyon University Hospitals, one of the largest transplant centres in France, where 350 transplants are carried out every year. M6 also covered Tobacco Awareness Month in November 2018 in its news programmes.

M6 also devoted a report to the fight against tax fraud ("*Tax Inspectors: The new weapons to fight fraudsters*") within a special edition of Capital, in which the Minister of Public Accounts, Gérard Darmanin, was the guest. Coverage of issues of this kind is thus the most appropriate of the solutions available to the Group to help combat tax evasion. Issues related to the Group's own tax position are very limited inasmuch as the Group pays all its taxes and duties in France, where it generates more than 95% of its revenue.

In addition, M6 has broadcast many reports related to human rights during its news programming ("*The Nobel Peace Prize has been awarded to Nadia Murad and Denis Mukwege*", "*Saudi Arabia: Women are now allowed to go to stadiums to watch matches*", etc.).

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76 *Key Prison Administration figures – Extracts – 1 January 2017*

Lastly, the Group's news programmes have also focused on the fight against corruption through various reports ("*Integrity Idol: An anti-corruption television programme*", "*Former President of South Korea sentenced to 24 years in jail for corruption*", "*Scandal in Belgium - three player agents and one referee jailed for match fixing*", etc.).

Prevent, act and increase awareness of public health challenges

M6 Group is at the forefront when it comes to harnessing the impact of its channels and airtime in support of public health issues.

For many years, a special mechanism, set up both on Group channels and on the Internet, has been in place to support the Sidaction campaign against AIDS, this year between 23 and 25 March 2018. The Group's channels, supported by presenters, have made Sidaction the keynote of a number of programmes, featuring trailers for the campaign, prevention information, awareness raising programmes, broadcasting of fundraising advertisements and short features on the TV channels.

M6 strives to regularly warn viewers of risks associated with alcohol and drugs in its many magazines and reports.

Upholding respect of intellectual property

At a time where increased digitisation of media necessitates new measures to protect works, M6 Group, a producer and broadcaster of content, is helping to develop an effective policy to combat piracy and to uphold intellectual property.

This policy is based on two principal areas:

- reduction in the timeframe for broadcasting works, an issue addressed by the adoption of the Creation and Internet law and the signing of the interprofessional agreement;
- the development of catch-up television and Video on Demand, which gives viewers access to a varied range of programmes.

Enhancing and protecting cultural heritage

The audiovisual rights subsidiaries of the Group contribute to the preservation of leading European films through the restoration of classic films.

This major restoration work was initiated in 2005 with the purchase of SNC's catalogue of over 400 classic films by M6 Group. A total of 145 films had been fully restored by the end of 2018.

In 2018, an extract from the film *Les Aventuriers* by Robert Enrico was used for the 4th consecutive year by Parfums Christian Dior for the advertisement film for one of their flagship products, *Eau Sauvage*. The partnership with the Musée de la Gendarmerie et du Cinéma in Saint-Tropez on the 6 *Les Gendarmes* films kicked off in June 2016 and continues to attract many visitors.

Acting at a local level

M6 Group is a member of the organisation Neuilly Nouveaux Médias, a "1901 association" created in September 2010 by Jean-Christophe Fromantin, Mayor of Neuilly and Member of Parliament for Hauts de Seine, and consisting of the city of Neuilly-sur-Seine and the large companies located there.

The organisation's aim is to promote the development of innovative new media start-ups (selected via competitive selection) by providing them for a minimum of 23 months with premises made available by large companies.

Thus in 2018 M6 Group welcomed the start-up Billee to its Neuilly premises, and provided it with an office, 5 workstations and access to its common areas.

9th **Challenge**: developing balanced and transparent relations with stakeholders

PRIORITY INDICATOR: NUMBER OF SUBSCRIBERS ON SOCIAL MEDIA

	2017	2018
Number of subscribers on social media	8.2 million	8.7 million

The role of M6 Group with everyone it deals with, such as shareholders, advertisers, viewers, customers or suppliers, is to maintain balanced and transparent relations with them.

A. Social media

M6 Group closely monitors developments on social media, and its presence there (Facebook, Twitter, Instagram) increases each year.

For the year ended 31 December 2018, M6 Group had 8.7 million subscribers with accounts for its free-to-air channels on these various social media platforms (non-duplicated subscribers).

The Group also operated more than 30 accounts (in particular for its various shows) in 2018.

	M6		W9		6ter	
	2017	2018	2017	2018	2017	2018
Facebook	2,210,456	2,240,000	1,326,523	1,340,000	124,056	143,000
Twitter	3,084,938	3,110,000	731,003	774,000	33,462	34,200
Instagram	139,699	219,100	563,882	869,100	1,283	6,100
Total	**5,435,093**	**5,569,100**	**2,621,408**	**2,983,100**	**158,801**	**183,300**

B. Viewers

In order to reply to viewer queries, M6 Group has a fully dedicated service for each of the following channels: M6, W9, 6ter and Paris Première.

In 2018, the 3 websites "*M6etvous.fr*", "*W9etvous.fr*" and "*6teretvous.fr*", devoted to viewers, recorded almost 1.8 million hits (vs 1.2 million in 2017).

More than 3,500 viewer queries were processed in 2018.

Today, the primary challenge for a media group is to encourage innovation in order to adapt to technological developments and changes in viewing habits and the use of its services. These developments have led the Group to widen the distribution and availability of its content over the past few years, necessitating investment in both networks and digitalisation as well as ascertaining the existence and development of a viable business model for these new uses.

Mindful of not encouraging viewers to gamble, the Group does not offer any online betting services either via the Internet or on its channels.

C. Consumers

M6 Group, with the development of its Ventadis business (Distance Selling) has acquired real expertise in customer relationship management, from the original order to customer service, to deal with all calls and requests in the best timeframes and conditions.

In 2016, Ventadis achieved renewal of the AFAQ ISO 9001 Quality Certification, initially obtained in 2010 and again in 2013, for its Home Shopping Service: customer relations, logistics, stores and collection points. The renewal of this certificate valid for 3 years, confirmed that Ventadis does everything in its power to provide the best possible service when dealing with each of the parcels shipped annually.

D. Shareholders

M6 Group places strong emphasis on financial communication in order to deliver exact, precise and fair information to all shareholders, in accordance with applicable French standards and regulations.

Seeking to be attentive to the financial community and its shareholders in this matter, the Group set up new information formats for individual and institutional shareholders, via a website dedicated to current finances in French and English: www.groupem6.fr/rubrique Finances

Shareholders may contact the Company using the dedicated e-mail address: actionnaires@m6.fr.

The information policy regarding shareholders and the financial community is detailed in Section 3.4 of this document.

Shareholders are particularly invited each year to attend or be represented at the Group's General Meeting. They are also regularly invited to visit sets and production rooms, and to watch filming of television news programmes.

In addition, M6 regularly responds to questionnaires from non-financial rating agencies and maintains direct relations with socially responsible investors (SRIs) who can therefore underpin their assessments on the basis of in-depth discussions held in full transparency.

In 2018 and for the 6th consecutive year, M6 shares were selected in the composition of the Gaïa index comprising the 70 securities posting the best 2017 performances out of 230 companies analysed. This index, established by Ethifinance with the backing of the SFAF and MiddleNext, is an index devoted to midcaps based on non-financial data.

This index measures the depth of involvement of the companies assessed in challenges related to sustainable development and corporate responsibility. The rating is calculated according to 136 criteria of which 32 in particular cover the environment, 40 corporate aspects, and 50 others governance.

Considered to be a benchmark database in the world of SRI (Socially Responsible Investments), the Gaïa index enables management and analysts to discover the most responsible companies and to integrate non-financial concerns into their analysis processes and investment decisions. The sample examined represents more than €163 billion in revenue and more than one million jobs.

Ethifinance has specifically highlighted M6's best practices in the field of social policy.

E. Advertisers

Relations with advertisers and sales houses are governed by the Law of 29 January 1993, which came into force on 31 March, the so-called "Loi Sapin", which guarantees a completely transparent advertising market.

F. Suppliers

Relations with suppliers, particularly programme producers are set out by multi-year contracts as regards US studios (films, series), that ensure the smooth exchange of content. In addition, M6 Group plays a major role in creating French and European audiovisual and cinematic works, by dedicating a significant part of its advertising revenue to numerous co-productions and by reserving part of its investments for independent producers.

More generally, M6 Group is pursuing a policy that aims to develop sustainable and balanced relations with its suppliers and sub-contractors: for all of its purchases, M6 follows an approach that aims to take into account not only economic factors but also social, corporate and environmental factors. The Legal Department works to ensure that suppliers comply with all provisions relating to intellectual property, press and publicity rights, that they pay due attention to ethical aspects and are committed to meeting safety and security requirements.

This policy is used by the purchasing divisions of the various entities and subsidiaries of the Group.

By way of illustration, the Group's Production and Legal Departments have introduced into pre-purchasing contracts for animated programmes a clause requiring the supplier to comply with International Labour Organisation conventions, in particular those relating to forced labour and child labour. Should the contractor fail to comply with any of these provisions whatsoever, M6 will be entitled to request the automatic termination of the contract.

Similarly, as part of its major purchasing of services or products, SND, the Group subsidiary responsible for the distribution of audiovisual rights, is very mindful of the environmental and corporate commitments undertaken by its suppliers. The measures taken by each provider such as the recycling of waste, use of CAT (centres providing sheltered employment), equal pay for men and women, compliance with competition rules, etc. are also transmitted to SND and taken into account in the choice of suppliers during tendering.

Moreover, since the end of 2014, all cinemas in France were fitted with digital equipment. France now has the largest number of digitised cinemas in Europe. SND helped this digital switchover by offering all its films in digital format, as well as helping to finance the digital equipment by contributions made to cinemas as part of the broadcast of SND films.

Lastly, on DTT, M6 Group's channels are aired thanks to a network of 1,626 broadcast sites, whose operation is guaranteed by various broadcasters, following invitation to tender. During procedures to award these sites, and given the high levels of electrical power required for the operation of the network, M6 Group encourages broadcasters to give priority to solutions offering the best energy efficiency.

6.3 ENVIRONMENTAL RESPONSIBILITY

The Métropole Télévision Group does not carry out activities that structurally present a significant impact on the environment, particularly on climate change. The Group is nevertheless mindful that preserving natural resources is a key challenge for the 21st century, and is therefore involved in safeguarding the environment at its own level. The Group is attentive to its own consumption and seeks to take initiatives in this area, both in terms of recycling and making the public at large aware of the challenges of sustainable development.

More generally, to demonstrate its commitment, M6 Group has adopted an approach in line with the charter proposed in 2007 by the Minister for Ecology, Jean-Louis Borloo, and addresses many of the issues raised by this charter. In fact, the Group has already carried out an assessment of its CO_2 emissions and broadcasts more environmental information.

M6 Group also strives to inform employees of the challenges of sustainable development and the relevant initiatives implemented within the Company. The internal communication department thus organises awareness-building activities regarding issues such as reducing printing, recycling, etc., via various communication media (emails, intranet, screen displays, etc.).

M6 Group has made no provisions or subscribed to any guarantees for environmental risks.

10th **Challenge**: Controlling and reducing energy consumption

PRIORITY INDICATOR: CHANGE IN ELECTRICITY CONSUMPTION

	2017	2018
Electricity consumption	11,900,600 KWh	13,785,305 KWh
Electricity consumption at constant scope	*11,900,600 KWh*	*11,573,567 KWh*

For several years, the Group has continued its efforts to reduce its impact on the environment in all areas of the company: energy consumption of buildings, travel, mail handling, vehicle fleet, paper, press subscriptions, etc. The Group has therefore adopted a pragmatic approach overall with annual adjustments of requirements relating to key environmental indicators.

A decision was taken in 2018 to highlight and more closely monitor electricity consumption, the most symbolic indicator of the Group's environmental footprint. This has proved to be relevant in relation to its activity, which primarily takes place in buildings that are owned or leased and through the use of electronic equipment.

A. Environmental indicators

As part of its ongoing efforts to counter climate change, M6 Group has identified the following significant sources of greenhouse gases:

- emissions from energy consumption in Group facilities (scope 1);
- emissions from the Group's vehicles (scope 1);
- emissions from electricity consumption (scope 2);
- indirect emissions from products and services purchased by the Group (scope 3);
- emissions related to business travel by personnel (excluding its fleet of vehicles) (scope 3);
- emissions generated by commuting to and from work (scope 3);
- emissions from electricity used by the television sets of viewers of Group channels (scope 3).

None of M6 Group's sites is subject to the EU Directive on greenhouse gas emission allowances. However, the CO_2 emissions caused by the energy consumption of the Neuilly building, which is owned and rented out by the Group, and of Rungis, Boissy, Lille and Boulogne-Billancourt, as well as the business and commuter travel of employees, are all monitored annually as part of the environmental impact. The assessment of these emissions over the last three years is presented below.

The Group has a policy aimed at reducing carbon emissions from its vehicles.

Moreover, where data are not available, it cannot track the GHG emissions related to procurement of products and services.

Nevertheless, M6 Group is pursuing a policy that aims to develop sustainable and balanced relations with its suppliers and sub-contractors: for all of its purchases, M6 follows an approach that aims to take into account not only economic factors but also social, corporate and environmental factors. The Legal Department works to ensure that suppliers comply with all provisions relating to intellectual property, press and publicity rights, that they pay due attention to ethical aspects and are committed to meeting safety and security requirements.

The Group cannot measure the emissions from electricity used by the television sets of viewers of its channels; nonetheless it supports technical initiatives, such as automatically switching off the sets when left unattended for a period of time.

Mindful of adapting to the latest legislative developments in relation to environmental safety, M6 Group keeps an up to date record of audits to be carried out in this field.

The December 2015 COP21 also was the opportunity to initiate a review on the improvement of the energy performance of the three buildings owned by the Group in Neuilly, beginning with an energy audit of these three sites under the NF EN 16247-2 standard, which was entrusted to an independent research unit. This audit satisfies the requirements of Decree n° 2014-1393 of 24 November 2014 which compels businesses to carry out such a review.

The findings of these audits were analysed in 2016 to initiate measures aimed at limiting the energy consumption of these buildings and consequently their greenhouse gas emissions.

The halogen light bulbs in three buildings have been replaced by LEDs, for example.

In addition, the latest generation lighting system was installed in the building at 89 avenue Charles de Gaulle as part of the refurbishment work initiated in 2017 on work areas and which continued in 2018. The new smart system is centrally controlled and features a lighting level indicator.

These two new practices were then extended to the two Radio division buildings in Neuilly during the completion of works before the teams moved in. Work at head office also included the modernisation of the air-conditioning system on the floors concerned with the installation of variable-speed convector fans.

Selective recycling bins are now available in all Neuilly buildings.

Finally, the Group carried out internal communication campaigns aimed at all staff and focused on raising awareness of the importance of reducing waste and recycling.

In addition, pursuant to Article R224-59-1 of the French Environmental Code, M6 Group carries out regular audits of certain air conditioning systems, with the latest checks finding no anomalies.

The consumption of water, raw material and energy resources is monitored and controlled by the Group's General Services, as part of an approach aimed at reducing consumption and using equipment to improve energy efficiency.

With this in mind, the Information Systems Department launched for example a hyper-convergence project in late 2017. This is a type of IT infrastructure in which shared storage is provided, not via a disk array, but via a software layer exploiting the capacity of the hard discs installed in the servers themselves. In addition to significant space savings with the removal of the disk arrays, the new hardware, now managing both the servers and storage, will be more energy efficient. Similarly, more efficient servers were installed in 2017 in the master control room in the building at 46 rue Jacques Dulud.

A complete modern management system has been installed to deal with energy consumption, enabling the temperature and lighting of premises to be regulated according to a number of criteria, such as for example their occupancy rate. This centralised technical management of energy is intended to provide better control by the Group of its consumption. In addition, the Neuilly buildings are all equipped with air/water heat pumps which use free air energy to provide heating and hot water as well as to cool the technical rooms. Furthermore, centralised technical management has also been introduced to turn off or reduce the functioning of electrical installations outside working hours in Rungis.

The latter is very regularly monitored in all areas. Water and energy consumption and CO_2 emissions of the Neuilly buildings – owned or rented by M6 Group – and the Rungis, Boissy, Boulogne-Billancourt and Lille buildings were as follows:

Direct and indirect emissions of scopes 1 and 2:	**2016***	**2017***	**2018**
Water consumption (in thousands of m^3)	31.537	25.545	27.762
Gas consumption (kWh)	1,490,785	1,433,992	1,534,181
Electricity consumption (kWh)	13,081,293	11,900,600	13,785,305
Fuel purchasing (in litres)	1,615	2,030	1,660
CO_2 emissions related to direct and indirect energy consumption (in tCO_2eq - tonnes of CO_2 equivalent)	1,407	1,299	608

**Excluding the Radio division, integrated into the reporting scope in 2018*

M6 Group's energy consumption grew exclusively as a result of a scope effect related to the integration in 2018 of two buildings in Neuilly housing the teams from the Radio division, which was acquired on 1 October 2017 and excluded from the scope in 2017.

Despite the increase in consumption, CO_2 emissions fell sharply due to a change in their calculation methodology. Emissions related to electricity use were calculated in 2016 and 2017 using the emission factor provided by French environment and energy management agency ADEME. However, it was decided that the EDF factor should be used in 2018, as it was considered to be closer to the true situation, given that it is communicated directly by the supplier.

At constant scope, i.e. by restating the consumption of the two Radio division buildings:

- Water consumption fell 1%, thanks in particular to the reduction in usage of the Rungis building. Flushing mechanisms and tap aerators were therefore replaced in the lavatories in order to reduce leaks and water flow;

- Gas consumption fell 3%;
- Electricity consumption, a key indicator for the Group, fell 3% primarily thanks to the reduction in usage at the Rungis building. The TV sets, which were using warm lighting systems, were fitted with *kino flo*. This equipment is more energy efficient, both in relation to its use and its cooling. Moreover, the ventilation system is now switched off every night and the "comfort" cooling units are turned off in the winter;
- Heating oil consumption, which was already very low, fell by 18% thanks in particular to favourable weather conditions which limited its use.

The priority indicator (electricity consumption), on which the Group focused the majority of its efforts, thus recorded a decrease at constant scope in comparison with 2017. It reflects the Group's ongoing drive to adopt best practices in relation to energy saving.

B. Waste and recycling

In addition to its drive to control energy consumption, M6 Group is especially committed to promoting the circular economy, and is keen to encourage the conservative and responsible use of natural resources via the prevention of waste, and through the reuse of products and their recycling.

Waste production

	2016*	**2017***	2018
Paper and cardboard waste (in tonnes collected in bins)	112	92	144
Non-hazardous industrial waste, including food waste (in tonnes collected from bins, including glass)	122	138	206
Batteries (in kilos)	449	350	404
Office waste paper (in tonnes purchased)	21	18	21

** Excluding the Radio division, integrated into the reporting scope in 2018*

For each of the indicators, the increase recorded was due to the integration of the two Radio division buildings into the reporting scope.

Paper management

In a business like M6 Group's, paper is the main raw material used. In recent years, the Group has been actively engaged in reducing the amount of paper used within the company:

- Introduction of multifunction copiers to replace the Group's individual printers: by systemising double sided printing and by requiring swiping to print, paper consumption thus fell by 14% in Neuilly between 2014 and 2017. The upward trend returned in 2018 as a result of the integration of the Radio division.

In Rungis, this policy conversely led to a 52% reduction in paper consumption between 2015 and 2018.

In 2015, the Group also introduced a system of colour printing quotas in order to reduce the use of ink cartridges and to tacitly encourage teams at the Neuilly sites to reduce their paper use.

In addition, the paper used carries an ecolabel.

- As of 1 January 2017, and in accordance with the Labour Law, all employees (permanent, event contract workers and trainees) receive a monthly electronic pay slip in their secure individual electronic account.
- Since 2012, M6 Publicité has given its customers and media agencies the option of receiving their invoices in electronic format. In 2018, 26 agencies had opted to go paperless, representing 18,621 invoices out of a total of 29,735, meaning a volume of 63%, stable overall compared with 2016 and 2017.
- Similarly, the Group decided to phase out hard-copy press subscriptions, replacing them with electronic versions.

Recycling

In parallel with this desire to control utilities (water, energy, etc.) and reduce paper consumption, M6 Group also has an active policy of recycling waste arising from its operations (batteries, neon lights, IT hardware, toner cartridges, fluorescent bulbs, refrigerating machine oil, etc.). For example, this approach has resulted since 2016 in no more new tapes being purchased for programmes. The Group no longer orders any new tapes and now uses recycled materials that it sources from the disability employment association, ANRH, an employer of the disabled in the sheltered sector.

In 2016, the Group changed its waste sorting system in the Neuilly buildings. Individual bins were replaced with triple recycling bins placed in hallways and circulation areas. Recyclable waste is sorted from non-recyclables and batteries. The waste is collected every day by the Group's cleaning provider and then picked up by a waste sorting and recycling company.

As the Group's on-site food service is outsourced, the service providers take responsibility for policies to prevent food waste.

In addition, as part of the recycling of Electrical and Electronic Waste (WEEE or W3E), the Ventadis (distance selling) division collected from its customers a contribution over and above the price of devices with electrical or electronic components. This eco-contribution, which is passed on in full to suppliers, is intended to finance the recycling of old appliances by specialised bodies. In 2018, the amount collected by Ventadis amounted to €0.2 million, a slight increase on 2017.

Lastly, in each of the Group's sectors, thought is being given to reducing the environmental impact of activities: the IT Department opted to make a very substantial part of its servers virtual, making them more energy efficient than the more traditional physical servers. Digital contract storage, electronic signature of employment contracts for event contract workers and a digital process for invoice approval were also introduced.

Continuing the drive to eliminate paper, the Group's teams also gradually introduced electronic signature of commercial contracts.

C. Environmental buildings management

BUILDING AT 107 AVENUE CHARLES DE GAULLE IN NEUILLY

Construction of the office building at 107 Avenue Charles de Gaulle has been subject to a HQE (High Environmental Quality) process aimed at user comfort and quality of life as well as respecting the environment.

In this way, the operation obtained HQE certification in 2012 for the Design and Programme phase: equipment and materials have therefore been chosen for increasing the comfort of people and to reduce the environmental footprint of the building.

The building was subsequently awarded the THPE *(Très Haute Performance Energétique)* label for the Construction phase. The many enhancements put in place have earned the building a *Passeport Bâtiment Durable* (Sustainable Building Passport) with a rating of "Excellent".

For example, M6 has elected to improve energy consumption and support the environment including:

- widespread use of low-energy light bulbs,
- installation of motion sensors in lavatories, lifts, etc.,
- creation of green terraces encouraging biodiversity.

The Group still complies with the government circular of 5 June 2013 requiring exterior building lights to be switched off between 1a.m. and 7a.m.

Moreover, following a trial in 2016, the automatic switching off of personal computers at night was rolled out in 2017.

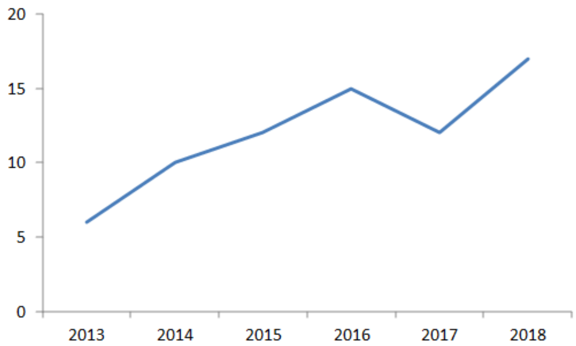
D. Transport and business travel

As early as 1997, M6 Group took the decision to establish its headquarters close to public transport, both for the convenience of its employees and to reduce commuting time. Today, the majority of the Group's employees are still based at the site opposite the Sablons Métro station in Neuilly-sur-Seine. At 31 December 2018,1,072 employees, or 48% of the Group's workforce, used public transport for their daily commute.

In addition, M6 Group has deliberately chosen a digital route in order to cut down on the number of business trips, even though reducing travel can be difficult for some activities (particularly reporting and production). As a result, the number of rooms equipped with video-conferencing facilities at Group sites has increased from 4 to 17 in the space of seven years.

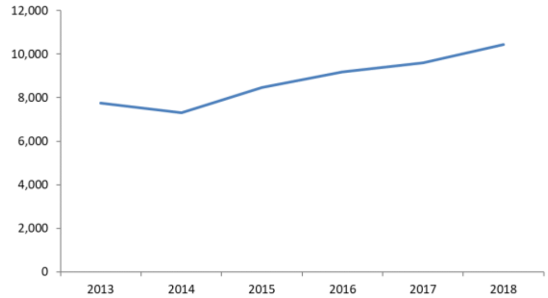
Following a reduction between 2013 and 2014, the amount of business travel started to rise again in 2015, 2016 and 2017 due to the acquisition of Oxygem (now called M6 Digital Services), based in Lille, followed by the entry into the scope of iGraal, certain reports filmed in remote locations by C Productions and the development of M6 Web’s activities. In 2018, this growth continued with the integration into the reporting scope of the Radio division. In addition to the automatic growth related to the number of additional employees (approximately 500), it was also due to the activity of the RTL radio station, which includes news - an essential element of its programme schedule that requires extensive travel by journalists to be as close to the news as possible.

Number of rooms equipped for video-conferencing:



Group-wide data

Number of business trips:

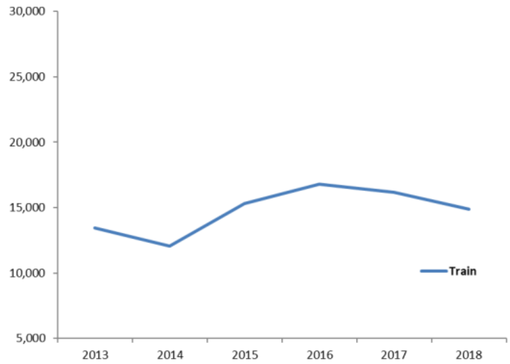


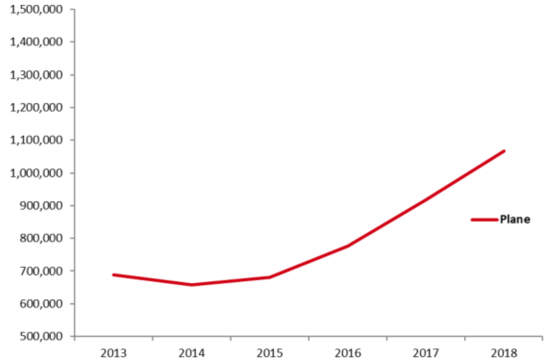
Data includes Neuilly and Lille

The volume of CO_2 released in 2018 rose in relation to air travel as a result of the higher number of trips, which as explained above, was due to the integration of the Radio division.

Conversely, total CO_2 emissions related to train travel fell despite the increase in trips using this mode of travel. The SNCF has improved its energy efficiency for most of its lines, and particularly those used by Group employees.

CO_2 emissions (kg) for business travel (scope 3):





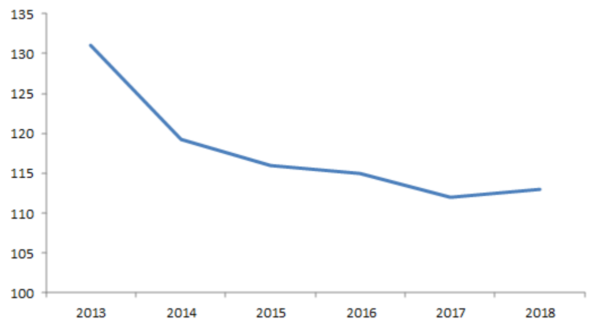
Data based on consumption at sites in Neuilly-sur-Seine and Lille (2017 and previously: excluding Radio division)

Finally, M6 Group follows a very stringent policy with regard to the CO_2 emissions of its managers' company cars and the company vehicle fleet. In 2014, the Group decided to further reduce CO_2 emissions to 130 g/km or lower for all vehicles purchased or hired.

As a result, average vehicle emissions have decreased over the last five years from 131 to 113 grams per kilometre. However, a slight increase of 1 gram was recorded in 2018 in comparison with 2017 as a result of the integration into the scope of the Radio division's vehicle fleet. That division was equipped with more energy efficient commercial vehicles (OB units, etc.). This effect was partly offset by the best practices employed by the Radio division, which has been using 3 electric cars for several years.

It is also worth pointing out that all company vehicles are dry-cleaned by the service provider responsible.

Average emissions of the vehicle fleet (in g/km) (scope 1):



Data based on expenditure overseen by sites located in Neuilly

11th Challenge: Raising public awareness of environmental issues

PRIORITY INDICATOR: NUMBER OF ITEMS ON THE TELEVISION NEWS DEVOTED TO THE ENVIRONMENT

	2017	2018
Number of items on the television news devoted to the environment	327	378

The responsibility of a group producing and broadcasting content is also based on its desire to make the general public aware of the challenges of sustainable development.

The environment and the latest developments in the area are also regularly featured (378 items in 2018, compared with 327 in 2017, representing 8h15min in 2018 vs 6h54min the previous year) in news programmes *(Le 12.45* and *Le 19.45*): including coverage of Notre Dame des Landes airport, the Katowice Climate Change Conference, pollution, global warming, greenhouse gases, etc.

Newscasts also regularly bring to the fore unusual stories or innovations relating to ecology: *"Recycling Christmas Trees: New initiatives launched", "A road closed to traffic to allow amphibians to cross", "The 'uritrottoir': Paris's green urinal", "Cardboard tents"*, etc.

M6 also decided to play an educational role via high quality documentaries presenting the current ecological issues. These magazines have become flagships for the channel and thus represent a major audience attraction for these subjects among an increasingly broad audience.

As such, C Productions, the internal company which produces news magazines and documentaries, has produced several items on ecology and sustainable development for M6, including, as part of *Capital* and *Zone Interdite*, *"Food, the environment and respect for animals: Investigation into the Vegan revolution", "They are building the house of their dreams"* and *"Grower's supermarket: fresher and cheaper"*.

Reality competition show *Top Chef* also seized the opportunity to promote good food practices, reducing waste and the benefits of cooking with fresh, organic products.

Studio 89, the Group subsidiary that produces *Top Chef*, partnered with the French Red Cross to redistribute the food used during the show. Once or twice a week during shooting, volunteers gather up the 50-100 kg of dry goods (bread, oil, spices etc.), perishables (fruit, vegetables, milk) and fresh foods with a very short shelf life (meat and fish) for redistribution at five food banks in the district. 7 tonnes of food were donated to 6,000 disadvantaged people during season 10, which will be aired in 2019.

In order to take account of noise pollution that may be caused by its activities, M6 Group pays particular attention to the comfort of viewers and complies with the provisions of Decree No. 92-280 of 27 March 1992, which notably made it compulsory for TV channels to make the sound levels of programmes consistent with those of advertising breaks.

The Group ensures that all its programming portrays a positive image of rural life in which respect for the environment is evident, particularly in the series *L'Amour est dans le Pré*.

This document refers to the environmental indicators to which particular attention was paid and which are relevant to the Group. The following additional indicators are less or are not relevant to our activity:

- resources committed to preventing environmental risk and pollution (the environmental impact of M6's activities is not structurally significant),
- the prevention, reduction or remediation of air, water or soil emissions having a major adverse impact on the environment (the environmental impact of M6's activities is not structurally significant),
- adapting to the consequences of climate change (natural risks related to climate change have, to date, not led to any significant interruption of activities or material damage to buildings or products),
- land use (M6 Group's activity and its land use does not to our knowledge cause any significant threat to either diversity or to water resources since the use of land is limited to the place in which our office buildings and warehouses are located).

6.4 METHODOLOGY NOTE REGARDING NON-FINANCIAL REPORTING

Framework

The reporting of non-financial indicators is based on national and international guidelines. Corporate, social and environmental responsibility indicators are based on the provisions of the Decree of 24 April 2012, enforcing the Law of 12 July 2010 on the National commitment for the environment, amended by the Law 2016-1088 of 8 August 2016 on Work, modernising social dialogue and safeguarding professional careers, and Decree 2016-1138 of 19 August 2016 enforcing Article L.225-102-1 of the French Commercial Code and relative to the environmental information to be included in annual management reports.

M6 Group has also referred to GRI (Global Reporting Initiative) guidelines as well as the principles set out in the *United Nations' Global Compact* for the implementation of its non-financial reporting and communication.

Indicators

The indicators presented in this section have been subject to verification by the firm KPMG as required by legislation, including detailed tests on the most relevant indicators. Particular emphasis has been placed on the social and corporate indicators related to the Group's strategic challenges.

Reporting scope

The reporting scope has been set in accordance with the provisions of Articles L.233-1 and L 233-3 of the French Commercial Code and covers subsidiaries and controlled companies.

Certain indicators relate to specific scopes excluding certain entities; in that case the scope to be considered is specified beside the information.

Environmental information

The scope of environmental information includes:

- Neuilly-sur-Seine, which corresponds to the total consumption of the buildings at 89, 107 and 56 avenue Charles de Gaulle, 3 Villa Émile Bergerat, 46 rue Jacques Dulud, and the exclusive electricity consumption of the premises occupied at 114 avenue Charles de Gaulle.

In terms of activities, the Neuilly-sur-Seine site includes all the Group's TV and Radio broadcasting activities except the regional offices of the national news office, as well as the following diversification activities: M6 Interactions, M6 Créations and the Production & Audiovisual Rights division;

- Rungis, which includes the main production activities of Ventadis;
- Lille, which corresponds to the premises occupied by M6 Digital Services (portals and B2B technology services);
- Boissy, where the Best of TV teams are located;
- Boulogne-Billancourt, iGraal's head office.

The environmental reporting scope therefore changed in 2018. With the disposal of both FC Girondins de Bordeaux and monAlbumPhoto, the Bordeaux and Nanteuil sites were excluded from the scope. 2017 and 2016 data was consequently restated for comparison purposes.

Conversely, the two Neuilly buildings (at 56 avenue Charles de Gaulle and 3 Villa Émile Bergerat) leased to house the RTL Radio division, which has just completed its first full year within M6 Group (acquisition on 1 October 2017), were both integrated into the reporting scope.

All indicators used do not cover the entire scope, as specified hereafter. Nevertheless, they do all cover the main Neuilly site, whose buildings house the teams of the companies that generate more than 85% of the Group's consolidated revenue and more than 95% of its profit from recurring operations.

In the absence of data available for Boissy and Lille, water consumption only therefore includes the contributions of the Neuilly, Rungis and Boulogne sites.

In addition, the sites to which waste monitoring and paper purchasing relate are Neuilly and Rungis.

Lastly, for all other indicators the locations are specifically mentioned.

Social information

The social reporting scope is based on the financial consolidation scope.

As an exception, data concerning absenteeism and training does not include the subsidiaries iGraal, Altima, Ctzar, and Socciadict.

It should be noted that reporting includes changes in scope, as a result of the acquisitions made between 1 January and 31 December 2017: 2018 data will be integrated in full during 2019 reporting unless the incoming entity can collect all the data prorata temporis. However, calculation of the workforce of subsidiaries entering the scope is integrated into the 2018 scope for the purposes of reporting corporate data.

No acquisition or disposal to be treated on a prorata temporis basis for the purposes of this social information took place in 2018.

The main exits from the reporting scope relate to the disposals of FCGB and MonAlbumPhoto, for which data was completely excluded over both 2017 and 2018.

Reporting period

Corporate, social and environmental data is reported annually and relates to the period from 1 January to 31 December 2018.

Methodological clarification and limits

The methodologies used for certain corporate, environmental and social indicators may present limitations due to changes in definition that may affect their comparability, changes in the scope of activities from one year to the next, as well as changes in the way in which this information is collected and input.

Further clarification regarding environmental indicators:

To facilitate internal accounting related to invoicing electricity use, the consumption recorded for a given month corresponds to the actual consumption for the previous month.

- The CO_2 emissions contained in Part 6.3.1 are direct greenhouse gas emissions related to the use of electricity, natural gas and heating oil in the Group's premises in Neuilly, Rungis, Boissy, Lille and Boulogne.
- The emission factor used for the CO_2 emissions reported and related to business travel by train, included in section 6.3.1 of this report, is supplied by SNCF. The emission factor used for the CO_2 emissions reported related to business travel by plane is provided by the supplier responsible for the handling of business travel (Neuilly).

Further clarification regarding social indicators:

- The hours of training included relate to training provided by M6 Campus as well as external training organisations integrated into the Group's training programmes. Personal training account (known as the CPF) hours are excluded from the reported training hours. The hours of e-learning training are included in the data recorded. The training time spent in school for employees on apprenticeship or work/study contracts is excluded. The hours of BTS (advanced vocational diploma) training followed by certain F.C.G.B employees are also excluded from the total number of hours' training included. Training programmes which began during the 2018 financial year and which finished in January 2019 are reported in proportion to the hours completed in 2018. As such, the training hours reported are the training hours completed according to the attendance sheets covering the period for the 2018 financial year.
- Days of absence recognised correspond to all absences of permanent Group employees which began during the financial year, thereby including absences in 2019. Days of absence recorded correspond to the days prescribed for all work stoppages recorded over the course of the 2018 financial year. Days of absence in 2018 corresponding to absences which began during the course of the previous financial year are therefore not taken into account. Similarly, an extension of absence is assigned a new start date. If the extension commences in the following financial year, these days are not taken into account. It should also be specified that both unpaid days of absence and recovery days do not count when calculating absenteeism.

Reporting tools, consolidation and control

Collection tools, developed by the Group's IT Department, allow all consolidated and verified data to be reported at different levels:

- For corporate data, collection is made by a dedicated tool, developed by the Group's IT Department, and automatic consistency checks are made by the IT tool during data input. Other controls and validation are performed by M6 Group's Human Resources Department. Lastly, a general control ensures the overall consistency of the flows of staff between the year N-1 and the year N;
- For social data, information is collected by the Group's Corporate Affairs and the Financial Communication Department, due in particular to the social information required by the CSA in relation to television;
- For environmental data, collection is made by the Group's Corporate Services, and an internal consistency check is made by the person responsible for the input of information. A further check is made during consolidation.

Lastly, the Financial Communication Department collates the data and performs consistency checks.

6.5 CROSS-REFERENCE TABLE WITH DECREE 2012-557 OF 24 APRIL 2012 (ARTICLE 225 OF THE GRENELLE II LAW)

Themes		Sub-Themes	Degree of relevance	Reference	GRI Reference	Global Compact
Labour information						
Employment	1	Total workforce and employee distribution by gender and geographic region	++	6.1.1.A	G4-10	# 3 to 8
	2	Recruitment and redundancies	++	6.1.1.A	G4- LA1	
	3	Compensation	+	6.1.1.C	G4- LA13	
Work organisation	4	Organisation of working time	++	6.1.1.B	G4- LA	
	5	Absenteeism	+	6.1.1.B	G4- LA6	
Labour relations	6	The organisation of social dialogue - including regulation and procedures regarding information, consultation and negotiation with personnel	+	6.1.1.D	G4- LA4	
	7	Collective bargaining agreements	=	6.1.1.D	G4- LA4	
Health and safety	8	Health and safety at work	+	6.1.1.E	G4- LA6 to 8	
	9	Work accidents, particularly their frequency and seriousness, and occupational diseases	+	6.1.1.E	G4- LA6	
	10	Agreements signed with unions or employee representatives in terms of health and safety at work	=	6.1.1.D	G4- LA8	
Training	11	Training policies	++	6.1.2	LA11	
	12	Total number of training hours	++	6.1.2	LA10	
Equal opportunity	13	Measures taken to promote gender equality	++	6.1.3	G4- LA10	
	14	Measures taken to promote the employment and integration of disabled employees	++	6.1.3/6.2.5	G4- LA12	
	15	Anti-discrimination policy	++	6.2.6	G4- LA12, G4-HR3	
Promotion of and compliance with ILO fundamental conventions	16	Relating to freedom of association and the right to collective bargaining	=	6.1.1.D	G4-HR4; G4-LA4	
	17	Relating to the elimination of employment and occupational discrimination	=	6.1.3/6.2.5	G4-HR3; G4-LA13	
	18	Relating to the suppression of forced or compulsory labour	=	N/A	G4-HR6	
	19	Relating to the effective abolition of child labour	=	6.2.9.F	G4-HR5	
Environmental information						
General environmental policy	20	Company organisation to take into account environmental issues and, where applicable, environmental assessment and certification processes	=	6.3		# 9 to 11
	21	Training and employee information actions conducted in relation to environmental protection	=	6.3		
	22	Resources allocated to avoiding environmental risks and pollution	=	N/A	G4-EN31	
	23	Amount of provisions and guarantees for environmental risks, providing this information is not liable to seriously prejudice the company in an ongoing litigation	=	N/A	G4-EN31 and G4-EC2	
Pollution	24	Measures to prevent, reduce or remediate air, water and land emissions that seriously damage the environment	=	N/A	G4-EN22 to 26	
	25	Taking into account noise pollution and, where relevant, all types of pollution specific to a particular activity		6.2.4.C		
Circular economy	26	Measures to reduce, recycle, reuse and other forms of recovery or disposal of waste	+	6.3.10.B	G4-EN23	
	27	Actions to combat food waste	-	6.3.10.B/6.3.11		
	28	Use and supply of water in line with local constraints	=	6.3.10.A	G4-EN8	
	29	Use of raw materials and measures taken to make more efficient use of them	+	6.3.10.A/6.3.10.B	G4-EN1, G4-EN27	
	30	Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources	+	6.3.10.A	G4-EN3 to EN7	
Sustainable use of land	31	Use of land	=	N/A		
Climate change	32	Significant greenhouse gas emission generated by the Company's activity, in particular through use of the goods and services that it produces.	+	6.3.10.A/6.3.10.C	EN16, EN17, EN 18, EN19, EN20	
	33	Adaptation to the consequences of climate change	=	N/A	EN18, EC2	
Biodiversity	34	Measures taken to safeguard biodiversity	=	6.3	G4-EN11 to EN 14	
Corporate social information						
Territorial, economic and social impact of the Company's operations	35	Territorial impact of operations on employment and regional development in France	=	6.2.8.	G4- EC7 and G4-EC8	# 16 to 18 and 21
	36	Impact of operations on the local population	=	6.2.8.	G4- EC1, G4-EC 5 and 6	
Relationships with stakeholders	37	Conditions of dialogue with these individuals or organisations	++	6.2.9	G4-24 to 27	# 2 and 16 to 18
	38	Acts of partnership or sponsorship	++	6.2.8		
Subcontractors and suppliers	39	Purchasing policies that take into account social and environmental issues	+	6.2.9.F	G4-EC9, G4-HR4, 5,6, 8, 10	# 2 to 11
	40	Significance of sub-contracting and its inclusion in relationships with suppliers and subcontractors regarding their corporate, social and environmental responsibilities	+	6.2.9.F	G4-EC9, G4-HR4, 5,6, 8, 10	
Fair practices	41	Measures taken to avoid corruption	++	6.1.1.H	G4-SO3 to 5	# 12 to 14
	42	Measures taken to safeguard the health and safety of consumers	++	6.1.1.E/6.3.11	G4-PR1; G4-PR2	
Other measures taken to safeguard human rights	43	Other measures taken to safeguard human rights	=	6.2.7	G4-HR	# 3 to 5

6.6 REPORT BY THE INDEPENDENT THIRD PARTY BODY ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT SET OUT IN THE MANAGEMENT REPORT

KPMG S.A

Tour EQHO 2 avenue Gambetta

CS 60055 92066 Paris la Défense Cedex

France

Métropole Télévision S.A.

Registered office: 89, avenue Charles de Gaulle - 92575 Neuilly-sur-Seine Cedex

Share capital: €50,565,699.20

Report by the independent third-party body on the consolidated non-financial performance statement set out in the Management Report

Financial year ended 31 December 2018

To the Shareholders,

As the independent third party organisation appointed by the company Métropole Télévision S.A., accredited by COFRAC (French Accreditation Committee) under number 3-1049[77], we hereby present our report on the consolidated non-financial performance statement for the financial year ended 31 December 2018 (hereafter the "Statement") included in the Management Report pursuant to the provisions of Article L.225-105-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Corporate responsibility

The Executive Board is responsible for preparing a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

The Statement was prepared in application of Company procedures (hereafter the "Standards"), the significant items of which are presented in the Statement and on request from the Company's registered office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and our profession's code of ethics. In addition, we have introduced a quality control system which includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, professional standards and laws and regulations.

Responsibility of the independent third-party body

Based on our work, our role is to deliver a reasoned opinion expressing a conclusion with moderate assurance on:

- compliance of the Statement with the provisions referred to in Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in application of section 3° of paragraphs I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, with respect to the main risks, hereafter the "Information".

However, it is not our responsibility to comment on:

- compliance by the Company with any other applicable legal and regulatory provisions, in particular in relation to any plan to monitor and combat corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Nature and scope of the audit

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 and subsequent of the French Commercial Code setting the terms under which the independent third party body carries out this assignment and with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French National Institute of Auditors) relating to this work, as well as international standard ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We have carried out work enabling us to assess the Statement's compliance with legal and regulatory provisions and the fairness of the Information:

- We have familiarised ourselves with the business of all entities included in the consolidation scope, the presentation of the main social and environmental risks associated with this business, and where applicable, its effects on respect for human rights and the fight against corruption and tax evasion, as well as the resulting policies and their results;

77 The scope of which is available on www.cofrac.fr

- We have assessed the appropriateness of the Reporting Criteria with regard to their relevance, comprehensiveness, reliability, neutrality and comprehensible character, by taking into consideration industry best practices where applicable;
- We have verified that the Statement covers all categories of information referred to in paragraph III of Article 225-102-1 in relation to social and environmental information;
- We have verified that the Statement presents the business model and the main risks associated with the business of all entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relations, products or services in light of information referred to in paragraph I of Article R. 225-105, as well as the policies, due diligence procedures and results, including key performance indicators;
- We have verified, where relevant in view of the main risks or policies presented, that the Statement presents the information stipulated in paragraph II of Article R. 225-105;
- We have assessed the selection, prioritisation and validation process for the main risks;
- We have enquired into the existence of internal control and risk management procedures implemented by the Company;
- We have verified that the Statement covers the consolidated scope, i.e. all companies included in the consolidation scope in accordance with Article L. 233-16 with the limits specified in Section 6.4 of the Management Report;
- We have assessed the collection process implemented by the entity to ensure the completeness and fair presentation of the policies and key performance indicators, whose inclusion in the Information is mandatory;
- We have implemented, for the key performance indicators and the other quantitative results[78] that we considered the most significant:
- analytical procedures to verify the appropriate consolidation of the collected data as well as the consistency of their changes;
- detailed tests, based on samples, to verify the appropriate application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at Group head office level and cover between 74% and 100% of the consolidated data for the key performance indicators and results selected for these tests;
- We have consulted the documentary sources and carried out interviews to corroborate the due diligence procedures (organisation, policies, actions and qualitative results) that we considered to be the most significant[79];
- We have assessed the overall consistency of the Statement in light of our knowledge of the Company.

We consider that the sampling methods and the sample sizes we have selected by exercising our professional judgment allow us to draw a conclusion of reasonable assurance; a higher level of assurance would have required more extensive verification work.

Owing to the use of sampling techniques as well as other limits inherent in the operation of any information and internal control system, the risk of not detecting a significant irregularity in the Statement cannot be totally eliminated.

Means and resources

Our work called on the expertise of four people. To help us in the completion of our work, we consulted our experts in sustainable development and societal responsibility. We conducted approximately ten interviews with the people responsible for preparing the Statement.

Conclusion

On the basis of our work, and given the scope of our responsibility, we found no significant irregularity that would call into question the fact that the Statement complies with applicable provisions and that the Information, taken in its entirety, is presented in a fair manner in accordance with the Reporting Criteria.

Paris La Défense, 19 February 2019

Anne Garans
Partner
Sustainability Services

Xavier Troupel
Partner

78 Corporate indicators: Total workforce by age and by gender, Number of external recruitments, Portion of female managers/executives, Number of redundancies, Rate of working days of absence, Total number of training hours. Environmental indicators: Energy consumption of buildings, CO_2 emissions related to energy consumption, CO_2 emissions connected with business travel.

79 Corporate information: Social dialogue; Health and safety conditions at work; Measures taken to promote gender equality. Social information : Acts of partnership or sponsorship: Environmental information: Significant greenhouse gas emission generated by the Company's activity, in particular through use of the goods and services that it produces.

7 COMBINED GENERAL MEETING OF 25 APRIL 2019

7.1 PROCEEDINGS AND AGENDA

The Combined Annual General Meeting of the Company has been convened for 25 April 2019 and the agenda will be as follows:

Presentation of the reports of the Executive Board:

- on the Group's activities during 2018;
- on the resolutions to be presented at the General Meeting;
- on the allocation of free shares to certain employees and/or corporate officers during the year.

Presentation of the Supervisory Board's report on corporate governance

Presentation of the Supervisory Board's observations to the General Meeting

Presentation of the Statutory Auditors' reports:

- report on the parent company financial statements for the year ended 31 December 2018;
- report on the consolidated financial statements for the year ended 31 December 2018;
- special report on the regulated agreements and commitments covered by Articles L. 225-86 and subsequent of the Commercial Code;
- special report on the authorisation to reduce share capital, as provided for by resolution 19.
- special report on the authorisation to allocate free shares, as provided for by resolution 20.

Vote on resolutions

The following resolutions will be submitted for approval by the General Meeting:

Resolutions in ordinary session:

- Approval of the parent company financial statements for the year ended 31 December 2018 - Approval of non-tax-deductible expenses and charges,
- Approval of the consolidated financial statements for the year ended 31 December 2018,
- Allocation of profits and setting of dividend,
- Statutory Auditors' special report on regulated agreements and commitments and approval of these agreements,
- Ratification of the provisional appointment of Jennifer Mullin as member of the Supervisory Board,
- Ratification of the provisional appointment of Juliette Valains as member of the Supervisory Board,
- Reappointment of Juliette Valains as member of the Supervisory Board,

- Approval of the components of remuneration and any benefits in kind paid or allocated to Nicolas de Tavernost, Chairman of the Executive Board, over the financial year just ended,
- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Chairman of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin over the financial year just ended in relation to his term of office as Member of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Christopher Baldelli over the financial year just ended in relation to his term of office as member of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure over the financial year just ended in relation to his term of office as member of the Executive Board,
- Approval of the components of remuneration and any benefits in kind paid or allocated to David Larramendy over the financial year just ended in relation to his term of office as member of the Executive Board,
- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Members of the Executive Board in relation to their terms of office,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch, Chairman of the Supervisory Board, until 19 April 2018,
- Approval of the components of remuneration and any benefits in kind paid or allocated to Elmar Heggen, Chairman of the Supervisory Board, until 19 April 2018,
- Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the members of the Supervisory Board,
- Authorisation to be given to the Executive Board to enable the Company to buy back its own shares under Article L. 225-209 of the Commercial Code; duration of the authorisation, objectives, terms and conditions and maximum number of shares, [suspension during a public offering period],

Resolutions in extraordinary session:

- Authorisation to be given to the Executive Board to cancel shares bought back under Article L. 225-209 of the Commercial Code; duration of the authorisation and maximum number of shares, [suspension during a public offering period],
- Authorisation to be given to the Executive Board to allocate existing free shares to salaried employees and/or certain corporate officers of the Company or related companies or economic interest groups, term of the authorisation, cap, duration of vesting period particularly in the case of invalidity, and, if applicable, retention period,
- Amendment of Article 16 of the bylaws concerning the age limit for Executive Board members,
- Powers to complete formalities.

7.2 REPORT OF THE EXECUTIVE BOARD AND RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING

7.2.1 Resolutions in ordinary session:

Report of the Executive Board

By voting the **1st and 2nd resolutions** we ask you to approve the consolidated financial statements for the year ended 31 December 2018.

The **3rd resolution** is intended to allocate the profits for the year 2018 and to set the dividend.

First resolution – Approval of the parent company financial statements for the year ended 31 December 2018 - Approval of non-tax-deductible expenses and charges,

After reviewing the reports of the Executive Board and the Statutory Auditors, as well as the observations of the Supervisory Board for the year ended 31 December 2018, the General Meeting approves the parent company financial statements drawn up at the said date, which show a profit of €166,970,878.74.

The General Meeting specifically approves the total of €50,041 of expenses and charges covered under Article 39 of the General Tax Code, as well as the corresponding tax charge.

Second resolution - Approval of the consolidated financial statements for the year ended 31 December 2018

After reviewing the reports of the Executive Board and the Statutory Auditors, as well as the observations of the Supervisory Board on the consolidated financial statements for the year ended 31 December 2018, the General Meeting approves the consolidated financial statements, as presented, which show a profit (Group share) of €181,831,449.56.

Third resolution - Allocation of profits and setting of dividend

The General Meeting approves the allocation of the profit for the financial year ended 31 December 2018, as proposed by the Executive Board, as follows:

Source

- Net profit for the year €166,970,878.74
- Retained earnings brought forward €317,324,748.21

Allocation

- Dividends €126,414,248.00
- Retained earnings brought forward €357,881,378.95

The General Meeting notes that the total gross dividend is set at €1 per share. When it is paid to individuals who are tax residents in France, the dividend is subject to a single fixed-levy deduction at source on the gross dividend at the flat rate of 12.8% (Article 200 A of the French General Tax Code), i.e. at the express, irrevocable and comprehensive wishes of the taxpayer, on income tax calculated according to a sliding scale after notably an allowance of 40% (Articles 200 A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security contributions at the rate of 17.2%.

The ex-dividend date will be 15 May 2019.

The payment shall be made on 17 May 2019.

It is stipulated that if the Company holds some of its own shares on the ex-dividend date, the amounts corresponding to undistributed dividends attributable to such shares will be allocated to retained earnings.

Pursuant to Article 243 (ii) of the General Tax Code, the General Meeting notes that the dividends paid and the distributions made over the past three financial years were as follows:

Financial year	DIVIDENDS	OTHER DISTRIBUTIONS	DISTRIBUTION NOT ELIGIBLE FOR TAX RELIEF
2015	€107,452,110.80 being €0.85 per share	-	-
2016	€107,452,110.80 being €0.85 per share	-	-
2017	€120,093,535.60* being €0.95 per share	-	-

Fourth resolution - Statutory Auditors' special report on regulated agreements and commitments and approval of these agreements,

Report of the Executive Board

The 4th resolution submits for shareholder approval the agreements and commitments, covered by Articles L. 225-86 and subsequent of the Commercial Code and concluded or renewed during 2018, or concluded during a previous year but not yet approved, as mentioned in the Statutory Auditors' Special Report on these agreements included in section 5.9 of the 2018 Registration Document, which are as follows:

- concluded between Métropole Télévision and RTL Group, acting on behalf of Immobilière Bayard d'Antin S.A., in respect of the acquisition of blocks of shares in M6, up to 10% of the share capital, in particular with a view to cancelling them;
- cash management agreement between Bayard d'Antin and Métropole Télévision, signed on 19 February 2010 and renewed on 15 November 2011, 15 November 2012, 15 November 2013, 15 November 2014, 13 November 2015, 14 November 2016, 15 November 2017 and 15 November 2018;
- contract for the acquisition by Métropole Télévision of RTL Group's French radio division on 1 September 2017.

Deliberating on the Statutory Auditors' special report on regulated agreements and commitments submitted to it, the General Meeting approves the new agreements mentioned herein.

Report of the Executive Board

The **5th**, **6th** and **7th** resolutions submitted for shareholder approval relate to the terms of office of members of the Supervisory Board.

The terms of office of 4 of the 13 members comprising the Supervisory Board will expire at the next General Meeting. After consultation with the Remuneration and Appointments Committee, it is proposed to reduce the number of members from 13 to 10, due to the strategic refocusing of the Group's core business over the last two financial years, which requires less diverse profiles.

Furthermore, it is proposed to ratify the provisional appointments of two Board members:

- Jennifer Mullin, CEO of Fremantle, co-opted to replace Anke Schäferkordt, who resigned, for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.
- Juliette Valains, VP Global Operations Management Digital & Diversification of RTL Group, co-opted to replace Cécile Frot-Coutaz, who resigned, for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2019 to approve the financial statements for the year then ended.

Lastly, it is proposed to renew the terms of office of Juliette Valains for a period of four years expiring at the close of the Annual General Meeting called in 2023 to approve the financial statements for the year then ended.

The Executive Board selected Juliette Valains for her excellent knowledge of digital marketing and her skills in the digital transformation of media companies.

The Executive Board selected Jennifer Mullin for her international experience and her in-depth knowledge of the production industry.

The Supervisory Board recognised that Juliette Valains and Jennifer Mullin could not be considered as independent due to their involvement with RTL Group. However, if all the resolutions submitted to the AGM concerning the composition of the Board were adopted, at the end of the Meeting the Board would consist of 9 members (excluding the member representing employees), including 3 independent members, i.e. one-third, in compliance with the recommendations of the AFEP-MEDEF Code.

Fifth resolution - Ratification of the provisional appointment of Jennifer Mullin as member of the Supervisory Board,

The Ordinary General Meeting ratifies the provisional appointment of Jennifer Mullin, made by the Supervisory Board during its meeting of 31 January 2019, as member of the Supervisory Board to replace Anke Schäferkordt, who resigned.

Accordingly, Jennifer Mullin will carry out her duties for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2022 to approve the financial statements for the year then ended.

Sixth resolution - Ratification of the provisional appointment of Juliette Valains as member of the Supervisory Board

The Ordinary General Meeting ratifies the provisional appointment of Juliette Valains, made by the Supervisory Board during its meeting of 5 November 2018, as member of the Supervisory Board to replace Cécile Frot-Coutaz, who resigned.

Accordingly, Juliette Valains will carry out her duties for the remainder of her predecessor's term of office, i.e. until the close of the General Meeting called in 2019 to approve the financial statements for the year then ended.

Seventh resolution - Reappointment of Juliette Valains as member of the Supervisory Board

The General Meeting decides to renew Juliette Valains' term of office as member of the Supervisory Board for a period of four years, until the close of the General Meeting called in 2023 to approve the financial statements for the year just ended.

Report of the Executive Board

The **8th and 9th resolutions** concern the components of remuneration of the Chairman of the Executive Board:

- The 8th resolution submits for shareholder approval the components of remuneration and any benefits in kind paid or allocated during the financial year just ended (S*ay on Pay Ex-Post)*, as set out in paragraph 2.3.4 of the 2018 Registration Document.
- The 9th resolution submits for shareholder approval the remuneration policy in respect of the Chairman of the Executive Board *(Say on Pay Ex-Ante)*, as set out in paragraph 2.3.5 of the 2018 Registration Document.

Eighth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Nicolas de Tavernost, Chairman of the Executive Board, over the financial year just ended

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the fixed, variable and exceptional components of remuneration and any benefits in kind, paid or allocated to Nicolas de Tavernost, over the financial year just ended in relation to his term of office as Chairman of the Executive Board, as presented in paragraph 2.3.4 of the 2018 Registration Document.

These variable components of remuneration shall be paid following their approval by this General Meeting.

Ninth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Chairman of the Executive Board

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the various fixed, variable and exceptional components comprising the remuneration and any benefits attributable, under his term of office, to the Chairman of the Executive Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2018 Registration Document under paragraph 2.3.5.

Report of the Executive Board

Resolutions 10 to 14 concern the components of remuneration of the members of the Executive Board:

- The 10th, 11th, 12th and 13th resolutions submit for shareholder approval the components of remuneration and any benefits in kind paid or allocated to the members of the Executive Board for their terms of office *(Say on Pay Ex-Post)*, as set out in paragraph 2.3.4 of the 2018 Registration Document.
- The 14th resolution submits for shareholder approval the remuneration policy in respect of the members of the Executive Board *(Say on Pay Ex-Ante)*, as set out in paragraph 2.3.5 of the 2018 Registration Document.

Tenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin over the financial year just ended in relation to his term of office as Member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Thomas Valentin during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2018 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Eleventh resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Christopher Baldelli over the financial year just ended in relation to his term of office as member of the Executive Board,

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Christopher Baldelli during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2018 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Twelfth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure over the financial year just ended in relation to his term of office as member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Jérôme Lefébure during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2018 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Thirteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to David Larramendy over the financial year just ended in relation to his term of office as member of the Executive Board

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to David Larramendy during the financial year just ended in relation to his term of office as Member of the Executive Board, which is limited to the variable remuneration presented in paragraph 2.3.4 of the 2018 Registration Document.

These variable components shall be paid following their approval by this General Meeting.

Fourteenth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the Members of the Executive Board in relation to their terms of office,

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the components of remuneration and any benefits attributable, under their term of office, to the members of the Executive Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2018 Registration Document under paragraph 2.3.5.

Report of the Executive Board

Resolutions 15, 16 and 17 concern the components of remuneration of the members of the Supervisory Board:

- The 15th and 16th resolutions submit for shareholder approval the components of remuneration and any benefits in kind paid or allocated to Guillaume de POSCH, Chairman of the Supervisory Board until 19 April 2018, and Elmar HEGGEN, Chairman of the Supervisory Board since 19 April 2018 *(Say on Pay Ex-Post)*, as set out in paragraph 2.3.4 of the 2018 Registration Document.
- The 17th resolution submits for shareholder approval the remuneration policy in respect of the members of the Supervisory Board *(Say on Pay Ex-Ante)*, as set out in paragraph 2.3.5 of the 2018 Registration Document.

Fifteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch, Chairman of the Supervisory Board until 19 April 2018

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Guillaume de Posch during the financial year just ended in relation to his term of office as Chairman of the Supervisory Board until 19 April 2018, which is limited to attendance fees presented in paragraph 2.3.4 of the 2018 Registration Document.

Sixteenth resolution – Approval of the components of remuneration and any benefits in kind paid or allocated to Elmar Heggen, Chairman of the Supervisory Board since 19 April 2018

The Ordinary General Meeting, ruling pursuant to Article 225-100 sub-paragraph II of the French Commercial Code, approves the components of remuneration and any benefits in kind paid or allocated to Helmar Heggen during the financial year just ended in relation to his term of office as Chairman of the Supervisory Board since 19 April 2018, which is limited to attendance fees presented in paragraph 2.3.4 of the 2018 Registration Document.

Seventeenth resolution – Approval of the principles and criteria for setting, apportioning and allocating the components of remuneration and any benefits in kind payable to the members of the Supervisory Board

The General Meeting, acting pursuant to Article L. 225-82-2 of the Commercial Code, approves the principles and criteria used to determine, apportion and allocate the components of remuneration and any benefits attributable, under their term of office, to the members of the Supervisory Board, as presented in the report referred to in the last paragraph of Article L. 225-68 of the Commercial Code and included in the 2018 Registration Document under paragraph 2.3.5.

Eighteenth resolution - Authorisation to be granted to the Management Board for the buyback by the company of its own shares pursuant to Article L. 225-209 of the Commercial Code

Report of the Executive Board

The **18th resolution** submitted for shareholder approval concerns the authorisation to be given to the Executive Board to enable the Company to buy back its own shares, within the limits set by the shareholders and pursuant to the provisions of Article L. 225-209 and subsequent of the Commercial Code.

This authorisation would permit the purchase of up to 10% of the share capital at a maximum price of €30 per share during a period of 18 months. The maximum amount of the transaction is thus set at €379,242,744.00; The 2018 Registration Document (Paragraph 3.6) includes the features of the buyback programme proposed this year and provides information on the use of the previous programme.

After reviewing the report of the Executive Board, and in accordance with Article L. 225-209 and subsequent of the Commercial Code, the General Meeting authorises the Executive Board, for a period of eighteen months, to buy back Company shares, on one or more occasions, at the discretion of the Executive Board, up to a limit of 10% of the share capital, based either on current share capital, or as adjusted to take account of any capital increase or reduction during the period.

This authorisation supersedes the prior authorisation granted to the Executive Board by the Ordinary General Meeting on 19 April 2018 in its twentieth resolution in ordinary session.

These shares may be purchased to fulfil the following objectives:

- To stimulate the secondary market or ensure the liquidity of the METROPOLE TELEVISION share, by way of an investment services provider within a liquidity contract that complies with the practice approved by regulations, it being specified that within this framework the number of shares considered for the calculation of the limit specified above corresponds to the number of shares purchased less the number of shares resold,
- to retain the purchased shares for future exchange or payment, within the framework of potential acquisitions,
- to ensure the allocation of shares and/or free share plans (or comparable plans) through stock option plans for the benefit of Group employees and/or corporate officers as well as any allocation of shares within the framework of a company or Group savings plan (or comparable plan), within the framework of profit sharing and/or any other form of share allocation to Group employees and/or corporate officers,
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations,
- to cancel purchased shares, in accordance with the authorisation conferred or to be conferred by the Extraordinary General Meeting.

Shares may be bought back by any means, including through the acquisition of blocks of shares, and at the times the Executive Board will deem fit.

Unless granted in advance by the General Meeting, the Executive Board may not make use of this authorisation during a public offering period initiated by a third party for the Company’s securities throughout the duration of the offering period.

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

The maximum purchase price is set at €30 per share. In the event of a transaction on the share capital, in particular a division or consolidation of shares or allocation of shares to the shareholders, the price indicated above will be adjusted by a factor equal to the ratio between the number of shares comprising the share capital before and after the transaction.

The maximum amount of the transaction is set at €379,242,744.00.

The General Meeting confers full powers on the Executive Board to proceed with these transactions, set the terms and conditions, conclude all agreements and perform all formalities.

7.2.2 Resolutions in extraordinary session:

Nineteenth resolution - Authorisation to be given to the Executive Board to cancel shares bought back under Article L. 225-209 of the Commercial Code

Report of the Executive Board

The **19st resolution** submits for shareholder approval the authorisation to be given to the Executive Board, for a period of 24 months, to reduce the share capital by cancellation of treasury shares within the limit of 10% of the share capital of the Company, as calculated on the day the cancellation is decided, after deducting cancellations carried out within the last 24 months.

The authorisations to be granted by resolutions 18 and 19 will supersede previous authorisations of the same nature granted to the Executive Board by the General Meeting of 19 April 2018.

After reviewing the report of the Executive Board and the Statutory Auditors’ Report, the General Meeting:

1) Authorises the Executive Board to cancel, at its own discretion, on one or more occasions and within the limit of 10% of the share capital, as calculated on the day of the decision to cancel them and excluding any shares cancelled during the preceding 24-month period, shares that the Company holds or may come to hold following buybacks carried out pursuant to Article L. 225-209 of the Commercial Code, as well as reducing the share capital accordingly, in accordance with legal provisions and regulations in force,

2) Sets the validity of this authorisation to a period of twenty-four months from the date of this General Meeting,

3) Confers full powers to the Executive Board to carry out the necessary transactions for the cancellation and reduction of the share capital, amend the Company’s bylaws accordingly and carry out all necessary formalities.

Twentieth resolution – Authorisation to be given to the Executive Board for the allocation of free shares to employees and/or certain corporate officers

Report of the Executive Board

The **20th resolution** submits for shareholder approval an authorisation to allow the Executive Board to allocate existing free shares in the Company to salaried employees and/or corporate officers of the Group for a thirty-eight month period starting from the General Meeting.

The total number of shares allocated may not exceed 2,300,000 shares (i.e. 1.8% of the capital at the date of this report), it being specified that the allocation of free shares to members of the Executive Board may not exceed 345,000 shares within this total allocation (this specific cap is in accordance with Article 23.3.3 of the AFEP-MEDEF Code).

The Executive Board specifies that the total amount that can be allocated is in consistent with the growth of the Group and its workforce size and is intended to provide a motivating remuneration policy to its employees.

This authorisation would enable the Executive Board to pursue an incentive policy of employee share ownership that will reinforce the Company's development.

The allocation of shares to the beneficiaries will be final at the end of a vesting period, the duration of which will be set by the Executive Board and which may not be less than one year.

The beneficiaries shall, where applicable, retain the shares for a period, set by the Executive Board, at least equal to the period required for the cumulative duration of the vesting and, where appropriate, retention periods to be no less than two years.

After reviewing the Executive Board report and the Statutory Auditors’ special report, the General Meeting authorises the Executive Board, pursuant to Articles L. 225-197-1 and L. 225-197-2 of the Commercial Code, to grant existing ordinary shares in the Company for the benefit of:

- Employees of the Company, companies or economic interest groups directly or indirectly related to it pursuant to Article L. 225-197-2 of the Commercial Code,
- And/or corporate officers who meet the conditions set by Article L. 225-197-1 of the Commercial Code.

The total number of shares thus allocated free of charge under this authorisation may not exceed 2,300,000, it being specified that the allocation of free shares to members of the Executive Board may not exceed 345,000 shares within this allocation limit.

The allocation of shares to the beneficiaries will be final at the end of a vesting period, the duration of which will be set by the Executive Board and which may not be less than one year.

The beneficiaries shall, where applicable, retain the shares for a period, set by the Executive Board, at least equal to the period required for the cumulative duration of the vesting and, where appropriate, retention periods to be no less than two years.

By exception, the vesting of the shares shall be final before the end of the vesting period in case the beneficiary suffers from a disability classified in the second or third category referred to by Article L. 341-4 of the Social Security Code.

All powers are conferred to the Executive Board to:

- set the terms and conditions, and, if applicable, the criteria and performance conditions for allocating the shares;
- determine the identity of beneficiaries, as well as the number of shares to be granted to each of them;
- if applicable:
- proceed with buying back the shares required within the framework of the share buyback programme and allocate them to the allocation plan
- determine the effects of transactions modifying the share capital or liable to affect the value of shares granted on the rights of beneficiaries, carried out during the vesting period, and modify or adjust accordingly, if required, the number of shares granted to preserve the rights of the beneficiaries;
- decide whether or not to impose a retention obligation at the end of the vesting period and if applicable, determine its duration and take all necessary measures to ensure beneficiaries' compliance;
- and more generally, do everything rendered necessary by the implementation of this authorisation, in accordance with applicable legal provisions.

This authorisation is granted for a period of thirty-eight months from the day of this General Meeting.

It supersedes for the unused portion, if applicable, any previous authorisation for the same purpose.

Twenty-first resolution – Amendment of Article 16 of the Bylaws concerning the age limit for Executive Board members

Report of the Executive Board

The **21st resolution** submitted for shareholder approval concerns the amendment of Article 16 of the Bylaws and is intended to raise the age limit of Executive Board members from 70 to 72.

As part of its preparatory work for the renewal of the Executive Board, whose current term of office will expire on 20 February 2020, the Remuneration and Appointments Committee recommended that the Executive Board propose to the Meeting an amendment to the age limit for Board members, currently set at 70.

As part of its ongoing work on the succession of the Executive Board, the Committee proposed raising the age limit to 72 years at the next Annual General Meeting in order to give the Group greater flexibility in the implementation of the various scenarios envisaged regarding the replacement of the members and Chairman of the Executive Board.

After reviewing the Executive Board report, the General Meeting decides:

- to raise the age limit of Executive Board members from 70 to 72,
- To amend the third paragraph of Article 16 of the Bylaws accordingly and as follows, the remainder of the article remaining unchanged:

"No one aged 72 or over may be appointed member of the Executive Board. Any member of the Executive Board who reaches said age limit while in office shall be deemed to have resigned. "

Twenty-second resolution – Powers to complete formalities

Report of the Executive Board

The **22nd resolution** submitted for shareholder approval concerns the delegation of 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.

7.3 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION PROVIDED FOR BY THE 19TH RESOLUTION

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine

Ernst & Young et Autres

Tour First TSA 14444

92037 Paris-La Défense Cedex

Simplified joint stock company
with variable capital

Statutory Auditors' report on the share capital reduction

Combined General Meeting of 25 April 2019 (19th resolution)

To the Shareholders,

As Statutory Auditors of your Company and in execution of our assignment under Article L. 225-209 of the Commercial Code in the event of a reduction in capital arising from shares bought back, we present our report with a view to providing you with our opinion on the reasons for and the terms and conditions of the proposed capital reduction.

Your Executive Board proposes that you delegate to it, for a period of 24 months starting on the date of this General meeting, all powers to cancel the shares thus purchased in respect of the implementation of the authorisation for your Company to purchase its own shares in accordance with the provisions of the above-mentioned article, up to the limit of 10% of its share capital and by 24-month period.

We have performed the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment. in order to verify whether the reasons for and the terms and conditions of the proposed share capital reduction, which is not liable to affect the equality of shareholders, are reasonable.

We have no observations to make on the reasons for and the terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, 05 March 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Marty

ERNST & YOUNG et Autres

Bruno Bizet

7.4 STATUTORY AUDITORS' REPORT ON THE AUTHORISATION TO ALLOCATE FREE SHARES PROVIDED FOR BY THE 20TH RESOLUTION

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine

Ernst & Young et Autres

Tour First TSA 14444

92037 Paris-La Défense Cedex

Simplified joint stock company
with variable capital

Statutory Auditors' report on the authorisation to allocate existing shares free of charge

Combined General Meeting of 25 April 2019 (20th resolution)

To the Shareholders,

As Statutory Auditors of your company and in execution of our assignment, we hereby present our report on the proposed allocation of existing shares free of charge for the benefit of employees and/or corporate officers of your company and companies related to it in accordance with Article L.225-197-2 of the Commercial Code, upon which you are called to vote. The total number of shares potentially allocated under this authorisation may not exceed 2,300,000 shares (i.e. 1.8% of the share capital at the date of this report), it being specified that the allocation of free shares to members of the Executive Board may not exceed 345,000 shares within this total allocation.

Your Executive Board proposes that based on its report, you authorise it to allocate existing shares free of charge for a period of thirty-eight months.

The Executive Board must prepare a report on this proposed transaction, which it intends to implement. It is our role to make you aware, where necessary, of our observations on the information thus provided on the planned transaction.

We have performed the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment. in order to verify the method considered and included in the report of the Executive Board are within the provisions of the law.

We have no observations to make on the information provided in the report of the Executive Board on the planned transaction for the allocation of free shares.

Neuilly-sur-Seine and Paris La Défense, 05 March 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Marty

ERNST & YOUNG et Autres

Bruno Bizet

8 ADDITIONAL INFORMATION

8.1 CHANGES IN ACCOUNTING PRINCIPLES

The consolidated financial statements at 31 December 2018 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 2018 are set out in detail in Note 3.1 to the consolidated financial statements of this document.

Furthermore, the parent company financial statements at 31 December 2018 have been prepared in accordance with the French Chart of Accounts. Changes in standards in force at 31 December 2018 are set out in detail in Note 2 to the parent company financial statements of this document.

8.2 OTHER INFORMATION IN RESPECT OF THE PARENT COMPANY FINANCIAL STATEMENTS

8.2.1 Tax-related information

(€ K)	2018	2017
Total of expenses and charges excluded from deductible expenses (Article 39-4 of the Income Tax Code)	50.0	48.3
Amount of attendance fees excluded from deductible expenses (Article 210 (vi) of the Income Tax Code)	0.0	0.0
Remunerations and other charges relating to the 10 highest paid persons	7,330.2	7,028.2
Gifts and reception costs	510.0	1,036.0
Expenses added back to taxable profit	50.0	48.3

8.2.2 Corporate information

The Company will provide any shareholder who requests it with a copy of the corporate report provided by Articles L.2323-68 and subsequent of the Labour Code.

8.3 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 2017 and the relevant report of the Statutory Auditors included on pages 182 to 240 of the 2017 Registration Document, registered with the AMF on 07 March 2018 under number D.18-0108, as well as the Management Report included on pages 7 to 309 of the same 2017 Registration Document.

- The consolidated financial statements for the year ended 31 December 2016 and the relevant report of the Statutory Auditors included on pages 192 to 250 of the 2016 Registration Document, registered with the AMF on 9 March 2017 under number D.17-0142, as well as the Management Report included on pages 7 to 332 of the same 2016 Registration Document.

8.4 PROVISIONAL CALENDAR

25 April 2019: Combined Shareholders' General Meeting

25 April 2019: First quarter 2019 financial information

15 May 2019: ex-dividend date for 2018 dividend

17 May 2019: payment of 2018 dividend

30 July 2019: Half-year sales and results 2019

29 October 2019: 3rd quarter 2019 financial information

21 April 2020: Combined Shareholders' General Meeting

20 April 2021: Combined Shareholders' General Meeting

This calendar is subject to change.

8.5 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I certify that, after taking all reasonable measures to this effect and to the best of my knowledge, the information set out in this Registration Document is accurate and contains no omission which could impair its meaning.

I certify that, to my knowledge, the financial statements have been prepared in accordance with professional accounting standards applicable in France and give a fair view of the assets, financial position and performance of the Company and of all companies included in the consolidation scope, and that the enclosed Management Report, indexed in the cross-reference table filed on page 339 of this document, gives a true view of the business situation, performance and financial position of the Group and of all companies included in the consolidation, as well as a description of main risks and uncertainties encountered.

I have obtained from the Statutory Auditors a letter issued upon completion of their assignment, stating that they have verified the information concerning the financial position and financial statements presented in this Registration Document and that they have read the entire Registration Document.

Neuilly-sur-Seine, 05 March 2019

Nicolas de Tavernost

Chairman of the Executive Board

8.6 PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION

Jérôme Lefébure

Chief Financial Officer

Tel: +33 1 41 92 64 30

Fax: +33 1 41 92 64 59

E-mail: jlefebure@m6.fr

Grégory Le Fouler

Deputy Chief Financial Officer

Tel: +33 1 41 92 57 94

Fax: +33 1 41 92 64 59

E-mail: gregory.le-fouler@m6.fr

8.7 STATUTORY AUDITORS

PRINCIPAL AUDITORS [80]		Address	Date of first appointment	Last year of financial statements to be audited	Expiry date of appointment
Ernst & Young et Autres	Bruno BIZET	Tour First, 1, place des Saisons 92400 Courbevoie	2002	2019	AGM 2020
PricewaterhouseCoopers Audit	Pierre MARTY	63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	2008	2019	AGM 2020

ALTERNATE AUDITORS	Address	Date of first appointment	Last year of financial statements to be audited	Expiry date of appointment
AUDITEX	Tour First, 1, place des Saisons 92400 Courbevoie	2008	2019	AGM 2020
Jean-Christophe GEORGHIOU	63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	2014	2019	AGM 2020

AGM: Annual General Meeting

8.8 RECONCILIATION TABLES

8.8.1 Reconciliation table pursuant to European Regulation n°809/2004

HEADINGS	SECTIONS
1. Persons responsible	8.5 / 8.6
2. Statutory Auditors	8.7
3. Selected financial information	
· Background information	1.1 / 5.7
· Interim information	N/A
4. Risk factors	1.7
5. Information on the issuer	
· Company background and development	1.4 / 1.5 / 3.2 / 3.3 / 3.5
· Investments	4.2.4
6. Business overview	
· Main activities	1.5
· Main markets	1.5
· Exceptional events	N/A
· Potential degree of dependence	1.7.7.3
· Elements on which the declaration of competitive position is based	1.5
7. Organisation chart	
· Group overview	1.2 / 4.3
· List of significant subsidiaries	4.3.4
8. Property, plant and equipment	
· Existing or planned property, plant and equipment	05/02/2017
· Environmental issues that may influence the use of property, plant and equipment	6.3
9. Operating and financial review	
· Financial position	4.2.1 / 4.3.1
· Operating profit	4.1
10. Cash position and capital	
· Issuer's capital	4.2.1 / 5.1.4
· Source and amount of cash flows	4.2.2 / 5.1.3

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· Borrowing terms and conditions and financing structure	4.2.1 / 5.2.20.2
· Restrictions on the use of capital resources which has or may have an impact on the issuer's operations	1.6
· Expected sources of financing	5.2.20.2
11. Research and development, patents and licences	N/A
12. Information on market trends	1.5
13. Profit forecasts and estimates	N/A
14. Administrative, Management, Supervisory and Executive bodies	
· Supervisory and Executive Bodies	2.1 / 2.2
· Potential conflicts of interest	2.4.1
15. Remuneration and benefits	
· Remuneration and benefits in kind	2.3
· Total provisions or amounts recognised for pensions, retirement or similar benefits	2.3.1.3
16. Operation of Supervisory and Executive bodies	
· Expiry dates of current terms of office	2.1.1 / 2.2.1
· Service agreements with members of Supervisory and Executive Bodies	2.4.1
· Information on the Audit Committee and the Remuneration Committee	2.1.3
· Compliance with the Corporate Governance Code	2.
17. Employees	
· Number of employees and analysis by business activity	5.2.8.3 / 6.1.1.A
· Shareholding and stock options	2.3.1.2 / 2.3.2 / 3.7 / 6.1.1.C
· Employee shareholding in the issuer	3.5 / 3.7 / 6.1.1.C
18. Major shareholders	3.5
19. Transactions with related parties	5.2.26 / 5.9
20. Financial information concerning the issuer's assets and liabilities, financial position	
and profits and losses	
· Background financial information	1.1 / 5.7
· Pro forma financial information	1.1.2 / 4.1.1 / 5.1.2
· Financial statements	5.1 / 5.4
· Audit of annual historical financial information	5.3 / 5.6
· Date of latest financial information	N/A
· Interim and other financial information	N/A
· Dividend distribution policy	3.3
· Legal and arbitration proceedings	1.7.6.5
· Significant change in the Company's financial or trading position	N/A
21. Additional information	
· Share capital	3.1.1 / 3.9
of which :	
- shares not representing capital	N/A
- marketable securities	N/A
- vesting conditions	N/A
· Treasury shares	3.6
· Deed of incorporation and Bylaws	3.1 / 2.1.2
22. Significant contracts	4.1.3
23. Third-party information and statements by experts and declarations of interest	N/A
24. Documents available to the public	3.4
25. Information on equity holdings	4.3.3

8.8.2 Reconciliation table with the annual financial report and the management report

HEADINGS	SECTIONS	
1. DECLARATION OF THE PERSON RESPONSIBLE	8.5	RFA
2. PARENT COMPANY FINANCIAL STATEMENTS	5.4 / 5.5	RFA
3. CONSOLIDATED FINANCIAL STATEMENTS	5.1 / 5.2	RFA
4. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	5.6	RFA
5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	5.3	RFA
6. MANAGEMENT REPORT		
6.1. Information on the Company and the Group's business activities		
Company and Group position during the financial year just ended, projected change and significant post-balance sheet events L.232-1 II + V; L. 233-26 of the Commercial Code	1.5 / 4.4	
Company and Group sales and results per business sector L.233-6 of the Commercial Code	1.5 / 4.1	
Objective and comprehensive assessment of the business trends, financial performance and financial position (including the debt position) of the Company and the Group L.225-100-1 of the Commercial Code	1.5 / 4.1 / 4.2 / 4.3	RFA
Key financial and, if applicable, non-financial indicators for the Company and the Group L.225-100-1 of the Commercial Code	1.1	RFA
Main risks and uncertainties facing the Company and the Group L.225-100-1 of the Commercial Code	1.7	RFA
Internal control and risk management procedures related to the preparation and processing of the Company and the Group's accounting and financial information L.225-100-1 of the Commercial Code	1.7.1	RFA
Objective and policy relating to hedging transactions for which the Company's and Group's hedge accounting is used Company and Group exposure to price, credit, liquidity and cash-flow risks Use of derivative instruments by the Company and the Group L.225-100-1 of the Commercial Code	1.7.3 1.7.2 / 1.7.4 / 1.7.5 1.7.3	RFA
Company and Group financial risks related to the effects of climate change and presentation of the measures taken to reduce them (low carbon strategy) L.225-100-1 of the Commercial Code	6.0 / 6.3	RFA
Company and Group research and development activities L.232-1 II + V; L. 233-26 of the Commercial Code	N/A	
Subsidiaries L.232-1 II + V of the Commercial Code	N/A	
6.2. Legal, financial, and tax information regarding the Company		
Breakdown of, and changes to the shareholding structure L.233-13 of the Commercial Code	3.5	
Names of controlled companies and share capital in the company that they hold L.233-13 of the Commercial Code	1.2 / 4.3	
Material interests acquired in companies that had their registered office in France during the financial year L.233-6 of the Commercial Code	1.3 / 4.3	
Cross holdings R.233-19 of the Commercial Code	4.3	
Statement of employee holdings in the Company's share capital L225-102 of the Commercial Code	3.5 / 3.7	
Purchase and sale of its own shares by the Company (share buybacks) L.225-211 of the Commercial Code	3.6	RFA
Adjustment of securities granting access to the share capital in the event of financial transactions R.228-91 of the Commercial Code	N/A	
Adjustments of securities granting access to the share capital and stock options in the event of share buybacks R.228-90 and R. 225-138 of the Commercial Code	N/A	

Amounts of dividends paid in respect of the three previous financial years Art 243-2 of the General Tax Code	3.3	
Amount of non-tax-deductible expenses and charges Art 223-4 of the General Tax Code	8.2.1	
Payment terms, and breakdown of the balance of trade payables and receivables L.441-6-1; D.441-4; A 441-2 of the Commercial Code	5.2.21.3	
Monetary injunctions or penalties for anti-competitive practices L.464-2 I-5 of the Commercial Code	1.7.6.5	
Information relating to the operation of a SEVESO plant (Art. L. 515-8 C of the Environmental Code) L.225-102-2 of the Commercial Code	N/A	
Amount of inter-company loans L. 511-6-3-2 of the Monetary and Financial Code	1.7.5 / 5.2.20.2	
6.3 Information regarding the corporate officers		
Summary of dealings in securities by individual discharging managerial responsibilities and individual closely connected to them L.621-18-2 of the Monetary and Financial Code; 223-26 General Regulations of the AMF	3.8	
6.4. The company's CSR information		
Inclusion of the social and environmental consequences of the business activities, including the consequences on climate change, and the use of goods and services produced, as well as the societal commitments to sustainable development, the circular economy, the fight against food waste, the prevention of discrimination and the promotion of diversity L225-102-1; R225-105; R225-105-1 of the Commercial Code	6.	
6.5 Documents attached to the management report		
Report on payments to governments	N/A	
Summary of financial results over each of the last 5 years	5.7	
Report on corporate governance	2.	

8.9 GLOSSARY

ADSL: *Asymmetric Digital Subscriber Line*. Internet access technology which makes use of high frequencies on telephone lines to transmit digital data at very high speeds. The distribution of television by an ADSL operator is also called IPTV.

Advertising market share: percentage of advertising investments captured by a sales house or a medium within a media market (television, radio, etc.).

AMF: *Autorité des Marchés Financiers* (Financial Markets Authority). Independent public authority whose roles are to ensure that savings invested in financial products are protected, that information is provided to investors and that the financial markets in France operate correctly.

Analogue: In television, a method of producing and transmitting images where the intensity of the electric signals is uninterrupted or analogue at the sound or light source. In France, the analogue television signal was switched off on 30 November 2011 to give way to terrestrial broadcasting exclusively in digital mode.

ARPP : *Autorité de Régulation Professionnelle de la Publicité* (Professional Advertising Regulatory Authority). Body whose purpose in France is to take all measures necessary to promote honest, truthful and balanced advertising, reconciling the freedom of expression of professionals with respect for consumers.

Audience share: audience percentage for a medium (TV channel, radio station) or for a variety of media (aggregates, coupling), calculated in relation to the overall audience for the medium or subset.

Brand content: editorial content of any kind created directly by a brand.

Catch-up TV (or replay TV): Way of consuming TV through which a programme is viewed on demand after it has been broadcast.

CNC: *Centre National du Cinéma et de l'Image Animée.* French public institution that oversees, under the authority of the Minister responsible for Culture, consistency in the creation and implementation of government policy in the areas of film and the other arts and industries involving the moving image, in particular those in the audiovisual, video and multimedia fields, including video games.

Connected television: Television connected either directly or indirectly to the Internet in order to provide a number of services to viewers.

CSA: *Conseil Supérieur de l'Audiovisuel.* Independent administrative authority whose role is to ensure the freedom of audiovisual communication in France. Its responsibilities specifically involve the protection of minors, respect for political pluralism, the allocation of frequencies to operators, the defence of French culture, and the rigorous processing of information.

Cumulative audience: Radio and television audience indicator. It refers to the number or percentage of people who have had at least one contact with the media in question during the period (time slot, day, week, etc.), irrespective of the duration.

Display: Internet advertising with the purchase of spaces and the insertion of either graphic or visual elements.

DTT: Digital Terrestrial Television. Mode of broadcasting television which enables digital signals to be transmitted over the air. These digital signals are ordered in a single flow (multiplex), before being transmitted, i.e. transported to the viewer via electromagnetic waves.

GRP: *Gross Rating Point*. Indicator of the pressure exerted by an advertising campaign on a specific target. The GRP is equal to the average number of contacts made with its target, expressed as penetration points. It is calculated by multiplying the coverage of the target by the average repetition.

HD: High Definition. A digital picture format with definition higher than 720 lines x 1280 pixels. The resolution of a FULL HD image can reach 1,080 lines x 1,920 pixels.

IPTV: Mode used for broadcasting television signals using Internet protocol.

ISP: Internet Service Provider. Company proposing an internet connection service, through IPTV networks, cable or fibre optic.

IWT: Individual Viewing Time. Audience indicator measuring the average time during which the members of a given population watch television during the course of one day.

LTL: Listening Time per Listener. Radio audience indicator measuring the average time spent per listener, listening to a radio programme, station or medium, within one time slot or throughout the whole day.

MCN: *Multi-Channel Network*. Aggregator of content and influencers specialised in the management, promotion and monetisation of digital content and talents on major online platforms such as YouTube.

Millenials: Name given to 15-34 year olds, a hyper-connected generation markedly different from previous generations in terms of their financial, technological and social make-up.

MPEG: *Motion Picture Expert Group.* A process used to code audiovisual signals in a more or less compressed format. The figure (2 for MPEG 2, 4 for MPEG 4) indicates the degree of compression of the signal – the higher the number the greater the compression.

Multiplex: Digital datastream allowing several programmes and services to be transmitted over a single television channel (or frequency). Terrestrial digital thereby authorises the broadcast of five or six audiovisual programmes over the same frequency, where in analogue it would only have been one.

Multiplex operator: Company responsible for ensuring the technical procedures necessary for the transmission and broadcast of programmes are carried out.

OTT: *Over the top* (alternative service). Mode for distributing audiovisual content online without the involvement of a traditional network operator.

Prime Time: Timeslot corresponding to late evening (usually from 9pm), when the audience is at its highest. This is the part of the viewing schedule that is most popular amongst advertisers. ***Access Prime Time*** is between 6pm and 8pm.

SRD: *Service de Règlement Différé* (Deferred Settlement Service)**.** Being eligible for SRD allows the payment or delivery of certain securities at the end of the trading month. It is therefore possible to buy or short sell a security while deferring its payment and profiting from leverage on both upward and downward price movements. Securities eligible for SRD primarily comprise shares with a volume of capital traded daily of at least €1 million and those whose market capitalisation is a minimum of €1 billion.

Stock programmes: Television programmes that retain their value regardless of the number of times they are broadcast. They can be kept and reused over the long-term (dramas, documentaries, animated films, live performances, etc.).

Terrestrial: A data transmission system using electromagnetic waves of a frequency below 3,000 GHz.

Throwaway programmes: Television programmes that lose all their value once broadcast (news broadcasts, sporting events, on-set programmes, etc.).

VOD: *Video On Demand*. Paid service allowing the viewing of a chosen programme at any time. Subscription-based VOD is called **SVOD** (Subscription Video On Demand).

WRP<50: Advertising target group comprised of Women under 50 years old, Responsible for Purchases.

MÉTROPOLE TÉLÉVISION
French public limited company (Société Anonyme) with an Executive Board and a Supervisory Board
with share capital of €50,565,699.20

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LET'S CONTINUE TO GROW UP TOGETHER

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