# TDF INFRASTRUCTURE SAS GROUP

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# September 30, 2015

# Consolidated statement of comprehensive income,
# 6 months period ended September 30, 2015

| *In thousands euros* | *Notes* | Unaudited<br>Sept 2015<br>(6 months) | Restated<br>March 2015<br>(12 months) | Unaudited<br>Sept 2014<br>(6 months) |
|---|---|---|---|---|
| **Revenue** | *7.1* | **350 587** | **742 978** | **369 232** |
| Other income | *7.2* | 700 | 16 279 | 1 217 |
| Consumed purchases | *7.3* | (30 909) | (67 673) | (30 252) |
| Personnel costs | *7.4* | (75 642) | (162 407) | (81 769) |
| External expenses | *7.5* | (60 659) | (132 818) | (64 906) |
| Profit/loss on disposal of non-current operating assets | *7.6* | 2 826 | 1 463 | 332 |
| Other expenses | *7.2* | (5 803) | (22 217) | (5 549) |
| **EBITDA** | | **181 100** | **375 605** | **188 305** |
| Depreciation, amortisation and impairment losses | *7.7* | (83 754) | (190 175) | (85 754) |
| **Current Operating Income** | | **97 346** | **185 430** | **102 551** |
| Impairment of goodwill & intangible assets identified in business combinations | *7.7/8.1/8.2* | | (4 897) | |
| Other operating income | *7.8* | 323 | 7 299 | 1 612 |
| Other operating charges | *7.8* | (27 834) | (3 261) | (3 892) |
| Share of net profits (losses) of associates | *13* | (970) | (6 738) | (749) |
| **Operating Income (Loss)** | | **68 865** | **177 833** | **99 522** |
| Income from cash and cash equivalents | | 64 | 385 | 222 |
| Gross finance costs | | (53 623) | (257 182) | (115 104) |
| **Net finance costs** | *7.9* | **(53 559)** | **(256 797)** | **(114 882)** |
| Other financial income / charges | *7.9* | (883) | 327 | (61) |
| Income tax | *7.10* | (26 801) | (50 393) | (32 089) |
| **Net income (loss) from continuing operations** | | **(12 378)** | **(129 030)** | **(47 510)** |
| Net income (loss) from discontinued operations | *6* | | (264 239) | (241 062) |
| **NET INCOME (LOSS) FOR THE PERIOD** | | **(12 378)** | **(393 269)** | **(288 572)** |
| **Other comprehensive income** | | | | |
| Currency translation differences | | 120 | 1 000 | 1 292 |
| Cash flow hedge | | | 69 727 | 16 106 |
| Actuarial gains (losses) | | 6 | (12 303) | (2 034) |
| Fair value of available for sale assets | | 33 | 809 | |
| Income tax on other comprehensive income | | | (21 477) | (5 626) |
| **Income and expenses recognized directly in equity** | *7.9/7.10* | **159** | **37 756** | **9 738** |
| **TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD** | | **(12 219)** | **(355 513)** | **(278 834)** |

| | | | | |
|---|---|---|---|---|
| **Net income (loss) for the period attributable to** | | | | |
| Owners of the company | | (13 623) | (395 014) | (282 897) |
| Non controlling interests | | 1 245 | 1 745 | (5 675) |
| **Total comprehensive income (loss) for the period attributable to** | | | | |
| Owners of the company | | (13 464) | (357 170) | (273 152) |
| Non controlling interests | | 1 245 | 1 658 | (5 682) |

| | | | | |
|---|---|---|---|---|
| **Earnings per share** | | | | |
| Basic (in euros) | | (1,24) | (0,05) | (0,17) |
| **Earnings per share - continuing operations** | | | | |
| Basic (in euros) | | (1,24) | (0,02) | (0,03) |

In accordance with IFRS 5, September 2014 and March 2015 results disclosed are restated from discontinued operations (German operations of the group, see the note 6.1), for which incomes and expenses have been reclassified on the line “Net income (loss) from discontinued operations”.

However, please note that income and expenses related to assets held for sales and disposed entities (notably Hungarian entities and MCR) are not reclassified, since these assets and subsidiaries are not material enough to be qualified as “discontinued operations” according to IFRS 5. Their contributions to the Group comprehensive income are detailed in the note 6.2.

September 2014 and March 2015 figures are restated from the impacts related to the application of IFRIC 21 (see note 1).

## Consolidated balance sheet as of September 30, 2015

| *In thousands euros* | *Notes* | Unaudited Sept 2015 | Restated March 2015 | Unaudited Sept 2014 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Goodwill | *8.1* | 1 623 871 | 1 622 087 | 1 633 468 |
| Intangible assets | *8.2* | 173 328 | 184 835 | 209 665 |
| Property, plant and equipment | *8.3* | 1 252 186 | 1 268 957 | 1 268 233 |
| Shares in associates | *13* | 2 310 | 3 280 | 9 259 |
| Financial assets available for sale | *8.4* | 548 | 233 | 777 |
| Other non-current assets | *8.4* | 12 154 | 19 093 | 18 307 |
| Derivative financial instruments | *9.2* | | | |
| Deferred tax assets | | 254 | 282 | 545 |
| **TOTAL NON-CURRENT ASSETS** | | **3 064 651** | **3 098 767** | **3 140 254** |
| **Current assets** | | | | |
| Inventories | | 4 245 | 3 902 | 10 674 |
| Trade receivables | | 150 408 | 210 425 | 130 993 |
| Other current assets | *8.4* | 73 861 | 70 451 | 64 531 |
| Derivative financial instruments | *9.2* | | | |
| Cash and cash equivalents | | 99 844 | 67 899 | 208 752 |
| Assets held for sale and discontinued operations | *6* | 11 060 | 11 233 | 479 050 |
| **TOTAL CURRENT ASSETS** | | **339 418** | **363 910** | **894 000** |
| **TOTAL ASSETS** | | **3 404 069** | **3 462 677** | **4 034 254** |

| *In thousands euros* | *Notes* | Unaudited Sept 2015 | Restated March 2015 | Unaudited Sept 2014 |
|---|---|---|---|---|
| Share capital | | 300 000 | 749 979 | 165 819 |
| Additional paid-in capital | | 1 116 703 | 1 511 157 | 1 511 157 |
| Reserves | | (1 250 398) | (2 516 568) | (2 544 864) |
| Cash flow hedging reserves | | 594 | 466 | 739 |
| Net income (loss) of the year - attributable to owners of the company | | (13 623) | (395 014) | (282 897) |
| Non-controlling interests | | 16 167 | 16 193 | 3 621 |
| **TOTAL EQUITY** | | **169 443** | **(633 787)** | **(1 146 425)** |
| **Non-current liabilities** | | | | |
| Financial debt | *9.1* | 2 460 059 | 2 413 548 | 3 567 424 |
| Provisions | *9.4* | 83 258 | 56 406 | 47 887 |
| Deferred tax liabilities | *0* | 304 513 | 320 661 | 328 597 |
| Other non-current liabilities | *9.5* | 33 753 | 41 451 | 43 204 |
| Accrued interest | | 224 | 216 | 908 |
| Derivative financial instruments | *9.2* | | | 12 109 |
| **TOTAL NON-CURRENT LIABILITIES** | | **2 881 807** | **2 832 282** | **4 000 129** |
| **Current liabilities** | | | | |
| Financial debt | *9.1* | 9 040 | 847 634 | 576 144 |
| Provisions | *9.4* | 41 462 | 45 320 | 50 923 |
| Trade payables | *9.5* | 115 642 | 118 338 | 105 933 |
| Tax and social liabilities | *9.5* | 106 366 | 137 945 | 108 203 |
| Other current liabilities | *9.5* | 78 036 | 111 547 | 76 926 |
| Bank overdrafts | | 417 | 1 425 | 1 331 |
| Accrued interest | | | 200 | 15 438 |
| Derivative financial instruments | *9.2* | 44 | | 42 342 |
| Lliabilities held for sale and discontinued operations | *6* | 1 812 | 1 773 | 203 310 |
| **TOTAL CURRENT LIABILITIES** | | **352 819** | **1 264 182** | **1 180 550** |
| **TOTAL EQUITY AND LIABILITIES** | | **3 404 069** | **3 462 677** | **4 034 254** |

NB: assets and liabilities of German entities, which were sold on March 2015, are reclassified in the lines "Assets and liabilities held for sale and discontinued operations" as of September 2014, according to IFRS 5. Please refer to note 6.1.

September 2014 and March 2015 figures are restated from the impacts related to the application of IFRIC 21 (see note 1).

# Consolidated statement of cash flows
# 6 months period ended September 30, 2015

| *In thousands euros* | *Notes* | Unaudited Sept 2015 (6 months) | Restated March 2015 (12 months) | Unaudited Sept 2014 (6 months) |
|---|---|---|---|---|
| **Net income (loss) from continuing operations** | | **(12 378)** | **(129 030)** | **(47 510)** |
| **Non-cash items and other adjustments** | | | | |
| Depreciation, amortisation and impairment | | 83 754 | 195 069 | 85 754 |
| Change in provisions and non-cash expenses | | 27 804 | (10 562) | 11 053 |
| Gain (loss) on disposal of non-current assets | | (2 797) | (9 209) | (8 145) |
| Total income tax | | 26 801 | 50 393 | 32 089 |
| Finance income and expenses | | 48 886 | 269 505 | 113 537 |
| **Cash generated from operating activities before changes in working capital** | *10.1* | **172 070** | **366 166** | **186 778** |
| Current income tax expense | | (42 923) | (83 696) | (41 346) |
| Changes in income tax receivables, liabilities and provisions | | (2 862) | (8 428) | (7 184) |
| **Income tax paid** | | **(45 785)** | **(92 124)** | **(48 530)** |
| Change in inventories, accounts receivable & accounts payable | *10.2* | 23 773 | (10 515) | 28 829 |
| Change in other receivables and payables | | (24 427) | 21 803 | (8 331) |
| **Change in working capital** | | **(654)** | **11 288** | **20 498** |
| **Net cash from operating activities** | | **125 631** | **285 330** | **158 746** |
| Acquisitions of non-current operating assets | | (55 182) | (136 017) | (66 168) |
| Proceeds from disposal of non-current operating assets | | 3 894 | 2 102 | 381 |
| Dividends from non consolidated companies | | | | |
| Acquisition of controlling interests, net of cash & cash equivalents acquired | | (1 018) | | |
| Net proceeds from disposals of subsidiaries formely controlled | | (11 319) | 192 190 | 179 027 |
| Change in other financial assets | | 5 207 | (4 623) | 133 |
| **Net cash used in investing activities** | *10.3* | **(58 418)** | **53 652** | **113 373** |
| Dividends paid to non-controlling interests | | (1 271) | (1 272) | (980) |
| Proceeds from new loans | | 6 956 | 3 373 003 | 37 816 |
| Loan repayments | | (32 325) | (3 837 096) | (201 544) |
| Fees related to the refinancing | | (1 622) | (15 020) | (91) |
| Balancing payment received on financial instruments | | | (34 538) | (1 491) |
| Revenue from cash and cash equivalents | | 64 | 385 | 222 |
| Finance costs (including financial lease) | | (6 122) | (169 931) | (87 562) |
| Change in accrued interest | | 58 | (29 558) | (2 006) |
| Changes of interest in controlled entities | | | 0 | |
| **Net cash used in financing activities** | *10.4* | **(34 262)** | **(714 027)** | **(255 636)** |
| Effect of exchange rate changes on cash | | 174 | 166 | (87) |
| **NET CASH FROM (USED IN) CONTINUING ACTIVITIES** | | **33 125** | **(374 879)** | **16 396** |
| **Net cash from discontinued activities and entities disposed of** | *10.5* | | **259 619** | **17 015** |
| **Net change in cash and cash equivalents** | | **33 125** | **(115 260)** | **33 411** |
| **Opening cash & cash equivalents** | | **66 518** | **181 778** | **181 778** |
| **Closing cash & cash equivalents** | | **99 643** | **66 518** | **215 189** |

In accordance with IFRS 5, September 2014 and March 2015 cash flows disclosed are restated from cash flows from discontinued operations (German operations of the group, see the note 6.1).
Cash flows from entities sold but which are not qualified as "discontinued operations" under IFRS 5 (Hungarian entities and MCR) remain included in the Group's cash flows statement. Their contributive figures are detailed in the note 6.2.
September 2014 and March 2015 figures are restated from the impacts related IFRIC 21 (see note 1).

Opening and closing cash & cash equivalents include cash & cash equivalents from discontinued or held for sale activities:

| *In thousands euros* | Sept 2015 | March 2015 | Sept 2014 |
|---|---|---|---|
| Cash and cash equivalent of continuing activities | 99 427 | 66 474 | 207 421 |
| Cash and cash equivalent of discontinued or held for sale activities | 216 | 44 | 7 768 |
| | **99 643** | **66 518** | **215 189** |

## Consolidated statement of changes in equity

| *In thousands euros* | Number of outstanding shares | Attributable to owners of the company | | | | | | | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Additional paid-in capital | Currency translation reserve | Cash flow hedging reserves | Other reserves | Other reserves and Retained earnings | Total | | |
| **31 March 2014 (published)** | 1 658 189 195 | **165 819** | **1 511 157** | **(31 585)** | **(44 187)** | | **(2 476 828)** | **(875 624)** | **13 850** | **(861 774)** |
| **31 March 2014 (restated *)** | 1 658 189 195 | **165 819** | **1 511 157** | **(31 585)** | **(44 187)** | | **(2 481 643)** | **(880 439)** | **13 850** | **(866 589)** |
| Consolidated net income | | | | | | | (282 897) | (282 897) | (5 675) | **(288 572)** |
| Other comprehensive income | | | | 1 265 | 9 839 | | (1 359) | 9 745 | (8) | **9 737** |
| **Total comprehensive income** | | | | **(30 320)** | **(34 348)** | | **(2 765 899)** | **(1 153 591)** | **8 167** | **(1 145 424)** |
| Dividends paid | | | | | | | | 0 | (980) | **(980)** |
| Share capital increase | | | | | | | | 0 | | **0** |
| Share-based payments | | | | | | | | 0 | | **0** |
| Changes of interest in controlled entities and changes in consolidation scope | | | | 31 059 | | | (27 514) | 3 545 | (3 566) | **(21)** |
| **30 September 2014 (unaudited)** | 1 658 189 195 | **165 819** | **1 511 157** | **739** | **(34 348)** | **0** | **(2 793 413)** | **(1 150 046)** | **3 621** | **(1 146 425)** |
| | | | | | | | | | | |
| **31 March 2015 (published)** | 7 499 793 152 | **749 979** | **1 511 157** | **466** | **0** | | **(2 906 694)** | **(645 092)** | **16 193** | **(628 899)** |
| **31 March 2015 (restated *)** | 7 499 793 152 | **749 979** | **1 511 157** | **466** | **0** | | **(2 911 582)** | **(649 980)** | **16 193** | **(633 787)** |
| Consolidated net income | | | | | | | (13 623) | (13 623) | 1 245 | **(12 378)** |
| Other comprehensive income | | | | 120 | | | 39 | 159 | | **159** |
| **Total comprehensive income** | | | | **586** | **0** | **0** | **(2 925 166)** | **(663 444)** | **17 438** | **(646 006)** |
| Dividends paid | | | | | | | | 0 | (1 271) | **(1 271)** |
| Share capital increase | -7 489 793 152 | (449 979) | (394 454) | | | | 1 661 153 | 816 720 | | **816 720** |
| Share-based payments | | | | | | | | 0 | | **0** |
| Changes of interest in controlled entities and changes in consolidation scope | | | | | | 0 | | 0 | | **0** |
| **30 September 2015 (unaudited)** | 10 000 000 | **300 000** | **1 116 703** | **586** | **0** | **0** | **(1 264 013)** | **153 276** | **16 167** | **169 443** |

***** « Restated » March 2014 and March 2015 include the impacts related to the application of IFRIC 21 (see note 1).

Until May 30, 2014, the currency translation reserve mainly reflected changes in the Hungarian forint exchange rate. The impact of changes in consolidation scope on this reserve corresponds to the disposal of Hungarian entities.
On March 31, 2015, TDF Infrastructure Holding SAS subscribed for a €584.2m TDF Infrastructure SAS new share issue, which was paid by offset against a loan owed by TDF Infrastructure Holding SAS.
Increases and decreases of share capital as of September 30, 2015 are explained in note 1.

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# 1. Highlights of the period

**Signed agreement - employee-related measures to support early leaves**

On December 17, 2014, TDF SAS management has presented to the workers councils the strategic directions of the company. On April 16, 2015, a process was initiated in order to inform and consult the Works council, so as to present the consequences of these strategic directions on employment and to start the negotiations concerning employee-related measures to be taken to support the leaves necessary to adjust the workforce (stabilized workforce between 1220 and 1260 employees of TDF SAS to be reached in December 2017). An agreement was signed on July 23, 2015. As of today, the best estimate of costs to be incurred for these employee-related measures to support early leaves is €27.6m. A provision for employee-related measures has been recognized over the period. Given the significant and unusual nature of these measures and costs, the expense will be recognized in non-current other operating charges (outside EBITDA).

**TDF Infrastructure SAS transactions on capital**

On April 10, 2015, three operations occurred on the capital of TDF Infrastructure SAS:

- Statutory retained earnings were partly reclassified against share premium (additional paid-in capital) for an amount of € 1,511,157 thousand, bringing the amount of the share premium account (in equity) to zero,
- a share capital reduction of the Company was made for an amount of €149,996 thousand, with counterpart retained earnings, bringing the total share capital to €599,983 thousand,
- an increase of share capital for €272,240 thousand (combined with a share premium for €544,480 thousand), fully subscribed by TDF Infrastructure Holding and entirely released by offsetting a loan owned by TDF (i.e. €815m of shareholder loan plus its accrued interests for €1 719m as of April 10th 2015 were capitalized, see also notes 4.3 and 9.1). The share capital then amounts to €872,223 thousand.

Also, on July 10, 2015, it was decided:

- to decrease the share capital of €572,223 thousand, to bring it from €872,223 thousand to €300,000 thousand through a reduction of the nominal value of the shares ;
- to allocate this decrease to a non-distributable share premium account.

The final completion of this share capital decrease was recognized on September 2, 2015.

Thus, after these steps described above:

- the share capital of TDF Infrastructure SAS increases from €749,979 thousand to €300,000 thousand,
- the share premiums (additional paid-in capital) decrease from €1,511,157 thousand to €1,116,703 thousand,
- the Group's debt (including accrued interest) decreases by €816,720 thousand.

Finally, on May 29, 2015, in order to simplify the capital structure of TDF SAS Infrastructure, the preference shares categories A1, A2 and B were converted into ordinary shares on the basis of a conversion ratio of one ordinary share for one preference share. Then the ordinary shares were consolidated by exchange of all existing ordinary shares against 10.000.000 new ordinary shares.

**TDF Infrastructure SAS direct and indirect shareholders**

On April 10, 2015, TDF Infrastructure Holding SAS has acquired all the shares of TDF Infrastructure SAS (ordinary shares, preference shares, ABSA, BSA) that were owned by Tivana France Holdings, Tower Associés SAS, Tower Associés 2 SAS and Colisée Management SAS, so that as of April 10, 2015, TDF Infrastructure SAS has only one shareholder (which is TDF Infrastructure Holding SAS).

TDF Infrastructure Holding SAS is 100% owned by the French company Tivana France Holdings SAS since March 31st 2015, which is itself directly or indirectly owned by the following shareholders (slight change during the period with the incoming of Predica):

| Indirect holding at | Unaudited Sept 2015 | March 2015 |
|---|---|---|
| Brookfield Infrastructure Group | 45,00% | 50,00% |
| Public Sector Pension Investment Board (PSP Investments) | 22,50% | 25,00% |
| APG Asset Management N.V. | 22,50% | 25,00% |
| Prévoyance Dialogue du Crédit Agricole – Predica SA | 10,00% | |
| **Total** | **100,00%** | **100,00%** |

**Acquisition of the company AD Valem Technologies**

In September 2015, TDF SAS acquired the company AD Valem Technologies. Created in 2008, it designs, displays and operates a unique live TV broadcast technology. Thanks to the combination of optical fiber and satellite, AD Valem Technologies provides to TV channels reliable and flexible connectivity solutions in order to ensure the event broadcasting. AD Valem Technologies services rely on an infrastructure consisting on an optical network, 2 teleports, and hybrid fiber/satellite vehicles for the broadcast of images on both transport channels. More than 60 stadiums, as well as other major transmitting places are already connected to the high speed network.
This entity 100% owned by TDF SAS is fully consolidated in TDF Infrastructure SAS financial consolidated statements.

**IFRIC 21 application from April 1, 2015**

For the first time, the Group applies IFRIC 21 "Levies charged by Public Authorities", effective for annual periods beginning on or after January 1, 2015. September 2014 and March 2015 figures presented in these financial statements are retrospectively restated.

Applying IFRIC 21 brings forth the immediate recognition of some levies which falls within the scope of the standard, the full charge of the year being recognized as soon as the obligating event as defined in the fiscal law occurs. Property tax, IFER and C3S tax (tax on revenues), which expenses were spread over the year, are now fully recognized on 1$^{st}$ January.

At March 31, 2015, on a full year, the impacts of this interpretation:
- had no significant effect on the income statement or on the Group's cash flow,
- led to an increase of tax and social liabilities of €7.4m and a decrease of deferred tax of €2.5m.

At September 2015 and 2014, IFRIC 21 application resulted in expenses decrease (the above 3 charges being fully recognized on the 1$^{st}$ January, while the Group financial year is from 1 April to 31 March):
- €6.0m decrease of taxes charges as of September 30, 2015,
- €5.9m decrease of taxes charges as of September 30, 2014 (please see note 7.2).

**Change of annual closing date**

The Group changes its annual closing date and will close its financial statements at December 31 (previously March 31). The current financial year will therefore last 9 months.

## 2. General presentation

The Group's consolidation head company, TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS), is a "société par actions simplifies" (simplified joint stock company) with registered office at 106, avenue Marx Dormoy, 92 120 Montrouge.

As a partner to television, radio, telecommunication operators and local government, the Group provides know-how in audiovisual services (TV and radio digital broadcasting, radio FM broadcasting), in telecommunications (design, deployment, maintenance and management of 2G, 3G and 4G telecommunication networks, ultra high speed connection, roof top site hosting, datacenters and hosting of broadcasting and reception equipment on proprietary), management and broadcast of multimedia contents to all fixed and mobile devices. To these ends, the Group draws upon its recognized expertise and over 10 100 terrestrial broadcasting sites mainly in France. The Group focuses on developing new digital solutions: connected Digital TV, catch-up TV, ultra high definition television etc.

The Group operates in markets characterized by sweeping changes in both technology and regulations (for example, some businesses are subject to pricing constraints imposed by local regulatory authorities).

### 2.1 Presentation of the financial statements

The main performance indicators used by the Group are:

**EBITDA** (earnings before interest, taxes, depreciation and amortization), which is equivalent to current operating income before depreciation, amortization and impairment of assets.

**Current operating income**, which is equivalent to operating income before:

- Any impairment of goodwill,
- "Other operating income" and "other operating expenses", which may include,
    - Material and unusual gains or losses on sale and/or impairment of non-current tangible and intangible assets ;
    - Certain restructuring charges: this concerns only restructuring costs that would be likely, due to their unusual nature and their significance, to misstate current operating income ;
    - Gains or losses on sale of subsidiaries net of selling costs, liquidation costs and acquisition costs of subsidiaries ;
    - Other operating income and expenses, such as a provision for material litigation, changes in provisions for dismantling affecting income and related to changes in calculation assumptions.

# 3. Basis of preparation

## 3.1 Statement of compliance

The TDF Infrastructure Group condensed consolidated financial statements, for the 6 months ended September 30, 2015, have been prepared in accordance with IAS34 – Interim financial reporting. As condensed financial statements, they include selected explanatory notes and should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2015.
IFRS can be downloaded from the following website:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The condensed consolidated financial statements at September 30, 2015 are unaudited and were prepared under the supervision of the management of the Group, and faithfully reflect the results for the periods in accordance with IFRS.

The condensed consolidated financial statements at September 30, 2015 were approved by the Chairman of TDF Infrastructure SAS on November 25, 2015.

## 3.2 Functional and presentation currency

The consolidated financial statements are stated in thousands of euros, which is the presentation and functional currency of the Group's consolidation head company.

## 3.3 Basis of measurement

TDF Infrastructure SAS consolidated financial statements have been drawn up on the historical cost basis, except for the following items that are recognized at fair value: financial instruments held for trading, available-for-sale financial instruments and liabilities arising from cash-settled share-based transactions.

## 3.4 Judgments and estimates

In the process of drawing up the consolidated financial statements, the measurement of certain balance sheet items requires the use of assumptions, estimates or assessments. This is notably the case with tangible, intangible and financial assets, provisions, recognition of revenue, impairment tests and the valuation of financial instruments. These assumptions, estimates and assessments are made on the basis of information available or situations existing at the time the financial statements are drawn up, and may subsequently turn out different from future conditions.

At each closing date, the group identifies the assets for which a disposal has been initiated and assesses if the sale is highly probable as required by IFRS 5.
IFRS 5 states that an entity shall classify a non-current asset (or disposal group) as held for sale if its book value will be recovered principally through a sale transaction rather than through continuing use. For the sale to be highly probable the asset (or disposal group held for sale) must be available for immediate sale in its present condition and management must be committed to the sale.
In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. In this case the non-current asset (or disposal group) is valued at the lower of its carrying value and fair value less costs to sell.

Most Group entities have multi-year agreements with large customers. During the term of the agreements and upon expiry and/or renewal, discussions take place between those entities and their customers over the conditions, particularly financial, that have applied to these agreements. In view of this, where applicable, the entities record in their books the expected benefits and obligations under the agreements, including their best estimate of the effect of consequences deriving from the terms thereof. These estimates are uncertain by nature, and the final results may prove significantly different from estimates made at the date of preparation of the financial statements.

The group is not subject to significant seasonal fluctuations.

## 3.1 Error corrections

No error correction has been accounted for during the periods disclosed.

### 3.2 Standards and interpretations in force

The accounting principles used are unchanged compared to those used in the preparation of the annual consolidated financial statements for the year ended March 31, 2015, except for the application of new standards, amendments to standards and interpretations as adopted by the European Union that are required to be applied for financial years starting on or after January 1, 2015, as it happens IFRIC 21 "Levies charged by Public Authorities". IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government that is accounted for in accordance with IAS 37.

Applying this interpretation brings forth the immediate recognition of some levies, the full charge of the year being recognized as soon as the obligating event as defined in the fiscal law occurs (see note 1 concerning the impacts on consolidated financial statements).

### 3.3 Impairment tests

For interim financial statements, unless any impairment loss indicator is identified, no impairment test on goodwill, on intangible assets with an indefinite useful life, and on other tangible and intangible assets, is performed.

### 3.4 Income tax

The measurement of the interim income tax expense is calculated by applying pre-tax profit for the period to the effective annual forecasted income tax rate (see note 7.10). The forecasted effective tax rate is calculated excluding any impacts of disposal of subsidiary or activity and in particular excluding any impairment of goodwill if it's not subject to tax.

### 3.5 Exchange rates used for the period

The following functional currencies rates were the one used in the Group are:

| | Unaudited | | | Unaudited |
|---|---|---|---|---|
| | Average | Closing | Opening | Average N-1 |
| **Polish zloty** | 0,241740 | 0,238857 | 0,244774 | 0,239744 |
| **US dollar** | 0,902032 | 0,888889 | 0,929454 | 0,741721 |
| **Hungarian forint*** | NA | NA | 3,302401 | 3,268269 |
| **Danish krone** | 0,134010 | 0,134034 | 0,133874 | 0,134093 |
| **Norwegian krone** | 0,113132 | 0,108454 | 0,114896 | 0,121367 |
| **Swedisk krone** | 0,106784 | 0,107181 | 0,107641 | 0,109554 |

** Figures are reported by Hungarian subsidiaries in millions of forint; average and closing rates correspond to rates at the end of May 2014, when the Hungarian entities were sold.*

## 4. Financial risk management

### 4.1 Credit risk

The total carrying value of financial assets takes account of the maximum exposure to credit risk.

***Trade receivables***

For some major TV, Radio and Telecom customers, sales invoices are issued in advance in compliance with contractual terms. The income effect of such receivables is adjusted by cut-off journal entries (deferred income, invoices to be issued, etc.) so as to correctly allocate income to each period.
Trade receivables are subject to provisions for impairment depending on the risks incurred and on ageing.

***Short–term investments***

TDF Infrastructure Group places its cash with first class banking institutions, the objective being to generate a secure, as opposed to a speculative, return. Cash is invested in euro-denominated money market UCITS and in term deposits with a maturity of under 3 months.

### 4.2 Market risk

#### *A. Management of interest rate risk*

Exposure to the Group's interest rate risk can be analyzed below:

| In thousands euros | Unaudited Sept 2015 Outstanding | Unaudited Sept 2015 % of the debt | March 2015 Outstanding | March 2015 % of the debt |
|---|---|---|---|---|
| Fixed interest rate debt | 1 073 715 | 43,5% | 1 845 902 | 56,6% |
| Variable interest rate debt | 1 395 384 | 56,5% | 1 415 280 | 43,4% |
| **Total before hedging** | **2 469 099** | **100,0%** | **3 261 182** | **100,0%** |
| Fixed interest rate debt | 1 073 715 | 43,5% | 1 845 902 | 56,6% |
| Variable interest rate | 1 395 384 | 56,5% | 1 415 280 | 43,4% |
| **Total after hedging** | **2 469 099** | **100,0%** | **3 261 182** | **100,0%** |

At the closing date, the group notably bears:
- €1 063.6m of debt with fixed interest rate towards its direct and indirect shareholders ;
- €1 430.0m of debt with variable interest rate (excluding loan issuance costs) on the new bank agreement which is for now not hedged by derivative financial instruments.

See also note 15 regarding subsequent event, a bond of €600m was issued on October 19, 2015.

***Sensitivity analysis of cash flows for variable rate instruments***

No variable rate instrument is owned by the Group, neither at September 30, 2015 nor at March 31, 2015.

#### *B. Exchange risk*

The Group's functional currency is euro. The Group has little exposure to exchange rate fluctuations in other currencies.

### 4.3 Liquidity risk

To ensure liquidity, the Group has available resources of €349.5m (€287.8m as of March 31, 2015):
- Cash and cash equivalents of €99.5m as of September 30, 2015 (€67.8m as of March 31, 2015);
- A Revolving Credit Facility usable for an amount of €250.0m negotiated under the new bank agreement signed on March 31, 2015 for use mainly by TDF Infrastructure SAS to cover its own needs and those of its subsidiaries in respect of acquisitions, capital expenditure and working capital.
  This line is not used as of September 30, 2015 (€30m as of March 31, 2015).

Contractual maturities of financial debt break down as follows (including interest payments):

| In thousands euros | Sept 2015 Book value | Sept 2015 Cash flow | Unaudited Maturities < 1 year | Unaudited Maturities 1 to 5 years | Unaudited Maturities > 5 years |
|---|---|---|---|---|---|
| **Non-derivative financial instruments** | | | | | |
| Financial debts - Nominal | 2 479 739 | 2 479 739 | 9 040 | 1 405 877 | 1 064 822 |
| Loan issue expenses | (10 640) | | | | |
| Financial interest | | 1 202 325 | 14 233 | 55 501 | 1 132 591 |
| Trade payables | 115 642 | 115 642 | 115 642 | | |
| **Total financial liabilities** | **2 584 741** | **3 797 706** | **138 915** | **1 461 378** | **2 197 413** |

| *In thousands euros* | March 2015 | | Maturities | | |
|---|---|---|---|---|---|
| | **Book value** | **Cash flow** | **< 1 year** | **1 to 5 years** | **> 5 years** |
| **Non-derivative financial instruments** | | | | | |
| Financial debts - Nominal | 3 276 040 | 2 461 040 | 32 634 | 1 404 708 | 1 023 698 |
| Loan issue expenses | (14 858) | | | | |
| Financial interest | | 1 249 842 | 12 916 | 62 690 | 1 174 236 |
| Trade payables | 118 338 | 118 338 | 118 338 | | |
| **Total financial liabilities** | **3 379 520** | **3 829 220** | **163 888** | **1 467 398** | **2 197 934** |

By prudence, maturities on financial debts correspond to contractual maturities, without presuming any early repayments.

As of September 30, 2015 we have:

- The shareholder debt, towards Tivana France Holdings for €1 063.6m, with a fixed rate interests of 7.7% and a maturity of 10 years that is to say March 31, 2025 (the borrower has an extension option):
- The debt towards TDF Infrastructure Holding of €815m at March 31 2015 was entirely capitalized on April 10, 2015 (against share capital and share premium, see note 1);
- The senior debt of € 1 400m , with variable interest rates, breaks down as follows:
  - A term debt tranche of € 700m for which contractual maturity is November 6, 2017,
  - A term debt tranche of € 700m for which contractual maturity is November 6, 2019.

Please note that the first tranche of €700m has been partially repaid for €593.0m following the bond issuance of €600.0m on October 19, 2015 (refer to note 15 related to subsequent event).

Regarding the €815m capitalized on April 10, 2015, and the €1.7m of related interests also capitalized (see the note 1), these amounts are included in the column "Book value" but not in the columns "Cash flow" in March 2015.
Except for this loan, financial expenses are calculated up to the contractual maturity of the liabilities to which they relate.
For debts with variable interest rates, interest rates used are the forward rates prevailing at the reporting date.
Concerning the shareholder loan of €1063.6m towards Tivana France Holdings, quarterly interests on that debt are capitalized, or can be paid if TDF Infrastructure SAS determines it, so in the disclosures of the table above it is considered that all interests are capitalized and reimbursed in the end on March 31, 2025.

### 4.4 Bank agreements

In September 30, 2015, like March 31, 2015, the TDF Infrastructure SAS Group has a bank financing agreement, which was implemented following the change of shareholders on March 31, 2015, called "Facilities Agreement". The Group’s former bank agreement was completely terminated as of March 31, 2015.

This bank agreement notably includes:

- the definition of a financial ratio (“Covenant”), that the group has to comply with at various defined periods (see below) ;
- the indexation of the cost of the debt, through the fact that the margins applied to some tranches are set up depending on the Group's rating as determined by rating agencies (the rating can be public or private), and the fact that margins also depends on the aging of the debts (increasing margins over time), see the note 10.3 for details ;
- a floor Euribor rate of 0%, so that the global interest rate (margin + Euribor) paid by TDF Infrastructure SAS will never be lower than the applicable margin ;
- the application of anticipated repayments under certain conditions (notably in case of a change of control, IPO, in case of certain conditions of excess cash flow, or bond issuance) ;
- restrictive conditions (subject to exceptions included in the facility agreement) limiting the possibility for Group companies to perform certain transactions.

The bank agreement includes a leverage ratio covenant to respect (consolidated net debt/consolidated EBITDA).
Some adjustments, defined in the bank agreement, are applied to the consolidated aggregates for the ratio calculation.

This covenant is calculated and communicated to the lenders‘ agent twice a year, in June and December with respect to the change of annual closing date (see note 1). In addition, the December calculated covenant is audited.

The first time the Group complied with this obligation was in July 2015. The leverage ratio covenant at the end of June was met.

## 5. Operating segments

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Unaudited | | | | | |
| | | France | | Other Countries | | Total | |
| | *In thousands euros* | Sept 2015 | Sept 2014 | Sept 2015 | Sept 2014 | Sept 2015 | Sept 2014 |
| Net income | **Revenue** | 336 534 | 346 929 | 14 053 | 22 303 | **350 587** | **369 232** |
| | Intersegment revenue | 529 | (27) | 651 | 315 | 1 180 | 288 |
| | **EBITDA** | **178 833** | **183 130** | **2 267** | **5 175** | **181 100** | **188 305** |
| | Depreciation, amortisation and impairment losses | (82 398) | (79 908) | (1 356) | (5 846) | (83 754) | (85 754) |
| | **Current Operating Income** | **96 435** | **103 222** | **911** | **(671)** | **97 346** | **102 551** |
| | Impairment of goodwill & intangible assets identified in business combinations | | | | | | |
| | Other operating income and charges | (27 511) | (1 487) | | (793) | **(27 511)** | **(2 280)** |
| | Share of net profits (losses) of associates | (970) | (749) | | | **(970)** | **(749)** |
| | **Operating Income (Loss)** | **67 954** | **100 986** | **911** | **(1 464)** | **68 865** | **99 522** |
| Flow | **Net cash from operating activities (a)** | **124 256** | **154 404** | **1 375** | **4 342** | **125 631** | **158 746** |
| | **Net operating capex or disposals (b)** | **(49 672)** | **(60 343)** | **(1 616)** | **(5 444)** | **(51 288)** | **(65 787)** |
| | **Operating cash available ((a) + (b))** | **74 584** | **94 061** | **(241)** | **(1 102)** | **74 343** | **92 959** |
| | **Financial investments** | **(7 137)** | **187 469** | **7** | **(8 309)** | **(7 130)** | **179 160** |
| | **Net cash from (used in) financing activities** | **(34 121)** | **(255 549)** | **(141)** | **(87)** | **(34 262)** | **(255 636)** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | France | | Other Countries | | Total | |
| | *En milliers d'euros* | **Unaudited** | **Restated** | **Unaudited** | **Restated** | **Unaudited** | **Restated** |
| | | Sept 2015 | March 2015 | Sept 2015 | March 2015 | Sept 2015 | March 2015 |
| Balance sheet | Goodwill | 1 614 620 | 1 604 923 | 9 251 | 17 164 | **1 623 871** | **1 622 087** |
| | Intangible assets - Property, plant and equipment | 1 410 970 | 1 439 500 | 14 544 | 14 292 | **1 425 514** | **1 453 792** |
| | Shares in associates | 2 310 | 3 280 | | | **2 310** | **3 280** |
| | Other non-current assets | 12 387 | 19 187 | 569 | 421 | **12 956** | **19 608** |
| | Current assets | 305 516 | 338 066 | 22 842 | 14 611 | **328 358** | **352 677** |
| | Intersegment net assets/liabilities | 3 753 | (6 811) | (3 753) | 6 811 | | |
| | Assets held for sales | 11 060 | 11 233 | | | **11 060** | **11 233** |
| | **TOTAL ASSETS** | | | | | **3 404 069** | **3 462 677** |
| | Equity - Owner of the company part | | | | | **153 276** | **(649 980)** |
| | Non-controlling interests | | | | | **16 167** | **16 193** |
| | Non-current liabilities | 2 881 764 | 2 832 228 | 43 | 54 | **2 881 807** | **2 832 282** |
| | Current liabilities | 343 809 | 1 252 980 | 7 198 | 9 429 | **351 007** | **1 262 409** |
| | Liabilities held for sales | 1 812 | 1 773 | | | **1 812** | **1 773** |
| | **TOTAL LIABILITIES** | | | | | **3 404 069** | **3 462 677** |
| | **Workforce (full-time average equivalent)** | **1 837** | **1 868** | **211** | **282** | **2 048** | **2 150** |

NB:
- Germany segment is a discontinued operation under IFRS 5: its incomes and expenses, and cash flows, are restated on a bottom line of the Group's comprehensive income and Cash Flow statement, for September 2014 and March 15 figures; this segment is not disclosed anymore.

- The segment Other countries partially includes Hungarian entities in September 2014 and March 2015 (2 months activity), and are qualified as assets held for sale under IFRS 5. Income, expenses and cash flows, remain included in the Group's comprehensive income and Cash Flow statement until their disposal (without being restated). They are detailed in the note 6.2 hereafter.

# 6. Discontinued operations, assets held for sale and disposed entities

## 6.1 Discontinued operations

German entities (MediaBroadcast sub-group) were disposed of on March 31, 2015. These entities were a business segment, a CGU and a major geographical area of operations in the group, so they are classified as discontinued operations in accordance with IFRS 5 as of March 31, 2015.

Thus, according to the standard:
- Income and expenses (contributive figures excluding intercos) of German entities have been reclassified on the line "Net income (loss) from discontinued operations" in the Group's comprehensive income statement in March 2015 and September 2014 for comparison requirements ;
- The net capital loss realized with the sale of these entities on March 31, 2015 (and its estimation at September 2014) is also reclassified on this line of the Group's comprehensive income ;
- In the same way, the Group's cash flow statement is disclosed after reclassification of cash flows from German entities, which are reclassified under the line " Net cash from discontinued activities" ;
- Finally, the assets and liabilities are no more consolidated in the Group's balance sheet at March 31, 2015 (entities sold) and at September 30, 2014 they are reclassified on the line "Assets/Liabilities held for sale and discontinued operations".

The detail of incomes and expenses reclassified under "Net income (loss) from discontinued operations" is presented below:

| *In thousands euros* | Unaudited<br>Sept 2014<br>(6 months) | March 2015<br>(12 months) |
|---|---|---|
| **Revenue** | **158 325** | **314 343** |
| Other income | 2 202 | 5 553 |
| Consumed purchases | (36 432) | (71 872) |
| External expenses | (32 845) | (67 216) |
| Personnel costs | (34 171) | (69 443) |
| Profit/loss on disposal of non-current operating assets | | 233 |
| Other expenses | (2 852) | (6 240) |
| **EBITDA** | **54 227** | **105 358** |
| Depreciation, amortisation and impairment losses | (39 190) | (91 464) |
| Impairment of goodwill & intangible assets identified in business combinations | | (11 211) |
| Other operating income and charges | (241 251) | (244 838) |
| **OPERATING INCOME (LOSS)** | **(226 214)** | **(242 155)** |
| Financial income and expenses | (6 156) | (12 178) |
| Income tax | (8 692) | (9 906) |
| **NET INCOME (LOSS) OF DISCONTINUED OPERATIONS** | **(241 062)** | **(264 239)** |

At March 31, 2015, other operating income and charges include:

- The net capital loss realized on the sale of German entities, that is to say a loss of € 340.0m. This loss includes a receivable write-off of € 25.2m, and disposal costs for € 0.4m (€ 0.6 m of costs had already been incurred in 2013/2014);
- An income of €104.2m corresponding to the agreement to sell rights to use the orbital position 28.5° signed by MediaBroadcast with SES Astra. This income corresponds to the following counterparts:
    - € 43.5m of cash received from SES Astra,
    - recognition of an asset of € 60.7m corresponding to the right of use granted by SES Astra for two transponders for a duration of 16 ½ years.

At September 30, 2014, other operating income and charges include:

- Impact of IFRS 5 impairment related to the estimated net capital loss for €340.0m,
- An income of €104.2m corresponding to the agreement to sell rights to use the orbital position 28.5° signed by MediaBroadcast with SES Astra,
- A net allocation for restructuring provision for €4.0m.

Details of the German entities' assets and liabilities included in the Group balance sheet are as follows:

| *In thousands euros* | **Unaudited**<br>**Sept 2014** |
|---|---|
| Goodwill | 32 465 |
| Fixed assets | 393 609 |
| Financial assets | 63 |
| Other non-current assets | 11 247 |
| Trade receivables | 33 198 |
| Other receivables | 700 |
| Cash and cash equivalents | 7 768 |
| **Assets from discontinued activities** | **479 050** |
| Provisions | 57 102 |
| Financial debts | 101 083 |
| Deferred tax liabilities | |
| Trade payables | 25 124 |
| Other payables | 20 001 |
| **Liabilities from discontinued activities** | **203 310** |

### 6.2 Assets held for sale and disposed entities

**Hungarian subsidiaries**

The effective disposal of the three Hungarian subsidiaries occurred on May 30, 2014. Incomes and expenses of these three Hungarian subsidiaries remain included in the Group's comprehensive income statement until the disposal date (2 months activity), because these entities are not material enough to be classified as discontinued activity according to IFRS 5.

Their contributions to the Group's comprehensive income statement and to the cash flows statement at September 30, 2014 and March 31, 2015 are the following:

| *In thousands euros* | Unaudited<br>Sept 2014<br>(2 months) | March 2015<br>(2 months) |
|---|---|---|
| **Revenue** | **8 821** | **8 821** |
| Other income | 13 | 13 |
| Consumed purchases | (1 177) | (1 177) |
| Personnel costs | (2 281) | (2 281) |
| External expenses | (1 556) | (1 556) |
| Profit/loss on disposal of non-current operating assets | 10 | 10 |
| Other expenses | (1 079) | (1 079) |
| **EBITDA** | **2 751** | **2 751** |
| Other operating income and expenses | (781) | (781) |
| Depreciation, amortisation and impairment losses | (2 700) | (2 700) |
| **OPERATING INCOME (LOSS)** | **(730)** | **(730)** |
| Other finance revenues / expenses | (562) | (562) |
| Income tax | 28 | 28 |
| **NET INCOME (LOSS) OF DISPOSED OPERATIONS** | **(1 264)** | **(1 264)** |
| **Net cash from operating activities of disposed operations** | **1 851** | **1 851** |

**MCR**

The Monaco subsidiary MCR also becomes qualified as asset held for sale since March 31, 2015 closing: indeed a decrease in ownership percentage bringing forth a loss of control is already signed, and will be effective on March 31, 2016.

Its assets and liabilities are reclassified at the bottom of the balance sheet but its incomes and expenses, as well as its cash flows, remain included in the Group's comprehensive income and cash flows statement.

The contributive figures are the following:

| *In thousands euros* | Unaudited<br>Sept 2015<br>(6 months) | Sept 2014<br>(6 Months) | March 2015<br>(12 Months) |
|---|---|---|---|
| **Revenue** | **2 719** | **2 811** | **5 694** |
| Other income | | 8 | 8 |
| Consumed purchases | (402) | (401) | (1 049) |
| Personnel costs | (379) | (380) | (859) |
| External expenses | (196) | (202) | (405) |
| Profit/loss on disposal of non-current operating assets | | | 3 |
| Other expenses | (53) | 2 | 168 |
| **EBITDA** | **1 689** | **1 838** | **3 560** |
| Other operating income and expenses | (18) | (1) | |
| Depreciation, amortisation and impairment losses | (104) | (101) | (207) |
| **OPERATING INCOME (LOSS)** | **1 567** | **1 736** | **3 353** |
| Other finance revenues / expenses | (2) | 4 | 3 |
| Income tax | (525) | (537) | (1 064) |
| **NET INCOME (LOSS) OF DISPOSED OPERATIONS** | **1 040** | **1 203** | **2 292** |
| **Net cash from operating activities of disposed operations** | **1 443** | **1 850** | **957** |

| *In thousands euros* | Unaudited Sept 2015 | March 2015 |
|---|---|---|
| Goodwill | 8 523 | 8 523 |
| Fixed assets | 1 180 | 1 263 |
| Inventories | | |
| Trade receivables | 863 | 1 014 |
| Other receivables | 177 | 288 |
| Deferred tax assets | 101 | 101 |
| Cash and cash equivalents | 216 | 44 |
| **Assets from held for sale activities** | **11 060** | **11 233** |
| Provisions | 963 | 940 |
| Financial debts | 34 | 34 |
| Accrued interest | | |
| Deferred tax liabilities | | |
| Trade payables | 202 | 211 |
| Other payables | 613 | 588 |
| **Liabilities from held for sale activities** | **1 812** | **1 773** |

In conclusion, assets and liabilities presented on the line "Assets held for sale and discontinued activities" and "Liabilities held for sale and discontinued activities" corresponds to:

- German entities in September 2014 ;
- MCR in September 2014 and March 2015.

# 7. Notes to the statement of comprehensive income

General comments:

- Incomes and charges of German entities, qualified as "discontinued operations" according to IFRS 5, are restated in September 2014 figures (see notes 6.1) ;
- Incomes and charges of Hungarian entities, disposed of on May 30, 2014 remain included in figures disclosed for September 2014 and March 2015 until their disposal date (see note 6.2) ;
- Incomes and charges of MCR, is included in figures for all the periods disclosed (see note 6.2) ;
- September 2015 and September 2014 figures are compliant with the application of the new amendment IFRIC 21 (see note 1).

## 7.1 Revenue

| | Unaudited | | | | |
|---|---|---|---|---|---|
| *In thousands euros* | **Sept 2015 (6 months)** | **Sept 2014 (6 Months)** | **Sept 2015 Proforma** | **Sept 2014 Proforma** | **Proforma variation** |
| Digital Television | 109 626 | 115 233 | 109 626 | 111 563 | -1,7% |
| Satellite | 817 | 1 792 | 817 | 825 | -1,0% |
| Radio | 66 549 | 69 846 | 66 549 | 67 911 | -2,0% |
| **Total Broadcasting Services** | **176 992** | **186 871** | **176 992** | **180 299** | **-1,8%** |
| Telecom: site hosting | 123 972 | 122 504 | 123 972 | 122 151 | 1,5% |
| Telecom: other services | 16 256 | 20 601 | 16 256 | 19 235 | -15,5% |
| **Total Telecoms & Services** | **140 228** | **143 105** | **140 228** | **141 386** | **-0,8%** |
| Media Services | 27 519 | 30 457 | 27 519 | 30 486 | -9,7% |
| Other | 5 848 | 8 799 | 5 848 | 8 125 | -28,0% |
| **Total revenue** | **350 587** | **369 232** | **350 587** | **360 296** | **-2,7%** |

NB:

- proforma figures correspond to revenues excluding contribution from German and Hungarian entities, and with constant exchange rates.

Half year proforma revenue decreased by 2.7% compared to last year:

- TV : 1,7% decrease (-€1.9m), mainly explained by the release of a credit note of €2.5m at September 30, 2014,
- Radio : 2.0% decrease in revenue, which is mostly related to the switch off of three medium wave sites in July 2015,
- Telecoms : revenue remains flat, in spite of various effects:
    - 1.5% growth in site hosting revenues in France, mainly driven by the roll-out of Free Mobile (deployment of 3G and 4G mobile operating networks on pylons and rooftops), partly offset by pricing effects on other clients,
    - 15,5% decrease in other services revenue in France, maintenance activities being impacted by the end of "Proma" maintenance contract with SFR and by the GSM-R project slowdown,
- Media Services : 9.7% decrease, mainly due to decrease in Content Delivery Network and Online Video Platform (OVP) activities,
- Other activities: 28% decrease, notably related to patents and licenses royalties' revenue which is below last year revenue, as patents gradually transfer to the public domain.

### 7.2 Other income and expenses (in current operating income)

| | Unaudited | |
|---|---|---|
| *In thousands euros* | **Sept 2015** | **Sept 2014** |
| **Other income** | **700** | **1 217** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

Other income and expenses mainly comprises insurance compensation, income from penalties received and operating grants received.

| | Unaudited | |
|---|---|---|
| *In thousands euros* | **Sept 2015** | **Sept 2014** |
| Business tax | (4 473) | (4 290) |
| Property tax | (26) | (94) |
| Other taxes | (1 073) | (919) |
| Provision on receivables - Prov. for risks and charges | 6 199 | 1 880 |
| Other operating expenses | (6 430) | (2 126) |
| **Other expenses** | **(5 803)** | **(5 549)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*
*September 2014 and 2015 figures are restated following the application of IFRIC 21 (see note 1)*

The line "Provision on receivables – Prov. For risks and charges" includes changes in provision for risks and charges and changes in provisions on trade receivable and other current assets. The reversals of provision for risks and charges correspond to conclusions reached concerning litigation already provisioned, and to successful negotiations for the Group.

In September 2015, « other operating expenses » is partially affected by the real expenses linked to litigations conclusions, the corresponding provisions reversals being booked via the line “Provisions”. The global impact is then quite neutral on the period.

### 7.3 Consumed purchases

| | Unaudited | |
|---|---|---|
| *In thousands euros* | **Sept 2015** | **Sept 2014** |
| Resold purchases | (12 121) | (12 148) |
| Energy and fuels | (19 003) | (17 265) |
| Other purchases including change in inventory | (3 069) | (6 256) |
| Capitalized purchases | 3 284 | 5 417 |
| **Consumed purchases** | **(30 909)** | **(30 252)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

### 7.4 Personnel costs

| *In thousands euros* | Unaudited Sept 2015 | Sept 2014 |
|---|---|---|
| Salaries & wages | (54 835) | (59 062) |
| Social security contributions | (17 843) | (18 612) |
| Tax contributions on salaries & wages | (1 810) | (2 688) |
| Statutory employee profit sharing | (5 009) | (3 817) |
| Post-employment benefits : defined benefit plans | (908) | (636) |
| Post-employment benefits : defined contributions | (6 127) | (6 246) |
| Share based payments | | |
| Other personnel costs | (4 080) | (3 092) |
| Capitalized personnel costs | 14 970 | 12 384 |
| **Total personnel costs** | **(75 642)** | **(81 769)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

Change in consolidation scope effect, related to the disposal of Hungarian entities, is a decrease of €2.3m on the total personnel costs, out of which €1.7m on Salaries & wages.
Excluding change in consolidation scope effects, Salaries & wages decrease by €2.5m.

Other personnel costs largely comprise contractual employee profit sharing, various staff expenses (workers' council, lunch contribution, Committees for Occupational Health and Safety etc.), and accruals for vacation and other employee costs.

### 7.5 External expenses

| *In thousands euros* | Unaudited Sept 2015 | Sept 2014 |
|---|---|---|
| Real estate | (18 337) | (18 919) |
| Technical subcontracting | (22 486) | (25 790) |
| Administrative subcontracting | (6 723) | (5 436) |
| Expenses linked to personnel | (7 217) | (8 143) |
| Surveys & consulting fees | (3 855) | (4 232) |
| External & internal communication costs | (836) | (1 256) |
| Corporate fees | (3) | 98 |
| Insurance | (1 202) | (1 228) |
| **External expenses** | **(60 659)** | **(64 906)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

The global change of €4.2m includes a decrease of €1.5m related to the disposal of Hungarian entities (consolidation scope effects).

### 7.6 Profit on disposal of non-current operating assets

At September 2014 and at September 2015, profit on disposals mainly corresponds to sales completed by TDF SAS.

### 7.7 Depreciation, amortization and impairment losses

| *In thousands euros* | Unaudited Sept 2015 | Sept 2014 |
|---|---|---|
| Amortisation of intangible assets | (19 631) | (23 948) |
| Depreciation of tangible assets | (64 683) | (62 379) |
| Write-back of investment subsidies | 560 | 573 |
| Impairment of intangible assets | | |
| Impairment of tangible assets | | |
| **Depreciation, amortisation and impairment losses** | **(83 754)** | **(85 754)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

### 7.8 Other operating income and charges

At September 30, 2015, other operating income and expenses principally correspond to an allowance of provision for employee-related measures amounting to €27.6m following the agreement signed on July 23, 2015 concerning employee-related measures to support early departures (see note 1).

At September 30, 2014, other operating income and expenses mainly include the following items:

- €(3.6)m of expenses on various strategic Group projects ;
- €(0.3)m of fees and charges concerning previous disposals ;
- €1.6m of net capital gain for the disposal of Hungarian entities during the period, including €5.4m of additional disposal fees (€4.9m of fees were already incurred at the end of March 2014) ; in addition, a charge of € 1.0m is recognized in the financial results and corresponds to the accounting for a currency option EUR / HUF which had been contracted to hedge the currency risk on the sale proceed ; the net impact in comprehensive income for the disposal of Hungarian entities is thus €0.6m.

### 7.9 Net finance costs

Net finance costs can be broken down as follows:

| *In thousands euros* | Unaudited Sept 2015 | Sept 2014 |
|---|---|---|
| Revenues from available funds placed | 64 | 222 |
| **Total financial revenue (a)** | **64** | **222** |
| Finance expenses linked to debt : Senior | (5 774) | (79 611) |
| Finance expenses linked to debt : Revolving | (533) | (2 049) |
| Finance expenses linked to debt : Shareholders | (41 457) | (7 303) |
| Finance expenses linked to debt : Financial lease | 4 | (115) |
| Finance expenses linked to debt : other debts | (23) | (136) |
| Refinancing costs | (1 425) | (91) |
| **Result on financial instruments measured at amortized cost (b)** | **(49 208)** | **(89 305)** |
| **Capitalisation & amortisation of loan issue expenses (c)** | **(4 415)** | **(300)** |
| Net change in fair value of financial assets at fair value through profit or loss | | (30 719) |
| Ineffective portion of changes in fair value of cash flow hedges | | (17) |
| Net change in fair value of trading financial asset | | 5 237 |
| **Profit (loss) related to derivatives (d)** | | **(25 499)** |
| **Total finance expenses (e) = (b) + (c) + (d)** | **(53 623)** | **(115 104)** |
| **Net financial debt cost (a) + (e)** | **(53 559)** | **(114 882)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

The net financial debt cost variation compared to September 30, 2014 is primarily related to:

- A €75.4m decrease in interests expenses on senior and revolving debt explained by the Group refinancing on March 31, 2015 and which can be rationalize as follow:
  - a decrease of €50.0m corresponding to a volume effect reflecting a reduction in the average value of debt after the refinancing,
  - a decrease of €24.3m corresponding to a margin effect, the average margin of the new debt tranches (0.8%) being lower than the average of all previous debt tranches (4.2%),
  - a decrease of €1.1m due to lower average Euribor interest rate over the period.

- a €5.4m increase concerning refinancing costs and amortization of loan issuance expenses that were activated after the refinancing operation of March 31, 2015 and being fully amortized since.

- a €34.1m increase of shareholders debt because of the March 2015 refinancing and the change of the financial structure,

- the absence of charges on financial instruments, which is due to the fact that they were all terminated on March 31, 2015 prior to the refinancing; no new financial instrument has been contracted since.

At September 30, 2015, excluding shareholders debts, the average interest rate on financial debt is 1.73% (5.83% at September 30, 2014). This change is due to the refinancing and the absence of financial instrument.

Other financial income and charges are as follows:

| *In thousands euros* | Unaudited Sept 2015 | Unaudited Sept 2014 |
|---|---|---|
| Net discounting costs excluding net debt | (251) | (564) |
| Forex gains (losses) | (749) | 256 |
| Other financial expense & Income | 117 | 247 |
| **Other financial revenues / charges** | **(883)** | **(61)** |

*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

Net discounting costs mainly concern discounting effects on provisions.

Finance income and expenses recognized under other comprehensive income are as follows:

| *In thousands euros* | Unaudited Sept 2015 | Unaudited Sept 2014 |
|---|---|---|
| Currency translation differences for foreign operations | 122 | 1 292 |
| Effective portion of changes in fair value of cash flow hedges | | 10 165 |
| Net change in fair value of cash flow hedges transferred to profit or loss | | 5 941 |
| Income tax on other comprehensive income | | (6 267) |
| **Finance income and expenses recognised in other comprehensive income** | **122** | **11 131** |

### 7.10 Income tax

In France, the entities TDF Infrastructure SAS, TDF SAS, Smartjog France and Arkena SAS formed with TDF Infrastructure Holding SAS, main shareholder of the Group, a tax consolidation group until March 31 2015. From April 1, 2015, a new tax consolidation group was created headed by Tivana France Holdings (single shareholder of TDF Infrastructure Holding SAS since March 31, 2015).
The scope of the tax consolidation group being therefore greater than the consolidation of TDF Infrastructure SAS Group, it should be noted that the effects of the tax consolidation (recognition of the tax group benefit and the Tax Group's tax loss carried forward) are not recognized in these consolidated financial statements. On the contrary, each entity calculates its tax expense on its own and recognizes its tax loss carried forward (or not) on its own, according to its own results and its own perspective to use or not the tax loss carried forward it generates.

The income tax expense was calculated based on the effective interest method as prescribed under IAS 34, the annual forecast and on September 2015 earnings. The forecasted effective tax rate is calculated excluding any impacts of disposal of subsidiary or activity and in particular excluding any impairment of goodwill if it’s not subject to tax.

The income tax is analyzed below:

| | Unaudited | |
|---|---|---|
| *In thousands euros* | **Sept 2015** | **Sept 2014** |
| Current tax expense | (38 692) | (36 809) |
| Other income tax expense | (4 231) | (4 537) |
| Deferred tax expense | 16 122 | 9 257 |
| **Income tax expense from continuing operations** | **(26 801)** | **(32 089)** |
| Income tax from discontinued operations and disposed entities | | (8 692) |
| **Total income tax** | **(26 801)** | **(40 781)** |

Note that among the €38.7m of current tax expenses mentioned above (€36.8m as of September 30, 2014), €37.8m concern TDF SAS (respectively €35.7m as of September 30, 2014), and are actually offset at the tax consolidation group level by loss of other companies, such as Tivana France Holdings SAS, TDF Infrastructure Holding SAS, TDF Infrastructure SAS, Arkena SAS or SmartJog France (see hereafter).

Income tax recognized in other comprehensive income is analyzed below:

| | Unaudited | | | | | |
|---|---|---|---|---|---|---|
| | **Sept 2015** | | | **Sept 2014** | | |
| *In thousands euros* | Pre-tax | Tax (Expense) / Credit | **Net of tax** | Pre-tax | Tax (Expense) / Credit | **Net of tax** |
| Currency translation differences for foreign operations | 120 | | 120 | 1 292 | | 1 292 |
| Cash flow hedges | | | | 16 106 | (6 267) | 9 839 |
| Actuarial gains (losses) on defined benefit plan | 6 | | 6 | (2 034) | 641 | (1 393) |
| Others | 33 | | 33 | | | |
| **Total** | **159** | | **159** | **15 364** | **(5 626)** | **9 738** |

The reconciliation between the theoretical income tax based on a theoretical income tax rate and the income tax based on the effective interest method (as prescribed by IAS 34 for interim financial statements and based on annual forecasts) is provided below:

| | Unaudited | | | |
|---|---|---|---|---|
| | Sept 2015 | | Sept 2014 | |
| *In thousands euros* | Value | Rate | Rate | Value |
| Profit (loss) for the period | (12 378) | | | (288 572) |
| Total income tax for the period | (26 801) | | | (40 781) |
| Profit (loss) excluding income tax | 14 423 | | | (247 791) |
| **Theoretical income tax based on the French statutory income tax rate** | **(4 966)** | **34,43%** | **34,43%** | **85 314** |
| Permanent differences on disposals | | | -46,34% | (114 817) |
| Non-deductible interest | (4 314) | 29,91% | -3,56% | (8 821) |
| Other income tax expense (CVAE, etc) | (2 777) | 19,25% | -1,21% | (3 006) |
| Impairment of tax loss carried forward | (15 991) | 110,87% | -9,66% | (23 933) |
| Effect of difference in foreign tax rates (theoretical rate) | (1) | 0,01% | -0,24% | (583) |
| Effect of tax rate changes | 777 | -5,39% | 0,22% | 536 |
| Deferred tax on "CVAE" (1) | 173 | -1,20% | 0,17% | 410 |
| German entities (discontinued activities) | | | 9,40% | 23 295 |
| Other | 298 | -2,07% | 0,33% | 823 |
| **Actual income tax** | **(26 801)** | **185,82%** | **-16,46%** | **(40 781)** |

*(1) This deferred tax income relates to the Group decision to classify CVAE as income tax.*
*NB: figures in September 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)*

At September 30, 2014: the permanent difference on disposals effect is explained by:
- €(117.1) m concerning the disposal of German entities : see note 6.1, the net consolidated capital loss on this disposal is of €340m,
- €2.3m concerning the disposal of Hungarian entities.

The decrease of the tax effect on non-deductible interests between September 30, 2014 and September 30, 2015 is due to the global decrease of interest loan following the refinancing (see also notes 7.9 and 9.1). Interests are still deductible up to 75%. This tax effect concerns interest costs on senior and revolving bank debt and on the shareholder loan.

At September 30, 2015, the changes related to depreciations or non-recognition of tax loss carried forward assets are notably explained by the following:
- €14.0m of deferred tax assets for the tax loss carried forward brought forth by TDF Infrastructure SAS over the period (€21.5m at September 30, 2014, the change is due to the global decrease of interest loan following the Group refinancing at march 31, 2015 ),
- €1.0m by SmartJog France (€1.3m as of September 30, 2014).

These deferred tax assets are not recognized, since these entities do not have strong enough forecasts demonstrating consumption of tax loss carried forward, but note that a tax consolidation is actually done above TDF Infrastructure Holding SAS level (see above).

Effects related to tax rate changes and exceptional statutory charge primarily relate to TDF SAS and TDF Infrastructure SAS, which from financial year 2012 until December 31, 2015 are subject to an exceptional statutory charge, which increased the applicable tax rate to 38%. The deferred tax calculations and the current tax expense paid by TDF SAS to Tivana France Holdings (head company of the tax consolidation group, see above) are based on this statutory charge.

# 8. Notes to the balance sheet: assets

General comments:

- Assets and liabilities of German entities, are reclassified on "Assets/Liabilities held for sale and discontinued operations" and they were sold on March 31, 2015 (see notes 6.1) ;
- Assets and liabilities of Hungarian entities are disposed of since May 30, 2014 ;
- Assets and liabilities of MCR are reclassified on "Assets/Liabilities held for sale and discontinued operations" since March 31, 2015 (see note 6.2) ;
- March 2015 and September 2014 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 1).

## 8.1 Goodwill

At September 30, 2015, Group goodwill breaks down by CGU or group of GGUs as follows:

**Unaudited**

| *In thousands euros* | **March 2015** | Change in consolidation scope : acquisitions | Impairment losses | Change in consolidation scope : disposals / IFRS 5 | Currency translation adjustment | Reclassifi-cation and allocation | **Sept 2015** |
|---|---|---|---|---|---|---|---|
| France | **1 604 923** | 1 784 | | | | | **1 606 707** |
| Arkena AB (ex Qbrick) | | | | | | | **0** |
| Bebanjo | | | | | | | **0** |
| Others (*) | **17 164** | | | | | | **17 164** |
| **Total** | **1 622 087** | **1 784** | **0** | **0** | **0** | **0** | **1 623 871** |

*(*): the CGU "Others" aggregates: Finland, Poland, and Estonia.*

The change in consolidation scope of €1.8m on the CGU France corresponds to the acquisition of AD Valem Technologies (see note 1).

At September 30, 2014, Group goodwill breaks down by CGU or group of GGUs as follows:

| *In thousands euros* | **March 2014** | Change in consolidation scope : acquisitions | Impairment losses | Change in consolidation scope : disposals / IFRS 5 | Currency translation adjustment | Reclassifi-cation and allocation | **Sept 2014** |
|---|---|---|---|---|---|---|---|
| France | **1 613 446** | | | | | | **1 613 446** |
| Germany | **372 488** | | | (372 488) | | | **0** |
| Arkena AB (ex Qbrick) | **2 520** | | | | (54) | | **2 466** |
| Bebanjo | **392** | | | | | | **392** |
| Others (*) | **17 164** | | | | | | **17 164** |
| **Total** | **2 006 010** | **0** | **0** | **(372 488)** | **(54)** | **0** | **1 633 468** |

*(*): the CGU "Others" aggregates: Finland, Poland, and Estonia.*

Concerning the CGU Germany, the change corresponds to classification as discontinued activities (IFRS 5) of German entities (see the note 6.1).

### 8.2 Intangible assets

Intangible assets are analyzed below:

| *In thousands euros* | Total |
|---|---|
| **Gross value at March 31, 2015** | **830 985** |
| Acquisitions | 7 918 |
| Disposals | (9) |
| Reclassifications | 149 |
| Changes in consolidation scope | 312 |
| Currency translation adjustments | (91) |
| **Gross value at September 30, 2015 (unaudited)** | **839 264** |

| *In thousands euros* | Total |
|---|---|
| **Depreciation at March 31, 2015** | **(522 758)** |
| Charge of the period | (19 624) |
| Disposals | 9 |
| Reclassifications | |
| Changes in consolidation scope | (264) |
| Currency translation adjustments | 43 |
| **Depreciation at September 30, 2015 (unaudited)** | **(542 594)** |
| **Impairment losses at March 31, 2015** | **(123 392)** |
| Charge of the period | |
| Disposals | |
| Changes in consolidation scope | |
| Currency translation adjustments | 50 |
| **Impairment losses at September 30, 2015 (unaudited)** | **(123 342)** |
| **Carrying amount at March 31, 2015** | **184 835** |
| **Carrying amount at September 30, 2015 (unaudited)** | **173 328** |

Since no trigger event occurred at September 30, 2015, no impairment test was performed on brands with an indefinite useful life (included in intangible assets). The net book value of these brands is €23.0m at the closing date.

### 8.3 Property, plant and equipment

Intangible assets are analyzed below:

| *In thousands euros* | Land & buildings | Broadcasting network | Office furniture, office and computer equipment | Other | Total |
|---|---|---|---|---|---|
| **Gross value at March 30, 2015** | **560 183** | **1 506 585** | **64 853** | **510 902** | **2 642 523** |
| Acquisitions | 8 314 | 16 008 | 578 | 21 623 | **46 523** |
| Disposals | (1 837) | (4 604) | (371) | (2 789) | **(9 601)** |
| Reclassifications | 15 | 860 | 11 | (241) | **645** |
| Changes in consolidation scope | 779 | | | 4 404 | **5 183** |
| Currency translation adjustments | (17) | (78) | (15) | (104) | **(214)** |
| **Gross value at Sept 30, 2015 (unaudited)** | **567 437** | **1 518 771** | **65 056** | **533 795** | **2 685 059** |

| *In thousands euros* | Land & buildings | Broadcasting network | Office furniture, office and computer equipment | Other | Total |
|---|---|---|---|---|---|
| **Depreciation at March 30, 2015** | **(213 855)** | **(765 482)** | **(55 566)** | **(290 394)** | **(1 325 297)** |
| Charge of the period | (8 432) | (37 981) | (1 949) | (15 657) | **(64 019)** |
| Disposals | 679 | 4 440 | 122 | 2 918 | **8 159** |
| Reclassifications | 1 785 | (2 568) | | (12) | **(795)** |
| Changes in consolidation scope | (235) | | | (2 601) | **(2 836)** |
| Currency translation adjustments | 15 | 63 | 12 | 86 | **176** |
| **Depreciation at Sept 30, 2015 (unaudited)** | **(220 043)** | **(801 528)** | **(57 381)** | **(305 660)** | **(1 384 612)** |

| | Land & buildings | Broadcasting network | Office furniture, office and computer equipment | Other | Total |
|---|---|---|---|---|---|
| **Impairment losses at March 30, 2015** | **(6 605)** | **(37 149)** | **(480)** | **(4 035)** | **(48 269)** |
| Charge of the period | | | | | |
| Disposals | | | | | |
| Changes in consolidation scope | | | | | |
| Reclassifications | | | | | |
| Currency translation adjustments | | 3 | 2 | 3 | **8** |
| **Impairment losses at Sept 30, 2015 (unaudited)** | **(6 605)** | **(37 146)** | **(478)** | **(4 032)** | **(48 261)** |

| | Land & buildings | Broadcasting network | Office furniture, office and computer equipment | Other | Total |
|---|---|---|---|---|---|
| **Carrying amount at March 30, 2015** | **339 723** | **703 954** | **8 807** | **216 473** | **1 268 957** |
| **Carrying amount at September 30, 2015 (unaudited)** | **340 789** | **680 097** | **7 197** | **224 103** | **1 252 186** |

At September 30, 2015, changes in consolidation scope correspond to AD Valem Technologies acquisition (see note 1).

### 8.4 Other current and non-current assets

Other current and non-current assets are as follows:

| | Unaudited Sept 2015 | | | March 2015 | | |
|---|---|---|---|---|---|---|
| *In thousands euros* | Gross | Depreciation | Net | Gross | Depreciation | Net |
| Credit notes not yet received | 272 | | 272 | 257 | | 257 |
| Advance payment - corporate income tax | 3 726 | | 3 726 | 443 | | 443 |
| Tax and social security receivables | 37 768 | | 37 768 | 36 003 | | 36 003 |
| Prepaid expenses | 3 210 | | 3 210 | 10 378 | | 10 378 |
| Escrow account | 9 | | 9 | 146 | | 146 |
| Other receivables | 29 380 | (504) | 28 876 | 23 959 | (735) | 23 224 |
| **Total other current assets** | **74 365** | **(504)** | **73 861** | **71 186** | **(389)** | **70 451** |
| Non-current receivables | 2 805 | 0 | 2 805 | 198 | | 198 |
| Loans, security deposit, guaranty | 9 669 | (320) | 9 349 | 18 895 | | 18 895 |
| **Total other non current assets** | **12 474** | **(320)** | **12 154** | **27 405** | **(320)** | **19 093** |

## 9. Notes on the balance sheet: equity and liabilities

General comments:

- Assets and liabilities of German entities, are reclassified on "Assets/Liabilities held for sale and discontinued operations" and they were sold on March 31, 2015 (see notes 6.1) ;
- Assets and liabilities of Hungarian entities are disposed of since May 30, 2014 ;
- Assets and liabilities of MCR are reclassified on "Assets/Liabilities held for sale and discontinued operations" since March 31, 2015 (see note 6.2) ;
- March 2015 and September 2014 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 1).

### 9.1 Financial debt

The Group's financial debt is analyzed and has varied as described below:

| *In thousands euros* | March 2015 | Increase | Decrease | Other | Unaudited Sept 2015 |
|---|---|---|---|---|---|
| Senior debt (FA / SFA Tyrol) | 1 415 142 | (1 622) | (24 160) | 0 | 1 389 360 |
| *including loan issuance costs* | *(14 858)* | *(1 622)* | *5 840* | | *(10 640)* |
| *including term debt* | *1 400 000* | | | | *1 400 000* |
| *including revolving debt* | *30 000* | | *(30 000)* | | *0* |
| Shareholders' debt | 1 838 698 | | | (775 099) | 1 063 599 |
| Finance lease debt | 6 779 | 1 066 | (1 470) | | 6 375 |
| NCI repurchase commitments debt | | | | | |
| Other financial debt | 563 | 8 206 | (855) | 1 851 | 9 765 |
| **Financial debt** | **3 261 182** | **7 650** | **(26 485)** | **(773 248)** | **2 469 099** |

| *In thousands euros* | March 2014 | Increase | Decrease | Other | Unaudited Sept 2014 |
|---|---|---|---|---|---|
| Senior debt (FA / SFA Tyrol) | 3 764 843 | | (199 700) | 37 662 | 3 602 805 |
| *including loan issuance costs* | *(1 457)* | | *300* | | *(1 157)* |
| *including term debt* | *3 566 300* | | | *37 662* | *3 603 962* |
| *including revolving debt* | *200 000* | | *(200 000)* | | *0* |
| | | | | | *0* |
| Shareholders' debt | | | | | 0 |
| Tax group convention debt | 495 579 | 37 654 | | | 533 233 |
| Finance lease debt | 124 501 | 780 | (17 245) | (101 083) | 6 953 |
| NCI repurchase commitments debt | | | | | 0 |
| Other financial debt | 718 | 162 | (303) | | 577 |
| **Financial debt** | **4 385 641** | **38 596** | **(217 248)** | **(63 421)** | **4 143 568** |

**Senior bank debt**

Change in the senior term debt is mainly explained by the refinancing of the whole debt of the group that occurred on March 31, 2015, which implied:

- the repayment of all debts (plus interests) related to the bank agreement implemented in July 2007, that is a repayment of €3 356.7m,
- the setup of the new bank agreement: €1400m of senior term debt drawn (excluding borrowing issue costs of €14.9m).

Note that €40.5m of senior debt of the former bank agreement (terminated on March 31, 2015, see note 4.4) was repaid during the second half year of the previous period, prior to the refinancing of March 31, 2015.

Besides the €37.7m movement in "Other" as of September 30, 2014 correspond to the capitalization of "Pay In Kind" interest on senior debt that was negotiated in the former bank agreement. These capitalization transactions were agreed under the July 2011 refinancing operation.

It should be noted that the senior debt has been repaid for an amount of €593.0m on October 19, 2015, following the completion of a bond issuance of €600m (please see note 15 about subsequent events).

Borrowing issue costs disclosed as a deduction from the debt balance amount to €10.6 as at September 30, 2015, and correspond to the new borrowing issue costs that have been activated on March 31, 2015 under the effective interest rate IFRS method (former borrowing issue costs related to the former senior bank debt have been fully amortized on March 31, 2015).

The senior revolving debt of the new bank agreement implemented on March 31, 2015 (see note 5.4), which is usable for an amount of €250m, has been drawn down for an amount of €30m on March 31, 2015. It was totally repaid on April 21, 2015.

**Cash convention debt related to tax consolidation and shareholders loans**

Financial debts related to the cash convention within the tax group consolidation agreement (€495.6 M at March 31, 2014 and €533.2m at September 30, 2014) are due to TDF Infrastructure Holding SAS, main shareholder of the TDF Infrastructure SAS Group and the head of the tax consolidation until March 31, 2015 gathering TDF Infrastructure SAS, TDF SAS, SmartJog France, and Arkena SAS. Under this agreement, TDF Infrastructure SAS collected on behalf of TDF Infrastructure Holding SAS the tax instalments and payments of member companies of the tax group, and a debt towards TDF Infrastructure Holding SAS is thus generated.
This tax consolidation agreement had a nature of current account, and was subject to the provisions of Article 39.1.3 ° of the General Tax Code, so that an interest corresponding to the annual average of the average effective rates applied by credit institutions for floating rate loans (with an initial term of over two years) is due.
This debt was entirely capitalized (including accrued interests) on March 31, 2015 for €584.2m, in the context of impacts brought forth by the change of shareholders. The counterpart is an increase of the share capital of TDF Infrastructure SAS.

After the creation of the new tax consolidation group on April 1, 2015, headed by Tivana France Holdings SAS, single shareholder of TDF Infrastructure holding SAS since March 31, 2015, this cash convention expired.

Otherwise, two new shareholders debts were drawn on March 31, 2015:
- €815m corresponding to the new loan towards TDF Infrastructure Holding SAS (fixed interest rate of 7.7%). This loan and the accrued interest were completely capitalized on April 10, 2015, with counterpart the share capital (see note 1) for a total of €816.7m;
- €1,023.7m corresponding to a new loan directly contracted with Tivana France Holdings (new shareholder of TDF Infrastructure Holding SAS; fixed interest rate of 7,7%, 10 years maturity, and the borrower also has an extension option). Interests on this loan were capitalized for €39.9m as of September 30, 2015.

**Other financial debts**

Other financial debts of €9.8 at September 30, 2015 (March 31, 2015: €0.6m) correspond to:
- Current accounts with Tivana France Holdings and TDF Infrastructure Holding for a total amount of €6.0m;
- Third party payables for operating capex purchase, equity investments and commercial partnerships.

Financial debt is analyzed by maturity below:

| *In thousands euros* | Sept 2015 | Unaudited < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Senior debt, term debt and revolving debt | 1 389 360 | | 1 389 360 | |
| Shareholders' debt | 1 063 599 | | | 1 063 599 |
| Finance lease debt | 6 375 | 2 328 | 4 047 | |
| NCI repurchase commitments debt | | | | |
| Other financial debt | 9 765 | 6 712 | 1 830 | 1 223 |
| **Financial debt** | **2 469 099** | **9 040** | **1 395 237** | **1 064 822** |

| *In thousands euros* | March 2015 | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Senior debt, term debt and revolving debt | 1 415 142 | 30 000 | 1 385 142 | |
| Shareholders' debt | 1 838 698 | 815 000 | | 1 023 698 |
| Finance lease debt | 6 779 | 2 563 | 4 216 | |
| NCI repurchase commitments debt | | | | |
| Other financial debt | 563 | 71 | 492 | |
| **Financial debt** | **3 261 182** | **847 634** | **1 389 850** | **1 023 698** |

Note that following the refinancing of the group on March 31, 2015:

- The shareholder debt, €1 063.6 at closing, bears 7.7% fixed rate interests and the maturity is 10 years, that is to say at March 31, 2025 (and the borrower also has an extension option);
- The senior debt of € 1 400.0m bears variable interest rates and breaks down as follows:
  - A term debt tranche of € 700m for which contractual maturity is November 6, 2017, which was partly early repaid on October 19, 2015 for €593.0m after the completion of a bond issuance of €600.0m (see also note 15 about subsequent events);
  - A term debt tranche of € 700m for which contractual maturity is November 6, 2019,

### 9.2 Characteristics of derivative instruments

Interests on the debt before hedging is calculated based on Euribor (1, 3, 6 months) plus a margin, as described in note 10.3.

At March 30, 2015 as well as at September 30, 2015 no derivative instrument is in place (please refer to note 15 about subsequent events).

### 9.3 Employee benefits

There was no major change since March 31, 2015.

### 9.4 Provisions

| *In thousands euros* | March 2015 | Unaudited Provisions additions | Unaudited Provisions utilisations | Unaudited Provisions unused | Unaudited Discounting | Unaudited Currency translation adjustment | Unaudited Other | Unaudited Sept 2015 |
|---|---|---|---|---|---|---|---|---|
| Prov. for post-employment benefits (pension, retirement benefit) | 20 970 | 938 | (41) | | (139) | | (37) | 21 691 |
| Post employment benefits (others) | 0 | | | | | | | 0 |
| Prov. for employee-related measures | 0 | 27 600 | | | | | | 27 600 |
| Provision for claims and disputes | 13 806 | 497 | (5 884) | (130) | | | 633 | 8 922 |
| Provision for dismantling, decommissioning and restoring sites | 37 754 | | (82) | (237) | 421 | | (105) | 37 751 |
| Prov for bringing into compliance of sites | 1 109 | 2 206 | (19) | | | | | 3 296 |
| Provision on onerous contract | 8 356 | 1 000 | (4 092) | | | | | 5 264 |
| Other provisions | 19 731 | 406 | (46) | | | | 105 | 20 196 |
| **Total provisions** | **101 726** | **32 647** | **(10 164)** | **(367)** | **282** | **0** | **596** | **124 720** |
| **Presented as current** | **45 320** | | | | | | | **41 462** |
| **Presented as non-current** | **56 406** | | | | | | | **83 258** |

| *In thousands euros* | March 2014 | Unaudited Provisions additions | Unaudited Provisions utilisations | Unaudited Provisions unused | Unaudited Discounting | Unaudited Currency translation | Unaudited Other | Unaudited Sept 2014 |
|---|---|---|---|---|---|---|---|---|
| Prov. for post-employment benefits (pension, retirement benefit) | 38 664 | 1 259 | (208) | | 508 | (2) | (26 393) | 13 828 |
| Post employment benefits (others) | 1 311 | 27 | (388) | | | 6 | (956) | 0 |
| Prov. for employee-related measures | 12 857 | 5 658 | (1 225) | (1 511) | | | (15 779) | 0 |
| Provision for claims and disputes | 21 628 | 973 | (243) | (1 121) | | | (3 181) | 18 056 |
| Provision for dismantling, decommissioning and restoring sites | 38 793 | | (660) | (2) | 502 | | (9 126) | 29 507 |
| Prov for bringing into compliance of sites | 1 109 | | | | | | | 1 109 |
| Provision on onerous contract | 5 500 | 1 000 | (1 940) | | | | | 4 560 |
| Other provisions | 31 186 | 3 577 | (1 638) | (500) | | | (875) | 31 750 |
| **Total provisions** | **151 048** | **12 494** | **(6 302)** | **(3 134)** | **1 010** | **4** | **(56 310)** | **98 810** |
| **Presented as current** | **67 683** | | | | | | | **50 923** |

***Employee-related measures***
At September 30, 2015 the allowance of €27.6m to the provision for employee-related measures concerns TDF SAS, following the agreement signed on July 23, 2015 related to the employee-related measures to support early departures (see note 1).

***Claims and disputes, other provisions***
Claims and disputes mainly arise from litigation facing the Group.
These provisions are assessed and updated by senior management applying prudence in relation to damages claimed and the status of each case.

***Provisions for dismantling, decommissioning and restoring sites***
In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the amount recognized as a provision is the best estimate of the expenditure required to settle the Group's obligations, notably regarding TDF SAS' obligations.
The provision is discounted to present value using a rate that reflects the time value of money, based on the yield of a risk-free bond. This actuarial estimate is reviewed every year and, if necessary, the provision is adjusted in the following way (in accordance with IFRIC 1):
- by addition or deduction to/from the corresponding dismantling asset,
- or if the dismantling asset is already totally depreciated, the provision adjustment is taken to profit or loss.

***Onerous contracts***
As at September30, 2015 and September 30, 2014, provisions on onerous contracts concern TDF SAS.

### 9.5 Other current and non-current liabilities

Other liabilities are analyzed below:

| *In thousands euros* | Unaudited Sept 2015 | Restated March 2015 |
|---|---|---|
| Trade payables | 80 117 | 81 026 |
| Trade payables on fixed assets aquisitions | 35 525 | 37 312 |
| Corporate income tax liabilities | 6 396 | 7 852 |
| Tax and social liabilities | 99 971 | 130 093 |
| Other current liabilities | 78 035 | 111 547 |
| **Current liabilities** | **300 044** | **367 830** |
| **Other non-current liabilities** | **33 753** | **41 451** |
| **Total liabilities** | **333 797** | **409 281** |

The tax and social liabilities primarily include *cotisation foncière des entreprises* (i.e. "CFE"), social security payables, VAT, and employee vacation provisions.

Other current and non-current liabilities include deferred income of €98.8m (€136.9m as of March 31, 2015) of which €33.7m is maturing after one year (€41.5m as of March 31, 2015).

# 10. Cash flows

General comments:

- Cash flows of German entities, sold on March 2015, are restated on the line "Net cash from discontinued activities and entities disposed" in September 2014 and March 2015 figures and are commented in the note 10.5 ;
- Cash flows of Hungarian entities, disposed of on May 30, 2014 and of MCR, remain included in net cash from operating activities and net cash used in investing activities disclosed for September 2014 and March 2015 (see note 6.2).
- March 2015, September 2015 and September 2014 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 1).

## 10.1 Cash generated from operating activities before changes in working capital

Cash generated from operating activities excludes cash flows on non-current asset sales/purchases, income tax and finance costs which are disclosed under Cash flows from investing activities, Income tax paid and Cash flows from financing activities respectively.

## 10.2 Changes in inventories, accounts receivable & accounts payable

| *In thousands euros* | Unaudited Sept 2015 | Restated March 2015 | Unaudited Sept 2014 |
|---|---|---|---|
| Changes in inventories | (343) | (1 867) | (2 176) |
| Changes in trade receivables | 63 032 | (34 932) | 45 106 |
| Changes in trade payables | (2 913) | 17 566 | 2 865 |
| Changes in other working capital | (36 003) | 8 718 | (16 966) |
| **Changes in inventories, accounts receivable & accounts payable** | **23 773** | **(10 515)** | **28 829** |

## 10.3 Net cash used in (from) investing activities

At September 30, 2015:

- The line "Acquisition of controlling interests, net of cash & cash equivalents acquired" of €(1.0)m mainly includes cash flows linked to the acquisition of AD Valem Technologies;
- The line "Net proceeds from disposal of subsidiaries formerly controlled of €(11.3)m correspond to the repayment of expenses linked to the change of shareholders and the Group refinancing, recognize as expenses last exercise and paid this year.

At March 31, 2015, the line "Net proceeds from disposal of subsidiaries formerly controlled" mainly includes:

- €182.1m corresponding to the impact of the disposal of Hungarian entities, out of which :
  - €195.9m including the repayment of the loan granted by TDF SAS to its subsidiary Antenna Hungaria (including hedging) as well as the sale proceed of the shares,
  - €(7.3)m of disposal fees paid during the period,
  - €(6.5)m of cash disposed of;
- €10.5m of net cash gain concerning the change of shareholders and the refinancing of the group, out of which :
  - €(4.7)m of expenses paid over the period ;
  - €15.2m of expenses and bonus reinvoiced to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS), which were collected on March 31, 2015;
  - Note that bonus of managers in the context of this operation, which was recognize as expense, were paid after March 31, 2015 (see above).

"Change in other financial assets" mainly comprise deposits paid for patents as well as loans and advances granted in relation to network deployments.

### 10.4 Net cash used in (from) financing activities

At September 30, 2015, drawdowns and repayment of debt principally correspond to:
- Full repayment of the revolving debt amounting €(30)m at March 31, 2015,
- €(1.5)m finance lease instalments paid,
- increase in the current accounts with TDF Infrastructure Holding and Tivana France Holdings for €6.0m.

At March 31, 2015, drawdowns and repayment of debt are largely impacted by the refinancing of the group that occurred on March 31, 2015 and mainly breakdown as follows:
- €1,400m proceed from term loans of the new bank agreement,
- €30.0m proceed from the new revolving debt,
- €815m proceed from a new shareholder loan towards TDF Infrastructure holding SAS (main shareholder of the TDF Infrastructure SAS Group; this loan has been completely capitalized on April 10, 2015),
- €1,023.7m proceed from a new shareholder loan towards Tivana France Holdings (shareholder of TDF Infrastructure holding SAS),
- Contractual repayment of term debt for an amount of €(40.5)m (former bank agreement),
- Repayment of all of the outstanding term debt of the former bank agreement for an amount of €(3 563.7)m, in the context of the refinancing of March 31, 2015,
- Net repayment of the former revolving debt for € (200.0)m (out of which €(30.0)m on March 31, 2015),
- €(2.8)m finance lease instalments paid,
- €74.1m increase in the current account related to the tax consolidation agreement with TDF Infrastructure Holding SAS.

At September 30, 2014, drawdowns and repayment of debt principally correspond to:
- €(200.0)m net repayment of the prior senior debt,
- €(1.2)m finance lease instalments paid,
- €37.7m increase in the current account related to the tax consolidation agreement with TDF Infrastructure Holding SAS.

At March 31, 2015, balancing payments given on financial instruments are the following:
- €33.0m payment to terminate all swaps on March 26, 2015, prior to the refinancing of March 31, 2015,
- €1.5m paid concerning the currency option EUR / HUF which had been contracted related to the disposal of Hungarian entities.

At the end of March 2015, expenses related to the refinancing correspond for €14.9m to the new loan issuance costs paid in the frame of the new bank agreement.

The decrease in cash financial expenses between September 2015 and the prior period is mainly explained by the Group refinancing occurred on March 31, 2015 resulting in:
- A lower average debt value compared to March 2015,
- Reduced margin applied to the debt,
- Termination of the swap portfolio held at March 2015.

Please refer to notes 7.9 and 9.1

The change in accrued interests between in March 2015 is exceptionally impacted by the payment of all accrued interests (in particular also capitalizable accrued interests « Payment in Kind ») related to the former bank agreement on March 31, 2015, and by the termination of all swaps on March 26, 2015.

### 10.5 Cash flows from discontinued operations

At March 31, 2015 such as at September 30, 2014, cash flows from discontinued operations correspond to flows from activities of German entities. At March 31, 2015 these flows also include disposal cash flows of these entities that are the following:
- €310.3m of repayment received for the loan granted by TDF SAS to Taunus Verwaltungs II (including accrued interests),
- €(45.0)m of repayment concerning the current account advance granted by MediaBroadcast to TDF SAS,
- €(0.4) m of disposal costs paid during the period.

# 11. Workforce

Total Group headcount is as follows:

| | Unaudited Sept 2015 | March 2015 |
|---|---|---|
| France | 1 886 | 1 917 |
| International | 223 | 238 |
| **Total workforce at closing** | **2 109** | **2 155** |

# 12. Contingent liabilities and off-balance sheet commitments

In February 2007, TowerCast filed a complaint with the anti-trust authorities, on the grounds that TDF had abused its dominant market position in relation to bidding for the tender launched by the city of Paris. Anti-trust authority issued its decision on June 11, 2015, and fined TDF for €5.66m, which were paid in September 2015. The Group contests the alleged facts and appealed against this decision to the "Cour d'appel" of Paris.

Concerning the procedure with the anti-trust authorities following a complaint from the company ITAS TIM about TDF's practices in the terrestrial digital broadcasting services industry, anti-trust authorities services issued their report on July 2015. TDF replied early October 2015 and contests the alleged facts.

Except for these subjects, there is no significant change since March 31, 2015.

## 12.1 Firm commitments

### *A. Operating lease commitments – Group as lessee*

The breakdown by maturity of non-cancellable operating leases is as follows:

| *In thousands euros* | Unaudited Sept 2015 | March 2015 |
|---|---|---|
| At less than 1 year | 21 000 | 25 535 |
| From 1 to 5 years | 21 643 | 21 332 |
| More than 5 years | 4 641 | 5 326 |
| **Total** | **47 284** | **52 193** |

### *B. Firm purchase commitments*

Firm purchase commitments made by the Group are as follows:

| *In thousands euros* | Unaudited Sept 2015 | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Commitment of capex | 8 358 | 7 888 | 231 | 239 |
| Commitment to buy satellite capacity | 15 | 15 | | |
| Commitment others | 26 692 | 11 181 | 6 652 | 8 859 |
| **Total** | **35 065** | **19 084** | **6 883** | **9 098** |

| *In thousands euros* | March 2015 | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Commitment of capex | 13 396 | 10 327 | 3 069 | |
| Commitment to buy satellite capacity | 126 | 126 | | |
| Commitment others | 27 291 | 16 434 | 7 514 | 3 343 |
| **Total** | **40 813** | **26 887** | **10 583** | **3 343** |

### *C. Firm commitments to provide services*

Under multi-year contracts with customers, Group entities have committed to provide services in the following business lines:

| *In thousands euros* | Unaudited Sept 2015 Actual | Projection | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|---|
| Digital Television | 109 626 | 416 134 | 156 687 | 247 627 | 11 820 |
| Satelite | 817 | 6 430 | 1 369 | 4 766 | 295 |
| Radio | 66 549 | 232 985 | 108 732 | 122 118 | 2 135 |
| **Total Broadcasting Services** | **176 992** | **655 549** | **266 788** | **374 511** | **14 250** |
| Telecom: site hosting | 123 972 | 1 737 606 | 211 739 | 686 211 | 839 656 |
| Telecom: other services | 16 256 | 9 080 | 3 120 | 5 301 | 659 |
| **Total Telecoms & Services** | **140 228** | **1 746 686** | **214 859** | **691 512** | **840 315** |
| Media Services | 27 519 | 23 619 | 14 760 | 8 694 | 165 |
| Other | 5 848 | 525 | 417 | 108 | |
| **Total revenue / future contractual revenue** | **350 587** | **2 426 379** | **496 824** | **1 074 825** | **854 730** |

| *In thousands euros* | March 2015 Actual | Projection | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|---|
| Digital Television | 224 951 | 448 978 | 192 967 | 250 196 | 5 815 |
| Satelite | 2 609 | 7 287 | 1 423 | 4 981 | 883 |
| Radio | 136 369 | 285 980 | 120 974 | 162 442 | 2 564 |
| **Total Broadcasting Services** | **363 929** | **742 245** | **315 364** | **417 619** | **9 262** |
| Telecom: site hosting | 260 982 | 1 574 521 | 220 767 | 700 715 | 653 039 |
| Telecom: other services | 43 292 | 9 076 | 2 884 | 5 483 | 709 |
| **Total Telecoms & Services** | **304 274** | **1 583 597** | **223 651** | **706 198** | **653 748** |
| Media Services | 58 469 | 42 147 | 23 033 | 18 950 | 164 |
| Other | 16 306 | 348 | 238 | 110 | |
| **Total revenue / future contractual revenue** | **742 978** | **2 368 337** | **562 286** | **1 142 877** | **663 174** |

The above table shows known and estimated information to date. In future periods, certain contracts may be subject to pricing adjustments.

### 12.2 Contingent commitments

**Guarantees given and received**

The Group's given and received bank guarantees respectively amount to €15.5m and €68.9m, vs respectively €20.6m and €69.0m at March 31, 2015

**TDF SAS, DFI-BV, Smartjog France and Médiamobile**

No significant change concerning commitments given and received by these subsidiaries, except for the following points:

- Disposal of Hungarian entities : guarantees given by TDF SAS:
  All warranties expired on May 30, 2015.

- Acquisition of AD Valem Technologies (see note 1) :
  TDF received from the seller liabilities guarantees, valid for 12 months i.e. until September 2016, capped at €0.5m.

**Commitments under bank agreements**

Under the new bank agreement implemented on March 31, 2015, commitments were given. At September 30, 2015 there is no change compared to March 2015.
However, after the bond issuance and the partial repayment of tranche A of term senior debt of €593.0m completed on October 19, 2015, the following commitments were terminated:

- All commitments given by Tivana Topco S.A., Tivana Midco S.à.r.l., Tivana France Holdings SAS and TDF Infrastructure Holding SAS,
- Pledge of the financial instruments accounts recording the shares held by TDF Infrastructure SAS.

Following the bond issuance, the only commitments given in the context of the bank facility agreement implemented on March 31, 2015 and which are still in force are the joint guarantees given by TDF Infrastructure SAS and TDF SAS.

## 13. Shares in associates

Since the end of November 2013, the Group consolidates the company Smartjog Ymagis Logistics under the equity method. Smartjog France owns 40% of this entity.

This company's financial year end is December 31, and figures that are consolidated at September 30, 2015 correspond to the company's accounts for the year ended June 30, 2015.

In addition, the results of this entity at June 30, 2015, which are the one consolidated as of September 30, 2015, were as follows:

| | Unaudited | |
|---|---|---|
| *In thousands euros* | **Sept 2015 (6 months)** | **Sept 2014 (6 months)** |
| **Revenue** | **4 576** | **2 998** |
| **EBITDA** | **(838)** | **(736)** |
| **OPERATING INCOME (LOSS)** | **(2 276)** | **(1 812)** |
| Financial income and expenses | (148) | (60) |
| Income tax | | |
| **NET INCOME** | **(2 424)** | **(1 872)** |

# 14. Related parties disclosures and compensation of key management personnel

## 14.1 Compensation of key management personnel

No new compensation scheme towards key management personnel has been set up during the first quarter of the year 2015.

## 14.2 Transactions with related parties

The related parties at TDF Infrastructure SAS Group level are identified as:

1. Companies owned directly or indirectly by TDF Infrastructure Holding SAS,
2. Companies owned directly or indirectly by Tivana France Holdings, Brookfield Infrastructure Group, Public Sector Pension Investment Board (PSP Investments), APG Asset Management N.V. and Arcus Infrastructure Partners, since March 31, 2015 (included),
3. Companies in which directors of the companies included in the TDF Infrastructure SAS Group scope are company representatives,
4. Key management personnel.

During the first quarter 2015, the main transactions with related parties were as follows:

- Interest charges invoiced to the Group by TDF Infrastructure Holding SAS between the first and the 10th April 2015 concerning the shareholder's loan for €815m, amounting to €1.5m (€14.6m as of March 31, 2015 and €7.3m as of September 30, 2014 );
- Capitalization of this loan and its accrued interest on April 10, 2015, counterpart the share capital (see note 1) ;
- Interest charges invoiced to the Group by Tivana France Holdings, amounting €39.9m on this period and related to the loan of €1 023.7m implemented on March 31, 2015. These interests were capitalized counterpart the nominal debt, which now amount €1 063.6m at 30 September 2015 (€1 023.7m before) ;
- Net proceeds of €6.0m of shareholders current accounts (€5.5m with Tivana France Holdings and €0.5m with TDF Infrastructure Holding), see also note 9.1.

Related party transactions were carried out on an arm's length basis on normal commercial terms.

## 15. Significant subsequent events

**Bond issue on October 19, 2015 and partial repayment of bank senior debt**

On October 19, 2015, TDF SAS issued a bond whose characteristics are the following:
- Nominal amount : €600m
- Market : Euronext Paris
- Maturity : 7 years, i.e. October 19, 2022
- Fixed coupon : 2.875 %
- Coupon annually paid on 19 October

Besides, loan issue expenses (including issue discount), disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) are estimated at €7.1m.

Following this bond issuance, €593.0m were repaid on 19 October on the tranche A of senior debt of the financing contract implemented with the banks on March 31, 2015 ("Facility Agreement" please refer to note 4.4 and 9.1). This tranche was due on November 6, 2017 and amounted to €700.0m.
This repayment resulted in an immediate additional depreciation of €3.6m of the loan issue expenses among the €10.6m unamortized expenses as of September 30, 2015 (see note 9.1).

Under the new bank agreement implemented on March 31, 2015, commitments were given. Because of the partial repayment of tranche A for €593.0m on October 19, 2015, the following commitments were terminated:
- all commitments given by Tivana Topco S.A., Tivana Midco S.à.r.l., Tivana France Holdings SAS and TDF Infrastructure Holding SAS,
- pledge of the financial instruments accounts recording the shares held by TDF Infrastructure SAS.

Following the bond issue, the only commitments given in the context of bank facility agreement and which are still in force are the joint guarantees given by TDF Infrastructure SAS and TDF SAS.

**Evolution project by Arkena SAS and Smartjog France**

On October 8, 2015, management of Arkena SAS and Smartjog Franc has initiated discussions with the Works Council in order to change the strategic directions and the organization of these entities. Such developments will likely lead to the implementation of a plan both for voluntary departure and reclassification within TDF SAS, representing a workforce reduction of approximately 70 people.

## 16. Consolidation scope

| List of consolidated companies | Countries | Share capital in € thousands | % Interest Sept 2015 (unaudited) | March 2015 | Sept 2014 (unaudited) | Observation |
|---|---|---|---|---|---|---|
| **Full consolidation** | | | | | | |
| **TDF Infrastructure SAS(anciennement** | **France** | **300 000** | **100,00%** | **100,00%** | **100,00%** | |
| TDF SAS | France | 166 957 | 100,00% | 100,00% | 100,00% | |
| Diffusion Outre Mer | France | | 100,00% | 100,00% | 100,00% | |
| Tiare | France | | 100,00% | 100,00% | 100,00% | |
| MCR | Monaco | 549 | 51,00% | 51,00% | 51,00% | Held for sale - IFRS 5 |
| Médiamobile | France | 1 157 | 71,19% | 71,19% | 71,19% | |
| Arkena SAS (ex - Cognacq Jay) | France | 13 809 | 100,00% | 100,00% | 100,00% | |
| Smartjog France | France | 456 | 100,00% | 100,00% | 100,00% | |
| Arkena Inc (ex - Smartjog USA) | USA | 2 000 | 100,00% | 100,00% | 100,00% | |
| Media Broadcast | Germany | | | | 97,55% | Disposed of on March 31, 2015 |
| Taunus Beteiligungs 1 | Germany | | | | 97,55% | |
| Taunus Verwaltungs 2 | Germany | | | | 97,55% | |
| Taunus Management Verwaltungs | Germany | | | | 100,00% | |
| Taunus Management Gmbh & Co Kg | Germany | | | | 27,66% | |
| Media Services GmbH | Germany | | | | 97,55% | |
| Antenna Hungaria | Hungaria | | | | | Disposed of on May 30, 2014, Held for sale since March 31, 2014 |
| Hungaro DigiTel | Hungaria | | | | | |
| Digitalis Atallasert | Hungaria | | | | | |
| Arkena holding (ex - Qbrick holding) | Sweden | 107 | 100,00% | 100,00% | 100,00% | |
| Arkena AB (ex - Qbrick AB) | Sweden | 46 | 100,00% | 100,00% | 100,00% | |
| Arkena AS (ex - Qbrick AS) | Norway | 11 | 100,00% | 100,00% | 100,00% | |
| Arkena A/S (ex - Qbrick A/S) | Denmark | 85 | 100,00% | 100,00% | 100,00% | |
| Arkena Oy (ex - Qbrick Oy) | Finland | 50 | 100,00% | 100,00% | 100,00% | |
| Arkena Spain SL (ex - Qbrick Spain SL) | Spain | 3 | 100,00% | 100,00% | 100,00% | |
| Bebanjo | Spain | 8 | 100,00% | 100,00% | 100,00% | |
| Arkena Sp.zoo (ex PSN) | Poland | 4 586 | 100,00% | 100,00% | 100,00% | |
| Levira | Estonia | 9 587 | 49,00% | 49,00% | 49,00% | |
| Talinna Teletorn Foundation | Estonia | 13 | 49,00% | 49,00% | 49,00% | |
| | Estonia | 5 | 49,00% | 49,00% | 49,00% | |
| Mediamobile Nordic | Finland | 3 050 | 71,19% | 71,19% | 71,19% | |
| TDF Entertainment Oy | Finland | 500 | 100,00% | 100,00% | 100,00% | Created in September 2010, put into liquidation in March 2012 |
| DFI BV | Netherlands | 7 529 | 100,00% | 100,00% | 100,00% | |
| AD Valem Technologies | France | 1 294 | 100,00% | | | Acquired on September 2015 |
| **Equity method** | | | | | | |
| Smartjog Ymagis Logistics | France | 431 | 40,00% | 40,00% | 40,00% | |

The Estonian subsidiary Levira, in which TDF SAS holds a 49% equity stake and whose financial and operating policies are determined by the Group, is fully consolidated.

Concerning German and Hungarian entities, please refer to note 6.

Concerning MCR, this subsidiary is classified as asset held for sale as of March 31, 2015: indeed a decrease in the ownership bringing forth a loss of control is already signed, and will be effective on March 31, 2016.

TDF acquired AD Valem Technologies in September 2015. TDF SAS owns 100% of this entity (please refer to note 1 for more details).