

Prospectus dated 5 April 2016

**TDF Infrastructure S.A.S.**  
**€800,000,000 2.50% Bonds due 2026**  
**Issue Price: 99.043%**

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TDF Infrastructure S.A.S., a *société par actions simplifiée* organised under the laws of France (the “**Issuer**”), is offering €800,000,000 aggregate principal amount of 2.50 per cent. bonds due 2026 (the “**Bonds**”) to be issued on 7 April 2016 (the “**Issue Date**”). The Bonds will bear interest at a rate of 2.50 per cent. per annum from (and including) the Issue Date, payable annually in arrear on 7 April, commencing on 7 April 2017. The rate of interest is subject to adjustment in the event of a Step Up Event or a Step Down Event, as defined in and more fully described in “*Terms and Conditions of the Bonds – Interest*”.

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in full at their principal amount on 7 April 2026 (the “**Maturity Date**”).

The Bonds may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See “*Terms and Conditions of the Bonds—Redemption and Purchase—Redemption for Taxation Reasons*”).

In addition, the Issuer will have the option to redeem in whole or in part the Bonds, at any time prior to the Maturity Date, and in accordance with the provisions set out in “*Terms and Conditions of the Bonds—Redemption and Purchase—Redemption at the option of the Issuer—Make-whole Redemption by the Issuer*”.

The Issuer may also redeem, at any time, as from 7 January 2026 until the Maturity Date, all but not some only of the Bonds at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, and in accordance with the provisions set out in “*Terms and Conditions of the Bonds—Redemption and Purchase—Redemption at the option of the Issuer—Pre-Maturity Call Option*”.

Each Bondholder will have the option, following a Change of Control which results in a Rating Event, to require the Issuer to redeem or repurchase all or some of the Bonds held by such Bondholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in “*Terms and Conditions of the Bonds—Redemption and Purchase—Redemption at the option of Bondholders following a Change of Control*”.

The Bonds will be issued in dematerialised bearer form in denominations of €100,000 each. Title to the Bonds will be evidenced by book-entries in accordance with Articles L. 211-3 et seq. and R. 211-1 et seq. of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V.

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003 as amended (the “**Prospectus Directive**”).

Application has been made (i) for the approval of this Prospectus by the *Autorité des marchés financiers* (French financial market authority) (the “**AMF**”) and (ii) to admit the Bonds to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and, subject to certain exceptions, may not be offered or sold within the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act, as amended (“**Regulation S**”).

The Bonds have been rated BBB- by Standard & Poor’s Ratings Services (“**S&P**”). S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”). As such, S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**INVESTING IN THE BONDS INVOLVES RISKS. SEE “RISK FACTORS” BEGINNING ON PAGE 1 FOR A DISCUSSION OF CERTAIN RISKS THAT INVESTORS SHOULD CONSIDER BEFORE INVESTING IN THE BONDS.**

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**Global Coordinators and Joint  
Lead Managers**

**BNP Paribas**

**Société Générale  
Corporate & Investment Banking**

**Joint Lead Managers**

**Crédit Agricole CIB**

**Lloyds Bank**

**The Royal Bank of Scotland**

## IMPORTANT NOTICES

This Prospectus has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its subsidiaries taken as a whole (the “**Group**”) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the rights attaching to the Bonds.

None of the Managers (as defined in “*Subscription and Sale*”) has separately verified the information contained in this Prospectus. None of the Managers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability (whether fiduciary, in tort or otherwise) as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus. Nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers as to the past or future. To the fullest extent permitted by law, the Managers do not accept any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Issuer in connection with the Issuer or the issue and offering of the Bonds. Each of the Managers accordingly disclaims all and any liability (whether arising in tort or contract or otherwise) which it might otherwise have in respect of this Prospectus or any such statement.

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Bonds not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Managers. The delivery of this Prospectus or any offering or sale of Bonds at any time does not imply (i) that there has been no change with respect to the Issuer or the Group, since the date hereof and (ii) that the information contained in it is correct at any time subsequent to its date. None of the Managers undertakes to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Bonds of any information coming to its attention.

The Prospectus and any other information relating to the Issuer or the Bonds should not be considered as an offer, an invitation or a recommendation by any of the Issuer or the Managers to subscribe or purchase the Bonds. Each prospective investor of the Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of the Bonds should be based upon such investigation as it deems necessary. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, the Group, its business, its financial condition and the Bonds and consult their own financial or legal advisers about risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances. Potential investors should read carefully the section entitled “*Risk Factors*” set out in this Prospectus before making a decision to invest in the Bonds.

The distribution of this Prospectus and the offering or the sale of the Bonds in certain jurisdictions may be restricted by law or regulation. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any obligation or responsibility for facilitating any such distribution, offering or sale. In particular, no action has been or will be taken by the Issuer or any of the Managers which is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Bonds and distribution of this Prospectus and of any other offering material relating to the Bonds, see “*Subscription and Sale*” below.

This Prospectus has not been and will not be submitted for approval to any authority other than the AMF in France.

The Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration

requirements of the Securities Act and in compliance with applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act.

In connection with the issue of the Bonds, Société Générale (the “**Stabilising Manager**”) (or persons acting on its behalf) may over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on its behalf) in accordance with all applicable laws and rules.

In this Prospectus, references to “€”, “**EURO**”, “**EUR**” or to “**euro**” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

## **INDUSTRY AND MARKET INFORMATION**

This Prospectus contains information regarding the Group’s business and the markets in which it operates. Unless otherwise indicated, all information regarding market, market size, growth rate, development, trends and competitive position and other industry data pertaining to the business of the Group contained in this Prospectus has generally been obtained from industry publications, surveys or studies conducted by third party sources, including statistics published by government agencies and reports prepared for the Group by external consultants and other sources, internal surveys and estimates and publicly available information.

Industry and consultant publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While the Issuer believes that each of the studies and publications used is reliable, neither the Issuer nor the Managers have independently verified the data that were extracted or derived from these industry and consultant publications or reports and cannot guarantee their accuracy or completeness. Market data and statistics are inherently uncertain and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

While the Issuer is not aware of any misstatements regarding the industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Risk Factors*”. As far as the Issuer is aware and has been able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Neither the Issuer nor the Managers make any representation as to the accuracy or completeness of any such information in this Prospectus.

Certain numerical figures contained in this Prospectus, including financial information, market data and certain operating data have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

### **Trademarks and trade names**

The Group owns or has rights to certain trademarks or trade names used in conjunction with the operation of its business. Each trademark, trade name or service mark of any other company appearing in this Prospectus belongs to its respective holder.

## PRESENTATION OF FINANCIAL INFORMATION

In this Prospectus, the term “**Audited Financial Statements**” refers to the audited consolidated financial statements of the Group as at and for the financial years ended 31 March 2014, 31 March 2015 and 31 December 2015 audited respectively by KPMG Audit IS S.A.S. and Ernst & Young et Autres (for the financial years ended 31 March 2014 and 31 March 2015), and by KPMG Audit IS S.A.S., Ernst & Young et Autres and Finexsi Audit S.A., prepared in accordance with International Financial Reporting Standards (“**IFRS**”). The Audited Financial Statements were originally prepared in French. The English-language Audited Financial Statements included elsewhere in this Prospectus are translations and in the event of a discrepancy, the French-language version will prevail.

In this Prospectus, unless otherwise stated, all revenue, customer, capital expenditure and operating costs have been restated to exclude, where relevant, the contributions from the German and Hungarian entities, as more fully described in the Audited Financial Statements.

This Prospectus also includes certain restatements to the financial information for the year ended 31 March 2015 to reflect the Group’s first time application of IFRIC 21 “*Levies charged by Public Authorities*”, effective for annual financial periods beginning on or after 1 January 2015. The impact of adopting IFRIC 21 is summarised in Note 4.11 to the Audited Financial Statements.

### Other Financial Measures

This Prospectus contains non-IFRS measures and ratios that are not required by, or presented in accordance with, IFRS, French GAAP or the accounting standards of any other jurisdiction. These measures are included because the Group’s management uses them to measure operating performance, in presentations to its directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of operating cash flows and liquidity. The non-IFRS measures included in this Prospectus have been restated to exclude the contributions from the German and Hungarian entities, as more fully described in the Audited Financial Statements. The non-IFRS measures are defined by the Issuer as follows:

- “**Adjusted EBITDA**” is calculated as EBITDA, excluding severance payments (included under personnel costs) and related fees, as described in the table below:

€ in millions for the 12 months ended	31 March 2014	31 March 2015	31 December 2015 <sup>1</sup>
<b>Other Financial Data:</b>			
<b>EBITDA</b>	<b>358.8</b>	<b>373.0</b>	<b>337.2</b>
Severance payments (included under personnel costs) and related fees	12.5	8.2	7.9
<b>Adjusted EBITDA</b>	<b>371.3</b>	<b>381.2</b>	<b>345.1</b>

<sup>1</sup> For comparison and consistency purposes, Adjusted EBITDA as at 31 December 2015 is presented for a twelve month period

- “**backlog**” means potential future revenue under undisputed contracts between the Group and its customers. Backlog is calculated as an aggregate of such potential future revenue over the relevant contracted period for each contract, which in some cases may be five years or more, and is not subject to a present value discount. Further, backlog does not provide any indication of the time period over which the Group is contractually entitled to receive such revenues and there is no assurance that such revenues will be actually received in the time frames anticipated, or at all. Backlog is computed based on facts known at the computation date; however, revenue included in the backlog may be subject to price indexation clauses, but the potential impact of price indexation when computing backlog is not reflected. In contracts that include early termination clauses,

backlog is based on the shortest contractual period and reflects early termination fees (except if expressly contemplated by contractual churn or regulatory provisions). The Group's backlog is currently at a historically high level, due to the recent renewal of a large number of long-term contracts. It is expected to progressively decrease over the years, until such contracts come up again for renewal. Backlog is not a measure defined in IFRS, and the Group's methodology for determining backlog may not be comparable to the methodology used by other companies in determining their backlog. The amount of the backlog is not necessarily indicative of future revenue or earnings. Although backlog reflects business that is considered to be firm, cancellations or scope adjustments may occur. Backlog is adjusted to reflect any known project cancellations, revisions to project scope and cost, and deferrals, as appropriate. Due to additional factors outside of the Group's control, such as changes in project schedules, the portion of 31 December 2015 backlog estimated to be performed in future fiscal years cannot be accurately predicted. See "*Risk Factors—Risks Related to the Group's Business—The Group's backlog is subject to unexpected adjustments and cancellations and is, therefore, not a reliable indicator of future revenue*";

- "**total capital expenditure**" means the purchase of tangible and intangible fixed assets, including internal capitalised costs, excluding change in related payables, net of subsidies for investment in assets;
- "**net financial debt**" means (i) all financial debt, net of issue costs, excluding (x) accrued interests not due, (y) derivative instruments and (z) shareholder loans and related accrued interests not due, less (ii) cash and cash equivalents, as described in the table below (figures below are taken from the Group balance sheet, from Note 10.2 to the Audited Financial Statements):

€ in millions	31 March 2015	31 December 2015
Senior debt (including loan issuance costs, term debt and revolving debt)	1,415.1	1,394.8
Finance lease debt	6.8	6.9
Other financial debt	0.6	29.3
Cash and cash equivalents	(67.9)	(145.3)
Bank overdrafts	1.4	0.2
<b>Total net financial debt</b>	<b>1,356.0</b>	<b>1,286.0</b>

and

- "**operating free cash flows**" means cash flows from operating activities, less capital expenditure for tangible and intangible (non-financial) assets, net of divestments and grants, and changes in fixed asset payables and receivables.

The Group's non-IFRS measures have limitations as analytical tools, and they should not be considered in isolation, or as a substitute for analysis of the Group's results as reported under IFRS as set forth in the Audited Financial Statements, a free English translation of which is included elsewhere in this Prospectus. Some of these limitations related to Adjusted EBITDA are:

- Adjusted EBITDA does not reflect the Group's cash expenditures or future requirements for capital commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Group's working capital needs;

- Adjusted EBITDA does not reflect the interest expense or cash requirements necessary to service interest or principal payments on the Group’s debt;
- Adjusted EBITDA does not reflect any cash income and certain other taxes that the Group may be required to pay;
- Adjusted EBITDA is not adjusted for all non-cash income or expense items that are reflected in the Group’s statements of cash flows;
- Adjusted EBITDA does not reflect the impact of earnings or charges resulting from certain matters considered not to be indicative of ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the Group’s industry may calculate Adjusted EBITDA differently, limiting their usefulness as comparative measures.

Because of these limitations, the Group’s non-IFRS measures should not be considered as measures of discretionary cash available to the Group to invest in the growth of its business or as measures of cash that will be available to meet its obligations. Investors should compensate for these limitations by relying primarily on the Audited Financial Statements and using these non-IFRS measures only as supplemental information to evaluate the Group’s performance.

### **Business Line Information**

The Group’s business line reporting is prepared on the basis of three business lines: Broadcasting Infrastructure Services (within which there are two activities: Television Broadcasting and Radio Broadcasting), Telecom Infrastructure Services (within which there are two activities: Site Hosting and Other Services) and Media Services. The following presents a brief description of these business lines:

- ***Broadcasting Infrastructure Services:*** The Group provides a complete range of broadcast network services, from contribution (signal transmission from camera to studio), distribution (multiplexing, transport and transmission) for digital terrestrial television (“**DTT**”) and analogue radio signals. Two activities are reported within this business line, Television Broadcasting and Radio Broadcasting.

*Television Broadcasting:* This activity provides contribution, distribution and transmission for DTT and hybrid television.

*Radio Broadcasting:* This activity provides distribution and transmission for FM and AM radio.

- ***Telecom Infrastructure Services:*** This business line provides site hosting services, datacentre housing and backbone and connectivity solutions as well as third party maintenance services to mobile network operators (“**MNOs**”) and other customers. Two activities are reported within this business line, Site Hosting and Other Services.

*Site Hosting:* This activity provides site hosting services for telecommunications “**PoP**” (point-of-presence, an industry term referring to a location where equipment belonging to a single customer is hosted).

*Other services:* This activity provides datacentre housing, backbone and connectivity services (high performance data transmission) and third party maintenance (both for sites which the Group hosts and otherwise).

- **Media Services:** The Group provides a variety of DTT-centric media services such as play-out, video platform solutions and content delivery, cloud storage solutions as well as real-time traffic information delivery.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “estimates”, “aims”, “targets”, “anticipates”, “expects”, “intends”, “plans”, “continues”, “ongoing”, “potential”, “product”, “projects”, “guidance”, “seeks”, “may”, “will”, “could”, “would”, “should” or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, competition in areas of its business, outlook and growth prospects, strategies and the industry in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if the Group’s results of operations, financial condition and liquidity, and the development of the industry in which it operates are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Due to such uncertainties and risks, investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this Prospectus. Investors are urged to read the sections of this Prospectus entitled “*Risk Factors*” and “*Description of the Issuer and the Group—Business of the Group*” for a more detailed discussion of the factors that could affect future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur. Moreover, the Group operates in a competitive and rapidly changing environment. New risks may be faced from time to time, and it is not possible to predict all such risks; nor can the impact of all such risks on the Group’s business be assessed or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

The forward-looking statements are based on plans, estimates and projections as they are currently available to management. The Issuer undertakes no obligation, and does not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

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## RISK FACTORS

*An investment in the Bonds involves risks. Before purchasing the Bonds, investors should consider carefully the specific risk factors set forth below, as well as the other information contained in this Prospectus. Any of the risks described below could have a material adverse impact on the Group's business, financial condition and results of operations and could therefore have a negative effect on the trading price of the Bonds and the Issuer's ability to pay all or part of the interest or principal on the Bonds, and investors may lose all or part of their investment. Additional risks not currently known to the Issuer or that it now deems immaterial may also adversely affect the Group's business, financial condition, results of operation or the Issuer's ability to fulfil its obligations under the Bonds.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Prospectus. See "Forward-Looking Statements".*

### **Risks Related to the Group's Business**

***Competitive pressures in the television broadcasting infrastructure services industry from other broadcasting platforms could have a material adverse effect on the Group's business.***

The Group is a leading third party provider of DTT distribution and transmission services in France, and revenue from Television Broadcasting Infrastructure services accounted for 31 per cent. of total revenue for the twelve months ended 31 December 2015. The French television broadcasting market is highly competitive. The Group provides broadcasting infrastructure services necessary for the transmission of DTT and it has historically faced and will continue to face competition from alternative broadcasting platforms: internet protocol television ("IPTV"), cable and satellite. Additionally, as a result of continuing technological innovation, the French television broadcasting market is currently undergoing a period of significant change and the Group faces increasing competition from emerging methods of television transmission such as over-the-top content delivery platforms (for example Netflix or Canalplay), which have further fractionalised television viewing audiences. The popularity and penetration of DTT in France is currently high and according to a survey conducted by the *Conseil Supérieur de l'Audiovisuel* (Independent Authority to Protect Audiovisual Communication Freedom) (the "CSA") and *Médiamétrie*, as of September 2015, DTT is the most commonly used television platform, accounting for approximately 56 per cent. of homes equipped with a television set, whereas IPTV and fibre accounted for 45 per cent., direct to home ("DTH") satellite accounted for 23 per cent. and cable accounted for 9 per cent. There is also a risk of increased competition in France arising from the potential large-scale deployment of fibre-to-the-home ("FTTH") networks that commenced services in 2011 or enhanced competition from upgraded cable networks, both of which use a different delivery architecture than the Group's broadcasting transmission system. In addition, the French telecommunications market has experienced convergence with almost all IPTV and cable operators now offering quadruple-play bundles (including pay TV, broadband internet and both fixed and mobile telephone service) utilising a non-DTT delivery platform such as IPTV. The increased penetration of alternative broadcasting methods could result in an increased market share for competing distribution platforms, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, IPTV, cable and satellite operators have the ability to deliver additional channels and other "built-in" functionalities, such as "catch-up TV" and video-on-demand, which prove increasingly popular with viewers, whose television consumption habits are rapidly changing. For example, satellite distribution of free-to-air television programming, despite being more expensive than DTT as viewers need to purchase and install a set-top box and a satellite dish, challenges the Group's business due notably to the greater number of channels available on satellite than on DTT. In addition, IPTV operators have been developing aggressive bundling and content strategies. All of the 31 channels available in December 2015 through DTT (including SD/HD simulcast) are also available through other broadcasting platforms. If viewers decide that they prefer the additional content offered by these alternative platforms, they may choose to switch to competing broadcasting platforms. As a result, customers may decide not to renew their contracts with the Group as DTT would no longer be economically viable, which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

The Group also faces competition within the broadcasting infrastructure services market itself and its competitors within this market could capture some of the Group's volume market shares. See "*—The Group operates in competitive industries and competitors in each of the broadcasting infrastructure services, telecommunication infrastructure services and media services industries could capture some of its market share*".

***The Group's business depends on demand for mobile telephony services and telecommunications sites.***

The Group is a leading third party provider of site hosting of telecommunications equipment for MNOs and other customers and technical services to such customers and revenue from Telecom Infrastructure Services accounted for 41 per cent. of total revenue for the twelve months ended 31 December 2015. If customer demand for site space, mobile backhaul services or other services provided to Telecom Infrastructure Services customers declines, the Group may not be able to successfully grow its Telecom Infrastructure Services business as expected. Telecommunication operators may also increase the use of network sharing, roaming, joint development or resale agreements, which allows them to expand their respective networks without using additional sites, which may be more cost-effective for them in certain circumstances. For example, in 2014 the French telecom operators Société Française du Ratiotéléphone – SFR ("**SFR**") and Bouygues Telecom announced that they will share existing 2G, 3G and 4G infrastructure in non-urban areas, and in January 2016, Orange announced that it was in preliminary talks to acquire Bouygues Telecom. A decline in the rates the Group is able to charge for site hosting and other telecommunication services may also affect the growth of its business. The Group's plan for the growth of Telecom Infrastructure Services largely depends on management's expectations and assumptions concerning future customer demand for site hosting and other telecommunication services. If these expectations and assumptions are incorrect, the Group may not be able to implement its business strategy or to satisfy its financial and other contractual obligations, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

Demand for the Group's sites depends on customers' demand for antenna space, which in turn partly depends on the end users' consumption of voice and data services. The willingness of customers, which are predominantly leading French telecommunications operators, to utilise the Group's infrastructure, or renew or extend existing contracts on its sites, is affected by numerous factors, including:

- end user demand for mobile telephony services;
- the economic viability of the mobile telephony services provided by the Group's customers, who must develop sustainable business models allowing them to provide such services at reasonable costs;
- mergers or consolidations among customers;
- changes in, or the success of, customers' business models;
- governmental regulations, including local and national restrictions on the proliferation of sites;
- the cost of constructing sites compared to the costs of renting;
- technological changes, including those affecting (i) the number or type of sites or other sites needed to provide wireless communications services to a given geographic area and (ii) the obsolescence of certain existing wireless networks; and
- the Group's ability to efficiently satisfy its customers' service requirements.

If customers or potential customers are unable to raise adequate capital to fund their business plans as a result of disruptions in the financial and credit markets or otherwise, they may reduce their spending, which could adversely affect the Group's opportunities for growth and the demand for its sites and network services. A slowdown in demand for mobile telephony services or of the Group's sites may negatively impact growth or could otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

***Increases in broadcasting transmission and infrastructure access prices as a result of the new regulatory decision may be appealed or may change in the medium term.***

The pricing of the Group's access services to French television broadcasting transmission infrastructure is regulated by the French telecommunications regulatory body ARCEP (*Autorité de Régulation des communications électroniques et des postes*), according to its recently adopted decision No. 2015-1583 dated 15 December 2015 which is valid for the next three years. ARCEP has compiled a list of 77 of the Group's sites (previously 82 sites) which it considers to be non-replicable (of which 74 are in mainland France and 3 are in French overseas territories) by competitors due to, for example, geographic location or antenna height, and has imposed an obligation to align tariffs for access services to those deemed non-replicable sites with costs.

Under ARCEP's regulation, since 2006 the Group has been required to publish a price list (a reference offer) for all of its Broadcasting Infrastructure Services customers. The French *Ordonnance* No. 2011-1012 dated 24 August 2011 implementing Directive 2009/140/EC (on a common regulatory framework for electronic communications networks and services) generally provides that the national regulator may only issue access and pricing regulations if it finds, based on market analysis, that the market is not sufficiently competitive and an operator has a significant market power. A pricing decision of the national regulator must be reasoned and must contain a method of calculation of the regulated price used by the national regulator. The 77 sites which are currently deemed non-replicable are subject to pricing controls which are calculated according to cost orientation with an embedded nominal cost of capital, which is fixed at 9.8 per cent. for the next three years. As a result, as the fixed cost base is spread between all multiplexes, the Group's unit tariffs will increase by 18 per cent. (applicable as current contracts are renewed) when the number of multiplexes decreases from April 2016.

In the past, both customers and competitors have made legal challenges asserting that further Group sites should be declared non-replicable and prices on such sites should be subject to pricing controls. These challenges were rejected by the French Council of State (*Conseil d'Etat*) in a decision dated 11 June 2014. There can be no assurance that customers or competitors will not challenge the decision released by ARCEP in December 2015, or the related increase in the Group's tariffs. In addition, as this decision is valid for three years, there can be no assurance that future regulations related to the Group's pricing and that future decisions by ARCEP will not change pricing and access obligations which could negatively affect new and current agreements. Any such change in pricing could accordingly have a material adverse effect on profit margins for broadcasting transmission and in turn on the Group's business, financial condition and results of operations. For additional risks related to the regulations to which the Group is subject, see "*Risks Related to Regulation*".

***The Group operates in competitive industries and competitors in each of the broadcasting infrastructure services, telecommunication infrastructure services and media services industries could capture some of its market share.***

The Group faces significant competition from established and new competitors. The nature and level of the competition it faces varies depending on the services offered. Competition may make it difficult to attract new customers and retain existing customers, thereby increasing churn levels, and may lead to increased price pressure. There can be no assurance that the Group will be able to compete successfully against current or future competitors in any of its businesses. A failure to do so could have a material adverse effect on the Group's business, financial condition and results of operations.

***Broadcasting Infrastructure Services.*** The Group does not compete for the allocation of licences for television and radio frequencies in France as these are required to be owned by television (or MUXs (as defined herein) grouping several channels) and radio channels. Instead, operators of terrestrial broadcasting infrastructure, such as the Group, can only act as technical service providers to MUXs and channels. The Group was deemed to have "Significant Market Power" ("**SMP**") in France in 2006, and French regulations have since required that third parties are allowed access to the Group's sites to install their broadcasting infrastructure equipment thereon. The Group's competitors can then offer TV broadcasting transmission services to MUXs using their own equipment and relying on the Group's access services. The prices charged to such third parties are reviewed by the regulator in the interest of enhancing competition and may not exceed certain thresholds for some of the Group's sites. The Group's competitors can also rely on their own sites to offer TV broadcasting transmission services. As at 31 December 2014, the Group's volume market share for TV broadcasting was equivalent to 82.1 per cent. in access and 68.1 per cent. in transmission (source ARCEP, *Décision n°2015-1583 de l'Autorité*

*de régulation des communications électroniques et des postes en date du 15 décembre 2015*, December 2015). The Group's competitors in France for TV broadcasting are Towercast, an affiliate of NRJ Group, with a portfolio of approximately 800 sites including PoP installed on TDF-owned towers and Itas TIM, an independent player with a portfolio of approximately 310 sites (including sites owned by Onecast, the third competitor which was an affiliate of TF1 Group, which was acquired by Itas TIM in October 2014). Towercast and Itas TIM represent together an estimated volume market share of approximately 17.9 per cent. in access and 31.9 per cent. in transmission (source ARCEP, as above) and such market share has been regularly increasing over time. These companies are also competitors for radio broadcasting.

**Telecom Infrastructure Services.** The Group faces competition for site hosting customers from various sources, including other independent site owners such as FPS Towers, which has a portfolio of approximately 2,050 tower sites, or operators, MNOs that own and operate their own sites and lease antenna space to other MNOs, owners of alternative facilities including rooftops, water towers, distributed antenna systems, broadcast towers and utility poles and new alternative deployment methods in the wireless communication industry. MNOs that own and operate their own site portfolios are generally substantially larger and have greater financial resources than the Group. As a result of the competition in the telecom infrastructure services industry, the Group may face difficulties attracting new customers, maintaining or increasing its gross margins or maintaining or increasing its volume market share.

Furthermore, certain MNOs have entered into network sharing agreements allowing them to expand their respective networks without using additional sites and may continue to do so at an increased rate in the future. See “—*The Group's business depends on demand for mobile telephony services and telecommunication sites*”.

In addition, MNOs may sell some of their sites to potential new entrants in the Group's markets, which could lead to increased competition for site hosting customers in the Telecom Infrastructure Services business.

**Media Services.** The market for media and video services in France is commoditised and fragmented. The Group's competitors, many of which are large local and international players, vary depending on the sub-markets in which it operates (i.e., broadcast play-out, online video platforms (“**OVP**”), content delivery networks (“**CDN**”) and file transfer) and the Group is subject to strong pricing pressures. The play-out market in France is fairly well developed and the Group competes with multi-national service providers such as Ericsson. The French OVP market is highly fragmented and the Group mainly faces competition from local players such as Pikel and Brightcove, which are the European leaders of OVP services. The European CDN market, which is currently dominated by some large US players such as Akamai, Level 3 and Limelight, also includes many local players and could be further affected in the medium term by the entry of network operators. As a result of these and other market developments, price competition could increase even further which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The second digital dividend which allocate spectrum for uses other than terrestrial broadcasting is likely to adversely affect the Group's business, financial condition and results of operations.***

Following the World Radiocommunication Conference held in February 2012, a second digital dividend will be implemented in France and other European countries. The implementation of the new digital dividend will split the spectrum used in the ultra-high frequency (“**UHF**”, 470 – 790 MHz) band for television and the 700 MHz band (694-790 MHz) will be reallocated for other uses, such as wireless mobile broadband. The French Prime Minister issued a press release on 10 December 2014 announcing the transfer of the 700 MHz band between DTT and mobile operators which will take place between 1 October 2017 and 30 June 2019, with the exception of the Paris region where telecommunication operators will be allowed to use the UHF band from April 2016. In December 2015, following an auction process organised by ARCEP, the 700 Mhz band was allocated to the MNOs in return for a total licence price of €2.8 billion and will be made available to them according to such calendar. At the same time, DTT is expected to use more efficient technologies. In 2015, the CSA released decisions stating that DTT will switch to MPEG-4 standard, and MPEG-2 would be abandoned, in April 2016, allowing the switch-off of two multiplexes (out of eight nationwide multiplexes) without reducing the number of channels. The “*Loi 2015-1267 relative au deuxième dividende numérique et à la poursuite de la modernisation de la télévision numérique terrestre*” was passed on 14 October 2015 (the “**French Law 2015-1267**”) in order to fund upgrades of TV sets to compensate the broadcasters and to empower the CSA to have the capability to reorganise DTT. During the parliamentary discussions, the French Government recognised that this would be

prejudicial to network broadcasters such as TDF and announced that it would try to reach an agreement to compensate all three technical broadcasters. Total funding of €68 million was allocated for this purpose in France's 2016 budget and, in February 2016, TDF has received a one-off payment representing its portion of such amount. In addition, funding of technical operations required to implement frequencies reshuffling operations will be provided by a public fund (*Fonds de Réaménagement du Spectre*), managed by Agence Nationale des Fréquences. Despite such compensation, the reduction from 8 to 6 nationwide multiplexes could have a material adverse effect on the Group's business, financial condition and results of operations.

Regarding the long term future of DTT in the UHF band, the Lamy report to the European Commission of September 2014 recommended a proposed roadmap until 2030 for terrestrial broadcasting in the remaining UHF spectrum below the 700 MHz band, with a proposed review in 2025 to assess technology and market developments. The French Law 2015-1267 has implemented this proposal and guarantees the remaining UHF spectrum for DTT until 2030. However, the 2015 World Radio Conference (WRC) decided that the remaining UHF will be discussed by 2023. There can be no assurance that the law and the spectrum allocation will not be modified after 2023, which could negatively affect the development of the DTT platform and consequently could at that time have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's operations require substantial capital expenditure, which it may not be able to fund from cash generated from operations or financing facilities.***

The Group may require substantial capital to maintain, upgrade and enhance its network facilities and operations. For the twelve months ended 31 December 2015, the Group spent €127.8 million on capital expenditure (equivalent to 18 per cent. of total revenue for the period), of which €94.3 million (or 13 per cent.) was growth capital expenditure and €33.5 million (5 per cent.) was maintenance capital expenditure, whereas for the nine months ended 31 December 2015, the Group spent €89.6 million on capital expenditure (equivalent to 17 per cent. of total revenue of the period), of which €65.0 million (or 12 per cent.) was growth capital expenditure and €24.6 million (5 per cent.) was maintenance capital expenditure. In particular, unanticipated capital investments may be needed for the Group to remain competitive should evolving technologies in the businesses in which the Group operates render its infrastructure obsolete or be technologically incompatible. Historically, the Group has invested significant capital expenditure in updating its broadcasting infrastructure equipment in connection with the digital television switchover and similar investment may be necessary for the switchover from analogue to digital radio transmission that may occur in the long term. The Group has also invested significant capital expenditure in developing its site portfolio and telecom infrastructures (in particular, to deploy a high speed backbone and connect datacentres). Whilst the Group has in the past been able to fund capital expenditure from cash generated from its operations and financing facilities, this may not be possible in the future and the other risks described in this "Risk Factors" section could materially reduce cash available from operations or significantly increase capital expenditure requirements, which could cause capital not to be available when needed. This could adversely affect the Group's ability to implement its business strategy and could in turn result in a reduction of revenue.

The Group's current assumptions regarding the costs associated with maintenance and upgrades of its network infrastructure may prove to be inaccurate. No assurance can be given that future upgrades will generate a positive return or that the Group will have adequate capital available to finance such future upgrades. New technologies may become dominant in the future, rendering current systems obsolete. The Group's ability to adapt successfully to changes in technology in its industries and provide new or enhanced services in a timely and cost-effective manner, and to successfully anticipate the demands of its customers, will determine whether it will be able to increase or maintain the customer base. If the Group fails to respond adequately to technological changes, this could have a material adverse effect on its business, financial condition and results of operations.

Furthermore, if capital expenditure exceeds projections or cash flow from operating activities is lower than expected or if funds borrowed under the Facilities Agreement (as defined in "Description of the Issuer and the Group—Material Contracts—Facilities Agreement") are insufficient, the Group may be required to seek additional financing. An inability to secure additional financing on satisfactory terms (or at all) may adversely affect the Group's ability to fund the maintenance of, and any upgrades and other improvements to, its network. This would have a negative impact on the service provided to the Group's customers, which could result in

negative publicity and the loss of customers and could have an adverse effect on the Group's ability to attract new customers.

***A substantial portion of revenue is derived from a small number of customers.***

The Group operates almost exclusively as a business-to-business operator in all three of its businesses and it does not directly generate revenue from the end user of the services. Although the Group served approximately 2,268 customers as at 31 December 2015, a small number of customers accounts for a substantial portion of revenue. The top fifteen customers across the Broadcasting Infrastructure Services, Telecom Infrastructure Services and Media Services businesses represented approximately 79 per cent. of revenue for the year ended 31 December 2015. Over the same period, the top fifteen Broadcasting Infrastructure Services customers represented approximately 43 per cent. of revenue and the top fifteen Telecom Infrastructure Services customers represented approximately 37 per cent. of revenue.

In the Broadcasting Infrastructure Services business, the Group is particularly reliant on certain public television and radio broadcasters which could become concerned with national budgetary imbalances and adopt measures that reduce public spending or put further pressure on transmission costs, which might in turn affect the Group's business, financial condition and results of operations. In France, auction processes are put in place by the Group's public customers at the termination of each contract. For example, Radio France decided not to renew a medium-wave contract which ended in December 2015, and has notified the Issuer that its long-wave contracts will end in December 2016 in response to budget cuts; as a result, although the Group prevailed in the relevant public tender and renewed its broadcasting contract with Radio France, it was affected by lower revenue and margins. The Group also relies on certain privately owned television and radio broadcasters that could become bankrupt or insolvent or experience a decrease in advertising revenue, as was the case in 2008 and 2009 when overall advertising revenue in Europe decreased due to challenging market conditions, as a result of which their profitability, ability to launch new channels, expand their HD broadcasting and pay the Group's fees would be affected. For Telecom Infrastructure Services, consolidation among customers is likely to result in duplicate or overlapping parts of networks, which may result in a reduction of sites. Consolidation may also result in a reduction in the Telecom Infrastructure Services customers' aggregate future capital expenditures if their coverage and expansion plans are similar and, therefore, following consolidation, fewer new sites would need to be deployed. In addition, increased and closer co-operation among MNOs, such as network sharing agreements, could allow MNOs to reduce the number of PoP they rent from the Group.

The loss of any one of the Group's major customers as a result of bankruptcy, insolvency, consolidation, network sharing, roaming, joint development, resale agreements by customers (which allow customers to expand their respective networks without using additional sites), merger with other customers of the Group or otherwise may result in (i) a material decrease in revenues, (ii) uncollectible account receivables, (iii) an impairment of deferred site hosting receivables, towers assets, site hosting contracts and customer relationships intangible assets, and (iv) other adverse effects to the business. There can be no assurance that the Group's contracts with its major customers will not be terminated or that these customers will renew their contracts and if any of the Group's customers is unwilling or unable to perform their obligations under these contracts, revenue and liquidity could be reduced which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, certain of the Group's key customers are in a dominant position in their respective markets and can therefore exercise pressure to reduce the pricing of the Group's services, especially at periods of contract renewal/renegotiation. This could result in a reduction of revenue from such customers or, should the Group refuse to reduce its prices, in the loss of such customers. In both cases, this would result in a reduction or loss of revenue and liquidity which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's business may suffer if it is unable to renew long-term contracts on equally or sufficiently favourable terms.***

The Group has entered into long-term contracts (in the case of Broadcasting Infrastructure Services customers between five and ten years and in the case of Telecom Infrastructure Services customers between seven to twenty years) with a large number of its customers, however certain material contracts may be terminated

pursuant to early termination rights, expire on a staggered basis, may not be renewed or may be subject to a maximum length (as is the case for the SPH Framework Contracts, as defined and discussed in “*Description of the Issuer and the Group—Legal and Arbitration Proceedings*”). For example, the main contract with Telecom Infrastructure Services customers related to the maintenance services provided to MNOs and third parties managed by the Group expired in 2015. In addition, contracts for site hosting services that have been entered into with certain leading French MNOs each include a provision allowing them to withdraw a number of their PoP without incurring any penalty. If any of these long-term agreements are terminated or not renewed or renegotiated on commercially acceptable terms or at all, or other key agreements are not renewed, the loss of such agreements and/or customers could have a material adverse effect on the Group’s business, financial condition and results of operations. The Group may also face price pressure in connection with renewal negotiations and due to competitive pressures, it may agree to renew key customer contracts at lower rates, for fewer services or for shorter terms.

***The Group may be unable to protect rights to its sites, including the land on which its sites are located.***

As at 31 December 2015, the 6,584 active sites the Group controlled in mainland France were comprised of 6,312 multipurpose towers and 272 active rooftops (hosting at least 1 PoP). As at the same date, the Group owned approximately 90 per cent. of its active multipurpose towers as well as approximately 32 per cent. of the land on which its sites are located. The Group leases the remainder under long-term lease contracts with a maturity ranging from five to 99 years. The Group operates the sites and occupies the land that it does not own under lease agreements with public authorities, corporations or individuals. As a result, a large part of the property interests relating to the land on which the sites sit consist of leasehold interests and a loss of these interests may interfere with the Group’s ability to conduct its business and generate revenues. For various reasons, the Group may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of sites. If the Group is unable to retain rights to the land on which its sites sit, its business, financial condition and results of operations may be adversely affected. Furthermore, the Group may not be able to renew its leases on commercially viable terms or at all. The ability to retain rights to the land on which the sites sit depends on the Group’s ability to renegotiate and extend the terms of the leases relating to such land and other factors which may be outside of its control. For example, there is a risk that the leases may not be renewed in due course or at all due to, among other factors, the state of the real estate market at such time and the competition for land. This would result in additional costs being incurred in selecting appropriate or equally suitable alternative premises and, if feasible, relocating to them and there is a risk that suitable alternative premises may not be available. If lease payments increase or the Group is unable to renew existing leases or lease suitable alternate locations, profitability may be significantly harmed.

***The Group may not be able to successfully introduce new or modified services or respond to technological developments.***

The television, radio, telecommunications and media services industries are characterised by the following factors:

- rapid and significant technological change;
- changes in usage patterns and customer needs and priorities;
- the frequent introduction of new products and services or the upgrading of existing products and services in connection with new technologies;
- the introduction of new industry standards and practices that render current company technologies and systems obsolete; and
- risks and costs relating to new technologies migration, such as the DVB-T2 standard (the new DTT broadcasting standard with a compression algorithm enabling better use of frequencies than the previous broadcasting standard) or the adoption of new terminals, such as new television standards and digital radio.

In the Telecom Infrastructure Services market, for example, new technologies designed to enhance the efficiency of mobile telephony networks could reduce the use and need for site-based transmission and reception and adversely affect demand for the Group's antenna space and site hosting generally. Such developments could include spectrally efficient air access technologies, a signal combining technologies that permit one antenna to service multiple frequencies and, thereby, multiple customers, or certain complementary network technologies that could offload a portion of network traffic away from traditional site-based networks, which would reduce the need for carriers to add more equipment at certain sites.

Additionally, the Group's business could be affected by the growth in the delivery of telecommunications services by direct broadcast satellites, cable operators or other technologies which may, in the future, serve as substitutes for or alternatives to site leasing. Certain complementary network technologies, such as femtocells which are small cellular base stations which connect to telecommunication networks through a broadband connection, could offload a portion of network traffic away from the traditional site-based networks, which would reduce the need for carriers to add more equipment at certain sites. Moreover, the development of alternative technologies such as the development of wireline solutions such as broadband (e.g., xDSL) and fibre networks (e.g., FTTx) could reduce the need for site-based broadcast services transmission and reception. For example, the deployment of FTTH networks has increased and has had some effect displacing end users from DTT and high definition television ("HDTV"). In such cases, the Group may be required to make significant investments to compete with such technologies. Rapid, unforeseen development in a technology could also supersede the Group's current technology altogether. The development and implementation of any of these technologies or any unforeseen technologies to any significant degree could adversely affect the Group's business, financial condition and results of operations.

Furthermore, there can be no assurance that new mobile telephony services and technologies, such as 5G, will be introduced, or that existing technology, such as 4G or 3G in the telecommunications industry or "HbbTV" (Hybrid Broadcast Broadband TV, which is both an industry standard and a promotional initiative to standardise TV broadcasting and internet access for providing programmes to end consumers via television sets connected to the internet) in the broadcast industry, will be continued to be deployed as rapidly as it has been in the past or in the manner projected. Demand and customer adoption rates for such new technologies may be lower or slower than anticipated for numerous reasons. As a result, growth opportunities and demand for the Group's sites from such technologies may not be realised at the times or to the extent anticipated.

It is difficult to predict the effect of technological innovations or new service or product offerings on the Group's business. The Group may be unable to successfully integrate new technologies and service offerings or adapt to new or existing technologies to meet customer needs within an appropriate time frame. Any such inability could have a material adverse effect on the Group's business, financial condition and results of operations.

***A telecommunications industry slowdown or a reduction in mobile telephony network investment could have a material adverse effect on the Group's business (including reducing demand for its sites and network services), financial condition and results of operations.***

Historically, the amount of customers' network investment has been cyclical and has varied based upon various matters, including those described in these "Risk Factors". Changes in carrier network investment typically impact the demand for the Group's sites. As a result, changes in carrier plans such as delays in the implementation of new systems, new technologies or plans to expand coverage or capacity may reduce demand for the Group's sites. Furthermore, the telecommunications industry could experience a slowdown or slowing growth rates as a result of numerous factors, including the increased use of network sharing, roaming, joint development or resale agreements by Telecom Infrastructure Services customers, a reduction in consumer demand for wireless services and general economic conditions. There can be no assurance that the weakness and uncertainty in the current economic environment will not adversely impact the wireless communications industry, which in turn may have a material adverse effect on the Telecom Infrastructure Services business should demand for the Group's sites and network services decline. In addition, such a slowdown may increase competition for site-hosting customers. A telecommunications industry slowdown or a reduction in carrier network investment could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group relies on third parties to provide services to its customers and to support its operations. Any delay or failure by such third parties to provide their services could cause delay or interruptions in operations, which could damage the Group's reputation and result in the loss of revenue and/or customers.***

The Group relies on third party subcontractors to provide certain services to its customers on its behalf, such as engineering, installation, maintenance and transportation services in relation to its sites. Even if the Group works with a limited number of subcontractors which are carefully selected and closely monitored, it has limited control over how and when these third parties perform their obligations and is exposed to risks that they may fail to meet timelines, to meet quality and safety requirements or to provide services at all. Furthermore, the Issuer believes that there are a limited number of competent, high-quality third party subcontractors in the Group's industries, and if the Group was required to obtain additional or alternative agreements or arrangements in the future with subcontractors, it may be unable to do so on satisfactory terms or in a timely manner. This could limit the Group's ability to implement its business plan or meet customer demands. Finally, the Group may face penalties under customer contracts because of a failure of any of its subcontractors. Therefore, any adverse changes to relationships with suppliers or quality and safety issues caused by subcontractors could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's business will suffer if it fails to attract and retain key management, employees or other qualified personnel.***

The success of the Group's business will depend, in part, on the continued service of its key management and employees and its ability to continue to attract, retain and motivate qualified personnel. The Group competes with other telecommunications service providers for qualified personnel, particularly qualified technical personnel. Many of its engineers have spent their entire careers with the Group and have detailed knowledge of its broadcasting and telecommunication equipment, transmission and distribution technologies, and the construction and design of its network. In addition, certain of the Group's key management and other personnel have established important working relationships with market participants and regulators and have detailed knowledge of the Group and the markets in which it operates. The Group's success will depend, in part, upon its ability to retain such personnel and hire qualified personnel going forward. There can be no assurance that it will be able to attract, recruit and retain sufficient qualified personnel and the failure to do so could have a material adverse effect on the Group's business, financial condition and results of operations.

***The occurrence of events beyond the Group's control could result in damage to its network or systems failures that could result in reduced revenue or require unanticipated capital expenditures and could harm its reputation.***

The Group's technical infrastructure (including site infrastructure for broadcasting and site hosting services) is vulnerable to damage or interruption from information technology ("IT") failures, power loss, earthquakes, floods, windstorms, fires, acts of terrorism, sabotage, riots, strikes and other industrial action or catastrophic events. Unanticipated problems at sites, network or system failures, hardware or software failures or computer viruses could affect the quality of the Group's services and cause service interruptions. In the past, some of the Group's sites were damaged by bad weather conditions, such as windstorms affecting Southwest France in January 2009 and February 2010, and acts of vandalism in some of the sites in the French region of Brittany by political activists of the Breton nationalist movement. Disaster recovery, security and service continuity protection measures that the Group has in place or may in the future undertake, and the monitoring of network performance, may be insufficient to prevent losses or reduced revenue, or may require unanticipated capital expenditures and could harm the Group's reputation and customer relations. While the Group has insurance coverage for its network, such insurance may not be sufficient to cover all losses. In addition, the Group's network may be susceptible to increased network disturbances and technological problems, and such difficulties may increase over time.

Furthermore, the Group's business is dependent on certain sophisticated critical systems, including IT systems. Despite the presence of backup systems, including regional mobile units that can be used to restore regional portions of the Group's network, no assurance can be provided that the servers and network may not be damaged by physical or electronic breakdowns, computer viruses or other similar disruptions. Any such unforeseen problems may create disruptions in the Group's IT systems. There can be no assurance that existing security systems, IT security policy, back-up systems, physical access security and access protection, user

administration and IT emergency plans will be sufficient to prevent data loss or minimise network downtime. Sustained or repeated disruptions or damage to the network and technical systems which prevent, interrupt, delay or make it more difficult for the Group to provide products and services to its customers in accordance with agreements with them may trigger claims for payment of damages or contractual remedies and could cause considerable damage to the Group's reputation, lead to the loss of customers and a decrease in revenue, and also require repairs, which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is subject to operating costs which it may not be able to manage effectively and inflation risks which may adversely affect its earnings.***

The Group's business plan is dependent on its ability to effectively manage the costs associated with running its business. If the Group needs to respond to actions by its competitors or unanticipated changes in its markets, it may be required to make investment in the business and incur other expenditure which would reduce cash flow available for other purposes.

The Group's strategy calls for expanding the services offered and, for example, the number of PoP hosted and volumes of radio, television and telecommunications signals distributed through its transportation and broadcast network. However, additional site hosting or a higher volume of signal distribution may be offset by fixed or reducing prices the Group can charge its customers. In addition, while the Group attempts to reduce its operating costs, there is no assurance that it will be able to do so. Accordingly, operating costs may rise faster than associated revenue, resulting in a material negative impact on operating margins, cash flow and net earnings. The Group could be negatively impacted by inflationary increases in employee costs such as wages and benefits, energy costs and other administrative costs if it is not able to increase or maintain its prices or if it is locked into long-term contracts that cannot be renegotiated. Given the long-term contracts with many customers of the Broadcasting Infrastructure Services and Telecom Infrastructure Services businesses, increases in costs, such as energy costs, cannot usually be passed on. A number of the Group's long-term contracts, particularly with customers of the Broadcasting Infrastructure Services business, are not linked to inflation and if there are increases in costs or substantial rises in inflation, gross margins and cash flows generated by these contracts would be negatively affected. Although some of the Group's long-term contracts include indexation clauses, these clauses may not fully protect revenue against inflation or other rising input costs and there can be no assurance that the Group will be able to negotiate indexation clauses in its contracts in the future. Conversely, if inflation increases are less than expected, long-term contracts that are linked to inflation may not generate as much revenue as initially contemplated.

As at 31 December 2015, the Group operates approximately 6,887 active sites in France, of which 6,584 are in mainland France, which require a substantial supply of electricity. Energy costs are among the Group's largest costs and relate primarily to the purchase of electricity and overall energy spend amounted to €43.4 million for the twelve months ended 31 December 2015 (€31.4 million for the nine months ended 31 December 2015). The Group has electricity supply agreements with EDF France and certain of these contracts include indexation mechanisms which account for, among other things, increases in the cost of energy. However, should EDF France become subject to a major production disruption or become unable to meet its obligations under present supply agreements, the Group may be forced to pay higher prices to obtain the electricity necessary to run its equipment, whether from EDF France or another supplier, and the Group may not be able to increase the prices of its finished products. Volatility in the energy market may result from many factors beyond the Group's control, including the supply and demand for power or fuel for generation, the weather, the availability of competitively priced alternative energy sources, transmission or transportation constraints, carbon costs, energy and environmental regulation and legislation, commodity market constraints, general economic conditions, and natural disasters, wars, embargoes and other catastrophic events.

All of the above factors could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's backlog is subject to unexpected adjustments and cancellations and is, therefore, not a reliable indicator of future revenue.***

As at 31 December 2015, the Group's backlog was approximately €2,403 million. The Group's backlog represents management's estimate of the value of revenue it expects to realise in the future as a result of performing work under multi-period contracts that have been entered into. Backlog is calculated based on the same criteria for each of the businesses. Backlog is calculated as an aggregate of such potential future revenue over the relevant contracted period for each contract, which in some cases may be five years or more, and is not subject to a present value discount. Further, backlog does not provide any indication of the time period over which the Group is contractually entitled to receive such revenues and there is no assurance that such revenues will be actually received in the time frames anticipated, or at all. Backlog is computed based on facts known on the date it is calculated. However, revenue included in the backlog may be subject to price indexation clauses, the potential impact of which is not reflected when computing backlog. In contracts that include early termination clauses, backlog is based on management estimates based on signed contracts and reflects early termination fees.

The Group's backlog is currently at a historically high level, due to the recent renewal of large long-term contracts. It is expected to progressively decrease over the years, until such contracts come up again for renewal.

Backlog is not a measure defined in IFRS, and the Group's methodology for determining backlog may not be comparable to the methodology used by other companies in determining their backlog. The amount of the backlog is not necessarily indicative of future revenue or earnings. Although backlog reflects business that is considered to be firm, cancellations or scope adjustments may occur. Backlog is adjusted to reflect any known project cancellations, revisions to project scope and cost, and deferrals, as appropriate.

There can be no assurance that the revenue projected in the Group's backlog will be realised or, if realised, result in profit. Because of contract terminations or suspensions and changes in project scope and schedule, it cannot be predicted with certainty when, or if, backlog will translate into revenue. No assurance can be provided that additional cancellations will not be received. Even where services are provided as per the relevant contract, it is possible that the customer may default and fail to pay amounts owed. Material delays, cancellations or payment defaults could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's services are used in critical communications networks which may subject it to significant liability claims.***

Because the Group's services are used in critical communications networks, it may be subject to significant liability claims if its products do not function properly. The provisions in the Group's agreements with customers that are intended to limit exposure to liability claims often use clauses that purport to limit liability to pre-set limits. However, no assurance can be given that such clauses will be upheld in any subsequent litigation and they may not preclude all potential claims. In addition, the Group's insurance policies may not adequately limit its exposure with respect to such claims. The Group warrants to its current customers that its products will operate in accordance with its services specifications. If services fail to conform to these specifications, customers could require that the failure is remedied or could assert claims for damages. Liability claims could require the Group to spend significant time and money in litigation or to pay significant damages. Any such claims, whether or not successful, would be costly and time-consuming to defend, and could divert management's attention and seriously damage the Group's reputation and business.

***Legal contingencies and liabilities could have a substantial negative impact on the Group's financial condition, cash flows and profitability.***

The Group is subject, in the ordinary course of business, to litigation and other legal proceedings. Some of these proceedings may involve claims for substantial amounts and could divert management's attention from day-to-day business operations. Proceedings, including those described in "*Description of the Issuer and the Group—Legal and Arbitration Proceedings*", which are not resolved in the Group's favour may result in substantial monetary damages, damage to reputation and decreased demand for services, or may result in the Group's ability to conduct its business being constrained. The ultimate outcome of such proceedings or claims could

have a material adverse effect on the Group's business, financial condition, results of operations or cash flows in the period in which the impact of such matters is determined or paid.

Any increase in the frequency or size of these claims may adversely impact profitability and cash flows and have a material adverse effect on the Group's business, financial condition and results of operations. In addition, if these claims rise to a frequency or size that is significantly higher than similar claims made against competitors, the Group's reputation and business is likely to be harmed.

***The Group's intellectual property rights and other security measures may not fully protect its operations.***

The Group owns several trademarks relating to, for example, the TDF and Arkena brand names and the Group owns and co-owns patents, including related to MPEG Audio technology. The Group relies on trademark, patent and other intellectual property laws to establish and protect its rights to this content. However, there can be no assurance that the intellectual property rights relied on will not be challenged, invalidated or circumvented or that the Group will be able to renew its rights to such content when the term of protection for any such trademark or copyright expires. For example, on October 2015 Arkena Capital brought proceedings in front of the *Tribunal de Grande Instance de Paris*, requesting in particular (i) TDF, Smartjog and Arkena to stop using the Arkena brand, (ii) the cancellation of the Arkena brand; (iii) Arkena to change its name and (iv) the transfer to Arkena Capital of the "arkena.com" and "arkena.fr" domain names. The unauthorised use of the Group's intellectual property may adversely affect the Group's business by harming its reputation and by decreasing the confidence business partners have in the Group's ability to protect its business operations.

***If third parties claim that the Group has breached their intellectual property rights, it may be forced to make significant expenditures to either defend against such claims, license rights to the third party's technology or to identify ways to conduct operations without breaching such rights.***

The success of the Group's business depends to an extent on the use of third party intellectual property rights, in particular rights to advanced technological solutions, software and programming content. While the Issuer believes it is in material compliance with all applicable intellectual property laws, there can be no guarantee that it has not breached or that it will not in the future breach the intellectual property rights of such third parties. Any alleged breach could expose the Group to liability claims from third parties. In addition, the Group might be required to obtain a licence or acquire new solutions in order to conduct its business in a manner that does not breach such third party rights and the Group may be forced to expend significant time, resources and money in order to defend itself against such allegations. The diversion of management's time and resources along with potentially significant expenses that may be involved could have a material adverse effect on the Group's business, financial condition and results of operations.

***If radio frequency emissions from mobile handsets or equipment on the Group's sites are demonstrated to cause negative health effects, potential future claims could adversely affect the Group's business, financial condition and results of operations.***

Many governments impose requirements and other guidelines relating to exposure to radio emissions. The potential connection between exposure to radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community and numerous health-related lawsuits have been filed against mobile network carriers in recent years. It cannot be assured that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to the Group. Public perception of possible health risks associated with mobile telephone and other wireless communications may slow or diminish the growth of telecommunications companies, which may in turn slow or diminish the Group's potential for growth as providers of sites and services to such companies. In particular, negative public perception of, and regulations regarding, these perceived health risks may slow or diminish the market acceptance of mobile communications services. The Group could also be required to reduce the signal strength of its radio emissions or move its sites to alternative locations which are less densely populated or less sensitive locations. If a connection between radio emissions and possible negative health effects were established, this could have a material adverse effect on the Group's business, financial condition and results of operations. The Group does not currently maintain any significant insurance with respect to these matters.

The Group has been and is currently subject to certain legal proceedings for neighbourhood nuisance brought by individuals living near some of its sites, which include claims based on health and safety concerns, but it has not been and is not currently subject to any material health-related proceedings brought against the Group in connection with exposure to radio emissions. There is no assurance, however, that such legal proceedings will not be commenced against the Group in the future.

***Sustained economic downturn, especially in France, could have a negative impact on the Group's operating results, liquidity and/or capital resources.***

The Group is primarily a business-to-business operator and its customers consist of MNOs, state-owned and commercial television and radio broadcasters and blue chip media companies. However, demand for mobile telephony services and the demand for new entertainment options via DTT or radio is indirectly related to consumer confidence, purchasing power and investments by such customers in expanding their businesses. As a result, a sustained economic downturn in France may adversely affect demand for the Group's services, especially if it coincides with the expiration and renegotiation of material long-term contracts. In addition, difficult macroeconomic indicators in France have in the past and may in the future adversely affect access to capital and increase the cost of capital. There can be no assurance that liquidity will not be affected by changes in the financial markets or that the Group's capital resources will at all times be sufficient to satisfy its liquidity needs. If conditions become worse, the Group's future cost of debt and equity capital and access to the capital markets could be adversely affected.

***Strikes and other industrial actions as well as change in labour laws could disrupt operations or make it more costly to operate facilities.***

As at 31 December 2015, the Group employed 1,944 full-time equivalent employees. Some of the Group's employees are members of trade unions. The Group could experience strikes, industrial actions, labour disputes and work stoppages and difficulty in attracting and retaining operative personnel due to localised or industry-wide strikes. Strikes, as well as other industrial actions and delays or disagreements relating to the negotiation of the collective bargaining agreement each year, could disrupt operations and make it more difficult and costly to operate the business, which in turn could have an adverse effect on the Group's financial condition and results of operations. In 2010, the Group experienced a six-day strike following a nationwide mobilisation in the telecommunications industry opposed to the implementation of new legislation concerning retirement. The Group also experienced tension with several French trade unions following the announcement of a voluntary departure programme launched in connection with the digital switch over in early 2010 in France, which led to minor disruptions. The Group signed an agreement with four unions in connection with this voluntary departure programme and amended it later in 2010 to allow for 516 departures, instead of the 330 initially planned departures. The initial headcount reduction was therefore met without any forced layoffs and in order to compensate for the greater than expected number of voluntary departures, approximately 100 new employees were recruited whose skills and training were more in line with the Group's new activities.

At TDF SAS's works council in April 2015, it was announced that the planned activity should lead to a decrease in the workforce of TDF SAS to between 1,220 and 1,260 full time employees by the end of 2017, from 1,537 as at 31 March 2015. Following agreement with employees' representatives, such a decrease in headcount is expected to be driven primarily by a pre-retirement scheme, based on the fact that a significant proportion of employees are expected to be eligible for retirement in the coming years. At the same time, a proportion of employees could be internally allocated to different functions and/or locations from their current job with adequate training. In addition, on 8 October 2015, the management of Arkena SAS and Smartjog France initiated discussions with the Group's works council in order to change the strategic direction and the organisation of these entities. Such developments have been confirmed on 8 February 2016 with the signing of an agreement with trade unions and will lead to the implementation of a plan both for voluntary departure and reclassification within the Group, representing a workforce reduction of approximately 70 people. There can be no assurance that the implementation of these schemes will progress as planned or that the Group will not experience strikes or similar disturbance within the context of such processes.

Strikes called by employees of key suppliers and customers could also have significant repercussions on the Group's ability to run its business effectively and to maintain cash flows. There can be no assurance that a future labour disturbance, work stoppage or failure to attract and retain operative personnel would not have an

adverse effect on that facility's operations and, potentially, on the Group's business, financial condition and results of operations.

Furthermore, the Group's business may be affected by changes in local labour laws or the adverse interpretation of certain clauses in employment contracts, such as mobility and non-compete clauses, which are designed to provide flexibility and protection when operating the business. If the Group fails to adapt to changing labour laws or should certain clauses in employment contracts be challenged or deemed invalid, the Group might be exposed to fines which could have a material adverse effect on its business, financial condition and results of operations.

***The Group may make acquisitions which may not be integrated or managed successfully.***

The Group has made acquisitions in the past and it may undertake acquisitions in the future in order to take advantage of opportunities to further grow its business. Acquired businesses may not achieve the levels of revenue, profit or productivity anticipated, or otherwise perform as expected. Acquisitions involve special risks, including the potential assumption of unanticipated liabilities and contingencies and difficulties in integrating acquired businesses. It cannot be assured that past or future acquisitions will result in higher earnings or otherwise meet operational or strategic expectations. The current customers of an acquired business may discontinue their business relations upon the change of control, either pursuant to required consents in the underlying contracts or upon exercise of their termination rights or otherwise. Commercial counterparties such as landowners or government or regulatory authorities may require consents or permits which the Group may be unable to obtain at a reasonable cost or at all. Moreover, if the Group is not able to successfully integrate and/or manage any acquired business, the transaction may fail to achieve the desired benefits. Additionally, the Group may become involved in legal proceedings brought by bought-out minority shareholders challenging the legality of the acquisition. The Group may be unable to manage such risks and legal proceedings and management's attention may be diverted away from other ongoing business concerns. Furthermore, adverse judicial decisions may result in substantial fines or the rescission of the acquisition. Further acquisitions could increase the overall complexity of the business and may require significant cash expenditures to integrate such acquisitions and appoint qualified management and other key personnel. The inability to successfully integrate or manage acquisitions could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may not be able to successfully consummate disposals.***

The Group regularly considers strategic opportunities with non-core businesses and disposals. Accordingly, the disposal of Axion was completed in October 2011, Digita in October 2012, Gobé in March 2013, Antenna Hungaria in May 2014, Media Broadcast in March 2015 and the disposal of a minority stake in Smartjog Ymagis Logistics in December 2015. From time to time, the Group may also choose to divest businesses that do not meet its strategic objectives, or do not meet growth or profitability targets. The Group's profitability may be affected by either gains or losses on the sales of, or lost operating income from, those businesses. Furthermore, the Group may not be able to complete desired or proposed divestitures on terms favourable to it or at all due to a variety of factors such as availability of finance and the ability to obtain required shareholder, creditor and regulatory approvals. Moreover, asset impairment charges related to divestitures may be incurred, which may reduce profitability. Finally the Group's divestiture activities may present financial, managerial and operational risks, including diversion of management attention from existing core businesses, separating personnel and financial and other systems, adverse effects on existing business relationships with suppliers and customers, potential loss of customers or key employees of disposed businesses and indemnities and potential disputes with buyers. Any of these activities could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group depends on hardware, software and service suppliers, which may discontinue their products or services, seek to charge prices that are not competitive or choose not to renew contracts.***

The Group has important relationships with several suppliers of hardware, software and services that it uses to operate its sites and infrastructure networks. In many cases, the Group has made substantial investments in the equipment or software of a particular supplier, making it difficult to quickly change supply and maintenance relationships in the event that the initial supplier refuses to offer favourable prices or ceases to produce

equipment or provide the support required. In the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers are exceeded by those in contracts with customers, in individual cases, or if the suppliers are insolvent, in whole or in part. In addition, there can be no assurances that the Group will be able to obtain, in a timely manner, at competitive terms and in adequate amounts, the hardware, software and services needed for the operation of the Group's business. The occurrence of any of these risks may create technical problems, damage the Group's reputation, result in the loss of its customers and have a material adverse effect on its business, financial condition and results of operations.

The Group relies on third parties to support its operations and any delay or failure by such third party providers to provide services, facilities or equipment could cause delay or interruptions in operations, which could damage the Group's reputation and result in the loss of customers.

***The growth and maintenance of the Group's network is dependent on the availability of equipment.***

The Group requires delivery and assembly of certain technical equipment for its sites, including transmitters, trans-receivers, antennas, baseband equipment, and microwave and network equipment. In addition, the Group occasionally outsources maintenance and installation operations of its sites and real estate, as well as subcontracts a significant portion of the services rendered to customers, including engineering, maintenance and installation services. There are a limited number of suppliers of such technical equipment and services required for the Group's business and there is no assurance that the Group will, in the future, be able to purchase these goods and services to satisfy business targets, or that certain suppliers will not give priority to other market participants, including the Group's competitors. Any significant delay by the Group's principal suppliers in the performance of contractual commitments, or the inability of such principal suppliers to meet such commitments, the unavailability of components and equipment, or the failure of components and equipment to meet the Group's needs and expectations could have a material adverse effect on its business, financial condition and results of operations.

***Loss of sensitive data and other security breaches could damage the Group's reputation and harm its business.***

Through the Media Services business, sensitive and/or proprietary information is routinely transmitted, received and stored by electronic means. Although the Group attempts to protect this data, security of this type of data is exposed to escalating external threats, such as hacking and viruses, which are increasing in sophistication. Any misuse or mishandling of sensitive and/or proprietary information received from a customer in the Group's possession could result in legal liability, regulatory action and reputational harm. Any breach of data security could result in damage to the Group's reputation, incurring costs and other negative consequences.

***The Group's cloud-based solutions present execution risks.***

The Media Services business provides digital storage solutions, transcoding services and secured digital files delivery through a cloud platform. Cloud computing environments are complex and the deployment of systems management solutions in the cloud may require additional professional services and implementation services which may not be covered by existing subscription fees. In addition, the use of cloud solutions may increase the susceptibility of the Group's systems or customers' data to attack, which may harm the Group's reputation. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is exposed to risks relating to tax and social security deductions in the various countries in which it operates.***

The Group organises its commercial and financial activities on the basis of varied and complex legislative and regulatory requirements in the various countries in which it operates, particularly as regards tax and social security deductions. Changes in regulations or their interpretation in the various countries in which the Group operates could affect the calculation of the Group's overall tax burden (income tax, social security contributions and other taxes), along with its financial condition, liquidity, results or outlook. In addition, the Group must interpret French and local regulations, international tax agreements, legal theory and administrative practice in

each of the jurisdictions in which it operates. The Group cannot guarantee that its application and interpretation of such provisions will not be challenged by the relevant authorities or that the tax and social security treatment adopted by the Group in respect of reorganisations and transactions involving affiliates of the Group, their shareholders and their representatives or employees will not be challenged by the competent authorities in the relevant jurisdictions. In general, any breach of tax laws and regulations applicable in the countries in which the Group operates may lead to tax adjustments, late-payment interest, fines and penalties. The Group's business, financial condition, results of operations, liquidity or outlook could be materially affected if one or more of the aforementioned risks materialise.

***The Group's substantial level of indebtedness could have a material adverse effect on the Issuer's ability to fulfil its obligations under its debt agreements, including the Bonds.***

As at 31 December 2015, the Group had total senior unsecured debt towards banks and bondholders of €1,408,753,018. The extent of this indebtedness could have important consequences for holders of the Bonds, including but not limited to:

- it may be difficult for the Issuer to satisfy its obligations with respect to the Bonds; and
- the Issuer may be limited in its ability to borrow additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes.

Any of these or other consequences or events could have a material adverse effect on the Issuer's ability to satisfy its debt obligations, including the Bonds.

### **Risks Related to Regulation**

***The Group's operations are subject to extensive regulation and changes in laws, regulations or governmental policy affecting the Group's markets could adversely affect its business, financial condition and results of operations, or the Issuer's ability to fulfil its obligations under the Bonds.***

The broadcasting and telecommunications markets in France are subject to significant governmental regulations and existing and planned activities are subject to supervision by various regulatory bodies including French authorities (primarily ARCEP and the CSA) and European Union ("EU") authorities. Although the regulatory landscape stabilised in 2015 for regulation and spectrum, changes in laws, regulations or governmental policy affecting the Group's business activities or financing arrangements in France or by EU authorities (or changes in the way the laws, regulations or governmental policy are interpreted or applied) could have a material adverse effect on the Group's business, financial condition and results of operations. It cannot be assured that there will not be adverse changes in the future to applicable laws, regulations or administrative practices relating to the broadcast and telecommunications markets or otherwise affecting the Group's business. Examples of such changes could include:

- the adoption of new laws or regulatory initiatives and decisions governing the broadcasting or telecommunications sector, including licensing and competition laws, which may create a more competitive market environment;
- adverse changes in (or in the interpretation or application of) the laws and regulations regarding international financing arrangements; or
- adverse changes in (or in the interpretation or application of) tax laws, customs and duties laws or foreign exchange controls.

In addition, due to an interaction of numerous technological, social, economic and business factors, including, *inter alia*, changes in mobile telephony technology, new ways in which users connect and interact with one another and changing competitive pressures, the regulatory framework to which the Group is subject is dynamic and susceptible to change. For example, ARCEP has indicated it is considering *ex ante* regulation in the area of radio broadcasting, a segment of the market which has not historically been subject to pricing controls. Any

unfavourable regulatory change could have material adverse effect on its business, financial condition and results of operations.

***The Group has been designated as having significant market power in France.***

The Group has been designated as having SMP status under EU law for wholesale DTT site access in France and, as a result, is subject to oversight by the French and European Union competition regulatory authorities, which regulate companies that are considered to be dominant forces in, or monopolists of, a market.

Service providers with SMP status in France are subject to certain requirements and obligations imposed by the national regulators, which include transparency, non-discrimination, separate costs and revenues accounting that ensures transparency of wholesale and internal transfer prices and prevents possible cross-subsidisation practices and access obligations. However, the most significant imposition is the regulation of broadcast infrastructure access prices. See “—Risks Related to the Group’s Business—Broadcasting transmission and infrastructure access prices may be decreased by regulation”. The obligations imposed on the Group by the national regulators could have material adverse effect on its business, financial condition and results of operations.

***The Group could have liability under environmental and occupational safety and health regulations.***

The Group’s operations, like those of other companies engaged in similar markets, are subject to the requirements of various EU, national, local and foreign environmental and occupational health and safety laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As owner, lessee and operator of numerous sites, the Group may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials, without regard to whether it, as the owner, lessee or operator, knew of or was responsible for the contamination. French environmental laws also impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed or otherwise released. The Group is generally responsible for all liabilities associated with the environmental condition of its sites, including any soil or groundwater contamination that may be present, regardless of when the liabilities arose and whether the liabilities are known or unknown, or arose from the activities of predecessors or third parties. In France, the Group is subject to very strict regulations for protecting its employees and its sites’ neighbours from exposure to radio emissions. The Group may be subject to potentially significant fines or penalties if it fails to comply with any of these requirements. The current cost of complying with these laws is not material to the Group’s financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on the Group’s business, financial condition and results of operations.

**Risks Related to the Bonds**

***The Bonds may not be a suitable investment for all investors.***

Each potential investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it in light of such investor’s own circumstances, notwithstanding the risks inherent in investing in or holding the Bonds. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risk of investing in the Bonds and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for payments of principal or interest under the Bonds is different from the potential investor's currency or where the currency for such payments is different from the currency in which such potential investor's financial activities are principally dominated;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal counsel in order to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal counsel or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

***No assurance is given as to legality of purchase.***

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

**Risks related to the market generally**

***There may not be an active trading market for the Bonds, in which case the ability to sell the Bonds will be limited.***

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. Future trading prices of the Bonds will depend on many factors, including, among other things, prevailing interest rates, the Group's operating results and the market for similar securities. The liquidity of a trading market for the Bonds may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. Any such disruption may have a negative effect on holder of Bonds, regardless of the Group's prospects and financial performance. As a result, there may not be an active trading market for the Bonds. If no active trading market develops, investors may not be able to resell Bonds at a fair value, if at all. Although application has been made for the Bonds to be admitted to listing on Euronext Paris, there is no assurance that such application will be accepted or that an active trading market will develop.

***The market value of the Bonds will be affected by various factors.***

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates and any decline in the credit rating of the Bonds assigned by S&P.

The value of the Bonds also depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***The Bonds are subject to exchange rate risks.***

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Bonds or the reference assets.

***The Bonds are subject to interest rate risks.***

As the Bonds bear interest at a fixed rate (subject to adjustment in the event of a Step Up Event or a Step Down Event, as more fully described in “*Terms and Conditions of the Bonds – Interest*”), investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. While the nominal interest rate of a fixed interest rate bond is fixed during the life of such a bond or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond changes in the opposite direction. If the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate bond typically increases, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the market interest rate exceeds the fixed rate of the Bonds.

***The Bonds may be redeemed prior to maturity.***

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds for taxation reasons as provided in Condition 5(b), the Issuer may redeem all outstanding Bonds in accordance with the Terms and Conditions of the Bonds.

In addition, the Issuer has the option to redeem (i) all or part of the Bonds as provided in Condition 5(c)(i) at any time or (ii) all of the Bonds as provided in Condition 5(c)(ii) as from 7 January 2026. The Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Exercise of the Put Option may affect the liquidity of the Bonds in respect of which such Put Option is not exercised.***

In the event of a Change of Control which results in a Rating Event (as described in Condition 5(d)), each Bondholder will have the right to request the Issuer to redeem or, at the Issuer's option, procure the purchase of all or part of its Bonds at their principal amount together with any accrued interest. In such case, any trading market in respect of those Bonds in respect of which such redemption right is not exercised may become illiquid.

Furthermore, if 80 per cent. or more in principal amount of the Bonds have been redeemed pursuant to the Put Option referred to in Condition 5(d), the Issuer will have the option to redeem all of the remaining Bonds at their principal amount together with accrued interest as provided in Condition 5(d). Such Bondholders may not be able to reinvest the monies they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

***The Bonds are not protected by restrictive covenants and do not prevent the Issuer from incurring additional indebtedness.***

The Terms and Conditions of the Bonds contain a negative pledge undertaking that prohibits the Issuer and its Principal Subsidiaries (as defined in Condition 3) from creating any Security Interests over its assets and revenues to secure Relevant Debt without securing equally and rateably the Bonds, in certain circumstances and subject to certain exceptions.

Subject to this negative pledge, the Issuer and its subsidiaries may incur significant additional indebtedness that could rank equally with the Bonds. Accordingly, if the Issuer incurs significant additional indebtedness ranking equally with the Bonds, it will increase the number of claims that would be entitled to share rateably with Bondholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

***No direct access to subsidiaries' cash flows or assets.***

The Issuer is a holding company with no material assets other than its shareholdings in its subsidiaries, including in particular TDF SAS. Bondholders will not have any direct claims on the cash flows or the assets of the Issuer's subsidiaries, and such subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make funds available to the Issuer for these payments. Accordingly, the Bonds are effectively subordinated to claims of all creditors of the Issuer's subsidiaries, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiaries.

***The Bonds are subject to credit risk of the Issuer.***

If the creditworthiness of the Issuer deteriorates or the Issuer is otherwise unable to meet its financial obligations under the Bonds, the value of the Bonds may decrease and investors may lose all or part of their investment.

***Credit rating may not reflect all risks.***

The long-term debt of the Issuer is not rated. The Bonds have been rated BBB- by Standard & Poor's. This rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by Standard & Poor's. A suspension, change or withdrawal of a rating may adversely affect the market price of the Bonds. Moreover, any change in the credit rating may constitute a Step Up Event or a Step Down Event and as such may lead to an adjustment in the rate of interest of the Bonds (as more fully described in "*Terms and Conditions of the Bonds – Interest*").

***No assurance can be given as to the impact of any change of law.***

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice or the official application or interpretation of French law after the date of this Prospectus.

***The Terms and Conditions of the Bonds may be modified.***

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting, and Bondholders who voted in a manner contrary to the majority. The meeting of the Bondholders may, subject to the provisions of Condition 9, deliberate on any proposal relating to the modification of the Terms and Conditions of the Bonds, including on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject to judicial decisions.

***Investors in the Bonds may be required to pay taxes or other charges or duties.***

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor. This risk factor has to be read in conjunction with the section headed "Taxation" of this Prospectus.

***The Bonds are subject to French insolvency law.***

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "Assembly") in order to defend their common interests if a safeguard proceeding (*procédure de sauvegarde*), an accelerated safeguard proceeding (*procédure de sauvegarde accélérée*), an accelerated financial safeguard proceeding (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds) regardless of their governing law.

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-thirds ( $\frac{2}{3}$ ) majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to convoke the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

For the avoidance of doubt, the provision relating to the representation of the Bondholders described in the Terms and Conditions of the Bonds set out in the Prospectus will not be applicable to the extent they conflict with compulsory law provisions that apply in these circumstance.

***Transactions in the Bonds could be subject to the European financial transaction tax, if adopted.***

On 14 February 2013, the European Commission published a proposal for a Council Directive (the "Draft Directive") for a common financial transaction tax (the "FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "Participating Member States").

The proposed FTT has a very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Pursuant to the Draft Directive, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, the FTT would apply to certain dealings in the Bonds on financial transactions that at least one party to the transaction is established or deemed established in the territory of a Participating Member State and that a financial institution established or deemed established in the territory of a Participating Member State is a party to the transaction (acting either for its own account or for the

account of another person) or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

Pursuant to the Draft Directive, the rates of the FTT would be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives would amount to at least 0.1 per cent. of the taxable amount, that would generally be determined by reference to the amount of consideration paid. The FTT would be payable by each financial institution established or deemed established in the territory of a Participating Member State (a) which is a party to the transaction (acting either for its own account or for the account of another person), (b) which is acting in the name of a party to the transaction or (c) where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a transaction, including persons other than financial institutions, would be jointly and severally liable for the payment of the FTT due by a financial institution on account of that transaction.

However, the FTT proposal, including with respect to the tax rate and tax base of the FTT, remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. In a joint statement released on 8 December 2015, ten of the Participating Member States (excluding Estonia) indicated their intention to settle the remaining open issues regarding the FTT by the end of June 2016.

Prospective holders of the Bonds are strongly advised to seek their own professional advice in relation to the FTT.

#### ***Potential conflict of interest***

In the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## USE OF PROCEEDS

The proceeds of the issue of the Bonds, which will be €792,344,000, less any applicable commissions as described in “*Subscription and Sale*”, will be applied by the Issuer in the full repayment of Facility A and the partial repayment of Facility B provided by the Facilities Agreement with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc and Société Générale as arrangers, a description of which is set out in “*Description of the Issuer and the Group—Material Contracts*”. This will enable the Issuer to diversify its sources of financing whilst repaying certain of its existing bank indebtedness.

## TERMS AND CONDITIONS OF THE BONDS

*The terms and conditions of the Bonds will be as follows:*

The issue of €800,000,000 2.50 per cent. bonds due 2026 (the “**Bonds**”) of TDF Infrastructure S.A.S. (the “**Issuer**”) has been decided pursuant to a decision of the *Président* of the Issuer dated 4 April 2016.

The Issuer has entered into a fiscal agency agreement (the “**Fiscal Agency Agreement**”) dated 5 April 2016 with BNP Paribas Securities Service as fiscal agent, paying agent, calculation agent and put agent. The fiscal agent, paying agent, calculation agent and put agent for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Paying Agent**”, the “**Calculation Agent**” and the “**Put Agent**”, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the “**Agents**”.

References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to “**day**” or “**days**” are to calendar days unless the context otherwise specifies.

### 1. Form, Denomination and Title

The Bonds will be issued on 7 April 2016 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Bonds will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

### 2. Status

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

### 3. Negative Pledge

So long as any of the Bonds remains outstanding (as defined below), the Issuer undertakes that it will not and will ensure that none of its Principal Subsidiaries (as defined below) will create or permit to subsist any Security Interest upon the whole or any part of the Issuer’s or any Principal Subsidiary’s present or future assets, business, property or revenues to secure any Relevant Debt (as defined below) other than a Permitted Security Interest unless at the same time or prior thereto the Bonds are equally and rateably secured therewith or have the benefit of such other security or other arrangement as shall be approved by the Bondholders in general assembly pursuant to Condition 9.

For the purposes of these Conditions:

“**EBITDA**” means earnings before interest, taxation, depreciation and amortization.

“**Existing Security on After-Acquired Subsidiaries**” means any Security Interest over the whole or any part of the present or future assets, business, property or revenues granted by any company in respect of Relevant Debt and which is existing at the time such company becomes, whether by the acquisition of share capital or otherwise, a Principal Subsidiary of the Issuer after the Issue Date (other than any Security Interest created in contemplation thereof).

“**Group**” means the Issuer and its Subsidiaries taken as a whole.

“**Limited-recourse Borrowings**” means any Relevant Debt incurred by the Issuer or any Principal Subsidiary to finance the ownership, acquisition, development, operation and/or maintenance of an asset or project (a “**Project**”) in respect of which the person (or persons) to whom any such Relevant Debt is or may be owed by the Issuer or any Principal Subsidiary has (or have) no recourse to the Issuer or any Principal Subsidiary for the repayment thereof other than:

- (a) recourse to the Issuer or any Principal Subsidiary for amounts not exceeding an amount equal to the cash flow from, or the value of, such Project; and/or
- (b) recourse to the Issuer or any Principal Subsidiary for the purpose of enabling amounts to be claimed in respect of such Relevant Debt in an enforcement of any Security Interest given by the Issuer over such Project or rights under, or in respect of, such project (or the income, cash flow or other proceeds deriving therefrom) to secure such Relevant Debt; and/or
- (c) recourse to the Issuer or any Principal Subsidiary under any form of assurance, undertaking or support, which is limited to a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof, which, for the avoidance of doubt, would fall to be considered under subparagraph (a) above) by the Issuer or any Principal Subsidiary.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption in accordance with these Conditions has occurred and the redemption moneys (including all interest accrued on such Bond to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Paying Agent and (c) those which have been purchased and cancelled as provided in Condition 5.

“**Permitted Security Interest**” means:

- (i) any Security Interest created by the Issuer or any Principal Subsidiary to secure any Limited-recourse Borrowings; or
- (ii) any Existing Security on After-Acquired Subsidiaries.

“**Principal Subsidiary**” means at any relevant time a Subsidiary of the Issuer which accounts for (a) 10 per cent. or more of the consolidated EBITDA of the Group; or (b) 10 per cent. or more of the total assets of the Group, calculated on a consolidated basis, as calculated, in each case (a) or (b) above, by reference to the Issuer’s latest audited consolidated annual financial statements and the relevant Subsidiary’s latest annual audited consolidated or unconsolidated (if consolidated accounts are not prepared in relation to such Subsidiary) financial statements.

“**Relevant Debt**” means any present or future indebtedness for borrowed money which is in the form of, or represented by, bonds or notes (*obligations*) or other similar debt securities (including *titres de créances négociables*) which are for the time being quoted or capable of being quoted, admitted to trading or ordinarily dealt in any stock exchange, over the counter market or other securities market.

“**Security Interest**” means any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*).

“**Subsidiary**” means in relation to any person or entity at any time, any other person or entity (whether or not now existing) controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

#### 4. Interest

##### (a) Interest Payments

The Bonds bear interest at the rate of 2.50 per cent. per annum (the “**Rate of Interest**”) from and including the Issue Date payable annually in arrear on 7 April in each year (each, an “**Interest Payment Date**”), commencing on 7 April 2017.

The period commencing on, and including, the Issue Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an “**Interest Period**”.

The Bonds will cease to bear interest from the date provided for their redemption, unless payment of the full amount due in respect of such Bond is improperly withheld or refused on such date. In such event, the Bonds will continue to bear interest in accordance with this Condition (both before and after judgment) on the principal amount of such Bonds until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Bonds (the “**Bondholders**”) in accordance with Condition 10 of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one year, it shall be calculated on the basis of the actual number of days elapsed in the relevant period, from, and including, the date from which interest begins to accrue to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first but excluding the last day of such period). Where interest is to be calculated in respect of a period which is more than one year, such interest shall be the aggregate of the interest payable in respect of a full year plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

(b) *Adjustment of Interest Rate*

The Rate of Interest payable on the Bonds is subject to adjustment in accordance with the Interest Ratchet in the event of a Step Up Event or a Step Down Event (each such adjustment a “**Rate Adjustment**”). Any Rate Adjustment shall be effective from and including the Interest Payment Date immediately following the date of the relevant Step Up Event or the relevant Step Down Event.

The Issuer will cause each Step Up Event and each Step Down Event to be notified to the Fiscal Agent and notice thereof to be published in accordance with Condition 10 as soon as possible after the occurrence of the Step Up Event or the Step Down Event but in no event later than the tenth (10<sup>th</sup>) Business Day thereafter.

For so long as any of the Bonds are outstanding, the Issuer shall maintain a Rating from the Rating Agency.

In the event that the Rating Agency fails or ceases to assign a Rating, this shall constitute a Step Up Event in consequence of which the Rate of Interest payable on the Bonds to the Maturity Date shall be the Initial Rate of Interest plus 1.25 per cent.

Where:

“**Initial Rate of Interest**” means 2.50 per cent.

“**Interest Ratchet**” means the following rates of interest:

- (a) upon the occurrence of a first Step Up Event: the Initial Rate of Interest plus 1.25 per cent.; and
- (b) upon the occurrence of a Step Down Event following the previous occurrence of the first Step Up Event as referred to in (a) above: the Initial Rate of Interest.

“**Rating**” means the rating of the Bonds, failing which, the rating of the Issuer’s senior unsecured long-term debt.

“**Rating Agency**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors and/or any other rating agency of equivalent standing notified by the Issuer to the Bondholders in accordance with Condition 10.

“**Rating Decrease**” means a decrease in the Rating to below the Specified Threshold with the exception of a Rating Event as defined in Condition 5(d).

“**Specified Threshold**” means BBB- or its equivalent.

“**Step Down Event**” means where the Rate of Interest has previously been subject to an increase in accordance with the Interest Ratchet following a Rating Decrease by a Rating Agency, the first public announcement by such Rating Agency that it has assigned a Rating equal to or higher than the Specified Threshold.

“**Step Up Event**” means the first public announcement by any Rating Agency of a Rating Decrease.

## 5. Redemption and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 5 or Condition 8.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer in full at their principal amount on 7 April 2026 (the “**Maturity Date**”).

(b) *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay Additional Amounts as specified in Condition 7 below, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at any time, subject to having given not more than sixty (60) nor less than thirty (30) days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Bonds at their principal amount plus any interest accrued to the date fixed for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law or regulation from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 7, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days’ prior notice to the Bondholders in accordance with Condition 10 redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of the Issuer*

(i) *Make-whole Redemption by the Issuer*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than sixty (60) nor less than thirty (30) days’ irrevocable notice to the Bondholders in accordance with Condition 10, redeem in whole or in part the Bonds at any time prior to their Maturity Date (the “**Make-whole Redemption Date**”) at an amount per Bond calculated by the Calculation Agent, which will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the Bond; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest on such Bond (not including any interest accrued on the Bond to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.35 per cent.,

plus, in each case (a) or (b) above, any interest accrued on the Bond to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 10.

The Reference Rate is the average of the four quotations given by the Reference Dealers of the mid-market annual yield of the Reference Bund on the fourth business day in Paris preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time (“**CET**”)).

If the Reference Bund is no longer outstanding, a Similar Security will be chosen by the Calculation Agent in its reasonable judgment at 11.00 a.m. (CET) on the third business day in Paris preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent in accordance with Condition 10. The Reference Rate will also be promptly notified to the Issuer and to the Bondholders by the Calculation Agent.

Where:

“**Reference Bund**” means the German Federal government bond of Bundesrepublik Deutschland due February 2026, with ISIN DE0001102390.

“**Reference Dealers**” means each of the four banks (that may include BNP Paribas, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, Société Générale and The Royal Bank of Scotland plc) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

“**Similar Security**” means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

The Issuer will procure that, so long as any Bond is outstanding, there shall at all times be a Calculation Agent for the purposes of the Bonds. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to establish the amount due in relation to this Condition 5(c)(i), the Issuer shall appoint some other leading bank engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5(c)(i) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

In the case of a partial redemption of the Bonds, the redemption shall be effected by redeeming in full only part of such Bonds and the choice between those Bonds that will be fully redeemed and those Bonds that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier*, subject to compliance with any applicable laws and regulated market or stock exchange requirements.

So long as the Bonds are admitted to trading on Euronext Paris and the rules of that stock exchange so require, the Issuer shall, each year in which there has been a partial redemption of the Bonds, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers*, a notice specifying the aggregate nominal amount of Bonds outstanding.

(ii) Pre-Maturity Call Option

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not less than thirty (30) nor more than sixty (60) days’ irrevocable notice to the Bondholders in accordance with Condition 10 redeem, at any time, as from 7 January 2026 until the Maturity Date, all but not some only of the Bonds at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

All Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(d) *Redemption at the option of Bondholders following a Change of Control*

If at any time while any Bond remains outstanding, (A) there occurs a Change of Control (as defined below), and (B) within the Restructuring Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Restructuring Period, together, a “**Put Event**”), each Bondholder will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice to redeem the Bonds under Condition 5(b) or 5(c)) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of, all or part of its Bonds, on the Optional Redemption Date (as defined below) at the principal amount outstanding of such Bonds together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

Where:

A “**Change of Control**” shall be deemed to have occurred if at any time following the Issue Date, Tivana France Holdings and/or the Issuer ceases to hold, directly or indirectly, at least 50 per cent. of the shares or voting rights of TDF SAS.

A “**Rating Event**” shall be deemed to have occurred in respect of a Change of Control if (within the Restructuring Period) (A) the rating previously assigned to the Bonds or to the Issuer by any Rating Agency solicited by the Issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB- or its equivalent for the time being, or better) to a non-investment grade rating (BB+ or its equivalent for the time being, or worse) or (z) (if the rating previously assigned to the Bonds or to the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above)), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents) and (B) such rating is not within the Restructuring Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency, provided that the Rating Agency making the reduction in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer and the Fiscal Agent in writing that the lowering was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Event).

“**Rating Agency**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors or any other rating agency of equivalent standing notified by the Issuer to the Bondholders in accordance with Condition 10.

“**Restructuring Period**” means the period beginning one hundred and twenty (120) days prior to, and ending one hundred and twenty (120) days after, the date of the public announcement by Tivana France Holding, TDF Infrastructure Holding S.A.S., TDF Infrastructure S.A.S. or TDF SAS, any bidder or any designated advisor, of the completion of the relevant Change of Control.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition 10 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(d).

To exercise the Put Option, a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Put Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period (the “**Put Period**”) of forty-five (45) days after a Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Put Agent (a “**Put Option Notice**”) and in which the Bondholder may specify a bank account to which payment is to be made under this Condition 5(d).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds to the account of the Put Agent for the account of the Issuer as described above by the date which is the fifth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 6.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 80 per cent. or more in principal amount of the Bonds have been redeemed pursuant to this Condition 5(d), the Issuer may, on not less than thirty (30) nor more than sixty (60) days’ irrevocable notice to the Bondholders in accordance with Condition 10 given within thirty (30) days after the Optional Redemption Date, redeem on a date to be specified in such notice (the “**Squeeze Out Redemption Date**”), at its option, all (but not some only) of the remaining Bonds at their principal amount, together with interest accrued to but excluding the Squeeze Out Redemption Date.

(e) *Purchases*

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise (including by way of tender or exchange offer) at any price in accordance with applicable laws and regulations. Bonds so purchased by the Issuer may be held and resold in accordance with Articles L.213-1A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Bonds.

(f) *Cancellation*

All Bonds which are redeemed, exchanged or purchased by the Issuer for cancellation pursuant to this Condition 5 will forthwith be cancelled and accordingly may not be reissued or sold.

(g) *Illegality*

If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it becomes unlawful for the Issuer to perform or comply with one or more of its obligations under the Bonds, the Issuer may, subject to having given not more than 45 nor less than 30 days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the Bonds at their principal amount together with any interest accrued to, but excluding, the date set for redemption.

## 6. Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System.

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the liability of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to Sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (collectively, “**FATCA**”).

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day (as defined below), then the Bondholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment. No commission or expenses shall be charged to the Bondholders in respect of such payments.

“**Business Day**” means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

(c) *Fiscal Agent, Paying Agent, Calculation Agent and Put Agent*

The name and specified office of the initial Agents are set out below:

**BNP Paribas Securities Services**  
(Euroclear Affiliate number 29106)  
Corporate Trust Services  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and/or appoint another Agent and/or appoint additional Paying Agents or approve any change in the office through which any such Agent acts, subject to having given not more than forty-five (45) nor less than thirty (30) days' prior notice to the Bondholders in accordance with Condition 10, provided that there will at all times be (i) a Fiscal Agent, a Paying Agent, a Calculation Agent and a Put Agent having a specified office in a European city and (ii) so long as the Bonds are admitted to trading on Euronext Paris, a Paying Agent ensuring the financial service of the Bonds in France.

## 7. Taxation

### (a) *Withholding Tax*

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law or regulation.

### (b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Bond:

- (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Republic of France other than the mere holding of such Bond;
- (ii) any tax imposed or withheld by reason of a failure by the Bondholder or the beneficial owner of the Bond to comply with a written request of the Issuer addressed to the Bondholder or beneficial owner, after reasonable notice (at least 30 days before any such withholding be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Bondholder or such beneficial owner to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the relevant taxing jurisdiction as a precondition to exemption from all or part of such tax;
- (iii) where such deduction or withholding is imposed or required pursuant to FATCA; or
- (iv) any combination of the items (i) to (iv) above.

Any references in these Conditions to principal and interest shall be deemed also to refer to any Additional Amounts which may be payable under the provisions of this Condition 7.

## 8. Events of Default

If any of the following events (each, an “**Event of Default**”) shall have occurred and be continuing:

- (i) default by the Issuer in any payment when due of principal or interest in respect of the Bonds, if such default shall not have been remedied within fifteen (15) days thereafter;

- (ii) default by the Issuer in the performance of, or compliance with, any other obligation under the Bonds, other than as referred to in Condition 8(i) above, if such default shall not have been remedied within thirty (30) days after receipt by the Fiscal Agent of written notice of such default given by a Bondholder;
- (iii) any other present or future indebtedness of the Issuer or any of the Principal Subsidiaries for borrowed moneys in excess of €50,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable (*exigible*) prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer or any of the Principal Subsidiaries, as the case may be, for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon unless the Issuer or any of the Principal Subsidiaries, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee or indemnity is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or
- (iv) a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) or substantially the whole of the business of the Issuer or any Principal Subsidiary; or, to the extent permitted by law, the Issuer or any Principal Subsidiary is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer or any Principal Subsidiary makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or, the Issuer ceases to carry on all or substantially all of its business or operations or is dissolved except (i) in connection with a reconstruction, merger, consolidation, amalgamation, transfer of assets and/or activities or other form of reorganisation of the Issuer or any Principal Subsidiary pursuant to which the surviving entity shall be the transferee of or successor to all or substantially all of the business of the Issuer or any Principal Subsidiary and assumes all of the obligations of the Issuer with respect to the Bonds or (ii) on such other terms approved by a resolution of the general assembly of Bondholders;

then any Bondholder may give written notice to the Issuer at its registered office with a copy to the Fiscal Agent that all the Bonds (but not some only) held by such Bondholder are immediately due and payable as of the date on which such notice is received by the Issuer, at their principal amount together with any accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

## 9. Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the “**Masse**”).

The *Masse* will be governed by the provisions of the *Code de commerce* applicable to the *Masse*.

The representative of the *Masse* (the “**Representative**”) shall be:

**MCM AVOCAT**  
*Selarl d'avocats inter-barreaux inscrite au Barreau de Paris*  
 10 rue de Sèze  
 75009 Paris  
 France  
 represented by Maître Antoine Lachenaud

and the alternate Representative shall be:

**Maître Philippe MAISONNEUVE**  
*Avocat*  
 10 rue de Sèze  
 75009 Paris  
 France

The Representative will receive a remuneration of €500 (excluding taxes) per year for its services.

All interested Bondholders will at all times have the right to obtain the names and the addresses of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Bondholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant general assembly.

#### **10. Notices**

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Bonds are cleared through such clearing systems and published on the website of the Issuer (<http://www.tdf-infrastructure.com>); and so long as the Bonds are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

#### **11. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

#### **12. Further Issues**

The Issuer may, from time to time without the consent of the Bondholders, issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation.

In the event of such assimilation, the Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

#### **13. Governing Law and Jurisdiction**

The Bonds are governed by, and shall be construed in accordance with, the laws of the Republic of France.

Any claim against the Issuer in connection with any Bonds may be brought before any competent court of the jurisdiction of the *Cour d'appel* of Paris.

## DESCRIPTION OF THE ISSUER AND THE GROUP

### **Incorporation**

The Issuer is a *société par actions simplifiée* organised and existing under the laws of France and was initially registered in the commercial register of Paris and subsequently in the commercial register of Nanterre under registration number 492 520 333. Its registered office is at 106, avenue Marx Dormoy, 92120 Montrouge, France (telephone: 01 55 95 10 00). The Issuer was established on 24 October 2006 for a period of 99 years expiring (unless renewed) on 23 October 2105 with the name Tyrol Acquisition 2 S.A.S. Its name was subsequently changed to TDF Infrastructure S.A.S. on 28 May 2015.

### **Corporate Purpose**

The corporate purpose of the Issuer, both in France and abroad, is:

- (i) the possession and the direct and indirect acquisition of holdings in the share capital of companies, groups and legal entities of any kind, the establishment and control of subsidiaries, the purchase, sale and trading of securities and corporate interests, financial instruments and other investment securities; and
- (ii) the provision of any services in relation to any of the transactions mentioned in (i).

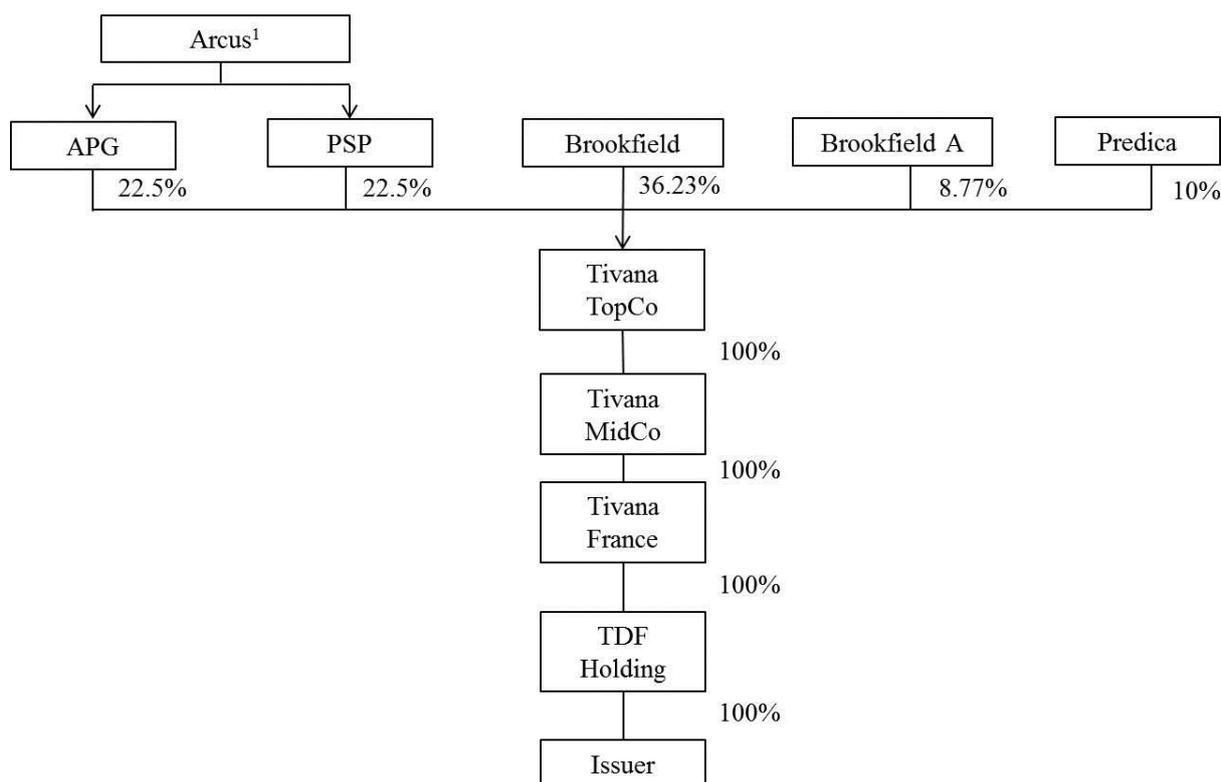
In this respect, the Issuer will be able to perform any industrial, commercial, financial and personal or real property transactions associated directly or indirectly with its purpose or any other similar or connected purpose, including the conclusion of any loan contract, derivative contract, option to buy or sell shares, loans or advances and the granting of securities.

### **Principal Activities**

The Issuer is an intermediate holding company of the Group.

### **Share Capital and Ownership**

The structure chart below gives an overview of the ownership structure of the Issuer.



<sup>1</sup> Arcus Infrastructure Partners LLP (“**Arcus**”) is a fund manager specialising in European infrastructure. A subsidiary of Arcus will provide certain management and/or advisory services to APG and PSP with respect to their shareholdings in Tivana TopCo, and Arcus holds a small, non-controlling ownership interest in PSP’s and APG’s vehicles that hold their shareholdings in Tivana TopCo.

TDF Infrastructure Holding S.A.S. (“**TDF Holding**”) owns 100 per cent. of the shares of the Issuer. TDF Holding is itself a wholly owned subsidiary of Tivana France Holdings SAS, a *société par actions simplifiée* in France registered in the commercial register of Nanterre under registration number 808 832 463 with its registered office at 106, avenue Marx Dormoy, 92120 Montrouge, France (“**Tivana France**”).

Tivana France is itself a wholly owned subsidiary of Tivana MidCo s.à r.l., a company incorporated in Luxembourg under registration number B187123 with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (“**Tivana MidCo**”).

Tivana MidCo is a wholly owned subsidiary of Tivana TopCo S.A., a *société anonyme* incorporated in Luxembourg under registration number B191489 with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (“**Tivana TopCo**”).

Tivana TopCo’s shareholding as at the date of this Prospectus is as follows:

- 36.23 per cent. of its share capital and voting rights are held by BIF II Tivana (Luxembourg) s.à r.l. with business address at 13-15 Avenue de la Liberté, L-1931 Luxembourg, Grand Duchy of Luxembourg (“**Brookfield**”);
- 8.77 per cent. of its share capital and voting rights are held by BIF II Tivana-A (Luxembourg) s.à r.l. with business address at 13-15 Avenue de la Liberté, L-1931 Luxembourg, Grand Duchy of Luxembourg (“**Brookfield A**”);
- 22.5 per cent. of its share capital and voting rights are held by Stichting Depository APG Infrastructure Pool 2014, a foundation (*stichting*) established in The Netherlands with registered Dutch Chamber of Commerce number 6.111.82.06 and having its registered office at Oude Lindestraat 70, 6411 EJ, Heerlen, The Netherlands (“**APG**”);

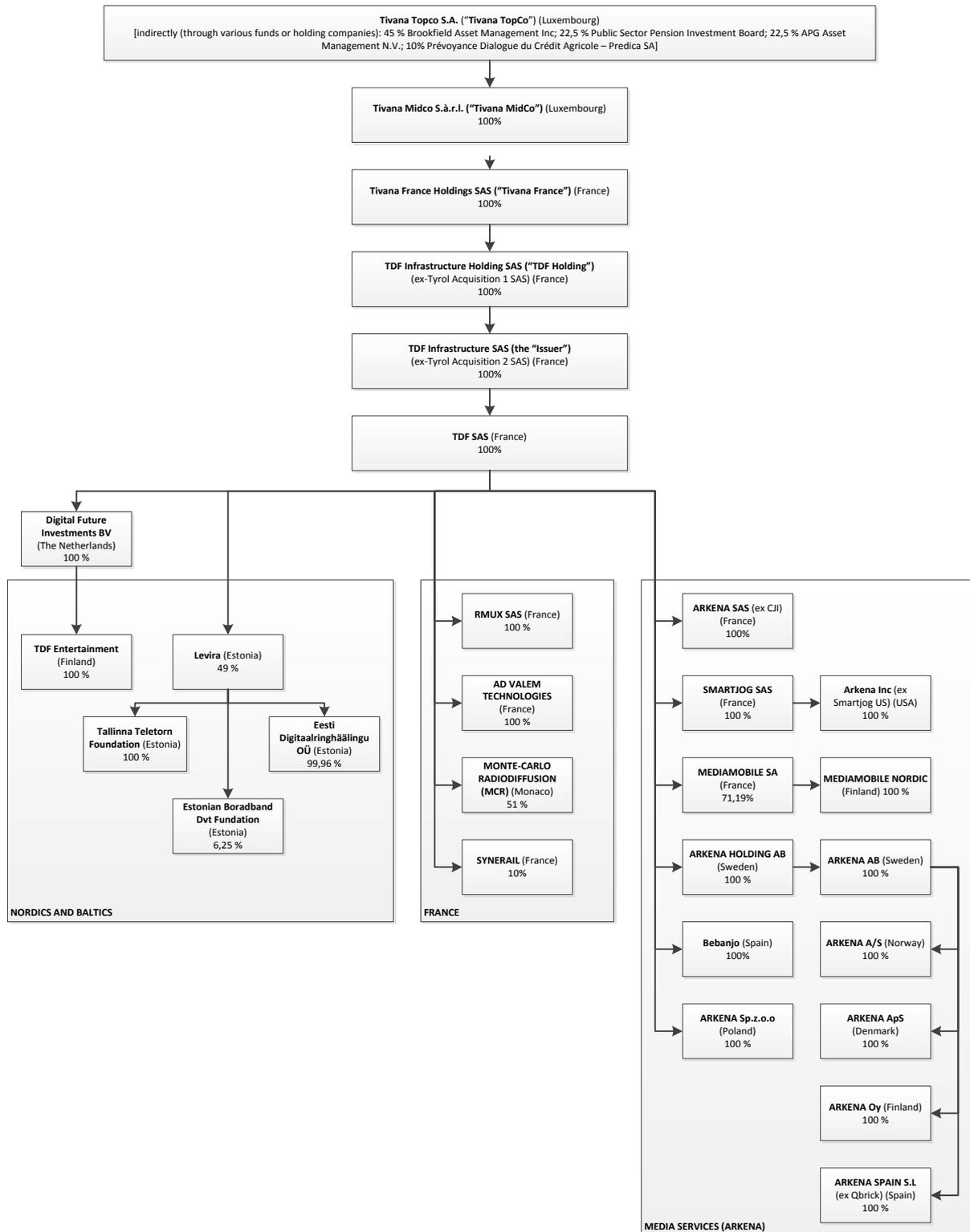
- 22.5 per cent. of its share capital and voting rights are held by PSPFINLUX s.à r.l. with business address at 124 Boulevard de la Pétrusse L-2330 Luxembourg, Grand Duchy of Luxembourg (“**PSP**” and, together with Brookfield, Brookfield A and APG, the “**Initial Shareholders**”); and
- 10 per cent. of its share capital and voting rights are held by Prévoyance Dialogue du Crédit Agricole – Predica SA with business address at 50-56, rue de la Procession, 75015 Paris (“**Predica**” and, together with the Initial Shareholders, the “**Shareholders**”).

The Shareholders entered into a shareholders’ agreement dated 10 March 2015, as amended and restated on 13 March 2015 and further amended and restated on 25 March 2015 and on 19 May 2015 (the “**Shareholders’ Agreement**”) which became effective on 31 March 2015 (the “**Completion Date**”) which includes certain restrictions and obligations in respect of the transfer of the shares in Tivana TopCo as well as provisions regarding the governance of Tivana TopCo and each of its subsidiaries, including Tivana France, TDF Holding and the Issuer.

In particular, the Shareholders’ Agreement includes standstill obligations pursuant to which each of the Shareholders has undertaken for a period of three years following the Completion Date, subject to certain exceptions, not to transfer any of its shares in Tivana TopCo. The Shareholders’ Agreement also includes specific rights such as change of control rights, *en bloc* sale rights, pre-emption rights and obligatory transfer rights, the exercise of which may result in an indirect change of control of the Issuer.

The Shareholders Agreement will automatically terminate on certain specified events, including an initial public offering of Tivana TopCo.

## Organisational Structure of the Group



The following table provides an overview of the Issuer's subsidiaries as at the date of this Prospectus:

<b>Subsidiaries</b>	<b>Country</b>	<b>Business</b>	<b>Percentage of Ownership*</b>
TDF SAS**	France	Broadcasting Infrastructure Services/ Telecom Infrastructure Services	100%
Arkena SAS (ex. Cognacq-Jay Image)	France	Media Services	100%
SmartJog	France	Media Services	100%
Arkena Inc. USA (ex. Smartjog US)	USA	Media Services	100%
Mediamobile	France	Media Services	71.19%
Mediamobile Nordic	Finland	Media Services	71.19%
Arkena Holding A.B.	Sweden	Media Services	100%
Arkena A.B	Sweden	Media Services	100%
Arkena A/S	Norway	Media Services	100%
Arkena ApS	Denmark	Media Services	100%
Arkena Oy	Finland	Media Services	100%
Arkena Spain S.L. (ex. Qbrick)	Spain	Media Services	100%
Bebanjo	Spain	Media Services	100%
Arkena Sp.z.o.o (ex. PSN)	Poland	Broadcasting Infrastructure Services/ Media Services	100%
RMUX	France	Broadcasting Infrastructure Services	100%
Monté Carlo Radiodiffusion (MCR)	Monaco	Broadcasting Infrastructure Services	51%
Synerail	France	Broadcasting Infrastructure Services	10%
Ad Valem Technologies	France	Broadcasting Infrastructure Services	100%
DFI BV	Netherlands	Other	100%
TDF Entertainment	Finland	Other	100%
Levira***	Estonia	Broadcasting Infrastructure Services	49%
Tallinna Telecom Foundation	Estonia	Broadcasting Infrastructure Services	49%
Eesti Digitaalringhaalingu OU	Estonia	Broadcasting Infrastructure Services	48.98%
Estonian Broadband Dvt Fundation	Estonia	Broadcasting Infrastructure Services	3.06%
Levira Central Europe	Estonia	Broadcasting Infrastructure Services	49%

\* Percentage of ownership after giving effect to existing options allowing the Group to acquire minority holdings of the parties from which it acquired its subsidiaries, if any. The percentages of ownership above are those disclosed in the IFRS consolidated accounts, and are calculated in compliance with IFRS. Most subsidiaries are parties to a cash pooling agreement pursuant to which cash is currently pooled at the level of the Issuer.

\*\* TDF SAS is the Issuer's only direct wholly owned subsidiary. All other subsidiaries are indirectly owned by the Issuer.

\*\*\* Majority-owned by the Estonian State. The Issuer exercises control over Levira's finance and operations.

## History of the Group

The Group was created in 1975 following the break-up of the French national state body for television and radio broadcasting (*Office de Radiodiffusion-Télévision Française*) into four state-controlled broadcasters (three television broadcasters and one radio broadcaster); a provider of production services (the *Société Française de Production*); a national library for audiovisual programmes (the *Institut National de l'Audiotvisuel*); and TDF, originally *Télédiffusion de France*, a state broadcasting entity. The Group inherited a large portfolio of sites and operated a legal monopoly with respect to the provision of broadcasting infrastructure services to state television and radio channels until 2003.

In 1991, TDF SAS became a wholly owned subsidiary of France Télécom (now known as Orange), itself a wholly owned subsidiary of the French state. In 2002, the Group was acquired in a leveraged buyout by a group of investors including funds advised by Charterhouse, CDC (Caisse des Dépôts et Consignations) and CDC EEC, with France Télécom retaining a minority ownership of 36 per cent. of the share capital. The French state ceased to own a majority stake in the Group in 2004 as a result of France Télécom's privatisation. In 2005, France Télécom sold its remaining share capital interest to the original private equity shareholders Charterhouse, CDC and CDC EEC.

In 2007, Charterhouse, CDC and CDC EEC sold the majority of their share capital to a consortium of investors comprised of TPG and Ardian (previously known as AXA Private Equity), with Charterhouse and CDC reinvesting into the equity of the newly formed group. In 2009, CDC contributed the shares it owned in the Group to BPIFrance – Banque Publique d'Investissement (previously known as FSI), the French sovereign wealth fund. Following this second leveraged buyout and as at 30 June 2012, TPG, Ardian, Charterhouse and BPIFrance – Banque Publique d'Investissement respectively held 41.6 per cent., 17.7 per cent., 13.9 per cent. and 24.0 per cent. of TDF Holding's share capital, while the remaining 2.8 per cent. was held by certain other investors. TDF Holding owned 98.3 per cent. of the Issuer's share capital, while the remaining 1.7 per cent. was held, directly or indirectly, by current and former management and employees, as well as certain other minority shareholders.

On 31 March 2015, pursuant to the terms of a Securities Purchase Agreement entered into on 27 January 2015 between Tivana France (a special purpose vehicle established and owned by the Initial Shareholders for the purposes of the Acquisition, as defined below) as purchaser and Tyrol Acquisition 1 & Cie SCA (a special purpose vehicle held by the previous investor group and the former parent company of TDF Holding, "**Luxco2**") as seller, Tivana France purchased 100 per cent. of the share capital and the voting rights of TDF Holding as well as all the shares in certain management companies not held by TDF Holding. TDF Holding and the management companies in turn held 100 per cent. of the share capital and voting rights of the Issuer (the "**Acquisition**").

On 10 April 2015, the management companies and Tivana France transferred their shares in the Issuer as well as the share warrants issued by the Issuer to TDF Holding, as a result of which the Issuer is now a wholly-owned subsidiary of TDF Holding.

The Acquisition was preceded by the carve-out of TDF's former Hungarian business pursuant to a share sale and purchase agreement dated 26 March 2014 and also by the carve-out of TDF's former German business pursuant to a Carve-Out Agreement and a Share and Receivable Sale Agreement dated 27 January 2015 (the "**Carve-Out**"). The purpose of the Carve-Out was to create a privately held pure-play French broadcasting and tower infrastructure company. Following the Carve-Out, the Group's focus is primarily on France, with ancillary businesses based in Estonia and the Nordic countries and it has an upgraded structure with holding companies dedicated to the management and the financing of the Group.

On 19 May 2015, Predica acquired shares in Tivana TopCo from the Initial Shareholders and subscribed to a capital increase of Tivana TopCo, as a result of which Predica holds a 10 per cent. stake in Tivana TopCo.

Following the Acquisition, certain transactions were carried out to clean-up the balance sheet and increase the equity of the Issuer:

- on 31 March 2015, the share capital of the Issuer was increased by a total amount of €584,160,395.70 through the capitalisation of a debt of the same amount owed by the Issuer to TDF Holding;
- on 10 April 2015, the Issuer carried out a reduction of its premium and its share capital in order to offset recorded carried-forward losses of more than €1 billion, resulting in a new share capital of €599,983,452.16 and a nominal value of €0.08 per share;
- the capital reduction was immediately followed by an increase in the share capital of the Issuer, through the capitalisation of a debt of an amount of €816,719,315.07 owed by the Issuer to TDF Holding under an intracompany loan agreement (such debt being composed of a principal amount of €815,000,000 and accrued interest of €1,719,315.07). TDF Holding paid a subscription price of

€0.24 per share, resulting in a share premium of €0.16 per share in excess of the nominal value of €0.08 per share;

- on 29 May 2015, (i) the 8,205,714 share warrants issued by the Issuer were bought-back by the Issuer and cancelled; (ii) the 1,162,138,705 preference shares issued by the Issuer were converted into 1,162,138,705 ordinary shares; and then (iii) the 10,902,790,298 existing ordinary shares in the Issuer were regrouped and consolidated in order to reduce the number of shares in issue to 10,000,000 new ordinary shares, with the same aggregate nominal value of €872,223,223.84;
- on 10 July 2015, TDF Holding carried out a reduction of its share capital in order to offset recorded carried forward losses of more than €1.7 billion, resulting in a new share capital of €631,752,998.89 divided into 110,034,963 shares of the same nominal value; and
- on 2 September 2015, the Issuer carried out a reduction of its share capital, non-motivated by losses, by transferring part of the nominal value of its shares, in an amount of €572,223,223.84, to a non-distributable premium account, resulting in a new share capital of €300,000,000, divided into 10,000,000 shares.

The on-sale of TDF's former German business was completed by Luxco 2 on 17 March 2016 (the “**On-Sale**”). As a result of the On-Sale, a price complement of circa. €106.2 million was due to TDF by Luxco 2 and was to be repaid by Tivana France to Luxco 2. The payments were satisfied by way of a delegation and a set-off of reciprocal debts, so that there were no cash flows and TDF now has a circa. €106.2 million receivable against Tivana France. The Group is considering several options in connection with this circa. €106.2 million receivable. The On-Sale is more fully described in “*Recent Developments*”.

## Business of the Group

### Overview

The Issuer is an intermediate holding company of the Group.

The Group is the largest independent provider of television and radio broadcast networks, telecoms infrastructure solutions and DTT-centric media platforms in France based on revenue. It provides mission-critical services to the reception of digital television and analogue and digital radio channels and to the functioning of mobile telephone networks.

The following table provides an overview of the Group's core businesses as at 31 December 2015:

	Broadcasting Infrastructure Services		Telecom Infrastructure Services	Media Services
	TV	Radio		
<b>Business description</b>	<ul style="list-style-type: none"> <li>• Distribution and transmission of digital and analogue TV and radio signals;</li> <li>• Operation and maintenance of networks, including remote site monitoring</li> </ul>		<ul style="list-style-type: none"> <li>• Site hosting of telecom equipment for MNOs;</li> <li>• Maintenance and operation of third party networks, equipment and sites</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive coverage of the video value chain, offering turnkey integrated video solutions</li> </ul>
<b>Sector position</b>	No. 1 in France	No. 1 in France	No. 1 Independent in France	Leading position
<b>Key customers</b>	France Télévisions, Arte, TF1, Canal+, M6, NextRadioTV	Radio France, RTL, Lagardère, NRJ, NextRadioTV	MNOs (Orange, SFR, Bouygues Telecom, Free Mobile)	Orange, Canal+, beIN SPORTS, Renault
<b>Contract length</b>	Long-term contracts; average of 5 years	Long-term contracts; average of 5 years	Long-term contracts; average of 10 years	Medium-term contracts; average of 1 year

<b>Operational Infra. Assets<sup>1</sup></b>	1,649 sites	1,238 sites	4,924 sites	Proprietary content delivery networks; Online video platform
<b>Revenue<sup>2</sup></b>	€218 million	€112 million	€262 million	€56 million
<b>Regulation</b>	Regulation on access prices to TDF sites  No specific pricing regulation on transmission	No specific pricing regulation	No specific pricing regulation	No specific pricing regulation

Source: TDF

1. Sites based in mainland France (total sites does not correspond to the 6,584 sites because certain sites host multiple business lines.)

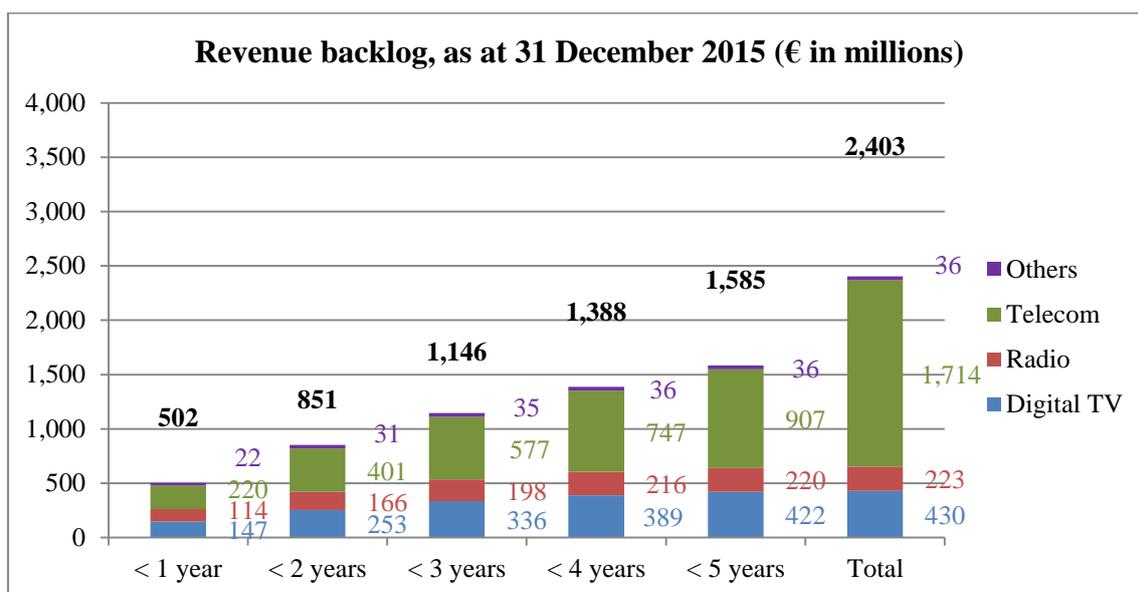
2. Revenue for the twelve months ended 31 December 2015, not showing Telecom Managed Services (5% of sales) and Other Phased-out activities (5% of sales) including mostly AM Radio and Patents. Figures relating to revenues are restated to exclude the contributions from the German and Hungarian entities, as more fully described in Note 7.1 and 7.2 to the Audited Financial Statements.

### Key financial information

Overall revenue (restated to exclude the contributions from the Group's former German and Hungarian entities as discussed below) for the twelve months ended 31 March 2015, the nine months ended 31 December 2015 and the twelve months ended 31 December 2015 can be broken down as follows:

	31 March 2015 (12-month)		31 December 2015 (9-month)		31 December 2015 (12-month)	
	€ in millions	%	€ in millions	%	€ in millions	%
Digital Television	222.9	30%	163.5	31%	218.5	31%
FM radio	98.2	13%	72.8	14%	97.0	14%
Radio: transport	14.1	2%	10.5	2%	14.0	2%
Digital radio	0.4	0%	0.5	0%	0.7	0%
AM Radio (short-wave, medium wave, long wave)	21.8	3%	14.8	3%	20.0	3%
Sub-total Radio	134.6	18%	98.6	19%	131.7	18%
<b>Broadcasting Infrastructure Services</b>	<b>357.5</b>	<b>49%</b>	<b>262.2</b>	<b>50%</b>	<b>350.1</b>	<b>49%</b>
Telecom Site Hosting	260.6	35%	189.7	36%	258.2	36%
Telecom Backbone, Data Centers & Others	2.2	0%	2.8	1%	3.6	1%
Telecom Managed Services	39.7	5%	20.3	4%	33.2	5%
<b>Telecom Infrastructure Services</b>	<b>302.6</b>	<b>41%</b>	<b>212.7</b>	<b>41%</b>	<b>295.0</b>	<b>41%</b>
Playout	22.4	3%	15.3	3%	20.1	3%
Video Platforms	7.9	1%	4.7	1%	7.0	1%
Content Delivery Networks	7.5	1%	4.4	1%	5.8	1%
Cloud for Media	8.9	1%	8.1	2%	10.2	1%
Traffic information	11.9	2%	9.5	2%	12.7	2%
<b>Media Services</b>	<b>58.6</b>	<b>8%</b>	<b>42.0</b>	<b>8%</b>	<b>55.9</b>	<b>8%</b>
<b>Other</b>	<b>15.9</b>	<b>2%</b>	<b>8.3</b>	<b>2%</b>	<b>12.3</b>	<b>2%</b>
<b>Total Revenue</b>	<b>734.5</b>	<b>100%</b>	<b>525.2</b>	<b>100%</b>	<b>713.3</b>	<b>100%</b>

The following chart shows an overview of the global revenue backlogs as at 31 December 2015, spread over time (cumulative secured revenues over the first 1, 2, 3, 4 and 5 years to come, respectively as well as total backlog):



The following table presents the Group's key IFRS financial information for the financial years ended 31 March 2014, 31 March 2015 and 31 December 2015 and for the 12 months ended 31 December 2015, which has been restated to exclude the contributions from the Hungarian entities as described in Note 7.2 to the Audited Financial Statements. The table also presents the same IFRS information for the year ended 31 March 2015 (see "31 March 2015R" in the table below), adjusted for IFRIC 21 in application since 1 April 2015 (with no cash or revenue impact), as described in Note 4.11 to the Audited Financial Statements, and for the nine months ended 31 December 2015.

€ in millions	31 March 2014	31 March 2015	31 March 2015 R	31 December 2015 (9-month)	31 December 2015 (12-month)
<b>Revenues</b>	<b>739.4</b>	<b>734.2</b>	<b>734.2</b>	<b>525.2</b>	<b>713.1</b>
Other Income	8.4	16.3	16.3	2.3	4.4
Consumed Purchases	(70.3)	(66.5)	(66.5)	(50.4)	(70.7)
Personnel costs	(170.0)	(160.2)	(160.1)	(111.1)	(151.1)
External expenses	(131.4)	(131.3)	(131.3)	(99.5)	(133.7)
Profit/loss on disposal of operating fixed assets	1.4	1.5	1.5	2.6	2.6
Other expenses	(18.6)	(21.0)	(21.1)	(13.4)	(27.5)
<b>EBITDA</b>	<b>358.8</b>	<b>373.0</b>	<b>372.9</b>	<b>255.7</b>	<b>337.2</b>
Depreciation and amortization	(174.2)	(187.5)	(187.5)	(131.7)	(191.1)
<b>Current Operating Income</b>	<b>184.7</b>	<b>185.5</b>	<b>185.4</b>	<b>124.1</b>	<b>146.1</b>
Cash flow from operating activities	229.3	283.5	283.5	194.2	250.9

The following table presents the breakdown of revenues for the years ended 31 March 2014, 31 March 2015 and 31 December 2015 which, as described in Note 7.1 and 7.2 to the Audited Financial Statements, is presented on

a restated basis with the contributions of the Group's former German and Hungarian businesses excluded from the consolidation scope and using constant foreign exchange rates. The table also presents the same IFRS information for the nine months ended 31 December 2015, applying IFRIC 21, as described in Note 4.1 to the Audited Financial Statements.

	<b>31 March 2014</b>	<b>31 March 2015</b>	<b>31 December 2015 (9-month)</b>	<b>31 December 2015 (12-month)</b>
<b>Revenue by business lines:</b>				
Digital Television <sup>(1)</sup>	210.5	222.9	163.5	218.5
Radio	142.3	134.6	98.6	131.7
<b>Broadcasting Infrastructure Services</b>	<b>352.7</b>	<b>357.5</b>	<b>262.2</b>	<b>350.1</b>
Telecom: site hosting	234.9	260.6	189.7	258.2
Telecom: other services	68.1	41.9	23.1	36.8
<b>Telecom Infrastructure Services</b>	<b>303.0</b>	<b>302.6</b>	<b>212.7</b>	<b>295.0</b>
<b>Media services</b>	<b>65.1</b>	<b>58.6</b>	<b>42.0</b>	<b>55.9</b>
<b>Other</b>	<b>21.9</b>	<b>15.9</b>	<b>8.3</b>	<b>12.3</b>
<b>Total Revenues <sup>(2)</sup></b>	<b>742.8</b>	<b>734.5</b>	<b>525.2</b>	<b>713.3</b>

<sup>(1)</sup> Including satellite.

<sup>(2)</sup> The difference between Total Revenues and Revenues as set out above is due to different intercompany elimination and different exchange rates applied on 31 March 2014.

In addition, the following table presents the Group's key non-IFRS performance measures for the twelve month periods shown, which have been restated to exclude any contributions from the German and Hungarian entities:

<b>€ in millions, except ratios and percentages</b>	<b>31 March 2013</b>	<b>31 March 2014</b>	<b>31 March 2015</b>	<b>31 December 2015<sup>1</sup></b>
<b>Other Financial Data:</b>				
<b>Adjusted EBITDA</b>	<b>360.0</b>	<b>371.3</b>	<b>381.2</b>	<b>345.1</b>
Adjusted EBITDA as a % of revenues	47.6%	50.2%	51.9%	48.4%
Revenue backlog	2,108.1	2,369.8	2,368.3	2,403.0
Net financial debt (as defined on page (iii) of this Prospectus)	-	-	1,356.0	1,286.0
Net financial debt to Adjusted EBITDA	-	-	3.56x	3.73x
Total capital expenditure	(121.2)	(121.0)	(126.3)	(127.8)
Operating Free cash flow	170.8	124.8	153.0	127.4

<sup>1</sup> For comparison and consistency purposes, the key non-IFRS performance measures as at 31 December 2015 are only presented for a twelve month period.

### **Infrastructure**

The Group offers a wide range of services within each of its Broadcasting Infrastructure Services, Telecom Infrastructure Services and Media Services businesses which are supported by an extensive infrastructure network of sites. As at 31 December 2015, the Group owned and operated 6,584 sites in mainland France, comprising 6,312 multipurpose towers and 272 active rooftops (hosting at least 1 PoP) which are strategically placed across rural, semi-urban and urban areas and typically located on mountains, high hills and tall buildings and structures, including the Eiffel Tower in Paris and the Pic du Midi in the French Pyrénées. Additionally, the Group owns and operates approximately 303 sites in French overseas territories and has entered into commercialisation agreements for up to approximately 3,214 additional potential rooftops in mainland France (although these may not become actual sites due to technical and environmental constraints). The Group owns approximately 90 per cent. of its active multipurpose towers and it either owns or leases the land on which its

sites are located under long-term contracts, with maturities ranging from five to 99 years. The Group leverages its sites network across its three businesses, because its sites can provide television and radio transmissions as well as mobile telephony services, thereby serving a diverse range of customers, from television and radio broadcasters to MNOs. As at 31 December 2015, approximately 29 per cent. of sites in mainland France were shared between at least two of the Group's three businesses.

The combination of the scale, positioning and height of the site portfolio, together with the licence portfolio, provide a widespread coverage of the territories in which the Group operates. As at 31 December 2015, the Group's television broadcasting networks covered over 97 per cent. of the population in mainland France, according to management estimates.

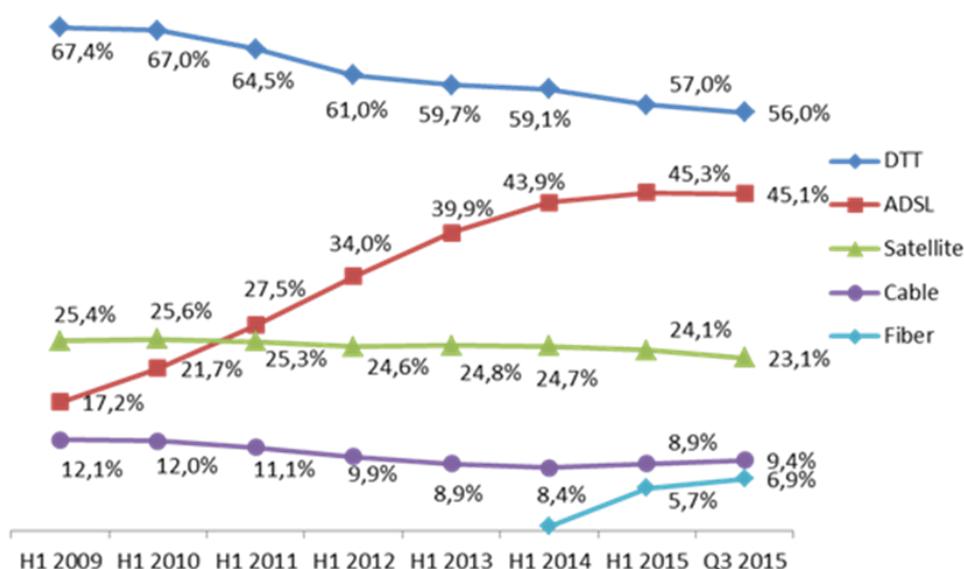
In addition, as at 31 December 2015, the Group benefits from the ownership of an approximately 5,000 km optical fibre, high capacity national backbone which interconnects sites, data centres and platforms and acts as a national "data highway" responsible for transporting television, radio and telecom traffic over medium and long distances. This network is mutualised across all of the Group's businesses and provides a fixed cost base and significant operating leverage.

### Broadcasting Infrastructure Services

The Group is the leading third party provider of DTT and radio broadcasting infrastructure services in France. Its main Broadcasting Infrastructure Services include the distribution and transmission of signals for digital terrestrial television channels and analogue radio channels. The Group also provides complementary services such as satellite uplink to television channels and signal multiplexing. Broadcasting Infrastructure Services revenue amounted to €350.1 million, representing 49 per cent. of revenue, for the twelve months ended 31 December 2015 (€262.2 million for the nine months ended 31 December 2015, representing 50 per cent. of revenue).

### Television Broadcasting

The Group operates in the DTT segment which is the most widespread television distribution platform in France and represented approximately 56 per cent. of television access in France as of September 2015. The following graph shows an overview of the evolution of the television distribution platform in French TV households over the recent years (source CSA, *Observatoire de l'équipement audiovisuel des foyers – 3ème trimestre 2015*, dated December 2015).



The Regulation Authority (CSA), which monitors the development of the DTT platform in France, has stated in a recent report: “DTT is present in nearly 60% of households and is the main base of economic support for audiovisual production and French films. Its development issues are subject to strict vigilance by the CSA” (Annual report 2014, dated April 2015).

As at 31 December 2015, the Group had an estimated overall volume market share of approximately 81 per cent. for DTT broadcasting site access (including hosting of competitors’ antennas) and 67 per cent. for DTT transmission in France, according to management estimates. Television broadcasting revenue was generated in the amount of €218.5 million, representing 31 per cent. of revenue for the twelve months ended 31 December 2015 (€163.5 million for the nine months ended 31 December 2015, representing 31 per cent. of revenue). 19 per cent. of the overall Group television broadcasting revenue consisted of regulated services (access to third party) for the twelve months ended 31 December 2015 (17 per cent. for the nine months ended 31 December 2015), 81 per cent. of the overall television broadcasting revenue being attributable to unregulated services for the twelve months ended 31 December 2015 (83 per cent. for the nine months ended 31 December 2015) (including transmission, distribution and uplink).

The DTT transmission value chain consists of five key segments: (i) content production, (ii) media operations, (iii) signal compression and multiplexing, (iv) signal distribution and (v) signal broadcasting. Broadcasting Infrastructure Service operations mainly comprise signal distribution and signal broadcasting as well as signal compression and multiplexing.

#### Access

The Group sells the right to access and use the infrastructure and aerial equipment located on its sites to both MUXs and other broadcasting network infrastructure operators. Access services to broadcasting infrastructure are regulated and, due to its leading position in the French DTT broadcasting infrastructure market and its extensive portfolio of sites, the Group is required to allow competing broadcasting operators to install their equipment on its sites. On those sites that are deemed “non-replicable” (i.e., due to antenna height or geographic location), which comprise approximately 5 per cent. of the total DTT network in mainland France (or 74 sites as at 31 December 2015, source *Décision n°2015-1583 de l’ARCEP*, dated 15 December 2015), the Group is only permitted to charge competitors cost-based access fees while it may charge “non-excessive” and “non-predatory” access fees for all other sites deemed “replicable” (which comprise approximately 96 per cent. of the total DTT network, or approximately 1,570 sites as at 31 December 2015).

#### Transmission

The Group offers bundled broadcasting services (consisting of both access and transmission services) to MUXs ((i) multiplexes, processing equipment used to send multiple signals or streams of information (television channels or radio stations) which are bundled and compressed at the same time in the form of a single, complex and digital signal; and (ii) by extension, MUXs refer to the clients which are legally incorporated DTT channels sharing a unique transmission network). As part of its transmission services, the Group picks up signals from television broadcasters, compresses these signals, uses a MUX and transports these multiplexed signals to its sites, which then transmit these signals over the air to the viewer’s premises. Signals are decoded at the viewer’s premises by a digital decoder (either built into a television set or a separate set-top box) that converts the data into pictures, sound, text and other information.

The Group has historically provided analogue terrestrial television broadcasting infrastructure services. Following the European Commission’s recommendation in 2005 that EU members cease analogue television transmission by 1 January 2012 and switch to DTT, the deployment of DTT in Europe has progressed rapidly and the analogue switch-over in France was completed in 2011. Unlike an analogue television signal, a digital television signal can be compressed into bytes and multiplexed to allow reception of multiple channels on a single frequency range. DTT provides a clearer picture, superior sound quality and less interference when compared to analogue television. It uses less capacity per channel than analogue television allowing for a greater offering of channels and hence a greater variety of programmes.

### *High Definition Television*

The Group also provides HDTV broadcasting services. HDTV, which has a resolution substantially higher than traditional standard television systems and requires signal with higher bandwidth, is developing rapidly. HD-ready televisions are increasingly available on the market, and in the medium term, all television channels (free-to-air as well as pay-TV channels) are expected to be in HDTV format before 2020. The Group launched HDTV broadcasting services in 2008 and currently provides broadcasting infrastructure services to 11 HDTV channels. The next step for HDTV transition in France scheduled on 5 April 2016, when all the 24 free-to-air DTT channels (plus 3 pay channels) will move to HDTV, due to the switchover from Mpeg2 to Mpeg4 signal. As a result, the coverage of 97 per cent. of the French population for all HD channels should be reached from April 2016. Following the HD transition, new formats enriching the TV experience are expected to emerge, such as Ultra-HD (4K in a first step) which may be launched in a pioneering MUX on DTT as soon as 2017.

### *Hybrid TV*

The Group is currently complementing its DTT platform by providing interactive (non-linear) connected television services through which it leverages its existing DTT platform with the ability to seamlessly deliver content to end users' television devices through the internet. The classic DTT model only allows for linear communication from the content producer to the end user via a broadcaster. In contrast, Hybrid TV features two connections: a conventional DTT connection for end users to view regularly transmitted programming and an internet connection through which the viewer can select from an array of programmes or otherwise customise the delivery of entertainment. Hybrid TV devices therefore establish non-linear bi-directional communication via the internet and allow viewers to access interactive services such as video-on-demand, "catch-up TV services" and contextual information while still receiving high quality linear television via broadcast DTT.

The Group's Hybrid TV services include "restart TV" ("**Salto**") which allows the viewer to restart a programme after its scheduled broadcasting times, video-on-demand and "catch-up TV".

The penetration of Hybrid TV in France has increased significantly over the last few years and this trend is expected to continue in the future. The Group believes it is well-positioned to be a partner of choice for DTT broadcasters as they continue to roll-out their Hybrid TV services due to the long-standing relationships with TV channels and broadcasters as well as a result of the Group's know-how in network operations and internet video delivery services.

### *TV events live broadcasting*

In September 2015, the Group acquired Ad Valem Technologies, a leading broadcaster of high profile live sports and cultural events in France. Founded in 2008, Ad Valem Technologies designs, deploys and operates a live TV technology complemented by a broad range of media services including IPTV and OTT. Through the association of fibre optics and satellite networks, Ad Valem Technologies provides TV channels with reliable and flexible connectivity solutions to guarantee top quality broadcasting of high profile TV events. Over 60 stadiums and other leading venues are already connected to Ad Valem Technologies' ultra high-speed network and key customers include Canal+ and BeIn Sports.

### *Radio Broadcasting*

The Group is the leading provider of analogue radio broadcasting infrastructure services in France (source ARCEP, *Consultation Publique*, dated December 2013), and as at 31 December 2015, it had an FM radio broadcasting market share of approximately 57 per cent. by volume based on management estimates. Radio broadcasting revenue was €131.7 million, representing 18 per cent. of revenue, for the twelve months ended 31 December 2015 (€98.6 million for the nine months ended 31 December 2015).

The Group operates on all analogue radio platforms, including short, medium, long and FM waves, in France and as at 31 December 2015, it operated 89 per cent. of the public Radio France FM frequencies and 43 per cent. of the French mainland private FM channel frequencies, based on management estimates. The Group currently transmits over 5,000 FM frequencies in France, and it also broadcasts the programmes of a large number of radio stations (including France Medias Monde) across the world using short wave ("**SW**") frequencies which have a very broad coverage.

The Group offers its customers the following analogue radio broadcasting infrastructure services:

**Signal transport:** signal transport includes the initial reception of the signal and the point-to-point transport to the Group's sites via a high-performance, high-speed data transportation network.

**Signal broadcasting:** signal broadcasting comprises the distribution of radio signals through the Group's equipment from one of its terrestrial sites to the end user.

**Site management:** site management includes the design, construction and operation of terrestrial sites.

The Group also provides digital audio broadcasting ("DAB") whereby analogue audio signals are compressed and digitized for transmission. As a result of the compression, more radio programmes can be transmitted in a given spectrum, increasing radio quality and improving reception for listeners connecting from mobile devices (such as from automobiles, tablets and mobile phones). DAB is seen as an entry point for new broadcasters that may not have consistent national FM coverage due to lack of point-of-service ("PoS", an industry term referring to frequencies which are transmitted from a DTT or radio broadcasting site) in dense urban areas or cost considerations. The DAB offering leverages the Group's existing radio broadcasting capabilities in France. From October 2014, a total of 13 DAB MUX (out of 14 awarded by the CSA) have been launched in Paris, Marseille and Nice.

#### *Broadcasting Infrastructure Services Customers and Contracts*

As at 31 December 2015, the Group had over 569 Broadcasting Infrastructure Services customers, of which approximately 161 were television broadcasting customers and 408 were radio broadcasting customers. For the year ended 31 December 2015, the largest 15 customers represented approximately 87 per cent. of Broadcasting Infrastructure Services revenues; during the same period, no single Broadcasting Infrastructure Services customer represented more than 10 per cent. of the Group's total revenue. This revenue also includes revenue from customers which are provided with both Broadcasting Infrastructure Services and Media Services.

#### Television

The Group's key television broadcasting customers include leading public and privately owned television broadcasters in its areas of operation. In France, the Group provides broadcasting for state-owned television broadcasters (e.g., France Télévisions, RFO and Arte) and privately owned television broadcasters (e.g., TF1, Canal+, M6 and NextRadioTV).

The television broadcasting business is characterised by medium to long-term contracts with an average term of five years. The Group typically enters into standard service level agreements, which include capped penalties in the event transmission services are interrupted or altered. A significant portion of sales is contracted, providing good visibility on volumes and prices. The Group has a strong track record of contract renewals (approximately 90 per cent. of renewal over the past years as at 31 December 2015). As a result of such contracts, as at 31 December 2015, the Group benefited from a backlog in the amount of approximately €429.8 million, or approximately 2.0 times revenue from television broadcasting infrastructure services for the twelve months ended 31 December 2015. The amount of the backlog is not necessarily indicative of future revenue or earnings. Although backlog reflects business that is considered to be firm, cancellations or scope adjustments may occur. See "*Risk Factors—Risks Related to the Group's Business—The Group's backlog is subject to unexpected adjustments and cancellations and is, therefore, not a reliable indicator of future revenue*".

#### Radio

The Group's radio broadcasting customers include both regional and national radio broadcasters and it provides Broadcasting Infrastructure Services to French public radio networks, including Radio France, RFO and France Medias Monde, as well as privately owned radio networks, including RTL, Lagardère, NRJ, NextRadioTV and highways operators' dedicated FM radio networks.

During the twelve months ended 31 December 2015, FM transmission represented approximately 74 per cent. of radio infrastructure services revenue (74 per cent. during the nine months ended 31 December 2015) and was mainly concentrated within Radio France.

The radio broadcasting business is also characterised by medium to long-term contracts with radio stations, which typically run for a period of five years and usually stipulate a fixed price per station, revised annually using an indexation formula. Additionally, volumes (i.e., frequencies managed for clients) are shielded by cancellation fees. The Group has a strong track record of contract renewals (over 90 per cent. of renewal over the past years as at 31 December 2015). As a result of such contracts, as at 31 December 2015, the Group benefited from a backlog in the amount of approximately €223.0 million, representing approximately 1.7 times radio broadcasting infrastructure services revenue for the twelve months ended 31 December 2015. The amount of the backlog is not necessarily indicative of future revenue or earnings. Although backlog reflects business that is considered to be firm, cancellations or scope adjustments may occur. See “*Risk Factors—Risks Related to the Group’s Business—The Group’s backlog is subject to unexpected adjustments and cancellations and is, therefore, not a reliable indicator of future revenue*”.

### ***Telecom Infrastructure Services***

The Group’s Telecom Infrastructure Services business provides site hosting services, datacentre housing and backbone solutions as well as third party maintenance services. The Group is the leading third party independent provider of site hosting telecom towers (based on an analysis of the ANFR’s (*Agence Nationale des Fréquences*) most recent database restatement), rooftops and related infrastructure, serving all four French MNOs and the French government as well as large state-owned companies and blue chip companies. The Telecom Infrastructure Services market is characterised by high financial costs to build and equip telecommunication sites, leading to an increasing proportion of sites being shared among businesses and users. The Group started offering Telecom Infrastructure Services in France in the late 1990s and developed expertise around two key businesses: on-site hosting services for the telecommunications equipment of MNOs and other customers leveraging the Group’s extensive portfolio of sites, to which it has progressively added additional services related to datacentre housing and backbone solutions, and third party maintenance services such as engineering, site building, and operation and maintenance services for customers whose equipment is hosted on the Group’s sites and for customers for whom the Group does not provide site hosting services. Telecom Infrastructure Services revenue was €295.0 million, representing 41 per cent. of revenue for the twelve months ended 31 December 2015 (€212.7 million for the nine months ended 31 December 2015, representing 41 per cent. of revenue).

### ***Site Hosting Services***

Most of the Group’s real estate, including towers, rooftops of buildings and other facilities have additional physical capacity, which it rents to third parties for the installation of their telecommunication equipment such as antennas and transmitters. A key factor to the efficient and profitable operation of the Group’s business is the maintenance and continued development of these dual revenue sites from which it can generate both broadcast revenues from Broadcasting Infrastructure Services customers and hosting fees from Telecom Infrastructure Services customers.

Leveraging the scale and geographic positioning of the network sites, the Issuer believes that the Group offers attractive hosting opportunities for its customers. Customers’ radio equipment is hosted on the Group’s towers and rooftops and the Issuer believes that the wide offering range of suitable sites enables it to respond to the differing needs of densification and coverage of MNO, government and corporate customers.

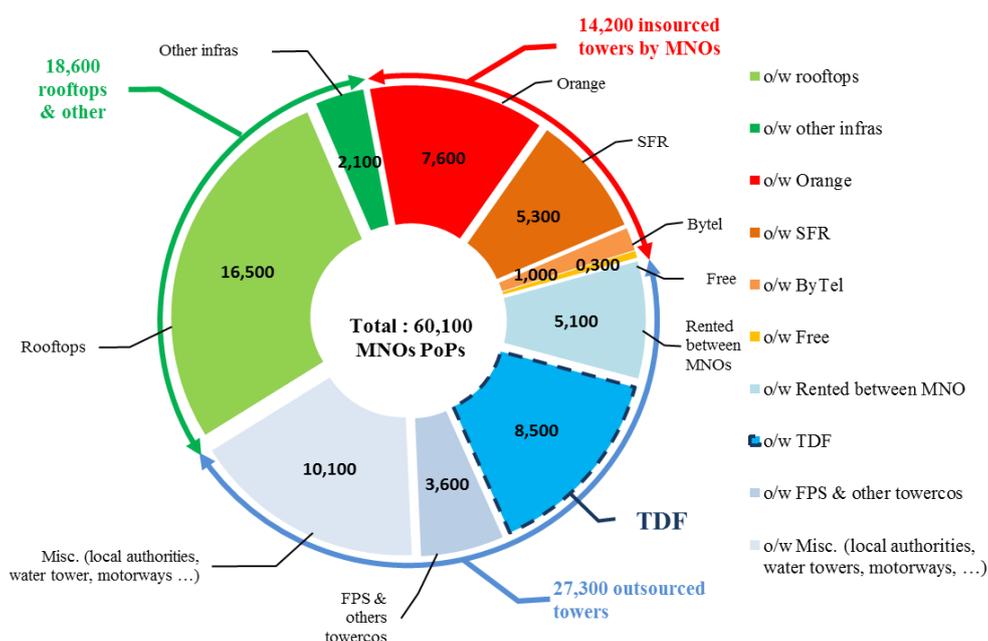
Each of the sites comprises a number of PoP, one for each customer (irrespective of the technology, such as 2G, 3G or 4G). As at 31 December 2015, the Group’s 4,924 active telecommunication sites located in mainland France hosted approximately 14,340 PoP. Sharing sites also enables the Group to allocate development and maintenance costs among its customers, and provide new services at attractive prices for its customers. As of December 2015, active sites had a 2.8 co-location ratio, i.e., the ratio of the number of PoP per site calculated using the total number of PoP on the Group’s telecom site portfolio (excluding sites that currently do not host any telecom PoP) in mainland France.

The Group provides site hosting services to all four French MNOs as well as governmental and quasi-governmental operators, such as the French Ministry of the Interior, the French Ministry of Defence, blue-chip corporates, machine-to-machine players (such as Sigfox, M2OCity and QoWisio) and internet service providers. Overall, the Group had approximately 630 site hosting services customers as at 31 December 2015. However, for the year ended 31 December 2015, the four French MNOs accounted for approximately 79 per

cent. of Telecom Infrastructure Services revenue. Site hosting generates long-term predictable revenues through contracts typically entered into for terms of approximately ten years, some of which have earlier termination rights, meaning revenues are not guaranteed for the full term of such contracts or some of which may be subject to an maximum length (as is the case for the SPH Framework Contracts, as defined and discussed in “Description of the Issuer and the Group—Legal and Arbitration Proceedings”). The Group’s site hosting contract duration can also be longer as illustrated by the 20-year contract with Orange that was signed in December 2013. Customers are typically charged a one-off installation fee for the installation of their equipment on one of the Group’s masts or sites and a recurring annual fee over the duration of the service contract is charged thereafter. The Group has signed a framework agreement for its largest customers and negotiates pricing on a PoP basis for other customers.

The Group is the leading third party provider (excluding sites owned by MNOs) of site hosting services for telecommunications PoP in France and as of December 2015, the volume market share, including sites owned by MNOs, was over 14 per cent. (based on an analysis of the ANFR’s most recent database restatement). The Issuer believes that the Group’s telecommunications site hosting revenue has the potential to grow significantly, driven by an expected increase in the number of potential tenants related to the expanding 3G networks, the increased rollout of the 4G networks and the cost reduction opportunity which co-location represents for the Group’s tenants. Additionally, the Group expects to further benefit from the continuing deployment of Free Mobile’s mobile telephony network required to meet its regulatory coverage obligations. As at 31 December 2015, Free Mobile, the last entrant to the French mobile telecommunications market which launched its services in January 2012, had installed 2,713 of its PoP on the Group’s sites (including rooftops).

MNOs PoPs breakdown in the French market as of December 2015 (based on an analysis of the ANFR’s most recent database restatement):



### Datacentre Housing

Leveraging its existing equipment and portfolio of sites, its know-how in the co-location of passive infrastructure and existing partnerships with telecommunications companies and local IT service providers, the Group offers its customers datacentre housing services. A one-off fee is typically received at the time of the installation in the datacentre and a recurring fee based on the datacentre housing services rendered. The Group anticipates that this business will yield attractive synergies with existing lines of business through co-location of sites and sites management capabilities as well as the use of a high-performance high-speed backbone to connect datacentres. See “—Backbone Solutions”. As at 31 December 2015, the Group had launched four datacentres in Bordeaux (in May 2013), Lille (in February 2014), Marseille and Rennes (both in October 2014).

### *Backbone Solutions*

The Group owns and operates an upgraded, well-invested audio-visual backbone for the transportation of digital television and radio signals from television and radio content production facilities to the sites that host the Group's and its clients' antennas. Backbone signal transportation services are offered to the Group's telecoms, IT and corporate customers.

### *Third party maintenance services*

The Group provides third party maintenance services related to engineering, site building, operation and maintenance of the equipment it hosts for telecommunications customers and for other operations (including equipment for which site hosting is not provided). The Group leverages its competencies in operating and maintaining networks to offer a comprehensive and integrated range of services from the design and deployment of networks to network operation and maintenance. The Group expects that the revenue contribution from this business (€33.2 million for the twelve months ended 31 December 2015) will continue to decline in the near future, as the Group focuses on core infrastructure-based Telecom Infrastructure Services. As such, and in line with expectations, the maintenance contract with SFR was not renewed at its maturity in 2015.

### *Telecom Infrastructure Services Customers and Contracts*

As at 31 December 2015, the Group had over 754 Telecom Infrastructure Services customers. It provides site hosting services to all four French wireless telecommunications operators, Orange, SFR, Bouygues Telecom and Free Mobile, and related equipment installation, maintenance and engineering services mainly to SFR. The Group has entered into long-term contracts with these MNOs, which typically run for a period of ten years or more. The contractual arrangements for site hosting contain: (i) for older contracts, tariffs set according to the type of equipment placed at the PoP (i.e., PoS of 3G, 4G, etc.) or (ii) for newer contracts, tariffs set per site (PoP) regardless of the type of equipment placed at the location. Site hosting contracts generally include penalties for service interruptions caused by the Group's failure to adequately maintain the sites or due to other faults by the Group. The contractual arrangements for third party maintenance typically take the form of master framework arrangements for a set period including agreed-upon tariff schedules for different types of periodic and extraordinary maintenance interventions which are then confirmed, as required, by written work orders. In certain instances, third party maintenance contracts include penalties for service interruptions caused by the Group's failure to maintain the sites specified in the contracts and bonuses in connection with achieving certain performance targets. The contractual arrangements for both site hosting and third party maintenance services generally limit, absent a finding of fault, the responsibility of either party following *force majeure* events, allowing either party to terminate the contract. Customers are invoiced periodically or annually for site hosting contracts depending on the site and arrangements and third party maintenance customers are invoiced periodically for routine maintenance and upon work order for extraordinary maintenance.

The Group's existing contracts with MNOs last until 2020 with Free, 2024 with Bouygues Telecom (with a five year extension option), 2025 with SFR and 2032 with Orange. As a result of such contracts, as at 31 December 2015, the Group benefited from a backlog in the amount of approximately €1,714 million, or approximately 5.8 times revenue from Telecom Infrastructure Services for the twelve months ended 31 December 2015. The amount of the backlog is not necessarily indicative of future revenue or earnings. Although backlog reflects business that is considered to be firm, cancellations or scope adjustments may occur. See "*Risk Factors—Risks Related to the Group's Business—The Group's backlog is subject to unexpected adjustments and cancellations and is, therefore, not a reliable indicator of future revenue*".

For the year ended 31 December 2015, the four French MNOs accounted for approximately 79 per cent. of Telecom Infrastructure Services revenue and during the same period, no single Telecom Infrastructure Services customer represented more than 10 per cent. of the Group's total revenue.

The Issuer believes that the Telecom Site Hosting business will continue to benefit from the growth of the French mobile communication sector, including from continued and accelerated roll-out of 3G and 4G network capacities, continuing network densification and Free's network coverage expansion.

## *Media Services*

The Group complements its core Broadcasting and Telecom Infrastructure services by offering its customers a variety of Media Services to help them address the rapid increase in video and other digital content consumption and the multiplication of distribution channels for such videos and other content, thus increasing its reach across the broadcasting value chain. Media Services revenue was €55.9 million, representing 8 per cent. of revenue for the twelve months ended 31 December 2015 (€42.0 million for the nine months ended 31 December 2015, representing 8 per cent. of revenue).

### *Cloud for Media*

Leveraging its existing infrastructure of computer servers and electronic equipment, the Group offers its customers digital storage solutions, transcoding services and secured digital files delivery through its cloud services. The Group's cloud for media services customers includes telecoms, pay-TV operators, DTT and radio channels and content right owners. Prices for cloud services are either based on a pay-per-use basis or flat-fee rates.

### *Play-Out Services*

Play-out services comprise the collection and processing of video content to set up video broadcasting streams. The Group offers its customers different play-out service packages: (i) integrated play-out services, with one team fully dedicated to one channel and the customer controlling the play-out; (ii) mutualised play-out, with the play-out team working for multiple channels or managing live events, and (iii) post-production services. The Group also provides internet protocol play-out services to low-cost TV channels. Play-out services are typically provided pursuant to long-term contracts which contain high early termination fees. Key customers are DTT channels such as Canal+ and Arte, as well as content right owners. The Group receives an annual fee for its services.

### *Video Platform Solutions*

Video platform solutions allow content providers to deliver their content via the internet to all connected devices, such as PCs and mobile phones. The Group developed its video platform solutions to assist broadcasters, MNOs and internet service providers manage and monetize digital content, and offer customers the following services:

Over-the-top (“OTT”) content platform: OTT content platforms allow media companies to publish live and on-demand content via the internet. OTT services also include content protection services, multi-screen adaption services and user management.

Online video platform: The Group offer packaged solutions for web-centric video communication targeting non-media customers.

Hybrid Broadcast Broadband TV: The Group provides DTT channels and content providers with a service platform to add interactive services to their DTT offering. The main applications include video-on-demand, “catch-up TV” and “Salto services”.

Customers are typically charged a one-off installation or initiation fee as well as an annually recurring fee based on traffic volume and catalogue size.

### *Content Delivery Network*

The Group offers its customers content delivery network services focusing on providing storage capacity, content delivery and streaming services to content providers and video platforms, thus enabling customers to increase the quality of their content distribution.

### *Traffic Information*

The Group provides road condition and traffic information services, including data collection, data processing and real-time data distribution via FM. It is the leading traffic information service provider in France and mainly services automobile and portable navigation device manufacturers, who pay a fixed licence fee per navigation devices, and MNOs, with whom it enters into long-term contracts and media outlets on a pay-per-use basis.

### *Other activities*

Other activities include the sublicensing of the Group's patents, such as the MPEG Audio Technology. Revenue from other activities was €12.3 million, representing 2 per cent. of revenue for the twelve months ended 31 December 2015 (€8.3 million for the nine months ended 31 December 2015, representing 2 per cent. of revenue).

### **Management**

The Issuer is managed by a Chief Executive Officer (*Président de la Société*) ("**CEO**") and, if TDF Holding as its sole shareholder so decides, one or several Deputy Chief Executive Officers (*Directeurs Généraux Délégués*) (each a "**Deputy CEO**").

As at the date of this Prospectus, the CEO and the Deputy CEO are:

<b>Name</b>	<b>Position</b>	<b>Principal other activities</b>
Olivier Huart	CEO	N/A
Benoît Mérel	Deputy CEO	N/A

The registered address of each of the directors of the Issuer is 106, avenue Marx Dormoy, 92120 Montrouge, France.

To the Issuer's knowledge, there are no existing or potential conflicts of interest between any duties of the directors of the Issuer and their private interest and other duties.

### **Material Contracts**

#### *Facilities Agreement*

The Issuer, as original borrower, is party to the senior facilities agreement dated 6 November 2014, as amended and restated on 26 March 2015 and amended by an amendment letter dated 1 July 2015 (the "**Facilities Agreement**"), with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc and Société Générale as arrangers, which was entered into to fund the Acquisition and refinance the existing financial indebtedness of the Group. The Issuer and TDF are borrowers and guarantors under the Facilities Agreement, each guaranteeing, subject to certain limitations, the obligations of each other borrower.

#### *Structure*

The Facilities Agreement provides for facilities of an aggregate maximum amount of €1,650,000,000, and comprised the following as at 31 March 2015:

- a €700,000,000 term loan facility ("**Facility A**") provided to the Issuer, used for refinancing the existing debt of TDF Holding including related fees, costs and expenses relating to such refinancing, and maturing on 6 November 2017;
- a €700,000,000 term loan facility ("**Facility B**") provided to the Issuer, used for refinancing the existing debt of TDF Holding including related fees, costs and expenses relating to such refinancing, and maturing on 6 November 2019; and

- a €250,000,000 multicurrency revolving credit facility (“**RCF**”, and together with Facility A and Facility B, the “**Facilities**”) provided to the Issuer and TDF, used for refinancing the existing revolving credit facility (including any fees costs and expenses relating to such financing) and for the working capital and general corporate purposes of the Group, maturing on 6 November 2019.

On 31 March 2015, the closing date of the Acquisition, Facility A and Facility B were drawn in full, and €30,000,000 was drawn under the RCF (but repaid on 21 April 2015).

Following its issue on 19 October 2015 of €600,000,000 2.875% bonds due 2022 (the “**2022 Bonds**”), the Issuer repaid €593,000,000 of Facility A.

As at the date of this Prospectus, €107,000,000 remains outstanding under Facility A, Facility B remains fully outstanding and the RCF is fully undrawn.

#### *Interest and Fees*

The Facilities bear interest at rates per annum on each loan at a margin above EURIBOR (except in respect of any non-euro denominated RCF loan, which bears interest at a margin above the relevant LIBOR). The margin is initially 0.8 per cent. per annum on Facility A and Facility B and 1.15 per cent. per annum on the RCF.

The margin increases annually under Facility A and Facility B and depending on the long-term credit rating of the Group in accordance with the tables below.

#### Facility A:

Long-term credit rating of the Group (whether a corporate rating or a rating for a specific debt instrument)		Margin (per cent. per annum)		
Moody's	S&P	Year 1	Year 2	Year 3
Baa2 (or higher)	BBB (or higher)	0.65	0.80	1.25
Baa3	BBB-	0.80	1.00	1.40
Sub-Baa3	Sub-BBB-	Baa3 / BBB- Margin plus 0.75 per cent.		

#### Facility B:

Long-term credit rating of the Group (whether a corporate rating or a rating for a specific debt instrument)		Margin (per cent. per annum)				
Moody's	S&P	Year 1	Year 2	Year 3	Year 4	Year 5
Baa2 (or higher)	BBB (or higher)	0.65	0.80	1.35	1.60	2.00
Baa3	BBB-	0.80	1.00	1.50	1.75	2.15
Sub-Baa3	Sub-BBB-	Baa3 / BBB- Margin plus 0.75 per cent.				

#### RCF:

Long-term credit rating of the Group (whether a corporate rating or a rating for a specific debt instrument)		Margin (per cent. per annum)
Moody's	S&P	

Long-term credit rating of the Group (whether a corporate rating or a rating for a specific debt instrument)		Margin (per cent. per annum)
Moody's	S&P	
Baa2 (or higher)	BBB (or higher)	1.00
Baa3	BBB-	1.15
Sub-Baa3	Sub-BBB-	Baa3 / BBB- Margin plus 0.75 per cent.

A commitment fee of 35 per cent. of the applicable margin is payable in respect of the revolving facility to the extent the RCF remains committed and available.

Interest is payable at the end of each interest period, and interest periods may be one, two, three or six months, at the election of the Issuer. The margin is increased by 1 per cent. on any amount which is overdue.

#### *Security, Guarantees, Intercreditor Agreement and Release*

As at 31 March 2015, the closing date of the Acquisition, the Facilities were secured by first ranking pledges over the shares of Tivana MidCo, Tivana France, TDF Holding, the Issuer and TDF, and receivables owed by Tivana MidCo and Tivana France to Tivana TopCo and Tivana MidCo, respectively, under subordinated intercompany loan debt. The Facilities were also guaranteed irrevocably and unconditionally, jointly and severally by each of the Issuer, TDF, Tivana TopCo, Tivana MidCo, Tivana France and TDF Holding as if it were the principal obligor in respect of any amount under the Facilities Agreement by a borrower as independent and primary obligations (subject to customary limitations set forth in the Facilities Agreement).

Upon the issuance of the 2022 Bonds, €593,000,000 of Facility A was repaid on 19 October 2015, and on such date all security in respect of the Facilities was released and Tivana TopCo, Tivana MidCo and Tivana France were released as guarantors. On 12 November 2015, TDF Holding was released as a guarantor.

As at the date of this Prospectus, the Facilities are not subject to any security, and the Issuer and TDF are the only Obligor thereunder.

#### *Undertakings and Covenants*

The Facilities Agreement contains customary representations, covenants and events of default. In particular, the Facilities Agreement contains a financial covenant that the maximum leverage ratio (Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA, each as defined in the Facilities Agreement) of the Group not exceed 5.32:1 (the "**Leverage Ratio Test**") on the last day of each financial half-year ending on or after 30 June 2015. As at 30 June 2015 and as at 31 December 2015, the Group complied with such financial covenant.

The Facilities Agreement also includes restrictions (subject in each case to certain exceptions) on: merging or consolidating with other companies; making a substantial change to the general nature of the business of the Group; acquisitions, investments or disposals (unless the Leverage Ratio Test is satisfied on a pro forma basis); incurring indebtedness, issuing guarantees or granting security; or paying dividends or making other distributions (unless the Leverage Ratio Test is satisfied pro forma for such distribution).

#### *Prepayments*

Amounts borrowed under the Facilities may need to be repaid prior to the scheduled repayment date if certain mandatory prepayment provisions are triggered, or if the lenders accelerate the debt following the occurrence of an event of default.

If a Change of Control (as defined in the Facilities Agreement) occurs, any lender may demand prepayment of the amounts owed to it. For the above purposes, a Change of Control is deemed to occur if either (1) the Shareholders and certain of their affiliates cease to own, as a group, (prior to an initial public offering ("**IPO**"))

50 per cent. of the Issuer or (after an IPO) 30 per cent. of the Issuer or (2) the Issuer ceases to own 100 per cent. of TDF.

Mandatory prepayments are also required to be made out of, among others, the following funds:

- if the Group raises other debt (up to the amount of the debt proceeds) in the international or any domestic debt capital markets from any issuance, offering or placement of any capital market bond issue, which included the net proceeds of the 2022 Bonds, and will include the net proceeds of the offering of the Bonds; and
- to the extent not repaid prior thereto, for the two financial half-years ending on or after 1 January 2018, 50 per cent. of the Excess Cash Flow (as defined in the Facilities Agreement) of the Group and for the two financial half-years ending on or after 1 January 2019, 100 per cent. of the Excess Cash Flow of the Group, in prepayment of Facility B.

The Facilities Agreement is governed by English law.

Except as described above, the Group has not entered into any material contracts which are not in the ordinary course of the Group's business and which could result in any member of the Group being under an obligation or entitlement that is material to the Group's ability to meet its obligations to holders of the Bonds.

### **Legal and Arbitration Proceedings**

The Group is involved in a number of legal proceedings arising in the ordinary course of its business. Other than as described below, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects, in the context of the issue of the Bonds, on the financial position or profitability of the Issuer or the Group.

As at 31 December 2015, the Group had provisioned €9.4 million in its consolidated balance sheet for claims and disputes. Other than in connection with the litigation cases set out below, this amount remains significantly unchanged as at the date of this Prospectus.

#### *Towercast Competition Litigation (Eiffel Tower)*

Towercast initiated proceedings before the French Competition Authority in February 2007, requesting an investigation as to whether TDF's behaviour during the renewal procedure of the concession granting the right to use public land at the Eiffel Tower site launched by the City of Paris and the Group's use of public broadcasting equipment located at the top of the Eiffel Tower breached competition practices. In July 2007, the French Competition Authority made a provisional ruling in which it stated that given the Group's alleged dominant position in the market, its practices could constitute market abuse. The provisional ruling added that information collected during the investigation may constitute evidence of price fixing.

The French Competition Authority ordered the Group to implement certain provisional measures including introducing an FM radio "bulk" hosting offering allowing other broadcasting service providers to effectively compete on the FM radio broadcasting market and limiting the Eiffel Tower broadcasting contracts it has with privately owned FM radio stations to a maximum term of one year. The Group complied with these provisional measures.

On 13 November 2013, the French Competition Authority issued a statement of objections (*notification des griefs*) regarding the Group's alleged abuse of dominant position regarding, among other things, its practices regarding disclosure of information *vis-à-vis* TDF's competitors with respect to the renewal procedure of the concession granting the right to use public land at the Eiffel Tower site launched by the City of Paris, as well as FM radio broadcasting services from the Eiffel Tower and its pricing practices relating thereto. The Group vigorously disputes the French Competition Authority's position and it has made legal and factual responses in a filing in February 2014.

On 23 July 2014, the Competition Authority issued a report (*rapport*) upholding the objections contained in the statement of objections. The Group continues to vigorously dispute the French Competition Authority's position and has submitted legal and factual responses in a filing in October 2014.

The hearing before the board of the French Competition Authority took place on 30 January 2015. The French Competition Authority issued its decision on 11 June 2015, imposing a fine of €5.66 million on the Group. The Group has sought recourse against the French Competition Authority's decision before the Court of Appeal in Paris (*Cour d'Appel de Paris*) on 16 July 2015 and the hearing before the Court of Appeal is due to take place on 13 October 2016.

#### *Itas TIM Litigation*

Itas TIM, a competitor of the Group, initiated proceedings before the French Competition Authority in September 2009, alleging an abuse of dominant position by the Group on the DTT market. Itas TIM requested from the French Competition Authority an injunction that would (i) prohibit the Group from interfering or communicating with local authorities in order to encourage them not to authorise the construction of competing broadcasting infrastructures and (ii) allow Itas TIM to have access to the Group's land to set up its own infrastructure. The French Competition Authority dismissed Itas TIM's request for interim measures but decided to continue its examination on the merits. On 4 February 2013, the Group received a statement of objections (*notification des griefs*) from the French Competition Authority contending that the Group has abused its position in the DTT market relating to its policies with respect to broadcasting infrastructure, its decision not to grant land parcels to Itas TIM and its loyalty/rebate practices with multiplex operators. The Group's response was duly filed with the French Competition Authority on 4 April 2013 and, as at the date of this Prospectus, this investigation is ongoing. In July 2013, the French Competition Authority commenced an investigation into the Group's loyalty and rebate practices.

On 8 July 2015, the Competition Authority issued a report (*rapport*) upholding the objections contained in the statement of objections (except regarding the TDF's decision not to grant land parcels to Itas TIM). The Group continues to vigorously dispute the French Competition Authority's position and has submitted legal and factual responses a filing in October 2015.

The hearing before the board of the French Competition Authority took place on 26 January 2016. The decision of the French Competition Authority has not yet been issued.

In addition, Itas TIM brought proceedings before the Paris Commercial Court in July 2014 in relation to a claim for compensation for damage suffered as a result of the Group's abuse of position in the digital terrestrial television market in mainland France. The proceedings are still pending.

#### *Outremer Telecom Litigation*

On 10 January 2011, Outremer Telecom initiated proceedings before the French Competition Authority, alleging an abuse of dominant position by the Group in the broadcasting market in French overseas territories. On 16 July 2012, Outremer Telecom specified its claim by alleging that the Group had unduly delayed the publication of its reference offer (*offre de référence*) for the French overseas territories, making it impossible for competitors to compete with the Group on DTT broadcasting services in connection with the launch of the France Télévisions' MUX. The French Competition Authority rendered a decision in respect of this matter on 5 February 2015, in which it considered that the Group had abused its dominant position by publishing a delayed incomplete access offer to its infrastructure, depriving its competitors from participating in the public tender for the launching of digital TV in French overseas territories and fined the Group €4.2 million. This amount had been recorded as a liability since the date of the French Competition Authority's decision and, as such, appears in the Audited Financial Statements for the financial year ended 31 March 2015. It has been paid in June 2015. The Group has sought recourse against the French Competition Authority's decision before the Court of Appeal in Paris (*Cour d'Appel de Paris*) on 2 April 2015. The proceedings are still pending.

In addition, Outremer Telecom brought proceedings before the Paris Commercial Court in January 2015 in relation to a claim for compensation for damage suffered as a result of the Group's abuse of position in French overseas territories. By a judgment dated 29 February 2016, the Paris Commercial Court decided that the

Outremer Telecom claim was time-barred and, as a consequence, rejected this claim. On 15 March 2016, Outremer Telecom appealed this judgement.

#### *FPS Towers Litigation*

On 25 July 2014, FPS Towers, a competitor of the Group, filed a complaint with the French Competition Authority (i) alleging that TDF SAS was abusing its dominant position in respect of the hosting services for the telecommunications equipment market and (ii) requesting that the French Competition Authority adopt interim measures against TDF SAS. TDF SAS filed its observations in response with the French Competition Authority in October and December 2014 in order to rebut the complaint. The French Competition Authority's investigation services have indicated that in their view the Group's contracting practices could raise competition concerns on the hosting services of telecommunications equipment market. Although the Issuer does not share this view and is of the opinion that the FPS Towers' complaint is not justified, it has offered, during the hearings with the board of the French Competition Authority that took place in January 2015, certain commitment proposals with a view to putting an end to the ongoing proceedings, in accordance with Article L. 464-2 of the French Commercial Code. These commitment proposals were market-tested by the French Competition Authority in March 2015. In April, a convening notice for a new hearing from the board of the French Competition Authority scheduled for 7 May 2015 was received. On 4 May 2015, on the basis of the outcome of the market-test of its previous commitment proposals, TDF SAS submitted adjusted commitment proposals to the French Competition Authority, which were discussed during the hearing of 7 May 2015. On 11 May 2015, final commitment proposals were submitted by TDF SAS, which were approved by the French Competition Authority in its Decision n°15-D-09 on 4 June 2015.

These commitments, in connection with its framework hosting contracts with the 4 French MNOs called *Service Points Hauts* (the "**SPH Framework Contracts**"), which may have an impact on the business of the Group, can be summarised as follows:

- (i) the Group undertook to offer its clients (MNOs) to include in the SPH Framework Contracts an annual churn rate of four per cent. of the total pylons contracts in force on 31 December of the previous calendar year. The churn rate of four per cent. may be used, in full or in part, within one calendar year. In the event this rate would not be used in full or in part, the remainder may be rolled over from year to year, yet without exceeding a 10 per cent. churn rate that could be used by the MNO concerned in a given calendar year.
- (ii) The commitment described in (i) does not apply to SPH Framework Contracts which contain specific provisions regarding the implementation of the RAN sharing agreements between MNOs.
- (iii) The early termination of each particular pylons contract concluded under one of the SPH Framework Contracts shall trigger a compensation limited to three months of the annual price paid by the MNO under the particular pylons contract concerned.
- (iv) TDF undertook that the maximum duration of the new SPH Framework Contracts (i.e. excluding those currently in force) should not be longer than ten years.

These commitments, in respect of new SPH Framework Contracts, were taken for an eleven-year period.

The complete list of commitments is available on the website of the French Competition Authority: <http://www.autoritedelaconurrence.fr/>.

In addition, FPS Towers brought proceedings before the Nanterre Commercial Court in December 2015 in relation to a claim for compensation for damage (amounting to approximately €61,000,000) suffered as a result of TDF's alleged abuse of position and unfair competition in the hosting services for the telecommunications equipment market in France. The alleged faults pointed out by FPS Towers are essentially the same as those presented by FPS Towers in the litigation before the French Competition Authority as discussed above. The Group will vigorously dispute the FPS Towers' claim during these proceedings which are still pending.

### *URSSAF Investigations*

The Group is the subject of investigations by the French Social Security and Family Allowance Contribution Collection (*Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales*, hereinafter referred to as “**URSSAF**”) for the period (i) 1 January 2010 to 31 December 2010. The Group is also under investigation for the period beginning 1 January 2011 to 31 December 2013. Although certain amounts have already been paid to the URSSAF on a provisional basis, a mutual agreement procedure is currently under way.

### **Financial Information**

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*

*This report also includes information relating to the specific verification of information given in the group's management report.*

*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

## TDF Infrastructure

Nine-month period ended December 31, 2015

Statutory auditors' report  
on the consolidated financial statements

FINEXSI Audit  
14, rue de Bassano  
75116 Paris

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Tour Eqho  
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S.A. au capital de € 5.497.100

ERNST & YOUNG et Autres  
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92400 Courbevoie – Paris-La Défense 1  
S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Paris

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

## TDF Infrastructure

Nine-month period ended December 31, 2015

### Statutory auditors' report on the consolidated financial statements

To the Sole Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and your sole shareholder's decision, we hereby report to you, for the nine-month period ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of TDF Infrastructure;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the chairman. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the nine-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in note 4.1 to the consolidated financial statements relating to the new standards and the interpretations which the TDF Infrastructure company applied as from the April 1, 2015

## II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Your company's management uses estimates and assumptions which impact the amounts that appear in the financial statements and the notes thereto. As these assumptions are by nature uncertain, the final results may differ from these estimates. The accounts subject to significant accounting estimates are disclosed in note 3.4 to the financial statements and concern mainly goodwill amounting to M€ 1,624, intangible assets amounting to M€ 169, tangible assets amounting to M€ 1,248, and provisions amounting to M€ 123.
- Regarding goodwill, intangible and tangible assets, we have reviewed the methodology carried out for the impairment tests, data and assumptions used as well as reports produced by the independent experts appointed by your company. As mentioned in notes 9.1 and 9.2 to the financial statements, key assumptions for the year ended December 31, 2015 impairment tests include notably the discount rate. We have also verified that notes 9.1, 9.2 and 9.3 to the financial statements provide appropriate disclosure.
- Regarding provisions, we have assessed the basis for their estimation; we have reviewed the approval process of these estimates by management as well as the underlying documentation in order to assess the reasonableness of the assumptions made. We have also verified that notes 10.5 and 10.6 to the financial statements provide relevant information. In addition, we ensured that note 15.1 "Contingent liabilities (assets)" provide appropriate disclosure about pending dispute not covered by a reserve in the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Paris-La Défense, March 23, 2015

The statutory auditors  
*French original signed by*

FINEXSI Audit

KPMG AUDIT IS S.A.S.

ERNST & YOUNG et Autres

Olivier Peronnet

Eric Lefebvre

Patrick Cassoux

# **TDF INFRASTRUCTURE SAS GROUP**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended December 31, 2015**

**Consolidated statement of comprehensive income,  
Year ended December 31, 2015**

<i>In thousands euros</i>	<i>Notes</i>	<b>Dec 2015 (9 months)</b>	<b>Restated March 2015 (12 months)</b>
<b>Revenue</b>	<i>8.1</i>	<b>525 244</b>	<b>742 978</b>
Other income	<i>8.2</i>	2 343	16 279
Consumed purchases	<i>8.3</i>	(50 426)	(67 673)
Personnel costs	<i>8.4</i>	(111 107)	(162 407)
External expenses	<i>8.5</i>	(99 534)	(132 818)
Profit on disposal of non-current operating assets	<i>8.6</i>	2 627	1 463
Other expenses	<i>8.2</i>	(13 407)	(22 217)
<b>EBITDA</b>		<b>255 740</b>	<b>375 605</b>
Depreciation, amortisation and impairment losses	<i>8.7</i>	(131 685)	(190 175)
<b>Current Operating Income</b>		<b>124 055</b>	<b>185 430</b>
Impairment of goodwill & intangible assets identified in business combinations	<i>8.7/9.1/9.2</i>	-	(4 897)
Other operating income	<i>8.8</i>	533	7 299
Other operating charges	<i>8.8</i>	(30 915)	(3 261)
<b>Operating Income</b>		<b>93 673</b>	<b>184 571</b>
Income from cash and cash equivalents		95	385
Gross finance costs		(86 050)	(257 182)
<b>Net finance costs</b>	<i>8.9</i>	<b>(85 955)</b>	<b>(256 797)</b>
Other financial income	<i>8.9</i>	398	327
Share of net losses of associates	<i>16</i>	(3 280)	(6 738)
Income tax	<i>8.10</i>	(43 056)	(50 393)
<b>Net loss from continuing operations</b>		<b>(38 220)</b>	<b>(129 030)</b>
Net income / loss from discontinued operations	<i>7</i>	-	(264 239)
<b>NET LOSS FOR THE YEAR</b>		<b>(38 220)</b>	<b>(393 269)</b>
<b>Other comprehensive income</b>			
Currency translation differences		(115)	1 000
Cash flow hedge		-	69 727
Actuarial gains		2 971	(12 303)
Fair value of available for sale assets		131	809
Income tax on other comprehensive income		(1 023)	(21 477)
<b>Income and expenses recognized directly in equity</b>	<i>8.9/8.10</i>	<b>1 964</b>	<b>37 756</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(36 256)</b>	<b>(355 513)</b>
<b>Net income (loss) for the year attributable to</b>			
Owners of the company		(39 521)	(395 014)
Non controlling interests		1 301	1 745
<b>Total comprehensive income (loss) for the year attributable to</b>			
Owners of the company		(37 585)	(357 170)
Non controlling interests		1 329	1 658
<b>Earnings per share</b>			
Basic (in euros)		(4)	(0)
<b>Earnings per share - continuing operations</b>			
Basic (in euros)		(4)	(0)

## Consolidated balance sheet as of December 31, 2015

<i>In thousands euros</i>	<i>Notes</i>	<b>Dec 2015</b>	<b>Restated March 2015</b>
<b>Non-current assets</b>			
Goodwill	9.1	1 624 428	1 622 087
Intangible assets	9.2	168 759	184 835
Property, plant and equipment	9.3	1 247 690	1 268 957
Shares in associates	16	-	3 280
Financial assets available for sale	9.4	778	233
Other non-current assets	9.6	12 516	19 093
Deferred tax assets	10.7	295	282
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3 054 466</b>	<b>3 098 767</b>
<b>Current assets</b>			
Inventories	9.5	4 024	3 902
Trade receivables	9.6	127 685	210 425
Other current assets	9.6	71 167	70 451
Cash and cash equivalents	9.7	145 252	67 899
Assets held for sale	7	11 417	11 233
<b>TOTAL CURRENT ASSETS</b>		<b>359 545</b>	<b>363 910</b>
<b>TOTAL ASSETS</b>		<b>3 414 011</b>	<b>3 462 677</b>
<b>Equity</b>			
<i>In thousands euros</i>	<i>Notes</i>	<b>Dec 2015</b>	<b>Restated March 2015</b>
Share capital		300 000	749 979
Additional paid-in capital		1 116 703	1 511 157
Currency translation reserve		351	466
Other reserves and Retained earnings		(1 248 374)	(2 516 568)
Net income (loss) of the year - attributable to owners of the company		(39 521)	(395 014)
Non-controlling interests		15 220	16 193
<b>TOTAL EQUITY</b>	10.1	<b>144 379</b>	<b>(633 787)</b>
<b>Non-current liabilities</b>			
Bond debt	10.2	592 761	-
Bank debt	10.2 - 10.3	802 021	1 385 142
Shareholders' debt	10.2	1 063 599	1 023 698
Other financial debts	10.2	7 434	4 708
Provisions	10.5 - 10.6	89 418	56 406
Deferred tax liabilities	10.7	304 939	320 661
Other non-current liabilities	10.8	23 817	41 451
Accrued interest		-	216
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2 883 989</b>	<b>2 832 282</b>
<b>Current liabilities</b>			
Bank debt	10.2 - 10.3	-	30 000
Shareholders' debt	10.2	-	815 000
Other financial debts	10.2	28 818	2 634
Provisions	10.5 - 10.6	33 386	45 320
Trade payables	10.8	123 864	118 338
Tax and social liabilities	10.8	87 701	137 945
Other current liabilities	10.8	84 402	111 547
Bank overdrafts	9.7	211	1 425
Accrued interest		25 744	200
Liabilities related to assets held for sale	7	1 517	1 773
<b>TOTAL CURRENT LIABILITIES</b>		<b>385 643</b>	<b>1 264 182</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 414 011</b>	<b>3 462 677</b>

**Consolidated statement of cash flows,  
Year ended December 31, 2015**

<i>In thousands euros</i>	<i>Notes</i>	<b>Dec 2015 (9 months)</b>	<b>Restated March 2015 (12 months)</b>
<b>Net loss from continuing operations</b>		<b>(38 220)</b>	<b>(129 030)</b>
<b>Non-cash items and other adjustments</b>			
Depreciation, amortisation and impairment		131 685	195 069
Change in provisions and non-cash expenses		28 456	(10 562)
Loss on disposal of non-current assets		(2 787)	(9 209)
Total income tax expense		43 056	50 393
Finance income and expenses		83 046	269 505
<b>Cash generated from operating activities before changes in working capital</b>	<i>12.1</i>	<b>245 236</b>	<b>366 166</b>
Income tax paid		(65 038)	(92 124)
Change in Working Capital	<i>12.2</i>	14 008	11 288
<b>Net cash from operating activities</b>		<b>194 206</b>	<b>285 330</b>
Acquisitions of non-current operating assets		(94 872)	(136 017)
Proceeds from disposal of non-current operating assets		3 923	2 102
Acquisition of controlling interests, net of cash & cash equivalents acquired		(1 362)	-
Net proceeds from disposals of subsidiaries formerly controlled		(11 448)	192 190
Change in other financial assets		5 781	(4 623)
<b>Net cash used in investing activities</b>	<i>12.3</i>	<b>(97 978)</b>	<b>53 652</b>
Dividends paid to non-controlling interests		(1 771)	(1 272)
Proceeds from bond debt		600 000	-
Proceeds from bank debt		-	1 460 000
Bank debt repayments		(623 000)	(3 833 962)
Proceeds from shareholders' debt		-	1 838 698
Proceeds from other financial debts		26 634	74 305
Other financial debts repayments		(3 069)	(3 134)
Fees related to the refinancing		(8 878)	(15 020)
Balancing payment received (given) on financial instruments		-	(34 538)
Revenue from cash and cash equivalents		95	385
Financial interests (including financial lease)		(7 569)	(199 489)
<b>Net cash used in financing activities</b>	<i>12.4</i>	<b>(17 558)</b>	<b>(714 027)</b>
Effect of exchange rate changes on cash		(115)	166
<b>NET CASH FROM CONTINUING ACTIVITIES</b>		<b>78 555</b>	<b>(374 879)</b>
<b>Net cash from discontinued activities</b>	<i>12.5</i>	<b>-</b>	<b>259 619</b>
<b>Net change in cash and cash equivalents</b>		<b>78 555</b>	<b>(115 260)</b>
<b>Opening cash &amp; cash equivalents</b>		<b>66 518</b>	<b>181 778</b>
<b>Closing cash &amp; cash equivalents</b>		<b>145 073</b>	<b>66 518</b>

## Consolidated statement of changes in equity

<i>In thousands euros</i>	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 and retained earnings	Total		
<b>At March 31, 2014 (published)</b>	1 658 189 195	<b>165 819</b>	<b>1 511 157</b>	<b>(31 585)</b>	<b>(44 187)</b>	<b>(2 476 828)</b>	<b>(875 624)</b>	<b>13 850</b>	<b>(861 774)</b>
<b>At March 31, 2014 (restated)</b>	1 658 189 195	<b>165 819</b>	<b>1 511 157</b>	<b>(31 585)</b>	<b>(44 187)</b>	<b>(2 481 643)</b>	<b>(880 439)</b>	<b>13 850</b>	<b>(866 589)</b>
Consolidated net income		-	-	-	-	(395 014)	(395 014)	1 745	<b>(393 269)</b>
Other comprehensive income		-	-	974	44 187	(7 317)	37 844	(87)	<b>37 757</b>
<b>Total comprehensive income</b>		<b>165 819</b>	<b>1 511 157</b>	<b>(30 611)</b>	<b>-</b>	<b>(2 883 974)</b>	<b>(1 237 609)</b>	<b>15 508</b>	<b>(1 222 101)</b>
Dividends paid		-	-	-	-	-	-	(1 272)	<b>(1 272)</b>
Capital change		584 160	-	-	-	-	584 160	-	<b>584 160</b>
Changes of interest in controlled entities and changes in consolidation scope		-	-	31 077	-	(27 608)	3 469	1 957	<b>5 426</b>
<b>At March 31, 2015 (restated)</b>	7 499 793 152	<b>749 979</b>	<b>1 511 157</b>	<b>466</b>	<b>-</b>	<b>(2 911 582)</b>	<b>(649 980)</b>	<b>16 193</b>	<b>(633 787)</b>
Consolidated net income		-	-	-	-	(39 521)	(39 521)	1 301	<b>(38 220)</b>
Other comprehensive income		-	-	(115)	-	2 051	1 936	28	<b>1 964</b>
<b>Total comprehensive income</b>		<b>749 979</b>	<b>1 511 157</b>	<b>351</b>	<b>-</b>	<b>(2 949 052)</b>	<b>(687 565)</b>	<b>17 522</b>	<b>(670 043)</b>
Dividends paid		-	-	-	-	-	-	(2 303)	<b>(2 303)</b>
Capital change		(449 979)	(394 454)	-	-	1 661 152	816 719	-	<b>816 719</b>
Changes of interest in controlled entities and changes in consolidation scope		-	-	-	-	5	5	-	<b>5</b>
<b>At December 31, 2015</b>	10 000 000	<b>300 000</b>	<b>1 116 703</b>	<b>351</b>	<b>-</b>	<b>(1 287 895)</b>	<b>129 159</b>	<b>15 219</b>	<b>144 378</b>

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## **1. Highlights of the year**

### **Change of annual closing date**

The Group has changed its annual closing date and will close its financial statements each December 31 (previously March 31). The current financial year disclosed exceptionally lasted 9 months (from April 1st 2015 to December 31st 2015).

### **TDF SAS Signed agreement - employee-related measures to support early leaves**

An agreement was signed on July 23, 2015 concerning employee-related measures to support the leaves necessary to adjust the workforce. The cost of this plan is estimated at 26.8 million euros and was recognized during the period (see the notes 8.8 and 10.6).

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

Discussions are ongoing concerning the strategic directions and the organization of these entities, and they'll likely lead to employee-related measures. As of now, costs related to this reorganisation are estimated at 3.5 million euros and have been provisioned (see the notes 8.8 and 10.6).

### **Capital of TDF Infrastructure SAS – transactions on capital – change of direct and indirect shareholders**

See the note 10.1.

### **Acquisition of the company AD Valem Technologies**

See the note 9.1.

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

On October 19, 2015, TDF Infrastructure SAS issued a bond of €600 million whose characteristics are described in the note 5.4.

Following this bond issuance, €593.0m were repaid on October 19 on the tranche A of the bank term debt of the credit facility agreement implemented with the banks on March 31, 2015 (see also the notes 5.4, 10.2 and 15.3).

### **Disposal of SYL**

On December 29, 2015, the Group has disposed of its shares in the company SmartJog Ymagis Logistics. This company was 40% owned and was consolidated under the equity method. Please refer to note 16 which details the disposal impacts.

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

See the note 4.1 which details this new standard and its impacts on the Group financial statements. March 2015 figures are disclosed after retrospective application of this new standard (« Restated » mark).

### **New definition of the Group CGUs**

In November 2015, following the disposal of German and Hungarian entities, the change of shareholders and governance of the Group, the Group has defined four new CGUs : TDF, Arkena, Médiamobile and Levira.

The CGUs Arkena, Médiamobile and Levira represent all together less than 10% of revenues, assets and profits of the Group.

See also the notes 4.11, 9.1 and 19.

## 2. General presentation

The Group's consolidation head company, TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS), is a "société par actions simplifiée" (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 governments, 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 infrastructures, ultra high speed connection, hosting on roof tops, datacenters and hosting of broadcasting and reception equipment on proprietary sites), 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 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,
  - o Material and unusual gains or losses on sale and/or impairment of non-current tangible and intangible assets ;
  - o 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 ;
  - o Gains or losses on sale of subsidiaries net of selling costs, liquidation costs and acquisition costs of subsidiaries ;
  - o 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at the reporting date, namely December 31, 2015.

IFRS can be downloaded from the following website:  
[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

The TDF Infrastructure Group's financial statements were approved by the Chairman of TDF Infrastructure SAS on March 23, 2016.

#### **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**

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. Methods applied to estimate the fair value are explained in note 4.12.

#### **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 goodwills (notes 9.1 and 4.11), tangible and intangible assets (notes 4.9 to 4.11, 9.2 and 9.3), amounts of provisions (notes 10.5 and 10.6), deferred tax valuation (notes 4.8 and 10.7) and recognition of revenue (note 4.4). 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.

#### **3.5 Error corrections**

No error correction has been accounted for during the year.

## 4. Significant accounting policies

The accounting policies described hereunder have been applied by all Group entities throughout all the periods presented in the consolidated financial statements.

The accounting policies are unchanged compared to those used in the preparation of the consolidated financial statements for the year ended March 31, 2015, except for the points mentioned in note 4.1 below.

### 4.1 Standards and interpretations in force

The group has applied the standards, amendments to standards and interpretations as adopted by the European Union that are required to be applied from January 1, 2015, notably 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 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, IFR and C3S tax (tax on revenues), which expenses were spread over the year, are now fully recognized on 1<sup>st</sup> January.

In these financial statements, March 2015 figures are disclosed after retrospective application of this new standard (« Restated » mark).

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 December 31, 2015, IFRIC 21 application resulted in a €9.1m decrease of expenses (the above 3 charges being fully recognized on the 1<sup>st</sup> January, while the Group financial year is from 1 April to 31 March).

In addition, the Group has decided not to adopt the new standards, amendments to standards and interpretations early, whether there already adopted by the European Union or not, for which the mandatory application date is after this financial year.

Concerning IFRS 15 « Revenue from contracts with customers », the analysis of the impacts of this new standard has begun and will be continued in 2016.

### 4.2 Consolidation

The consolidated financial statements include the financial statements of TDF Infrastructure SAS and its subsidiaries, as well as the financial statements of associates and joint ventures. All those entities make up the Group, for which the consolidation scope is described in note 19.

Entities are included in the consolidation scope at the date when control is transferred to the Group. They are excluded from the consolidation scope at the date they cease to be controlled by the Group.

#### ***Subsidiaries***

In compliance with IFRS 10, subsidiaries are all entities on which the Group exercises control, that is to say:

- power over the entity;
- exposure, or rights, to variable return from its involvement with the subsidiary;
- ability to use its power over the subsidiary in order to affect the expected returns.

Subsidiaries' financial statements are consolidated, and non-controlling interests are measured on the basis of percentage equity interest.

#### ***Investments in associates***

An associate is an entity over which the Group has significant influence, meaning the power to participate in the financial and operating decisions but not to exercise control over these policies. Significant influence is presumed when the Group holds directly or indirectly through its subsidiaries 20% or more of the voting rights. Investments in associates are accounted for under the equity method.

Under this method, investments in associates are reported as a separate item on the balance sheet and the net income of associates is reported as a separate item in the statement of comprehensive income.

If the Group's share of the losses of an associate exceeds the carrying value of the investment, the investment is written off. The Group continues to recognize its share of the losses of the associate only to the extent it has a binding obligation to make additional investments to cover the losses.

### ***Non-controlling interests***

Non-controlling interests are identified separately within equity. The share of non-controlling interests in consolidated net income is reported as a separate item in the statement of comprehensive income.

## **4.3 Foreign currency translation**

### ***Transactions in foreign currencies***

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rate prevailing at the reporting date. Non-monetary items measured at historical cost are translated using the historical exchange rate as at the date of the transaction, while those measured at fair value are translated using the exchange rate as at the date on which fair value is determined.

### ***Translation of foreign entities' financial statements***

The functional currency of foreign companies is their local currency, which they use for most of their transactions. The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euro as follows:

- Assets and liabilities, including related goodwill, are translated at the rate prevailing on the reporting date,
- Income and expense items are translated at the average exchange rate over the period (the average exchange rate is an approximate value of the transaction date rate when there is no significant fluctuations),
- The cash flow statement is translated at the average exchange rate over the period.

Exchange differences arising on translation are shown in the currency translation reserve included in equity. In case of a loss of control of a foreign entity, the cumulative amount in the currency translation reserve related to this foreign entity is taken to profit or loss. In the case of a partial disposal without loss of control, a proportional part of the cumulative amount of exchange differences related to this entity held in the currency translation reserve is reclassified from equity attributable to owners of the company to non-controlling interests.

### ***Exchange rates used for the period***

The following were the functional currencies used in the Group:

	<b>December 2015</b>		<b>March 2015</b>	
	Average	Closing	Average	Closing
<b>Polish zloty</b>	0,239143	0,235838	0,238848	0,244774
<b>US dollar</b>	0,906167	0,919963	0,788550	0,929454
<b>Hungarian forint*</b>	n.a.	n.a.	3,268269	3,302401
<b>Danish krone</b>	0,134022	0,134030	0,134196	0,133874
<b>Norwegian krone</b>	0,111020	0,104619	0,118325	0,114896
<b>Swedish krone</b>	0,106984	0,107608	0,108360	0,107641

*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.*

## **4.4 Revenue recognition**

Revenue consists in the sale of goods and services to third parties, net of discounts or rebates and sales related taxes. Intra-group sales are eliminated in the consolidation process.

### ***Sales of goods and services (IAS 18)***

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer.

No revenue is recognized if a major uncertainty exists as to the recoverability of the amount due by the buyer.

Revenue from services is recognized:

- Once the service has been rendered; or
- Based on the stage of completion at the reporting date, by reference to the work performed under a contract whose execution spans the reporting date; or
- On a straight-line basis over the period when the services will be rendered or, for advance one-time invoices for site access costs or for customers contributing to capital expenditure, over the term of the initial contract.

#### ***Construction contracts (IAS 11)***

Revenue from construction contracts is recognized by reference to the stage of completion as measured by the proportion of the work that has been carried out.

When a loss is expected, it is recognized in profit or loss immediately.

#### ***Royalties (IAS 18)***

Royalties are recognized in accordance with the economic substance of the relevant agreements.

#### ***Agency relationships (IAS 18)***

When Group entities act as agent on behalf of a principal, the only revenue recognized is the value of the commission received, and the amounts collected on behalf of the principal are not considered as Group revenue.

### **4.5 Government grants (IAS 20)**

Government grants are recognized when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants related to assets (investment grants) are shown as a reduction in the carrying value of the asset and amortized over its useful life by a reduction in the depreciation charge.

Operating grants are credited to profit or loss in the periods associated with the related costs.

### **4.6 Leases**

#### ***Operating leases***

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

#### ***Finance leases***

##### Group as lessee

Assets held under finance leases are recognized as Group assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (using the implicit rate of interest for the relevant lease). The corresponding liability to the lessor is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability.

##### Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Revenue is recognized by reference to the conditions applied to a direct sale with immediate payment. Amounts receivable are apportioned between finance income and the repayment of the outstanding capital amount.

#### 4.7 Financial income and charges

Financial income consists of interest on investments, dividends received from non-consolidated entities, increases in fair value of financial assets held at fair value through profit or loss, and gains on hedging instruments recognized in profit or loss.

Dividends are recognized when the shareholder's right to receive payment is established.

Financial charges consist of interest on borrowings, the unwinding of discounts on provisions, reductions in fair value of financial assets held at fair value through profit or loss, impairment losses recognized on financial assets and losses on hedging instruments recognized in profit or loss.

Exchange gains and losses are recognized at their net amount.

#### 4.8 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). All French subsidiaries which are directly or indirectly owned by Tivana France Holdings SAS at 95% at least are included in the tax consolidation group (except for the company Ad Valem Technologies).

Income tax have been calculated in compliance with the tax consolidation convention in force, in which each entity of the tax consolidation group bears its own income tax charge and keep the benefits of its tax loss carried forward towards the tax consolidation group head company, as if the entity was on its own from a tax point of view.

On this basis, income tax expense or income consists of current tax expense (income) and deferred tax expense (income). Current and deferred tax is recognized in profit or loss except if it relates to a business combination or to items recognized directly in equity or in other items in the statement of comprehensive income.

Current tax is the estimated amount of tax payable (or receivable) on the taxable profit (or loss) of a period and of any adjustments to the amount of current tax in respect of previous periods.

Deferred tax is recognized using the liability method for all temporary differences between the carrying value of assets and liabilities and their tax bases. Temporary differences linked to the Group's holdings in its subsidiaries do not give rise to recognition of deferred tax, to the extent that these differences will not be reversed in the foreseeable future.

The measurement of deferred tax assets and liabilities depends on when the Group expects them to be reversed, using the tax rates in force or announced at the reporting date.

Deferred tax assets are recognized only to the extent that the Group expects to have future profits to which they may be applied.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

With effect from January 1, 2010, the French finance act replaced the *taxe professionnelle* with the *contribution économique territoriale* (CET), which is made up of two component parts: the *contribution foncière des entreprises* (CFE) based on the rateable value of the property occupied by the business, and the *cotisation sur la valeur ajoutée des entreprises* (CVAE) based on the value added of the business each year. The Group considers the CVAE as income tax. In accordance with IAS 12, this classification requires the Group to recognize related deferred tax since 2009, notably on depreciable non-current assets; the deferred tax liability related to the CVAE amounts to €7.7m.

#### 4.9 Property, plant and equipment

##### ***Recognition and measurement***

Property, plant and equipment is stated at cost (of acquisition or production), less accumulated depreciation and impairment. Cost includes expenses directly attributable to the transfer of the asset to the place where it is to be used, and to preparing it for use.

Where applicable it also includes costs relating to the dismantling and removal of assets and to restoring sites to their original states where the Group is obliged to do so, without being subject to subsequent revaluation.

The total cost of an asset is broken down between its various components each of which is accounted for separately. Such is the case where different components of an asset have different useful lives.

Current maintenance and upkeep costs are expensed as incurred.

Depreciation is recognized as an expense based on the straight-line method over the estimated useful life of each component of property, plant and equipment.

Land is not depreciated.

Items of property, plant and equipment to be scrapped are fully depreciated before being derecognized.

Useful lives in years:

Buildings	18 to 50 years
Pylons	10 to 40 years
Transmitters	8 to 40 years
Microwave links	8 to 15 years
Office furniture, office and computer equipment	3 to 10 years
Other	4 to 24 years

The fair value of property, plant and equipment recognized following a business combination is based on market values and/or replacement cost where appropriate.

#### ***Leased assets***

Lease agreements having the effect of transferring to the Group substantially all the risks and benefits inherent in ownership of an asset are classified as finance leases. An asset is recognized and measured at the lower of the fair value of the lease and the present value of the minimal lease payments, and is depreciated over the term of the agreement. The corresponding liability is shown under financial liabilities. All other lease agreements are treated as operating leases.

#### ***Safety inventories***

The major safety and spare part inventories that are essential to maintain property, plant and equipment and to ensure its continuous use, that have no other use and that the Group intends to use over a period longer than 12 months are recognized as property, plant and equipment and depreciated over the same period as the principal asset to which they are related.

Spare parts for which use (consumption, capitalization or sale) is not pre-specified are recognized under inventories.

### **4.10 Intangible assets**

#### ***Goodwill***

Goodwill represents the difference between the purchase price of the investment in the consolidated companies and the fair value of their identifiable net assets at the date of transfer of control to the Group. At the acquisition date the fair value of the assets and liabilities of the acquired entity are determined by reference to market values or, failing that, by using generally accepted methods such as those based on costs and revenues.

Costs incurred by the Group in relation to the acquisition are expensed as incurred and recognized in other operating expenses, except costs related to acquisition of non-controlling interests which are recognized in equity.

Except at the time of a business combination, assets and liabilities acquired are not revalued.

Negative goodwill arising from an acquisition is recognized immediately in profit or loss within operating income, under the heading "Impairment of goodwill".

Goodwill recognized on associates is shown under "Shares in associates" on the balance sheet. Impairment of goodwill recognized on associates is shown in the statement of comprehensive income under "Share of net profits (losses) of associates".

Acquisitions of non-controlling interests are recognized as transactions with shareholders and do not give rise to goodwill.

In accordance with IFRS 3 "Business combinations", goodwill is not amortized and is subject to an impairment test at least once a year and whenever an indicator of loss of value occurs (see note 4.8).

### ***Research and development costs***

All research costs are recognized as expenses in the period in which they are incurred.

Development costs deriving from the application of the results produced by research are capitalized only to the extent that the Group can demonstrate that:

- It has the intention and ability to complete the project;
- The probability is that future economic benefits will accrue to the Group;
- Costs can be determined in a reliable manner.

On average, development costs related to the Media Services business are amortized over 3 to 5 years, and over 10 to 15 years concerning other activities. Amortization is calculated under the straight-line method.

Other development and similar costs not meeting the above criteria are recognized as expenses in the period in which they are incurred.

### ***Other intangible assets***

This heading comprises:

- intangible assets recognized at the time that acquisition consideration is allocated: mainly order backlog, customer relationships, patents, technology and the benefits accruing from leases and trademarks. With the exception of trademarks, these assets are amortized, where appropriate, on a straight line basis over the economic life of the asset in question (primarily the average term of the contracts: see note 9.2).
- lease rights acquired for consideration represented by a guaranteed minimum payment to DFMG from Media Broadcast (see note 9.2), amortized over the duration of the first lease period.
- other intangible assets (mainly software and patents) are amortized using the straight-line method: ten years for patents and technologies and five years for software.

Intangible assets to be scrapped are fully amortized before being derecognized.

### ***Subsequent expenditures***

Subsequent expenditures relating to intangible assets are capitalized only to the extent that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance. All other expenditures are expensed in the period in which they are incurred.

### ***Measurement of intangible assets arising from a business combination***

Fair value is defined as "the price at which an asset could be expected to be exchanged between knowledgeable, willing parties in an arm's length transaction".

The Group uses a revenue-based approach to estimate the fair value of intangible assets recognized following a business combination. This approach determines the value of an asset by reference to the present value of the future revenues attributable to it (or of the cost savings achieved from owning the asset).

The two main revenue-based methods are:

- The royalty method

This method consists in discounting to present value the future revenues that could be obtained by licensing the asset to a third party. The revenues that would be thus generated are estimated by applying a royalty rate appropriate to the total revenues generated from using the asset.

- The super-profits method

This method measures assets by reference to the discounted present value of the future super-profits to be made from use of the asset. It consists in discounting, over a sufficiently long period and at an appropriate rate, the super-profit flows generated by the asset, after deducting a fair return for the other assets and liabilities used to generate the flows.

The life of an asset is determined by taking the period during which the asset contributes directly or indirectly to the Group's future cash flows.

## 4.11 Impairment

### ***Financial assets***

A financial asset is subject to impairment whenever there is an objective indication that an adverse event has occurred subsequent to its initial recognition and that this event has a negative impact on the future cash flows of the asset that can be reliably estimated.

### ***Non-financial assets***

Carrying values of the Group's non-financial assets are reviewed at each reporting date in order to assess whether there is any indication that an asset has suffered impairment. If there is such an indication, the recoverable amount of the asset is estimated, and if necessary an impairment expense is recognized to bring the carrying value of the asset down to its recoverable value, as described below.

For goodwill and intangible assets with an indefinite life, the recoverable amount is estimated on an annual basis during the last quarter of the fiscal year or during the year if an indicator of loss of value arises. For other non-current tangible and intangible assets, the recoverable amount is estimated if there is any indication that an asset has suffered impairment.

### ***Estimation of the recoverable amount***

The recoverable amount of an asset or group of assets is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset or group of assets in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined by using available market information. Fair value is estimated on the basis of projected cash flows discounted to present value, using assumptions that any market player would make. In particular, account is taken of any restructuring, expansionary investment that would normally be envisaged by any market player.

The fair value thus determined is further corroborated by observing the EBITDA multiples resulting from recent transactions and a sample of comparable listed companies.

Value in use as generally used by the Group corresponds to the present value of the future cash flows expected to be derived from an asset or group of assets based on assumptions made by the Group's management regarding economic, regulatory and forecast operating conditions. These cash flows correspond to those generated by the assets in their current operating state.

In all cases, discounted cash flows are determined as follows:

- Cash flows are obtained from eight to ten-year plans; this period corresponds to the time needed for activities such as digital television to reach maturity;
- Beyond this horizon, cash flows are extrapolated using a growth rate to infinity that reflects the market's expected long-term growth rate;
- Cash flows are discounted to present value using rates that reflect the risks inherent to the activities and countries concerned.

### ***Definition of Cash Generating Units***

The Cash Generating Unit (CGU) is the smallest identifiable group of assets generating largely independent cash inflows.

Goodwill impairment tests are carried out at the level of CGU groups of CGUs corresponding to the level at which the monitoring of returns on investment is carried out, for internal management purposes, taking account in particular of the expected synergies between the CGUs.

The CGUs or groups of CGUs that are selected for goodwill impairment tests are:

- March 2015: France, Arkena AB (ex Qbrick), Bebanjo and Other (CGUs Germany and Hungaria were disposed of during the period).
- December 2015: following the disposal of German and Hungarian entities, the change of shareholders and governance of the Group, the Group has defined four new CGUs: TDF, Arkena, Médiamobile and Levira.

Tangible and intangible assets do not as a rule generate independent cash flows, and are therefore tested at the level of the CGUs to which they belong. These assets may nonetheless be subject to individual tests in cases where their fair value can be determined and/or it can be established that there is no reason why their value in use should exceed their fair value.

### ***Recognition of impairment***

If the carrying value of a CGU or a group of CGUs exceeds its recoverable value, an impairment loss is recognized, without any off-setting with other CGUs or groups of CGUs for which the carrying value is less than the recoverable value. Impairment losses are recognized as other operating expenses. An impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the CGU or group of CGUs tested, and then against the carrying value of the CGU or group of CGUs' other assets.

An impairment loss recognized against goodwill cannot be reversed in a subsequent period. For assets other than goodwill, the Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased, and if such is the case, the increased carrying value of the asset attributable to a reversal of an impairment loss may not exceed the carrying value that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

## **4.12 Financial instruments**

The Group initially recognizes loans, receivables and deposits on the date on which they are generated. All other financial assets are initially measured on the date on which the Group becomes a party to the contractual terms attaching to the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

Financial assets and liabilities are netted and shown for the net balance if, and only if, the Group has the legal right to offset them.

Group financial instruments are detailed hereinafter:

### ***Financial assets recognized at fair value***

Financial assets at fair value comprise financial assets held for trading, namely financial assets held by the Group with the intention of selling in the short-term or which are part of a portfolio managed to generate short-term profits. Changes in fair value are recognized in profit or loss.

### ***Loans and receivables***

This heading includes receivables relating to non-consolidated equity holdings, other loans and receivables and trade receivables.

Trade receivables are recognized initially at fair value, which is generally the same as their nominal value unless the impact of discounting them to present value is significant, and thereafter at their amortized cost.

Nevertheless if the recoverable amount becomes lower than the net carrying value, an impairment charge is recognized under operating income.

### ***Cash and cash equivalents***

This comprises current account balances with banks as well as cash equivalents defined as short-term investments (the term of the investment is usually less or equal to 3 months) that are highly liquid (can be sold at any time without impact on their value), and readily convertible to known amounts of cash and which are subject to an insignificant risk of loss in value (with historical data confirming the regularity of their growth in result).

For purposes of the cash flow statement, cash and cash equivalents is stated net of bank overdrafts.

### ***Financial assets available for sale***

These mainly comprise the Group's equity holdings in non-consolidated companies.

Available for sale assets are measured in the balance sheet at fair value, and changes in value are recognized directly in equity except where an impairment test leads to the recognition of a material or ongoing unrealized loss relative to historical acquisition cost, in which case the impairment is recognized through profit or loss.

Amounts recognized in equity are taken to profit or loss upon disposal of available for sale financial assets.

Fair value corresponds to market price for listed securities or to estimated fair value for unlisted securities, determined in accordance with the financial criteria most appropriate to the particular circumstances of each investment.

### ***Non-derivative financial liabilities***

The Group has the following non-derivative financial liabilities: financial borrowings and debts, bank overdrafts, trade payables. After initial recognition at fair value less transaction costs, corresponding to the consideration received, these financial liabilities are measured at amortized cost under the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash outflows over the expected life of the financial liability to the net carrying value on initial recognition.

### ***Purchase of own equity instruments***

If the Group buys back its own equity instruments, the value of the consideration paid, including directly attributable costs, is recognized in equity, net of tax.

### ***Derivative financial instruments and hedge accounting***

To hedge its exposure to interest rate and foreign exchange risk, the Group can use derivative instruments (however the Group doesn't have any derivative instruments since March 31 closing). Certain transactions, which in accordance with the Group's management policy do not meet hedge accounting criteria, are recognized as trading instruments and the changes in fair value are recognized directly through profit or loss.

Hedge accounting applies:

- as soon as any transaction is so designated and documented when put in place,
- to the extent that the effectiveness of the hedge is proven (in a range of 80% to 125%).

When a derivative is designated as a cash flow or a net foreign investment hedging instrument, the change in fair value of the derivative corresponding to the effective portion of the hedge is recognized in the cash flow hedge reserve through other comprehensive income in equity. The ineffective portion of the change in the fair value of the hedge is recognized directly in profit or loss.

Derivatives are initially recognized at fair value; attributable transaction costs are recorded in profit or loss when incurred. Following initial recognition, derivatives are measured at fair value and resulting changes are recognized in accordance with the methods described hereunder.

According to IFRS 13, derivative financial instruments are recognized in balance sheet at their fair value including the effect of the Group's net exposure to the counterparty credit risk (for asset derivative financial instruments ) or the counterparty's net exposure to the Group credit risk (for liability derivative financial instruments). This credit risk estimate is based on likelihood of default observed in the market for Groups with a similar rating TDF Infrastructure SAS Group and on an estimation of recoverability rate specific to the TDF Infrastructure SAS Group.

### **Types of hedge**

Fair value hedges aim to hedge exposure to changes in fair value that might affect a recognized asset or liability or an unrecognized firm commitment where such changes are attributable to a particular risk and may affect earnings. TDF Infrastructure Group has no fair value hedges.

Cash flow hedges are intended to cover exposure to fluctuations in cash flows or to net foreign investments attributable to a particular risk associated with a recognized asset or liability that may affect earnings. The contractual flows associated with interest rate swaps are paid at the same time as those associated with variable rate borrowings, and the amount deferred in equity is taken to profit or loss over the period in which the interest on borrowings impacts profit or loss.

Hedges of the net investment in a foreign operation are intended to cover the risk of a diminution in the value of assets in the event of a fall in the exchange rate of the currency in which the financial statements of the subsidiary are established.

### **Fair value estimates**

The fair value of financial instruments traded on active markets, such as derivatives and investments traded on public markets is based on the market price quoted as at the reporting date. This valuation method is classed as level 1 in the hierarchy defined by IFRS 7.

The fair value of financial instruments that are not traded on active markets, such as over-the-counter derivatives, is determined using valuation techniques. The assumptions used are observable either directly (i.e. prices) or indirectly (i.e. determined on the basis of prices). This valuation method is classed as level 2 in the hierarchy defined by IFRS 7.

The fair value of instruments classed as level 3 is determined in accordance with a valuation technique not based on observable market data. In this case fair value is based on estimates made using discounting and other techniques.

The levels used to estimate the fair value of financial instruments are stated under note 11.

### **Effectiveness tests**

Two types of test exist:

Prospective tests: prospective tests are performed using the so-called "change in fair value changes" method. At each reporting date, a computation is made applying the new interest rate environment to demonstrate that the change in the present value of the hedged items (i.e. interest coupons) is correlated to the change in the present value of the cash flows of the variable portion of the hedging instrument.

Retrospective tests: retrospective tests are performed using the so-called "hypothetical derivative" method, which compares changes in:

- the value of the actual swap designated as the hedging instrument
- the value of a hypothetical swap that, based on its terms and conditions, hedges perfectly the risk and that had no value at the inception of the hedging relationship.

Results of these comparisons must be within a range of 80-125% throughout the term of the hedge for the hedge to be regarded as effective.

## 5. Financial risk management

### 5.1 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*

The 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.

### 5.2 Market risk

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

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

<i>In thousands euros</i>	Dec 2015		March 2015	
	Outstanding	% of the debt	Outstanding	% of the debt
Fixed interest rate debt	1 666 910	66,8%	1 845 902	56,6%
Variable interest rate debt	827 723	33,2%	1 415 280	43,4%
<b>Total before hedging</b>	<b>2 494 633</b>	<b>100,0%</b>	<b>3 261 182</b>	<b>100,0%</b>
Fixed interest rate debt	1 666 910	66,8%	1 845 902	56,6%
Variable interest rate	827 723	33,2%	1 415 280	43,4%
<b>Total after hedging</b>	<b>2 494 633</b>	<b>100,0%</b>	<b>3 261 182</b>	<b>100,0%</b>

At the December 31, 2015 closing date, the Group notably bears:

- €1 063.6m of debt with fixed interest rate towards its direct and indirect shareholders ;
- €807.0m 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.
- €600.0m of bond debt (excluding loan issuance costs).

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

No variable rate instrument is owned by the Group, neither at December 31, 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.

### 5.3 Liquidity risk

To ensure liquidity, the Group has available resources of €394.9m (€287.8m as of March 31, 2015):

- Cash and cash equivalents of €144.9m as of December 31, 2015 (€67.8m as of March 31, 2015);
- A Revolving Credit Facility usable for an amount of €250.0m negotiated under the new bank credit 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 December 31, 2015 (€30m were used as of March 31, 2015).

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

<i>In thousands euros</i>	Dec 2015		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
<b>Non-derivative financial instruments</b>					
Financial debts - Nominal	2 506 851	2 506 851	28 818	821 443	1 656 590
Loan issue expenses	(12 218)	-	-	-	-
Financial interests	-	949 251	128 210	438 533	382 508
Trade payables	123 864	123 864	123 864	-	-
<b>Total financial liabilities</b>	<b>2 618 497</b>	<b>3 579 966</b>	<b>280 892</b>	<b>1 259 976</b>	<b>2 039 098</b>

<i>In thousands euros</i>	March 2015		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
<b>Non-derivative financial instruments</b>					
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	-	-
<b>Total financial liabilities</b>	<b>3 379 520</b>	<b>3 829 220</b>	<b>163 888</b>	<b>1 467 398</b>	<b>2 197 934</b>

See the notes 10.2 and 10.3 which describe the split and nature of financial debts, and also the note 5.4 hereafter which describes the bank credit facility agreement of the Group.

As of December 31, 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 10.1);
- The bond debt, issued on October 19, 2015, for €600m and with a fixed coupon of 2.875% ;
- The senior debt of € 807m , with variable interest rates, breaks down as follows:
  - o A term debt tranche of € 107m for which contractual maturity is November 6, 2017,
  - o A term debt tranche of € 700m for which contractual maturity is November 6, 2019.

Regarding the €815m capitalized on April 10, 2015, and the €1.7m of related interests also capitalized (see the note 10.1), 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.

By prudence, maturities on financial debts (bank and bond debts) correspond to contractual maturities, without presuming any early repayments.

For debts with variable interest rates, interest rates used are the forward rates prevailing at the reporting date. Concerning the shareholder loan of €1 063.6m towards Tivana France Holdings, quarterly interests on that debt are capitalized, or can be paid if TDF Infrastructure SAS determines it, and a change of disclosure is to be noticed:

- in the disclosures of the table above at March 31<sup>st</sup> 2015, it is considered that all interests are capitalized and reimbursed in the end on March 31, 2025,
- in the disclosures of the table above at December 31<sup>st</sup> 2015, following the latest amendments to the shareholder loan and by prudence when calculating the liquidity risk, the assumption taken is that interests are paid every quarter over the loan length, without taking into account the deferred payments or capitalization mechanisms that are authorized by the loan contract.

## 5.4 Indebtedness

The Group has contracted an unsecured senior debt towards bank lenders (« bank debt ») and bondholders (« bond debt »).

### **Bank debt**

At December 31, 2015, like March 31, 2015, the TDF Infrastructure SAS group has a bank credit facility agreement, which was implemented within the context of 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 credit facility 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) ;
- 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 prepayments 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;
- a condition to terminate pledges and commitments that the Group has given when the bank agreement loan was set up, and which was activated on October 19, 2015 when part of the tranche A of the term debt was repaid, following the bond issue (see note 15.3).

The bank agreement includes a leverage ratio covenant, disclosed hereafter:

Ratios	Limits	Contractual covenant as of December 31, 2015 FA	Calculated covenant as of December 31, 2015 FA
<b>Leverage ratio</b> (consolidated net debt / consolidated EBITDA)	This ratio has to be lower than or equal to the following limits	5,32	3,88

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).

The leverage ratio covenant at the end of December is met, and its calculation is certified by the Group auditors.

### **Bond debt**

On October 19, 2015, TDF Infrastructure SAS issued a bond whose main 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
- option given to bondholders to call for an early repayment in case of a change of control (under some conditions)
- 1.25% step up of the annual coupon in case the Group rating becomes lower than BBB- (or rating equivalent to BBB-).

## 5.5 Operational risk

Compliance with Group policies is supported by a program of periodic reviews undertaken by Internal Audit. Conclusions are submitted to the Audit Committee and Group senior management.

The Group has taken out insurance policies to manage liabilities in respect of corporate officers, general third party liabilities and those concerning vehicle lease contracts, material damages and loss of profits.

## 6. Operating segments

Pursuant to IFRS 8, the Group reports its results and assets by operating segment. The determination of the operating segments reflects the Group's internal reporting structure. The results of all operating segments are regularly reviewed by Group senior management with a view to assessing their performance and to taking decisions on the resources to allocate to each segment.

Following the disposal of German and Hungarian CGUs and new definition of CGU performed this year (see note notes 4.11 and 9.1), the CGU TDF itself represents more than 90% of revenues, assets and profits of the Group. The results of the Group are therefore reviewed as a whole, there is for now only one segment.

Under IFRS 8, the Group discloses revenue by business line which breaks down as follows:

- Television: carrying and broadcasting analogue and digital signals and related services, provision of uplink services, temporary or permanent rental of 'space' (satellite transponder time), allowing TV and radio broadcasting to given territories,
- Radio: carrying and broadcasting signals and related services,
- Telecom and Services: hosting of broadcasting and reception equipment on Group sites, providing maintenance and engineering services, locating sites, data centers, high speed networks,
- Media services: pre-broadcasting/final control rooms, smart transport activities (traffic information), storage and digital delivery of multi-media content,
- Other: royalties generated from intellectual property, income and interest from rentals

Finally, figures disclosed hereafter represent the way the Group activity is reviewed internally, notably:

- a Key indicator « EBITDA excluding severance payments and related fees" is followed up, which correspond to EBITDA restated from all charges corresponding to severance payments and recognized over the period (legal and transactional severance payments) among the Group, and all fees directly related (lawyers, etc),
- a comparison between revenue and last year revenue (9 months), restated from German and Hungarian entities (not consolidated at all, no interco elimination) and after application of December 2015 exchange rates ("Restated A").

<i>In thousands euros</i>		<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>	<b>Dec 2014 (9 months) Restated A Unaudited</b>	<b>Change in %</b>
<b>Net income</b>	Digital Television	162 298	224 951	166 758	-3%
	Satellite	1 225	2 609	1 234	-1%
	Radio	98 637	136 369	101 538	-3%
	<b>Total Broadcasting Services</b>	<b>262 160</b>	<b>363 929</b>	<b>269 530</b>	<b>-3%</b>
	Telecom: site hosting	189 671	260 982	192 089	-1%
	Telecom: other services	23 063	43 292	28 177	-18%
	<b>Total Telecoms &amp; Services</b>	<b>212 734</b>	<b>304 274</b>	<b>220 266</b>	<b>-3%</b>
	Media Services	42 041	58 469	44 710	-6%
	Others	8 309	16 306	11 943	-30%
	<b>Total revenue</b>	<b>525 244</b>	<b>742 978</b>	<b>546 449</b>	<b>-4%</b>
	<b>EBITDA excluding severance payments and related fees</b>	<b>261 481</b>	<b>383 805</b>		
	<b>EBITDA</b>	<b>255 740</b>	<b>375 605</b>		
	Depreciation, amortisation and impairment losses	(131 685)	(190 175)		
<b>Current Operating Income</b>	<b>124 055</b>	<b>185 430</b>			
Impairment of goodwill & intangible assets identified in business combinations	-	(4 897)			
Other operating income and charges	(30 382)	4 038			
<b>Operating Income</b>	<b>93 673</b>	<b>184 571</b>			
<b>Flow</b>	<b>Net cash from operating activities (a)</b>	<b>194 206</b>	<b>285 339</b>		
	<b>Operating capex free from working capital effects (b)</b>	<b>(89 606)</b>	<b>(129 544)</b>		
	Working capital effects on net operating capex (c)	(5 266)	(6 473)		
	Operating disposals net from working capital effects (d)	3 923	2 102		
	<b>Operating cash available ((a) + (b) + (c) + (d))</b>	<b>103 257</b>	<b>151 424</b>		
<b>Workforce (full-time average equivalent)</b>	<b>2 028</b>	<b>2 150</b>			

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

### 7.1 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;
- The net capital loss realized with the sale of these entities on March 31, 2015 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)

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

<i>In thousands euros</i>	<b>March 2015 (12 months)</b>
<b>Revenue</b>	<b>314 343</b>
Other income	5 553
Consumed purchases	(71 872)
Personnel costs	(67 216)
External expenses	(69 443)
Profit on disposal of non-current operating assets	233
Other expenses	(6 240)
<b>EBITDA</b>	<b>105 358</b>
Depreciation, amortisation and impairment losses	(91 464)
Impairment of goodwill & intangible assets identified in business combinations	(11 211)
Other operating charges	(244 838)
<b>OPERATING LOSS</b>	<b>(242 155)</b>
Financial income and expenses	(12 178)
Income tax	(9 906)
<b>NET LOSS OF DISCONTINUED OPERATIONS</b>	<b>(264 239)</b>

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:
  - o € 43.5m of cash received from SES Astra,
  - o 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.

## 7.2 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 during 2014-2015 financial year 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 March 31, 2015 are the following:

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

### MCR

The Monaco subsidiary MCR is 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 to the profit and loss and to the balance sheet are the following:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
<b>Revenue</b>	<b>3 944</b>	<b>5 694</b>
Other income	-	8
Consumed purchases	(898)	(1 049)
Personnel costs	(567)	(859)
External expenses	(303)	(405)
Loss on disposal of non-current operating assets	(28)	3
Other expenses	105	168
<b>EBITDA</b>	<b>2 253</b>	<b>3 560</b>
Other operating income and expenses	-	-
Depreciation, amortisation and impairment losses	(158)	(207)
<b>OPERATING INCOME</b>	<b>2 095</b>	<b>3 353</b>
Other finance expenses	(3)	3
Income tax	(657)	(1 064)
<b>NET INCOME OF DISPOSED OPERATIONS</b>	<b>1 435</b>	<b>2 292</b>
<b>Net cash from operating activities of disposed operations</b>	<b>1 206</b>	<b>957</b>

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>March 2015</b>
Goodwill	8 523	8 523
Fixed assets	1 235	1 263
Trade receivables	1 443	1 014
Other receivables	80	288
Deferred tax assets	104	101
Cash and cash equivalents	32	44
<b>Assets from held for sale activities</b>	<b>11 417</b>	<b>11 233</b>
Provisions	629	940
Financial debts	34	34
Trade payables	236	211
Other payables	618	588
<b>Liabilities from held for sale activities</b>	<b>1 517</b>	<b>1 773</b>

In accordance with IFRS 5, when non-current assets and groups of assets are first classified as held for sale they are recognized at the lower of net carrying value and fair value less selling expenses.

## 8. 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 March 2015 figures (see notes 7.1) ;
- 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 7.2) ;
- Incomes and charges of MCR, is included in figures for all the periods disclosed (see note 7.2) ;
- March 2015 figures are compliant with the application of the new amendment IFRIC 21 (see note 4.1).

### 8.1 Revenue

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Digital Television	162 298	224 951
Satellite	1 225	2 609
Radio	98 637	136 369
<b>Total Broadcasting Services</b>	<b>262 160</b>	<b>363 929</b>
Telecom: site hosting	189 671	260 982
Telecom: other services	23 063	43 292
<b>Total Telecoms &amp; Services</b>	<b>212 734</b>	<b>304 274</b>
Media Services	42 041	58 469
Others	8 309	16 306
<b>Total revenue</b>	<b>525 244</b>	<b>742 978</b>

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

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 restated (12 months)</b>
<b>Other income</b>	<b>2 343</b>	<b>16 279</b>

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

At March 31, 2015, it includes €12.0m of research tax credit income recognition. The *Crédit d'Impôt Recherche* (Research Tax Credit) is recognized as other income when the Group is reasonably confident that its applications to be filed with the tax authorities will not be challenged.

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 restated (12 months)</b>
Business tax	(6 699)	(8 657)
Property tax	(39)	(8 361)
Other taxes	(1 514)	(4 105)
Provision on receivables - Prov. for risks and charges	1 722	6 270
Other operating expenses	(6 877)	(7 218)
<b>Other expenses</b>	<b>(13 407)</b>	<b>(22 071)</b>

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 March 2015, Hungarian entities (disposed of during the period, see note 7) represent 1.1 million euros of other operating expenses.

### 8.3 Consumed purchases

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Resold purchases	(17 942)	(26 250)
Energy and fuels	(31 363)	(39 598)
Other purchases including change in inventory	(5 689)	(13 499)
Capitalized purchases	4 568	11 674
<b>Consumed purchases</b>	<b>(50 426)</b>	<b>(67 673)</b>

In March 2015, Hungarian entities (disposed of during the period, see note 7) represent 1.2 million euros of total consumed purchases.

In December 2015, Resold purchases notably include expenses related to the GSMR network deployment contract, and Energy and fuels are impacted by a price rise and an increase in the number of sites of the Group.

### 8.4 Personnel costs

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Salaries & wages	(80 912)	(116 849)
Social security contributions	(29 737)	(38 895)
Tax contributions on salaries & wages	(2 559)	(5 465)
Statutory employee profit sharing	(6 198)	(5 586)
Post-employment benefits : defined benefit plans	(1 578)	(1 491)
Post-employment benefits : defined contributions	(8 430)	(11 176)
Other personnel costs	(2 317)	(9 505)
Capitalized personnel costs	20 624	26 527
<b>Total personnel costs</b>	<b>(111 107)</b>	<b>(162 440)</b>

In March 2015, Hungarian entities (disposed of during the period, see note 7) represent 2.3 million euros of total personnel costs (out of which 1.7 million euros of Salaries & wages).

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.

## 8.5 External expenses

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Real estate	(28 313)	(36 886)
Technical subcontracting	(37 689)	(52 155)
Administrative subcontracting	(11 085)	(12 388)
Expenses linked to personnel	(11 830)	(17 520)
Surveys & consulting fees	(6 224)	(8 946)
External & internal communication costs	(1 472)	(2 521)
Corporate fees	(1 110)	96
Insurance	(1 811)	(2 498)
<b>External expenses</b>	<b>(99 534)</b>	<b>(132 818)</b>

In March 2015, Hungarian entities represent 1.6 million euros of total external expenses.

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

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

## 8.7 Depreciation, amortization and impairment losses

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Amortisation of intangible assets	(33 275)	(52 397)
Depreciation of tangible assets	(104 479)	(122 237)
Write-back of investment subsidies	838	1 136
Impairment of intangible assets	4 699	(4 753)
Impairment of tangible assets	532	(11 924)
<b>Depreciation, amortization and impairment losses</b>	<b>(131 685)</b>	<b>(190 175)</b>

In March 2015, Hungarian entities represent 2.7 million euros of total depreciation, amortization and impairment losses.

Depreciations of intangible assets recognized at the end of March 2015 concern Bebanjo (€1.3m) and Arkena AB and its subsidiaries (€3.4m), and are due to a deterioration of growth and cash flows forecasts.

Depreciations of tangible assets of €11.9m recognized at the end of March 2015 notably concern:

- Arkena AB (Sweden) and its subsidiaries, for a global amount of €0.5m, due to the reasons mentioned above,
- TDF SAS for €11.4m, notably due to the fact that the forecasted phase out of middle waves activities was shortened.

In December 2015, thanks to improved growth and profitability forecasts of Arkena AB (Sweden) and Bebanjo, part of the depreciations of tangible and intangible assets mentioned above were released (see note 9.2).

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Impairment loss of intangible recognised on business combinations	-	(2 061)
Impairment loss of goodwill	-	(2 836)
<b>Impairment loss</b>	<b>-</b>	<b>(4 897)</b>

Over the previous period, impairment losses correspond to:

- a new and final depreciation of €2.1 m of Arkena AB (ex Qbrick) customer relationship, and an additional depreciation of €2.4m of the goodwill of Arkena AB CGU, for the reasons mentioned above,
- an additional depreciation of the goodwill of Bebanjo CGU for €0.4m.

### **8.8 Other operating income and charges**

At December 31, 2015, other operating income and charges mainly include costs, which are significant and unusual, and are recognized in non-recurrent operating income (below EBITDA):

- Costs related to the agreement signed on July 23rd concerning employee-related measures to support the leaves necessary to adjust the workforce by TDF SAS (see also the note 10.6), out of which :
  - o A provision allowance of 26.2 million euros,
  - o Actual costs incurred for 0.6 million euros,
- 3.5 million euros of provision allowance for employee-related measures concerning the evolution project by Arkena SAS and Smartjog France (see the note 10.6).

At March 31, 2015, other operating income and expenses principally correspond to the following items:

- €2.2m 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 at March 31, 2015 for the disposal of Hungarian entities is thus €0.6m;
- €0.9m of additional allowance on Analog TV dismantling provision by TDF SAS, due to a change in actuarial assumptions (in compliance with IFRIC 1, these adjustments should be posted to the income statement because the underlying assets are fully depreciated) ;
- Otherwise the change of shareholders and the refinancing of the Group also triggered :
  - o bonus due for managers, representing a net charge of €0.3m over the period, which corresponds to the actual expenses net from provisions releases and re-invoicing of part of the bonus to Tyrol 1 acquisition & Cie SCA (former shareholder of TDF Infrastructure Holding SAS);
  - o re-invoicing of fees incurred by the Group in the frame of this operation to Tyrol Acquisition 1 & Cie SCA, representing a net income of €6.0m.

## 8.9 Net finance costs

Net finance costs can be broken down as follows:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Revenues from available funds placed	95	385
<b>Total financial revenue (a)</b>	<b>95</b>	<b>385</b>
Finance expenses linked to debt : Bond debt	(3 487)	
Finance expenses linked to debt : Bank term debt	(7 930)	(155 910)
Finance expenses linked to debt : Bank debt revolving	(790)	(2 893)
Finance expenses linked to debt : Shareholders	(62 112)	(14 857)
Finance expenses linked to debt : Financial lease	(84)	(292)
Finance expenses linked to debt : Other debts	(40)	(257)
Refinancing costs	(8 968)	(15 020)
<b>Result on financial instruments measured at amortized cost (b)</b>	<b>(83 411)</b>	<b>(189 229)</b>
<b>Capitalisation &amp; amortisation of loan issue expenses (c)</b>	<b>(2 639)</b>	<b>13 401</b>
Net change in fair value of financial assets at fair value through profit or loss	-	(107 892)
Ineffective portion of changes in fair value of cash flow hedges	-	(17)
Net change in fair value of trading financial asset	-	26 555
<b>Profit (loss) related to derivatives (d)</b>	<b>-</b>	<b>(81 354)</b>
<b>Total finance expenses (e) = (b) + (c) + (d)</b>	<b>(86 050)</b>	<b>(257 182)</b>
<b>Net financial debt cost (a) + (e)</b>	<b>(85 955)</b>	<b>(256 797)</b>

Apart from the difference in the financial year lengths disclosed (9 months for December 2015, 12 months for March 2015), change in the net financial debt cost compared to the previous year is principally explained by the change in the capital structure and the refinancing of the Group that took place on March 31 2015, and by the bond issue of October 19. Main consequences are:

- Lower bank debts interests charges due to :
  - o a diminution in the average value of bank debts (term debt and revolving debt), which decrease (excluding loan issuance costs) from 3 766.3 million euros at March 31 2014 to 1430 million euro at March 31 2015, and to 807 million euros at December 31 2015,
  - o a significant margin effect, as the average margin of tranches of the new credit facility agreement (0.8%) is lower than the average margin of the former bank agreement tranches all together (4.2%),
  - o to lower average Euribor interest rate over the period;
- a global increase of interests on shareholders loans, which nature and amounts have significantly evolved, in conjunction with the decrease of senior debts; at December 31 2015, the Group has a shareholder loan of 1 063.6 million euros with a fixed interest rate of 7.7 % ;
- interest charges of 3.5 million euros recognized on the bond debt issued on October 19 2015 (600 million euros, fixed coupon of 2.875%);
- a €10.0m increase concerning refinancing costs and amortization of loan issuance expenses, as new expenses were activated after the refinancing operation of March 31, 2015 and then again for the bond issuance on October 19 2015; the loan issuance expenses are amortized since their activation, besides the charge of the period notably include a one shot amortization of €3.6m related to the €593m repayment of the tranche A of the term bank debt following the bond issue;
- the absence of charges on financial instruments in December 2015, which is due to the fact that they were all terminated on March 31, 2015 prior to the refinancing that took place on March 31 2015; no new financial instrument has been contracted since.

See also the notes 10.2 and 10.3 which describe the financial debts and their characteristics.

At December 31, 2015, excluding shareholders debts, the average interest rate on financial debt is 2.24% (6.80% at March 31, 2015). This change is due to the refinancing of the Group on March 31, 2015 and the absence of financial instrument.

Other financial income and charges are as follows:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Net discounting costs excluding net debt	(89)	(1 132)
Forex losses	(265)	737
Other financial income	752	722
<b>Other financial revenues</b>	<b>398</b>	<b>327</b>

*NB: figures in March 2015 column 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:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Currency translation differences for foreign operations	(115)	1 000
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	-	59 562
Income tax on other comprehensive income	-	(24 728)
<b>Finance income and expenses recognised in other comprehensive income</b>	<b>(115)</b>	<b>45 999</b>

## 8.10 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). All French entities owned directly or indirectly at least 95% by Tivana France Holdings SAS are included in the tax group (excluding the company Valem Ad Technologies).

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 is analyzed below:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 months)</b>
Current tax expense	(53 449)	(74 764)
Autres impôts sur le résultat	(6 364)	(8 933)
Deferred tax expense	16 757	33 264
<b>Income tax expense from continuing operations</b>	<b>(43 056)</b>	<b>(50 433)</b>
Income tax from discontinued operations and disposed entities	-	(9 906)
<b>Total income tax</b>	<b>(43 056)</b>	<b>(60 339)</b>

Note that among the €53.4m of current tax expenses mentioned above (€74.8 as of March 31, 2015), €52.2m concern TDF SAS (€72.8 as of March 31, 2015), 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:

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>			<b>March 2015 (12 months)</b>		
	Pre-tax	Tax (Expense) / Credit	Net of tax	Pre-tax	Tax (Expense) / Credit	Net of tax
Currency translation differences for foreign operations	(115)	-	(115)	1 000	-	1 000
Cash flow hedges	-	-	-	69 727	(25 540)	44 187
Actuarial gains on defined benefit plan	2 971	(1 023)	1 948	(12 303)	4 063	(8 240)
Others	131	-	131	809	-	809
<b>Total</b>	<b>2 987</b>	<b>(1 023)</b>	<b>1 964</b>	<b>59 233</b>	<b>(21 477)</b>	<b>37 756</b>

Note that since the end of March 2015 the Group no longer has a cash flow hedging instruments.

The reconciliation between the theoretical income tax and the actual income tax recognized is provided below:

<i>In thousands euros</i>	Dec 2015 (9 months)		March 2015 (12 months)	
	Value	Rate	Rate	Value
Loss for the period	(38 220)			(393 196)
Total income tax for the period	(43 056)			(60 339)
Profit excluding income tax	4 836			(332 857)
<b>Theoretical income tax based on the French statutory income tax rate</b>	<b>(1 665)</b>	<b>34,43%</b>	<b>34,43%</b>	<b>114 603</b>
Permanent differences on disposals			-31,76%	(105 699)
Non-deductible interest	(6 395)	132,24%	-6,94%	(23 086)
Other income tax expenses (CVAE, etc)	(4 009)	82,90%	-1,77%	(5 894)
Impairment of tax loss carried forward	(28 269)	584,55%	-13,69%	(45 567)
Impact of goodwill impairment and IFRS 5 loss	-		-0,68%	(2 277)
Effect of difference in foreign tax rates (theoretical rate)	294	-6,08%	-0,64%	(2 120)
Effect of tax rate changes	1 833	-37,90%	-0,49%	(1 645)
Exceptional statutory charge	(4 870)	100,70%	-2,05%	(6 840)
Deferred tax on "CVAE" (1)	593	-12,26%	0,26%	875
Research Tax Credit	-			4 191
German entities (discontinued activities)	-		4,14%	13 788
Others	(568)	11,75%	-0,20%	(668)
<b>Actual income tax</b>	<b>(43 056)</b>	<b>890,32%</b>	<b>-19,39%</b>	<b>(60 339)</b>

1) This deferred tax income relates to the Group decision to classify CVAE as income tax.

At March 31, 2015: the permanent difference on disposals effect is explained by:

- €(108.2) m concerning the disposal of German entities : see note 7.1, the net consolidated capital loss on this disposal is of €340m,
- €2.4m concerning the disposal of Hungarian entities.

At December 31, 2015, the changes related to depreciations or non-recognition of tax loss carried forward assets are notably linked to TDF Infrastructure SAS: the impact of the tax loss carried forward brought forth by TDF Infrastructure SAS over the period and unrecognized amounts €23.8m vs €38.1m as of March 31, 2015. The evolution is explained by the difference in durations of the presented periods and the decrease of financial interests thanks to the Group's refinancing on March 31, 2015.

TDF Infrastructure SAS, SmartJog France SAS and Arkena SAS deferred tax assets are not recognized (€3.7m over the period), 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 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 current tax expense paid by TDF SAS to Tivana France Holdings (head company of the tax consolidation group, see above) is based on this statutory charge.

The evolution of non-deductible interests is due to the difference in durations of the presented periods, the change in the equity structure and the Group's refinancing on March 31, 2015, which notably resulted to a significant reduction of financial interests.

As a reminder, in France, the interest's deductibility limit is 75%. This tax effect concerns interest costs on bank debts, on bond debt and on the shareholder loan.

## 9. Notes to the balance sheet: assets

Except for deferred taxes that are classified as non-current assets or liabilities, assets and liabilities are classified as current when the amounts are expected to be recovered or settled no more than 12 months after the reporting date. If this is not the case, they are classified as non-current.

General comments:

- Assets and liabilities of German entities, sold on March 31, 2015, no longer appear,
- Assets and liabilities of MCR are reclassified on "Assets/Liabilities held for sale and discontinued operations" since March 31, 2015 (see note 7.2) ;
- March 2015 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 4.1).

### 9.1 Goodwill

At December 31, 2015, Group goodwill breaks down by CGU or group of GGUs as follows:

<i>In thousands euros</i>	March 2015	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassification and allocation	Dec 2015
France	<b>1 604 923</b>	-	-	-	-	(1 604 923)	-
TDF	-	2 341	-	-	-	1 608 675	<b>1 611 016</b>
Arkena	-	-	-	-	-	2 628	<b>2 628</b>
Mediamobile	-	-	-	-	-	10 784	<b>10 784</b>
Levira	-	-	-	-	-	-	-
Arkena AB (ex Qbrick)	-	-	-	-	-	-	-
Bebanjo	-	-	-	-	-	-	-
Others (*)	<b>17 164</b>	-	-	-	-	(17 164)	-
<b>Total</b>	<b>1 622 087</b>	<b>2 341</b>	-	-	-	-	<b>1 624 428</b>

In December 2015, following the sale of German and Hungarian entities, the shareholders change and Group management, the Group redefines four CGU: TDF, Arkena, Médiamobile and Levira (see also note 19).

Group's goodwill has been reallocated by CGU on a weighted basis, relying on the enterprise values deduced from the latest business plans approved by the shareholders on November 25, 2015 (see note A below), and the capital employed by each CGU's as of December 31, 2015.

The change in consolidation scope of €2.3m on the CGU TDF corresponds to the acquisition of AD Valem Technologies.

Created in 2008, it designs, displays and operates a unique live TV broadcast technology in order to ensure the event broadcasting (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.

At March 31, 2015, Group goodwill breaks down by CGU or group of GGUs as follows:

<i>In thousands euros</i>	March 2014	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS	Currency translation adjustment	Reclassification and allocation	March 2015
France	<b>1 613 446</b>	-	-	(8 523)	-	-	<b>1 604 923</b>
Allemagne	<b>372 488</b>	-	-	(372 488)	-	-	-
Arkena AB (ex Qbrick)	<b>2 520</b>	-	(2 444)	-	(76)	-	-
Bebanjo	<b>392</b>	-	(392)	-	-	-	-
Autres (*)	<b>17 164</b>	-	-	-	-	-	<b>17 164</b>
<b>Total</b>	<b>2 006 010</b>	-	<b>(2 836)</b>	<b>(381 011)</b>	<b>(76)</b>	-	<b>1 622 087</b>

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

Concerning the CGU Germany, the change corresponds to the disposal of German entities (see note 6.1).

### **A. Impairment test at December 31, 2015**

In compliance with IAS36, the Group has performed an impairment test of goodwill at the December closing date.

According to Group management, business plans of the various CGUs are annually revised and approved by the shareholders. To determine the recoverable amounts of each CGU used for the impairment test, the Group relied on the latest business plans approved by the shareholders on November 25, 2015.

One of the major changes compared to the March 31, 2015 business plans is related to Television activity of TDF CGU and concerns the « second digital dividend » and the CSA final decisions (French TV and radio regulatory body) about the two multiplex R5 and R8 shutdown early April 2016 (see also notes 15 and 18).

### **B. Impairment test at March 31, 2015**

In compliance with IAS36, the Group has performed an impairment test of goodwill at the reporting date of the period 2014/2015.

So as to determine recoverable values of CGU used for the impairment tests, the Group relied on business plans of the various CGUs or groups of CGUs which were used by the new shareholders to evaluate the acquisition of the Group as of March 31, 2015.

On France and Others CGUs, taking into account those business plan doesn't lead to any impairment. However on Arkena AB (ex Qbrick) and Bebanjo CGUs, the new business plans implied the recognition of additional impairment, on top of those already recognized at March 31, 2014 (total depreciation of goodwills for an amount of €2.8m, of all intangible and tangible assets).

Also regardless of impairment tests led on the basis of business plans, the transaction and the change of shareholders on March 31, 2015 also lead to the conclusion that it is not necessary to recognize any additional impairment on the CGUs France and Others.

### **C. Assumptions underlying the impairment tests as of the reporting date**

<b>Dec 2015</b>	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
TDF	Value in use based on discounted cash flows	10 years	7,5%	1,75%
Arkena		5 years	10,0%	1,75%
Médiamobile		5 years	10,0%	1,75%
Levira		5 years	12,0%	1,75%

<b>March 2015</b>	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
France	Value in use based on discounted cash flows	10 years	7,5%	2,0%
Arkena AB (ex Qbrick)			11,5%	2,0%
Bebanjo			12,5%	2,0%
Others			9,5%	2,0%

The discount rate corresponds to the weighted average cost of capital, determined on the basis of observable market data, in particular a sample of comparable listed companies carrying on business as operators in the fields of satellites and telephone, radio or television infrastructures/networks. The rate is an after-tax rate applied to the cash flows after tax.

#### D. Sensitivity analysis

Sensitivity analysis was carried out on the key assumptions (+ or – 0.5 bp. on discount rate, + or – 0.5 bp. on growth rate to infinity and + or – 1.0 bp. on the EBITDA margin terminal value) both individually and using a combination of scenarios.

At December 31, 2015 reasonable potential changes in key assumptions listed above would have no impairment impact on TDF, Arkena and Médiamobile CGUs.

Only on Levira CGU, changes in key assumptions would have increase or decrease as follows:

<i>In million euros</i>		<b>Levira</b>	<b>Long term growth rates</b>	
			-0,5 point	+0,5 point
<b>Discounting rates (WACC)</b>	-0,5 point	--	--	--
	+0,5 point	(0,4)	--	--

<i>In million euros</i>		<b>Levira</b>	<b>EBITDA margin rate</b>	
			-1,0 point	+1,0 point
<b>Discounting rates (WACC)</b>	-0,5 point	--	--	--
	+0,5 point	(0,2)	--	--
		(0,5)	--	--

At March 31, 2015 reasonable potential changes in key assumptions listed above:

- would have no impairment impact on France and Others CGU goodwills,
- would not lead to any reduction of impairment or additional impairment charges concerning goodwills of Arkena AB (ex Qbrick) CGU and Bebanjo CGU, as their goodwill are totally depreciated at March 31, 2015.

#### 9.2 Intangible assets

Intangible assets are analyzed below:

<i>In thousands euros</i>	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	<b>Total</b>
<b>Gross value at March 31, 2014</b>	<b>96 657</b>	<b>285 143</b>	<b>247 300</b>	<b>344 916</b>	<b>274 482</b>	<b>1 248 498</b>
Acquisitions	1 589	-	-	-	23 832	<b>25 421</b>
Disposals	-	-	-	-	(9 017)	<b>(9 017)</b>
Reclassifications	2 612	-	-	-	(2 421)	<b>191</b>
Changes in consolidation scope	-	(285 143)	(48 800)	(58 200)	(41 238)	<b>(433 381)</b>
Currency translation adjustments	(188)	-	-	(494)	(45)	<b>(727)</b>
<b>Gross value at March 31, 2015</b>	<b>100 670</b>	<b>-</b>	<b>198 500</b>	<b>286 222</b>	<b>245 593</b>	<b>830 985</b>
Acquisitions	157	-	-	-	12 097	<b>12 254</b>
Disposals	(247)	-	-	-	(1 133)	<b>(1 380)</b>
Reclassifications	4 149	-	-	-	(3 932)	<b>217</b>
Changes in consolidation scope	-	-	-	-	285	<b>285</b>
Currency translation adjustments	3	-	-	(4)	(8)	<b>(9)</b>
<b>Gross value at December 31, 2015</b>	<b>104 732</b>	<b>-</b>	<b>198 500</b>	<b>286 218</b>	<b>252 902</b>	<b>842 352</b>

Changes in consolidation scope from March to December 2015 is linked to AD Valem Technologies acquisition (see note 1) and changes during 2014-2015 correspond to the disposal of German entities (see note 7.1).

## Order backlog and customer relationships

During the purchase price allocation process, the Group recorded order backlog, which is amortized over the average term of the contracts per business (between 4 and 14 years) and customer relations, which are amortized over periods ranging from 6 to 22 years.

### “Others”

It includes:

- €143.7m of software (€137.0m at March 31, 2015),
- €28.8m of trademarks with an indefinite life (gross value, same as March 31, 2015),
- €34.7m concerning a technology recognized during purchase price allocation (unchanged since March 31, 2015).

Intangible assets accumulated amortization and impairment is broken down as follows:

<i>In thousands euros</i>	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
<b>Amortization at March 31, 2014</b>	<b>(58 886)</b>	<b>(177 827)</b>	<b>(231 989)</b>	<b>(105 461)</b>	<b>(165 986)</b>	<b>(740 149)</b>
Charge of the period	(10 462)	(28 618)	(7 539)	(12 802)	(29 402)	<b>(88 823)</b>
Disposals	-	-	-	-	9 015	<b>9 015</b>
Reclassifications	-	-	-	-	248	<b>248</b>
Changes in consolidation scope	-	206 445	43 639	22 500	24 112	<b>296 696</b>
Currency translation adjustments	105	-	-	150	-	<b>255</b>
<b>Amortization at March 31, 2015</b>	<b>(69 243)</b>	<b>-</b>	<b>(195 889)</b>	<b>(95 613)</b>	<b>(162 013)</b>	<b>(522 758)</b>
Charge of the period	(9 537)	-	(2 350)	(6 256)	(15 132)	<b>(33 275)</b>
Disposals	247	-	-	-	1 007	<b>1 254</b>
Reclassifications	119	-	-	-	-	<b>119</b>
Changes in consolidation scope	-	-	-	-	(265)	<b>(265)</b>
Currency translation adjustments	(5)	-	-	-	6	<b>1</b>
<b>Amortization at December 31, 2015</b>	<b>(78 419)</b>	<b>-</b>	<b>(198 239)</b>	<b>(101 869)</b>	<b>(176 397)</b>	<b>(554 924)</b>
	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
<b>Impairment losses at March 31, 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106 946)</b>	<b>(9 909)</b>	<b>(116 855)</b>
Charge of the period	(2 816)	-	-	(9 172)	(6 491)	<b>(18 479)</b>
Changes in consolidation scope	-	-	-	7 111	4 554	<b>11 665</b>
Currency translation adjustments	19	-	-	255	3	<b>277</b>
<b>Impairment losses at March 31, 2015</b>	<b>(2 797)</b>	<b>-</b>	<b>-</b>	<b>(108 752)</b>	<b>(11 843)</b>	<b>(123 392)</b>
Charge of the period	2 780	-	-	-	1 919	<b>4 699</b>
Currency translation adjustments	17	-	-	3	4	<b>24</b>
<b>Impairment losses at December 31, 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(108 749)</b>	<b>(9 920)</b>	<b>(118 669)</b>
<b>Carrying amount at March 31, 2014</b>	<b>44 395</b>	<b>135 934</b>	<b>35 597</b>	<b>172 637</b>	<b>101 924</b>	<b>490 487</b>
<b>Carrying amount at March 31, 2015</b>	<b>28 630</b>	<b>-</b>	<b>2 611</b>	<b>81 857</b>	<b>71 737</b>	<b>184 835</b>
<b>Carrying amount at December 31, 2015</b>	<b>26 313</b>	<b>-</b>	<b>261</b>	<b>75 600</b>	<b>66 585</b>	<b>168 759</b>

## Impairment of intangible assets

Intangible asset impairment is detailed below:

<i>In thousands euros</i>	France	Other Countries	Total
Trademarks with indefinite lives	-	-	-
Backlog	-	-	-
Other intangible assets	-	4 699	4 699
<b>Total December 31, 2015</b>	<b>-</b>	<b>4 699</b>	<b>4 699</b>

<i>In thousands euros</i>	France	Germany	Other Countries	Total
Trademarks with indefinite lives	-	(4 100)	-	(4 100)
Backlog	-	-	-	-
Other intangible assets	-	(7 565)	(6 814)	(14 379)
<b>Total March 31, 2015</b>	<b>-</b>	<b>(11 665)</b>	<b>(6 814)</b>	<b>(18 479)</b>

Trademarks with an indefinite life are subject to an annual impairment test.

The following were the main assumptions used as of December 31, 2015:

	France
Recoverable value based on	Fair value
Valuation Method	Royalties
Projected periods	10 ans
Discount rates	7,50%
Long term growth rates	1,75%
Royalty rate on the revenues	0,30%

The net book value of trademarks with indefinite lives amounts to €23.0m (for France, Germany was sold). Sensitivity analysis carried out showed that any deterioration in the key criteria would not lead to further impairment.

### **December 31, 2015**

In December, thanks to the improvement of growth forecasts and profitability of Arkena AB (Sweden) and Bebanjo, part of the intangible assets impairments recorded in March 2015 (see details below) was written off over the period notably:

- €3.4m concerning Arkena AB (the customer relationship impairment has not been written off),
- €1.3m concerning Bebanjo (all of the impairment booked in March 2015).

### **March 31, 2015**

Impairments of this financial year correspond to:

- Depreciations of intangible assets concerning Bebanjo (€1.3m), and Arkena AB and its subsidiaries (€5.5m, of which €2.1m concerning a new and final depreciation of Arkena AB customer relationship), due to a deterioration of growth and cash flows forecasts.
- €11.7m of depreciations in Germany (disposed of on March 31, 2015), following changes in forecasted cash flows on some activities.

At March 31, 2015 accumulated impairment on other intangible assets includes €5.8m related to trademarks and €1.4m related to software.

### 9.3 Property, plant and equipment

Property, plant and equipment is analyzed below:

<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer	Others	Total
<b>Gross value at March 31, 2014</b>	<b>634 871</b>	<b>1 812 733</b>	<b>97 198</b>	<b>502 865</b>	<b>3 047 667</b>
Acquisitions	21 335	58 890	6 519	111 659	<b>198 403</b>
Sorties	(1 700)	(37 944)	(6 569)	(13 175)	<b>(59 388)</b>
Reclassifications	836	14 084	1 123	(12 354)	<b>3 689</b>
Changes in consolidation scope	(95 174)	(341 246)	(33 350)	(78 415)	<b>(548 185)</b>
Currency translation adjustments	15	68	(68)	322	<b>337</b>
<b>Gross value at March 31, 2015</b>	<b>560 183</b>	<b>1 506 585</b>	<b>64 853</b>	<b>510 902</b>	<b>2 642 523</b>
Acquisitions	16 476	25 903	1 560	35 137	<b>79 076</b>
Sorties	(2 958)	(20 954)	(5 713)	(9 172)	<b>(38 797)</b>
Reclassifications	143	3 837	4	(1 065)	<b>2 919</b>
Changes in consolidation scope	1 000	5 183	595	-	<b>6 778</b>
Currency translation adjustments	(26)	(117)	(30)	(84)	<b>(257)</b>
<b>Gross value at December 31, 2015</b>	<b>574 818</b>	<b>1 520 437</b>	<b>61 269</b>	<b>535 718</b>	<b>2 692 242</b>
<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer	Others	Total
<b>Amortization at March 31, 2014</b>	<b>(215 664)</b>	<b>(929 266)</b>	<b>(75 358)</b>	<b>(274 008)</b>	<b>(1 494 296)</b>
Charge of the period	(19 409)	(99 803)	(7 781)	(32 654)	<b>(159 647)</b>
Disposals	975	37 827	6 486	13 075	<b>58 363</b>
Reclassifications	950	9 585	30	(1 990)	<b>8 575</b>
Changes in consolidation scope	19 306	216 230	21 014	5 425	<b>261 975</b>
Currency translation adjustments	(13)	(55)	43	(242)	<b>(267)</b>
<b>Amortization at March 31, 2015</b>	<b>(213 855)</b>	<b>(765 482)</b>	<b>(55 566)</b>	<b>(290 394)</b>	<b>(1 325 297)</b>
Charge of the period	(16 652)	(57 792)	(3 327)	(25 947)	<b>(103 718)</b>
Disposals	1 783	20 934	5 582	9 085	<b>37 384</b>
Reclassifications	1 785	(3 642)	-	12	<b>(1 845)</b>
Changes in consolidation scope	(147)	(2 920)	(492)	-	<b>(3 559)</b>
Currency translation adjustments	22	96	17	72	<b>207</b>
<b>Amortization at December 31, 2015</b>	<b>(227 064)</b>	<b>(808 806)</b>	<b>(53 786)</b>	<b>(307 172)</b>	<b>(1 396 828)</b>
<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer	Others	Total
<b>Impairment losses at March 31, 2014</b>	<b>(48 983)</b>	<b>(28 559)</b>	<b>(8)</b>	<b>(4 003)</b>	<b>(81 553)</b>
Charge of the period	(4 287)	(17 661)	(3 282)	(30)	<b>(25 260)</b>
Changes in consolidation scope	46 665	9 074	2 807	-	<b>58 546</b>
Currency translation adjustments	-	(3)	3	(2)	<b>(2)</b>
<b>Impairment losses at March 31, 2015</b>	<b>(6 605)</b>	<b>(37 149)</b>	<b>(480)</b>	<b>(4 035)</b>	<b>(48 269)</b>
Charge of the period	17	-	469	34	<b>520</b>
Disposals	-	11	-	-	<b>11</b>
Currency translation adjustments	-	5	3	6	<b>14</b>
<b>Impairment losses at December 31, 2015</b>	<b>(6 588)</b>	<b>(37 133)</b>	<b>(8)</b>	<b>(3 995)</b>	<b>(47 724)</b>
<b>Carrying amount at March 31, 2014</b>	<b>370 224</b>	<b>854 908</b>	<b>21 832</b>	<b>224 854</b>	<b>1 471 818</b>
<b>Carrying amount at March 31, 2015</b>	<b>339 723</b>	<b>703 954</b>	<b>8 807</b>	<b>216 473</b>	<b>1 268 957</b>
<b>Carrying amount at December 31, 2015</b>	<b>341 166</b>	<b>674 498</b>	<b>7 475</b>	<b>224 551</b>	<b>1 247 690</b>

Broadcasting networks comprise pylons, antennas, transmitters, microwave links and site fixtures, satellite equipment (terrestrial stations), pre-broadcasting equipment for master control rooms. "Other" includes vehicles, equipped vehicles and assets in progress.

The gross value of property, plant and equipment held under finance leases (group as lessee) and included in non-current assets amounts to €28.2m (same as March 31, 2015). It mainly consists of DVRN towers rented from Orange and a car fleet. Accumulated depreciation regarding those assets amounts to €17.1m (€16.2m as of March 31, 2015).

The Group does not lease any of its assets to third parties under finance leases (group as lessor).

### **December 31, 2015**

Changes in consolidation scope correspond to AD Valem Technologies acquisition (see note 1).

### **March 31, 2015**

Changes in consolidation scope mainly correspond to the disposal of German entities (see the note 7.1).

## **9.4 Financial assets available for sale**

<i>In thousands euros</i>	Dec 2015	March 2015
<b>Gross value at opening</b>	<b>463</b>	<b>840</b>
Acquisitions	315	25
Disposals	-	(632)
Currency translation adjustments	-	-
Fair value AFS	-	-
Changes in consolidation scope	-	230
<b>Gross value at closing (A)</b>	<b>778</b>	<b>463</b>
<b>Impairment at opening</b>	<b>(230)</b>	<b>-</b>
Acquisitions	-	(230)
Reversal	230	-
Currency translation adjustments	-	-
Changes in consolidation scope	-	-
<b>Impairment at closing (B)</b>	<b>-</b>	<b>(230)</b>
<b>Net carrying amount at closing</b>	<b>778</b>	<b>233</b>

Financial assets available for sale mainly comprise the Group's investment in non-consolidated companies.

## **9.5 Inventories**

<i>In thousands euros</i>	Dec 2015			March 2015		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories, including items in progress	6 300	(2 276)	4 024	6 183	(2 281)	3 902
<b>Total inventories</b>	<b>6 300</b>	<b>(2 276)</b>	<b>4 024</b>	<b>6 183</b>	<b>(2 281)</b>	<b>3 902</b>

Inventories are essentially composed of spare parts for which use (consumption, capitalization or sale) is not pre-specified. They mainly concern TDF SAS.

Inventories are measured at weighted average unit purchase cost. Where the future use of an inventory item is uncertain, it is subject to an impairment adjustment, if necessary, to reduce its carrying value to its recoverable amount.

Assets that qualify as safety inventories are accounted for as property, plant and equipment.

## 9.6 Trade receivables and other current and non-current assets

<i>In thousands euros</i>	Dec 2015			March 2015		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade accounts receivables	138 748	(11 747)	127 001	217 880	(8 147)	209 733
Trade receivables on disposal of assets	736	(52)	684	736	(52)	684
<b>Total trade accounts receivables</b>	<b>139 484</b>	<b>(11 799)</b>	<b>127 685</b>	<b>218 616</b>	<b>(8 199)</b>	<b>210 417</b>

Trade receivables impairment is based on the probability of bad debts.

The breakdown of past due amounts on trade receivables are as follows:

	Dec 2015	March 2015
	Net	Net
Not yet due	93 636	182 625
Less than 3 months past due	31 956	20 535
More than 3 months and less than 1 year past due	(530)	1 618
More than one year and less than 3 years past due	758	4 014
More than 3 years past due	1 865	1 625
<b>Net trade account receivables</b>	<b>127 685</b>	<b>210 417</b>

Other current and non-current assets are as follows:

<i>In thousands euros</i>	Dec 2015			March 2015		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Credit notes not yet received	70	-	70	257	-	257
Advance payment - corporate income tax	1 496	-	1 496	443	-	443
Tax and social security receivables	43 667	-	43 667	36 003	-	36 003
Prepaid expenses	1 808	-	1 808	10 378	-	10 378
Escrow account	9	-	9	146	-	146
Other receivables	24 214	(97)	24 117	23 959	(735)	23 224
<b>Total other current assets</b>	<b>71 264</b>	<b>(97)</b>	<b>71 167</b>	<b>71 186</b>	<b>(735)</b>	<b>70 451</b>
Non-current receivables	4 069	-	4 069	198	-	198
Loans, security deposit, guaranty	8 767	(320)	8 447	18 895	-	18 895
<b>Total other non current assets</b>	<b>12 836</b>	<b>(320)</b>	<b>12 516</b>	<b>19 093</b>	<b>-</b>	<b>19 093</b>

## 9.7 Cash and cash equivalents

The Group's cash is largely denominated in euros

Please note that opening and closing cash & cash equivalents include cash & cash equivalents from discontinued or held for sale activities, and from disposed entities:

<i>In thousands euros</i>	Restated	
	Dec 2015	March 2015
Cash and cash equivalent of continuing activities	145 041	66 474
Cash and cash equivalent of discontinued or held for sale activities	32	44
<b>Closing cash &amp; cash equivalents</b>	<b>145 073</b>	<b>66 518</b>

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

Except for deferred taxes that are classified as non-current assets or liabilities, assets and liabilities are classified as current when the amounts are expected to be recovered or settled no more than 12 months after the reporting date. If this is not the case, they are classified as non-current.

General comments:

- Assets and liabilities of German entities, sold on March 31, 2015, no longer appear,
- Assets and liabilities of MCR are reclassified on "Assets/Liabilities held for sale and discontinued operations" since March 31, 2015 (see note 7.2) ;
- March 2015 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 4.1).

### 10.1 Share capital and reserves

#### 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 10<sup>th</sup> 2015 were capitalized, see also notes 5.3 and 10.2). The share capital then amounts to €872,223 thousand.

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

- to decrease the share capital by €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 decreases 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.

#### Change of 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).

<b>Direct holding at</b>	<b>Dec 2015</b>	<b>March 2015</b>
TDF Infrastructure Holding SAS (former Tyrol Acquisition 1 SAS)	100,00%	99,66%
Tower Associés SAS		0,06%
Tower Associés 2 SAS		0,01%
Colisée Management SAS		0,09%
Tivana France Holdings		0,18%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

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

<b>Indirect holding at</b>	<b>Dec 2015</b>	<b>March 2015</b>
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%	
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

## **Consolidated reserves**

### ***A. Currency translation reserve***

The currency translation reserve comprises the total of accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations and of financial liabilities designated as hedges of net investments in foreign operations.

### ***B. Cash flow hedging reserve***

The cash flow hedging reserve represents the cumulative portion of gains and losses on cash flow hedging instruments that have been deemed effective. It's null as of December 31, 2015 as well as March 31, 2015, because the Group doesn't have any hedging instruments.

### ***C. Other reserves***

Other reserves include:

- The net accumulated change in fair value of available-for-sale financial assets until they are written off or impaired;
- The reserve for treasury shares;
- The reserve for actuarial differences ;
- Changes in consolidation scope relating to changes in minority interests.

## 10.2 Financial debt

As of December 31, 2015, the main part of financial debt consists of unsecured senior external debt held by bank lenders (bank debt) and bonds as well as a shareholder loan.

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

<i>In thousands euros</i>	<b>March 2015</b>	Increase	Decrease	Others	<b>Dec 2015</b>
Bond debt	-	592 594	167	-	592 761
<i>including term debt</i>	-	600 000	-	-	600 000
<i>including loan issuance costs</i>	-	(7 406)	167	-	(7 239)
Bank debt	1 415 142	-	-	-	802 021
<i>including loan issuance costs</i>	(14 858)	(1 471)	11 350	-	(4 979)
<i>including term debt</i>	1 400 000	-	(593 000)	-	807 000
<i>including revolving debt</i>	30 000	-	(30 000)	-	-
Shareholders' debt	1 838 698	-	-	(775 099)	1 063 599
Finance lease debt	6 779	1 572	(2 137)	690	6 904
Other financial debts	563	27 884	(932)	1 833	29 348
<b>Financial debt</b>	<b>3 261 182</b>	<b>29 456</b>	<b>(3 069)</b>	<b>(772 576)</b>	<b>2 494 633</b>

<i>In thousands of euros</i>	<b>March 2014</b>	Increase	Decrease	Others	<b>March 2015</b>
Bank debt	3 764 843	1 445 142	(3 832 781)	37 938	1 415 142
<i>including loan issuance costs</i>	(1 457)	(14 858)	1 457	-	(14 858)
<i>including term debt</i>	3 566 300	1 400 000	(3 604 238)	37 938	1 400 000
<i>including revolving debt</i>	200 000	60 000	(230 000)	-	30 000
Shareholders' debt	-	1 838 698	-	-	1 838 698
Tax group convention debt	495 579	74 112	-	(569 691)	-
Finance lease debt	124 501	2 186	(33 873)	(86 035)	6 779
Other financial debts	718	193	(45 314)	44 966	563
<b>Financial debt</b>	<b>4 385 641</b>	<b>3 360 331</b>	<b>(3 911 968)</b>	<b>(572 822)</b>	<b>3 261 182</b>

### **Bond debt**

On October 19, 2015, TDF Infrastructure SAS issued a bond for €600.0m (whose characteristics are presented in note 5.4).

The loan issue expenses (including issue discount) disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) are estimated at €7.4m.

### **Bank debt**

As of December 31, 2015, bank term debt amounts to €807.0m. Decrease over the period is related to the advance payment of €593.0m on the tranche A on October 19, 2015, following the bond issuance (see above).

Borrowing issue costs disclosed as a deduction from the debt balance amount to €5.0 as at December 31, 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 partial repayment of Tranche A for €593.0m resulted in an immediate additional depreciation of €3.6m of the loan issue expenses.

The revolving debt 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.

As of March 31, 2015, change in the bank 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: €1 400m of bank 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 €37.9m movement in "Others" as of March 31, 2015 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.

### **Cash convention debt related to tax consolidation**

Financial debts related to the cash convention within the tax group consolidation agreement (€495.6 M at March 31, 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.

### **Shareholders loans**

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 was completely capitalized on April 10, 2015; with counterpart the equity (see also note 10.1) for a total amount 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 over the period. This loan thus amounts €1 063.6m as of December 31, 2015.

### **Other financial debts**

Other financial debts of €29.3 at December 31, 2015 (March 31, 2015: €0.6m) correspond to:

- Current accounts with Tivana France Holdings and TDF Infrastructure Holding for a total amount of €25.7m;
- Third party payables for operating capex purchase, equity investments and commercial partnerships.

Financial debt (excluding accrued interests) is analyzed by maturity below:

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Bond debt	592 761	-	-	592 761
Bank debt	802 021	-	802 021	-
Shareholders' debt	1 063 599	-	-	1 063 599
Finance lease debt	6 904	2 416	4 258	230
Other financial debts	29 348	26 402	2 946	-
<b>Financial debt</b>	<b>2 494 633</b>	<b>28 818</b>	<b>809 225</b>	<b>1 656 590</b>

<i>In thousands euros</i>	<b>March 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Bank 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	-
Other financial debts	563	71	492	-
<b>Financial debt</b>	<b>3 261 182</b>	<b>847 634</b>	<b>1 389 850</b>	<b>1 023 698</b>

As of December 31, 2015:

- The shareholder debt, €1 063.6m at closing, bears 7.7% fixed rate interests and the maturity is 10 years, i.e. March 31, 2025 (and the borrower also has an extension option);
- The bank debt of € 807.00m (excluding loan expenses) bears variable interest rates and breaks down as follows:
  - o €107.0m tranche A for which contractual maturity is November 6, 2017,
  - o €700.0m tranche B for which contractual maturity is November 6, 2019,
- €600.0m of bond debt (excluding loan expenses), with a fixed coupon of 2.875 % and 7 years maturity i.e. October 19, 2022.

### 10.3 Description of debt

The characteristics of the new bank debt implemented on March 31, 2015 are summarized in the table below:

<i>In millions euros</i>	Initial amount	Amount due at Dec 2015	Depending in the Group's rating		Margin applied to EURIBOR					Maturity
			Moody's	S&P	Until 06/11/15	Until 06/11/16	Until 06/11/17	Until 06/11/18	Until 06/11/19	
<i>Term debt</i>										
Tranche A	700,0	107,0	Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-	0,65% 0,80%	0,80% 1,00%	1,25% 1,40%	NA NA	NA NA	6-nov.-17
Tranche B	700,0	700,0	Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-	0,65% 0,80%	0,80% 1,00%	1,35% 1,50%	1,60% 1,75%	2,00% 2,15%	6-nov.-19
<b>TOTAL term debt</b>	<b>1 400,0</b>	<b>807,0</b>								
Revolving Facility	250,0		Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-			1,00% 1,15%			6-nov.-19
<b>TOTAL Revolving debt</b>	<b>250,0</b>									
<b>TOTAL FA debt</b>	<b>1 650,0</b>	<b>807,0</b>								

The refinancing performed by TDF Infrastructure SAS on March 31, 2015 is ruled by the following contracts:

"Facilities Agreement" signed on November 6, 2014 and amended on March 26, 2015 between Tivana Topco S.A., Tivana Midco S.à.r.l., Tivana France Holdings SAS, as parent companies and joint guarantors, and TDF Infrastructure SAS (which entered into the contract on March 31, 2015), as borrower and joint guarantor, BNP Paribas SA, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent and the lenders named therein (the "Senior Credit Agreement"), which object is the establishment of senior credit lines for an initial principal amount of €1.650.000.000 ; in accordance with the contract, TDF Infrastructure Holding SAS and TDF SAS entered into the contract on June 29, 2015 ; finally all commitments given by Tivana Topco S.A., Tivana Midco S.à.r.l., Tivana France Holdings SAS terminated on October 19, 2015 following the bond issue ; TDF Infrastructure Holding SAS's commitments terminated on November 12, 2015 ;

« Intercreditor Agreement » signed November 6, 2014 between notably Tivana Topco S.A., Tivana Midco S.à r.l., Tivana France Holdings SAS, as parent companies and joint guarantors, and after accession TDF Infrastructure SAS, as borrower and joint guarantor, BNP Paribas SA,, Crédit Agricol Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent, the Senior lenders parties to the Credit Senior Agreement and certain banks as Hedge Counterparts, under which are in particular determined the conditions of subordination and ranking between creditors of Tivana Topco S.A., Tivana Midco S.à r.l., Tivana France Holdings SAS, TDF Infrastructure Holding SAS, TDF Infrastructure SAS and TDF SAS ;

These credit lines include:

- a facility A, with 3 year initial length (maturing on November 6, 2017), amounting to €700m, and partially repaid for €593.0m over the period,
- a facility B, with 5 years initial length (maturing on November 6, 2019), amounting to €700m
- a revolving credit line, with 5 years initial length (maturing on November 6, 2019), amounting to €250m

The revolving credit line can be used to cover the general needs of the Group, including repayment of the former revolving debt in the frame of the refinancing, acquisitions, capital expenditure, working capital and distribution to shareholders.

This debt has variable interest rates. Interests periods are 1 month, 2 months, 3 months or 6 months, the period length being freely chosen by the borrower depending on its own needs (except under certain circumstances such as debt syndication).

As disclosed in the table above, margins applied to Euribor increase as time goes by, and also depend on the Group's rating as determined by rating agencies (or one of them).

These facilities are subject to compliance with a ratio and commitments set contractually (see note 5.4). This ratio and these commitments will be tested twice a year, starting on June 30, 2015.

#### **10.4 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 December 31, 2015 as well as at March 31, 2015 no derivative instrument is in place.

## 10.5 Employee benefits

Employee benefits are provided through both defined contribution and defined benefit plans. Under a defined contribution plan, the Group is only obliged to pay contributions. Contributions paid in respect of these plans are recognized in profit or loss when incurred.

### **Post-employment benefit plans**

Defined benefit plans are subject to actuarial measurement using the projected unit credit method. Under the projected unit credit method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final liability, which is then discounted.

These actuarial calculations include demographic assumptions (retirement date, rate of increase in salaries, rate of employee turnover, etc.) and financial assumptions (discount rate, rate of inflation) defined at the level of each entity taking into account the local macroeconomic environment.

All actuarial gains and losses are recognized in other comprehensive income.

### **Termination benefits**

Where applicable, benefits arising from the termination of an employment contract are measured and provided for to the extent of the resulting liability. Where termination benefits fall due more than 12 months after the reporting date, they are discounted to present value.

### **Short-term employee benefits**

Short-term obligations are not discounted and are recognized when the corresponding service is rendered.

### **Share-based payments**

If payment results in the delivery of equity instruments, the fair value of share-based payments at the grant date is recognized as a personnel expense, with a corresponding increase in equity, over the period during which the equity instruments vest in favor of the employees.

If payment results in a cash settlement, the fair value of amounts due to employees is recognized as a personnel expense, with a corresponding increase in financial liabilities over the period in which the rights vest. The fair value of this liability is revalued each year.

### **A. Post-employment benefits**

The amounts shown in the balance sheet essentially concern the provision for retirement indemnities, as follows:

<i>In thousands euros</i>	Dec 2015	March 2015
Present value of the defined benefit obligation	38 081	39 521
Fair value of plan assets	(18 990)	(18 551)
<b>Provision recognised for defined benefit obligations</b>	<b>19 091</b>	<b>20 970</b>

The time schedule of expected discounted cash flows on these provisions is as follows:

<i>In thousand euro</i>	Dec 2015	< 1 year	1 to 5 years	> 5 years
France	19 083	-	777	18 306
Others	8	3	-	5
<b>Provision recognised for defined benefit obligations</b>	<b>19 091</b>	<b>3</b>	<b>777</b>	<b>18 311</b>

The main employee benefit plans concern retirement benefits in France.

Retirement benefits are valued based on a collective workforce agreement or a company agreement and the legal age of retirement is assumed to be 65 years.

TDF, TDF Infrastructure SAS and SmartJog France, representing 92% of benefit obligations in France as of December 31, 2015, apply the National Telecommunication Collective Agreement and no company agreement may override this agreement. Under the collective agreement, the retirement benefit paid out equals statutory severance pay (based on the employee's length of service and last salary prior to retirement) or if more favorable for the employee, the retirement benefit is based on the following calculation:

- 20% of gross annual salary after 10 years length of service,
- 40% of gross annual salary after 20 years length of service,
- 60% of gross annual salary after 30 years length of service.

Arkena SAS (ex Cognacq Jay Images), representing 7% of benefit obligations in France as of December 31, 2015 applies a specific company agreement. The retirement benefit is based on the employee length of service:

- Between 2 and 10 years, allocation of 1/8th month per year of service for non-executives and 1/7<sup>th</sup> month for executives,
- Over 10 years, allocation of 2/8<sup>th</sup> month per year of service for the non-executives and 2/7<sup>th</sup> month for the executives.

The change in the present value of the defined benefit obligation is analyzed below:

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>March 2015</b>
<b>Present value of the defined benefit obligation at opening</b>	39 521	56 940
Service cost	1 405	2 679
Delivered services	(226)	(978)
Discounting (interest cost)	368	1 576
Actuarial gains and losses recognised in the statement of comprehensive income	(2 987)	12 297
Changes in consolidation scope	-	(32 991)
Others	-	(2)
<b>Present value of the defined benefit obligation at closing</b>	<b>38 081</b>	<b>39 521</b>

	<b>Dec 2015</b>	<b>March 2015</b>
<b>Fair value of plan assets at opening</b>	18 551	18 276
Contribution paid into the plan	-	-
Benefits paid	(221)	(347)
Expected return on plan assets	689	628
Actuarial gains and losses (by net equity)	(29)	(6)
Changes in consolidation scope	-	-
<b>Fair value of plan assets at closing</b>	<b>18 990</b>	<b>18 551</b>

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>March 2015</b>
Personnel costs (service cost)	(1 400)	(2 048)
Discounting (interest cost)	(368)	(1 576)
Expected return on plan assets	689	628
Others (restructuring provision, others...)	-	2
<b>Expense in the year</b>	<b>(1 079)</b>	<b>(2 994)</b>

Actuarial gains/losses recognized in other comprehensive income before tax:

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>March 2015</b>
Cumulative amount at 1st april	12 040	(263)
Experience adjustment arising on plan liabilities	-	(1 271)
Experience adjustment arising on plan assets	29	6
Adjustement from changes in assumptions	(3 000)	13 568
<b>Cumulative amount at closing date</b>	<b>9 069</b>	<b>12 040</b>

The main actuarial assumptions for this obligation liability are as follows:

	Dec 2015	March 2015
Discount rate	2,00%	0,94% - 1,25%
Expected rates of salary increases	1,00% - 2,00%	0,70% - 2,80%
Expected rate of return on plan assets	2,00% - 3,70%	2,00% - 3,46%

The sensitivity of actuarial calculations to the discounting rate and the expected rate of return on plan assets at December 31, 2015 is presented below:

		<i>In M€</i>
<b>Discount Rate</b>	-0,5 pt	21,4
		19,1
	+0,5 pt	16,9

The sensitivity of actuarial calculations to the discounting rate and the expected rate of return on plan assets at March 31, 2015 is presented below:

		<i>In M€</i>
<b>Taux d'actualisation</b>	-0,5 pt	23,6
		21,0
	+0,5 pt	18,5

The underlying assets of employee benefit plans in France amount to €19.0m as of December 31, 2015, and correspond to a group insurance contract with a private insurer. The average expected return is the same as the insurer's return on its "Actif Général Retraite" (General Retirement Asset).

## 10.6 Provisions

<i>In thousands euros</i>	March 2015	Provisions			Discounting	Currency translation adjustment	Others	Dec 2015
		additions	utilisations	unused				
Prov. for post-employment benefits (pension, retirement benefit)	20 970	1 405	(5)	-	(321)	-	(2 958)	19 091
Post employment benefits (others)	-	-	-	-	-	-	-	-
Prov. for employee-related measures	-	29 700	-	-	-	-	-	29 700
Provision for claims and disputes	13 806	1 382	(5 892)	(142)	-	-	248	9 402
Provision for dismantling, decommissioning and restoring sites	37 754	-	(260)	(574)	441	-	1 235	38 596
Prov for bringing into compliance of sites	1 109	4 726	(31)	(3)	-	-	-	5 801
Provision on onerous contract	8 356	1 400	(5 406)	-	-	-	-	4 350
Other provisions	19 731	2 829	(159)	(6 709)	-	-	172	15 864
<b>Total provisions</b>	<b>101 726</b>	<b>41 442</b>	<b>(11 753)</b>	<b>(7 428)</b>	<b>120</b>	<b>-</b>	<b>(1 303)</b>	<b>122 804</b>
<b>Presented as current</b>	<b>45 320</b>							<b>33 386</b>
<b>Presented as non-current</b>	<b>56 406</b>							<b>89 418</b>

<i>In thousands euros</i>	March 2014	Provisions			Discounting	Currency translation adjustment	Others	March 2015
		additions	utilisations	unused				
Prov. for post-employment benefits (pension, retirement benefit)	38 664	2 679	(631)	-	948	(2)	(20 688)	20 970
Post employment benefits (others)	1 311	67	(755)	-	9	-	(632)	-
Prov. for employee-related measures	12 857	5 705	(3 921)	(1 511)	68	-	(13 198)	-
Provision for claims and disputes	21 628	1 769	(5 496)	(1 376)	-	-	(2 719)	13 806
Provision for dismantling, decommissioning and restoring sites	38 793	931	(1 108)	(375)	1 331	-	(1 818)	37 754
Prov for bringing into compliance of sites	1 109	-	-	-	-	-	-	1 109
Provision on onerous contract	5 500	7 700	(4 844)	-	-	-	-	8 356
Other provisions	31 186	11 219	(8 701)	(12 525)	-	-	(1 448)	19 731
<b>Total provisions</b>	<b>151 048</b>	<b>30 070</b>	<b>(25 456)</b>	<b>(15 787)</b>	<b>2 356</b>	<b>(2)</b>	<b>(40 503)</b>	<b>101 726</b>
<b>Presented as current</b>	<b>67 683</b>							<b>45 320</b>
<b>Presented as non-current</b>	<b>83 365</b>							<b>56 406</b>

A provision is recognized when:

- there exists a current, legal or implicit, obligation arising from a past event,
- it is likely that an outflow of resources representing economic benefits will be required in order to discharge this obligation, and
- the value of the obligation can be estimated with a sufficient degree of reliability.

Such obligations may be of a legal, regulatory, technical or contractual nature. They may also stem from the Group's practices or public commitments that have given rise to legitimate expectations on the part of the third parties concerned that the Group will assume certain responsibilities.

The amount recognized as a provision is the best estimate of the outflow of economic benefits required to settle the present obligation at the reporting date. If the value cannot be estimated reliably, no provision is recognized. The obligation is then disclosed as a contingent liability (see note 15.1).

As of March 31, 2015, "Other provisions" mainly corresponds to the disposal of German entities and of their related provisions from the Group balance sheet (see note 7.1), for an amount of €55.8m.

### ***Employee-related measures***

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 €26.8m of which €0.6m has already been booked. A provision for employee-related measures has been recognized over the period for €26.2m (see also note 8.8)..

On October 8, 2015, management of Arkena SAS and Smartjog France 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. As of today, the best estimate of costs to be incurred for these employee-related measures is €3.5m. A provision has been recognized over the period for this amount (see also note 8.8).

### ***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 December 31 2015, as well as March 31, 2015, provisions on onerous contracts concern TDF SAS.

## **10.7 Deferred taxes**

Deferred taxes recognized in the balance sheet are detailed below:

<i>In thousands euros</i>	<b>Restated</b>	
	<b>Dec 2015</b>	<b>March 2015</b>
Deferred tax assets	295	282
Deferred tax liabilities	304 939	320 661
<b>Net position - liability</b>	<b>304 644</b>	<b>320 379</b>

The tax rates applicable for Group entities are as follows: 33.33% to 34.43% for French entities, 25% for Netherlands, 20% for Finland, 22% for Sweden and 30% for Spain. Deferred tax positions have been netted by tax jurisdiction.

Note that a one-off statutory increase in tax rate applies to TDF SAS and TDF Infrastructure SAS from fiscal year 2012 until year ended December 31, 2015. This one-off charge stands at a rate of 38%.

Breakdown by type of deferred taxes is as follows:

<i>In thousands euros</i>	<b>Dec 2015</b>	Change	<b>Restated March 2015</b>
Tax losses to carry forward	(1 388)	1 837	(3 225)
Intangible fixed assets	(45 739)	6 374	(52 113)
Tangible fixed assets	(85 487)	7 024	(92 511)
Financial assets	-	-	-
Inventories	768	-	768
Trade receivables	2 847	1 130	1 717
Other receivables	1 858	(5 446)	7 304
Tax provisions	(208 598)	(2 178)	(206 420)
Provisions	23 024	6 711	16 313
Financial debt	2 461	5 252	(2 791)
Trade payables	(49)	(135)	86
Other payables	5 659	(4 834)	10 493
<b>Deferred tax liabilities</b>	<b>(304 644)</b>	<b>15 735</b>	<b>(320 379)</b>

Unrecognized or impaired material deferred tax assets on tax losses carried forward as of December 31, 2015 concern:

- Tax losses carried forward of TDF Infrastructure SAS, Smartjog France and Arkena SAS (but it's to be noted that these entities are also included in the tax consolidation group of Tivana France Holdings, main shareholder of the Group, see note 8.10), for a total deferred tax of €605.7m (€577.8m as of March 31, 2015),
- Tax losses of the Dutch tax group, representing €1.0m of deferred tax assets,
- TDF Entertainment tax losses amounting to €4.7m of deferred tax assets (TDF Entertainment is currently in liquidation),
- Arkena AB (ex Qbrick) entities tax losses totaling €2.2m of deferred tax assets,
- Other entities: €2.5m of unrecognized deferred tax assets.

## 10.8 Other current and non-current liabilities

Other liabilities are analyzed below:

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>Restated March 2015</b>
Trade payables	91 811	81 026
Trade payables on fixed assets acquisitions	32 053	37 312
Corporate income tax liabilities	988	7 852
Tax and social liabilities	86 713	130 093
Other current liabilities	84 402	111 547
<b>Current liabilities</b>	<b>295 967</b>	<b>367 830</b>
<b>Other non-current liabilities</b>	<b>23 817</b>	<b>41 451</b>
<b>Total liabilities</b>	<b>319 784</b>	<b>409 281</b>

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 €78.6m (€136.9m as of March 31, 2015) of which €23.8m is maturing after one year (€41.5m as of March 31, 2015).

## 11. Summary of financial assets and liabilities

<i>In thousands euros</i>	December 2015		Restated March 2015	
	Book value	Fair value	Book value	Fair value
Available for sale financial assets	778	778	233	233
Assets held for sale - IFRS 5	11 417	11 417	11 233	11 233
Financial assets at fair value through P&L	-	-	-	-
Interest rate swaps used for hedging	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
<b>Assets carried at fair value</b>	<b>12 195</b>	<b>12 195</b>	<b>11 466</b>	<b>11 466</b>
Loans and receivables	211 368	211 368	299 969	299 969
Cash and cash equivalents	145 252	145 252	67 899	67 899
<b>Assets carried at amortised cost</b>	<b>356 620</b>	<b>356 620</b>	<b>367 868</b>	<b>367 868</b>
Liabilities held for sale - IFRS 5	1 517	1 517	1 773	1 773
Interest rate swap for hedging purposes	-	-	-	-
Forward exchange contracts for hedging purposes	-	-	-	-
<b>Liabilities carried at fair value</b>	<b>1 517</b>	<b>1 517</b>	<b>1 773</b>	<b>1 773</b>
Financial debt	2 487 729	2 487 729	3 254 403	3 254 403
Financial lease obligations	6 904	6 904	6 779	6 779
Trade payable and other liabilities	319 784	319 784	409 281	409 281
Bank overdrafts	211	211	1 425	1 425
Accrued interest on financial debt and current accounts	25 744	25 744	416	416
<b>Liabilities carried at amortised cost</b>	<b>2 840 372</b>	<b>2 840 372</b>	<b>3 672 304</b>	<b>3 672 304</b>

The methodology used to determine fair value is described in note 4.12.

The following table gives an analysis by valuation method for the financial instruments recorded at fair value. The various levels are defined as follows:

- Level 1 fair value measurements are those derived from actual quoted prices in active markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that are not based on observable market data.

<i>In thousands euros</i>	December 2015				March 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available for sale financial assets	-	-	778	778	-	-	233	233
Net assets held for sale - IFRS 5	-	-	9 900	9 900	-	-	9 460	9 460
Financial assets at fair value through P&L	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
	-	-	10 678	<b>10 678</b>	-	-	9 693	<b>9 693</b>
Derivative financial liabilities	-	-	-	-	-	-	-	-
	-	-	<b>10 678</b>	<b>10 678</b>	-	-	<b>9 693</b>	<b>9 693</b>

Available for sale financial assets correspond to shares in non-consolidated entities.

At March 31, 2015 and December 31, 2015, net assets held for sale according to IFRS 5 correspond to net assets of MCR (company in Monaco, see the note 7.2).

## 12. 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 March 2015 figures and are commented in the note 12.5 ;
- 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 March 2015 (see note 7.2).
- March 2015 figures are restated from the impacts linked to the application of IFRIC 21 (please refer to note 4.1).

### 12.1 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.

### 12.2 Changes in working capital

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>March 2015</b>
Changes in inventories	(122)	(1 867)
Changes in trade receivables	84 781	(34 932)
Changes in trade payables	8 898	17 566
Changes in prepaid income	(58 426)	31 060
Changes in other working capital	(21 123)	(539)
<b>Changes in working capital</b>	<b>14 008</b>	<b>11 288</b>

### 12.3 Net cash used in investing activities

At December 31, 2015:

- The line "Acquisition of controlling interests, net of cash & cash equivalents acquired" of €(1.4)m mainly includes cash flows linked to the acquisition of AD Valem Technologies;
- The line "Net proceeds from disposal of subsidiaries formerly controlled of €(11.4)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 :
  - o €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,
  - o €(7.3)m of disposal fees paid during the period,
  - o €(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 :
  - o €(4.7)m of expenses paid over the period ;
  - o €15.2m of expenses and bonus re invoiced to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS), which were collected on March 31, 2015;
  - o 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.

## 12.4 Net cash used in financing activities

At December 31, 2015, drawdowns and repayment of debt principally correspond to:

- €600.0m proceed from the bond issuance followed by the repayment for €593.0m of the tranche A of bank term debt (see note 10.2);
- full repayment of the revolving debt amounting €(30)m at March 31, 2015,
- €(2.1)m finance lease instalments paid,
- increase in the current accounts with TDF Infrastructure Holding and Tivana France Holdings for €25.7m.

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 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 December 2015, expenses related to the financing correspond for €1.5m to a residual payment of loan issue expense linked to the new bank agreement implemented on March 31, 2015 (€14.9m withdrawal at the end of March 2015), as well as €7.4m of expenses on the bond issued on October 19, 2015.

The decrease in cash financial expenses between December 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 8.9 and 10.2

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.

## 12.5 Cash flows from discontinued operations

At March 31, 2015, 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.

## 13. Workforce

Total Group headcount is as follows:

	Dec 2015	March 2015
France	1 840	1 917
International	219	238
<b>Total workforce at closing</b>	<b>2 059</b>	<b>2 155</b>

## 14. Auditor's fees

<i>In thousand of euros</i>	Ernst & Young		KPMG, FINEXSI et Autres		TOTAL	
	Dec 2015	March 2015	Dec 2015	March 2015	Dec 2015	March 2015
Audit	365	408	337	666	702	1 074
Other services	-	-	-	-	-	-
<b>TOTAL</b>	<b>365</b>	<b>408</b>	<b>337</b>	<b>666</b>	<b>702</b>	<b>1 074</b>

## 15. Contingent liabilities and off-balance sheet commitments

### 15.1 Contingent liabilities (assets)

Contingent liabilities correspond to:

- Possible obligations arising from past events whose existence will only be confirmed by the occurrence of uncertain future events that are beyond the company's control; or
- Present obligations arising from past events, whose are not recognized because it's not probable that an outflow of resources representing economic benefits will be required to settle the obligation or because the obligation amount cannot be measured with sufficient reliability.

### **Contingent liabilities as of December 31, 2015**

In February 2007, TowerCast filed a complaint with the anti-trust authorities, on the grounds that TDF had allegedly 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 alleged 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. A hearing occurred on January 26, 2016, no decision has been made yet.

FPS Towers brought proceedings before the Nanterre Commercial Court in December 2015 in relation to a claim for compensation for damage suffered as a result of TDF's alleged abuse of position and unfair competition in the hosting services for the telecommunications equipment market in France. The Group will vigorously dispute the FPS Towers' claim during these proceedings which are still pending.

### **Contingent assets as of December 31, 2015**

Finally, following the « second digital dividend » and the CSA final decisions (French TV and radio regulatory body) about the two multiplex R5 and R8 shutdown early April 2016, discussions were held between the State and broadcasting operators. The Finance Act of December 29, 2015 attests that compensation will be given to broadcasters (see also note 18).

## 15.2 Firm commitments

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

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

<i>In thousands euros</i>	Dec 2015	March 2015
At less than 1 year	20 749	25 535
From 1 to 5 years	20 495	21 332
More than 5 years	4 233	5 326
<b>Total</b>	<b>45 477</b>	<b>52 193</b>

At December 31, 2015, these leases are:

- **Commercial leases**

These leases concern administrative premises, offices and production sites (other than broadcasting sites). The main leases relate to premises located at 106, avenue Marx Dormoy (Montrouge), 15 rue Cognacq-Jay (Paris), 27 boulevard Hippolyte Marques (Ivry Sur Seine), and 4 rue Ampère (St Quentin en Yvelines).

The main features of these leases are:

- Premises located at 106, Avenue Marx Dormoy, Montrouge: effective date of lease: March 1, 2008; first possible termination date: Feb 28, 2017; rent is indexed to the French INSEE index (construction cost index),
- Premises located at Saint-Quentin-en-Yvelines: 9 years (firm); effective date of lease: April 1, 2008; lease expires March 31, 2017; rent is indexed to the French INSEE index (construction cost index),
- Premises located at 27 boulevard Hippolyte Marques, Ivry Sur Seine: 9 years; lease expires Jan 31, 2017; rent is indexed to the French INSEE index (construction cost index),
- Premises located at 15 rue Cognacq-Jay, Paris: 9 years (possible exit after 8 years); lease expires Sep 30, 2018; rent is indexed to the French INSEE index (construction cost price index).

Note that in anticipation of the expiry of the first three leases mentioned above, the Group looked for a new headquarter and signed an exclusivity letter for the lease of an office building in Montrouge, located at 149/157 Avenue Pierre Brossolette and 42/44 avenue de la Marne. Through this letter, TDF is committed to:

- Pay €0.5m of compensation if it's not able to sign the lease before April 8, 2016,
- Pay €2.5m of compensation if TDF does not meet the exclusive requirements defined in the letter.

- **Agreements for the occupation of public property**

These agreements signed with state, regional and local authorities in France concern land on which broadcasting infrastructures are installed (pylons, towers, building and related installations).

Usually, these agreements are concluded with local authorities:

- As a rule, these agreements run for 12 years (10 years from March 1, 2007 for the Eiffel Tower broadcasting site in Paris),
- These agreements are renewable for the same term, whether or not by tacit agreement,
- Under these agreements, the land must be returned in its initial condition unless the parties agree otherwise.

In continental France, there are 639 such agreements in force as at December 31, 2015 (654 as of March 31, 2015).

- **Sites leases**

These leases signed with private landlords (individuals, associations or companies) concern land on which broadcasting infrastructures are installed (pylons, towers, building and related installations).

In continental France, there are 3 819 such sites as of December 31, 2015 (3 692 as of March 31, 2015).

### B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

<i>In thousands euros</i>	<b>Dec 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Commitment of capex	12 474	12 318	156	-
Commitment to buy satellite capacity	31	31	-	-
Commitment others	28 294	12 748	14 907	639
<b>Total</b>	<b>40 799</b>	<b>25 097</b>	<b>15 063</b>	<b>639</b>

<i>In thousands euros</i>	<b>March 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
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
<b>Total</b>	<b>40 813</b>	<b>26 887</b>	<b>10 583</b>	<b>3 343</b>

### C. Firm commitments to provide services

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

<i>In thousands euros</i>	<b>Dec 2015 Actual</b>	<b>Projection</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Digital Television	162 298	422 612	145 304	269 619	7 689
Satellite	1 225	7 152	1 550	5 602	-
Radio	98 637	223 044	114 211	105 371	3 462
<b>Total Broadcasting Services</b>	<b>262 160</b>	<b>652 808</b>	<b>261 065</b>	<b>380 592</b>	<b>11 151</b>
Telecom: site hosting	189 671	1 704 963	216 036	682 462	806 465
Telecom: other services	23 063	9 357	3 640	5 024	693
<b>Total Telecoms &amp; Services</b>	<b>212 734</b>	<b>1 714 320</b>	<b>219 676</b>	<b>687 486</b>	<b>807 158</b>
Media Services	42 041	35 524	21 405	14 119	-
Others	8 309	364	257	107	-
<b>Total revenue / future contractual revenue</b>	<b>525 244</b>	<b>2 403 016</b>	<b>502 403</b>	<b>1 082 304</b>	<b>818 309</b>

<i>In thousands euros</i>	<b>March 2015 Actual</b>	<b>Projection</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Digital Television	224 951	448 978	192 967	250 196	5 815
Satellite	2 609	7 287	1 423	4 981	883
Radio	136 369	285 980	120 974	162 442	2 564
<b>Total Broadcasting Services</b>	<b>363 929</b>	<b>742 245</b>	<b>315 364</b>	<b>417 619</b>	<b>9 262</b>
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
<b>Total Telecoms &amp; Services</b>	<b>304 274</b>	<b>1 583 597</b>	<b>223 651</b>	<b>706 198</b>	<b>653 748</b>
Media Services	58 469	42 147	23 033	18 950	164
Others	16 306	348	238	110	-
<b>Total revenue / future contractual revenue</b>	<b>742 978</b>	<b>2 368 337</b>	<b>562 286</b>	<b>1 142 877</b>	<b>663 174</b>

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

### 15.3 Contingent commitments

#### Guarantees given

At December 31, 2015, the Group has given guarantees totaling €15.4m (€20.6m at March 31, 2015), of which:

- €10.6m (€11.7m at March 31, 2015) by way of a bank guarantee to Synérail Construction in conjunction with the subcontracting agreement for the design and construction of the GSM-R for RFF (that also covers subcontracting commitments given by TDF SAS). Besides TDF SAS paid over €6.1m by way of a collateral to the bank that gave guarantees to Synérail, out of which €0.8 million has not been repaid yet as of December 31, 2015 (€1.1m at March 31, 2015),
- €4.1m bank guarantee given to the Paris city council in connection with the Eiffel Tower occupation and operation agreement (€4.0m as of March 31, 2015). This guarantee expires on February 28, 2017.

#### Guarantees received

The Group has received bank guarantees amounting to €18.3m (€69.0m at March 31, 2015), of which €17.7m (€68.3m as of March 31, 2015) of subcontracting guarantees are related to radio and cable installations in conjunction with Synérail Construction contracts.

#### TDF SAS

At December 31, 2015 TDF SAS has received offers to purchase sites for €0.9m.

The company is committed to participate in public research and other projects totaling €3.7m (€3.6 m at March 31, 2015).

In conjunction with the sale of Gobé, TDF SAS issued the following guarantees:

- TDF SAS undertook to buy at least €35m from Gobé (excluding services under the GSM-R contract) over 5 years and will pay Gobé compensation amounting to 15% of any shortfall in amount purchased in the event of non-compliance. As at December 31, 2015, any residual compensation amounts to €0.5m (€2.1m at March 31, 2015);
- A liability guarantee capped at €0.8m has been granted and runs until March 31, 2016.

Under tax optimization schemes based on investments in French overseas territories, TDF SAS is committed to comply with certain terms concerning these investments in order to retain tax related subsidies received amounting to €2.9m (same as March 31, 2015).

#### Disposal of Hungarian entities on May 30, 2014: guarantees given to the buyer by TDF SAS:

The guarantees given by TDF SAS as part of the sale of Hungarian entities have expired May 30, 2015, unexercised.

#### TDF Entertainment:

Under the liquidation process of this company, TDF SAS and DFI-BV have jointly issued a first demand guarantee, towards TDF Entertainment liquidator and the lawyers company Roschier. This guarantee amounts €2m and will end over 5 years after the effective liquidation of the company.

#### Disposal of German entities:

The sale contract for German subsidiaries from TDF SAS to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS, which is the main shareholder of the Group) provides for payment of an additional price to TDF SAS if, within the 12 months after the disposal that took place on March 31, 2015, Tyrol Acquisition 1 & Cie SCA was to sell one or more of the subsidiaries acquired for an amount higher than original transaction of March 31, 2015. This earn-out equals to the difference between the resale price and the original transaction share price (1 €) less the costs of sales that would be incurred by Tyrol Acquisition 1 & Cie SCA. See also note 18.

#### Acquisition of AD Valem Technologies (see note 1)

TDF SAS received guarantees, valid for 12 months i.e. until the end of September 2016, and capped at €0.5m.

## **DFI BV**

Under the sale of Alticom, Axion and the Finnish companies TDF Nordic, Digita and Digi Waves Oy, the Group issued guarantees to the buyers. At December 31, 2015, the following guarantees are still in force:

- Alticom (sold June 7, 2011)
  - The maximum aggregate warranty for tax liabilities is €52.6m, including any tax liability of another company for which Alticom was liable as well as any real estate transfer tax due in connection with the sale transaction.
  - The maximum aggregate warranty is €105.3m for the following matters: sellers' authority and capacity, corporate organization, shares.

Those warranties have been given for a 3 months period after the expiry of the prescription period relating to the above mentioned items (that is March 31, 2017, for tax matters; September 7, 2016, for sellers' authority and capacity, corporate organizations; September 7, 2031, for warranty on shares).

- Axion (sold October 13, 2011)
  - Tax warranties (covering income tax, employment and social security matters) were given for a period equivalent to the expiry of the prescription period for each matter, being July 26, 2016.
  - Warranties relating to shares and third party rights and charges were given for an unlimited period of time.

The cap on these warranties is equal to 7% of the transaction price, i.e. €8.6m, the Group being liable for 65% (representing its holding in Axion) i.e. €5.6m.

- TDF Nordic, Digita et Digi Waves Oy (sold October 18, 2012)
  - Tax warranties given for a 60 month period following the sale expiring October 18, 2017 capped at €468.1m,
  - The other warranties arrived at the prescription term over the period.

## **Médiamobile**

Médiamobile's customer contracts contain an industry warranty covering continued provision of service for three years after the date of termination of the contract. At December 31, 2015 like March 31, 2015, this commitment amounts to €5.7m over the three years, i.e. €1.9m per year.

## **Commitments under bank agreements as of December 31, 2015**

Under the new bank agreement implemented on March 31, 2015, commitments were given. After the bond issuance and the partial repayment of tranche A of bank term 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.

## 16. Shares in associates

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

On December 29, 2015, SmartJog France sold its shares. After recognizing an additional depreciation for €4.9m (equal to €2.0m at 40%), the net gain / loss on disposal is null.

Please note that this company's financial year end is December 31. Figures that are consolidated at March 31, 2015 correspond to the company's accounts for the year ended December 31, 2014 (i.e. 12 months), and figures consolidated at December 31, 2015 correspond to the company's accounts for September (i.e. 9 months).

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 mois)</b>
<b>Revenue</b>	<b>4 308</b>	<b>11 523</b>
<b>EBITDA</b>	<b>(1 535)</b>	<b>(2 652)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(8 107)</b>	<b>(16 757)</b>
Financial income and expenses	(41)	(158)
Income tax	(52)	71
<b>NET INCOME</b>	<b>(8 200)</b>	<b>(16 844)</b>

## 17. Related party disclosures

### 17.1 Control

The Group parent company is TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS), which is controlled at 100% by TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 SAS, see note 10.1), which is itself 100% controlled by the French company Tivana France Holdings since March 31, 2015. Until March 31, 2015, TDF Infrastructure Holding SAS was 100% controlled by Tyrol Acquisition 1 & Cie SCA.

Since March 31, 2015, the TDF Infrastructure SAS group is notably included in the consolidated financial statements of Brookfield Infrastructure group, using the equity method. Until March 31, 2015, it was integrated into the consolidated accounts of the Strategic Investment Fund (FSI), subsidiary of Caisse Des Dépôts, using the equity method.

### 17.1 Compensation of key management personnel

Disclosure of the remuneration of the Group's key management is limited to people having the authority and responsibility for managing and controlling the Group's business. Historical data is not comparable, due to changes in consolidation scope and special bonus schemes related to the Group's change of control impacting March 2015. Figures for March 2015 are notably disclosed excluding German and Hungarian key management, as German and Hungarian entities have been sold during the period.

<i>In thousands euros</i>	<b>Dec 2015 (9 months)</b>	<b>March 2015 (12 mois)</b>
Employee benefits, including termination payments	(1 625)	(5 454)
Post-employment benefits	-	(47)
Share-based payments	-	-
<b>Total expense</b>	<b>(1 625)</b>	<b>(5 501)</b>
Provision for retirement indemnities	-	299
Debt related to equity instruments	-	-
Acquisition of equity instruments (cash out)	-	-
<b>Cash outflows and liabilities</b>	<b>-</b>	<b>299</b>

## 17.2 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 (see also previous note).

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 10<sup>th</sup> April 2015 concerning the shareholder's loan for €815m, amounting to €1.5m (€14.6m as of March 31, 2015) ;
- Capitalization of this loan and its accrued interest on April 10, 2015, counterpart the share capital (see note 10.1) ;
- Interest charges invoiced to the Group by Tivana France Holdings, amounting €60.6m on this period and related to the loan of €1 023.7m implemented on March 31, 2015. These interests were capitalized for €39.9m, counterpart the nominal debt, which now amount €1 063.6m at December 31, 2015 (€1 023.7m before) ;
- Net proceeds of €25.7m of shareholders current accounts (€25.2m with Tivana France Holdings and €0.5m with TDF Infrastructure Holding), see also note 9.1.
- €0.3m of income and €1.1m of expenses recognized by the Group over the period related to the management fees agreement with Tivana France Holdings

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

## 17.3 Transactions with associates and jointly controlled entities

In March 2010 the Group took a 10% equity stake in Synérail (a company holding the RFF partnership contract to roll out GSM – Rail) and paid over €6.1m by way of a guarantee to the bank that gave guarantees to Synérail, out of which €0.8 million has not been repaid yet as of December 31, 2015.

## 18. Significant subsequent events

On February 8, 2016 a final agreement was signed with the Works council of Arkena SAS and SmarJog France SAS, regarding strategic directions and the organization of these entities. It doesn't affect the provisions estimations recognized at the end of December 2015 (see note 10.6).

Following the « second digital dividend and the CSA final decisions (French TV and radio regulatory body) about the two multiplex R5 and R8 shutdown early April 2016, discussions were held between the State and broadcasting operators. The Finance Act of December 29, 2015 attests that compensation will be given to broadcasters, and an agreement to this effect was signed on February 9, 2016 between TDF SAS and the Government.

On February 17, 2016, the Group signed a lease for an office building in Montrouge, located at 149/157 Avenue Pierre Brossolette and 42/44 avenue de la Marne. It's a 9 years lease from February 1, 2016 to January 31, 2026. Both two commitments given in the exclusivity letter previously signed and disclosed in note 15.2 are therefore obsolete.

Finally the Group has been informed that Tyrol Acquisition 1 & Cie SCA has sold the former German subsidiaries of TDF SAS to an external purchaser on March 17, 2016. According to the additional purchase price condition described in the note 15.3, it will trigger the right for TDF SAS to receive an additional purchase price from Tyrol Acquisition 1 & Cie SCA, for an amount unknown for now, but which will be around 100 million euros and which will be recognized as a profit in 2016.

## 19. Consolidation scope

List of consolidated companies	Countries	UGT	Share capital in € thousands	% Interests		Observation
				Dec 2015	March 2015	
<b>Full consolidation</b>						
<b>TDF Infrastructure SAS (former Tyrol Acquisition 2 SAS)</b>	<b>France</b>		<b>300 000</b>	<b>100,00%</b>	<b>100,00%</b>	
TDF SAS	France		166 957	100,00%	100,00%	
Diffusion Outre Mer	France				100,00%	Under liquidation
Tiare	France			100,00%	100,00%	
MCR	Monaco	<b>TDF</b>	549	51,00%	51,00%	Held for sale - IFRS 5
TDF Entertainment Oy	Finland		500	100,00%	100,00%	Created in September 2010, put into liquidation in March 2012
DFI BV	Netherlands		7 529	100,00%	100,00%	
AD Valem Technologies	France		1 294	100,00%		Acquired in September 2015
Media Broadcast	Germany					Disposed of on March 31, 2015
Tanus Beteiligungs 1	Germany					
Tanus Verwaltungs 2	Germany					
Tanus Management Verwaltungs	Germany					
Tanus Management GmbH & Co Kg	Germany					
Media Services GmbH	Germany					
Antenna Hungaria	Hungaria					Disposed of on May 30, 2015, classified as assets held for sale since March 31, 2014
Hungaro DigiTel	Hungaria					
Digitalis Atallasert	Hungaria					
Arkena SAS (ex - Cognacq Jay)	France		13 809	100,00%	100,00%	
Smartjog France	France		456	100,00%	100,00%	
Arkena Inc (ex - Smartjog USA)	USA		2 070	100,00%	100,00%	
Bebanjo	Spain		8	100,00%	100,00%	
Arkena Sp.zoo (ex PSN)	Poland		4 528	100,00%	100,00%	
Arkena holding (ex - Qbrick holding)	Sweden	<b>Arkena</b>	108	100,00%	100,00%	
Arkena AB (ex - Qbrick AB)	Sweden		46	100,00%	100,00%	
Arkena AS (ex - Qbrick AS)	Norway		10	100,00%	100,00%	
Arkena A/S (ex - Qbrick A/S)	Danemark		85	100,00%	100,00%	
Arkena Oy (ex - Qbrick Oy)	Finland		50	100,00%	100,00%	
Arkena Spain SL (ex - Qbrick Spain SL)	Spain		3	100,00%	100,00%	
Médiamobile	France	<b>Média-mobile</b>	1 157	71,19%	71,19%	
Mediamobile Nordic	Finland		3 050	71,19%	71,19%	
Levira	Estonia		9 587	49,00%	49,00%	
Talinna Teletorn Foundation	Estonia	<b>Levira</b>	13	49,00%	49,00%	
Levira Central Europe	Estonia		5	49,00%	49,00%	
<b>Equity method</b>						
Smartjog Ymagis Logistics	France	<b>Arkena</b>		40,00%		Disposed of on Decembre 29, 2015

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 7.

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.

Finally, on December 29, 2015, Smartjog France sold its shares in SmartJog Ymagis Logistics, which was consolidated using the equity method since November 2013 (see notes 1 and 16).

*This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users.  
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France*

**TDF Infrastructure  
(Formerly Tyrol Acquisition 2)**

**Statutory auditors' report on the consolidated financial statements  
for the years ended March 31, 2015 and March 31, 2014**

**KPMG Audit IS**  
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92939 Paris-La Défense Cedex

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

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S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

## **TDF Infrastructure (Formerly Tyrol Acquisition 2)**

### **Statutory auditors' report on the consolidated financial statements for the years ended March 31, 2015 and March 31, 2014**

To the Chairman,

In our capacity as statutory auditors of the company TDF Infrastructure and in accordance with your request in connection with your project of bond issuance, we have audited the accompanying consolidated financial statements of TDF Infrastructure, for the years ended March 31, 2014 and March 31, 2015 as they are enclosed to our present report.

The preparation of the consolidated financial statements of TDF Infrastructure is your responsibility. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of TDF Infrastructure are free from material misstatement. An audit involves performing procedures, by audit sampling and other means of testing, to obtain audit evidence about the amounts and disclosures in consolidated financial statements of TDF Infrastructure. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements of TDF Infrastructure present fairly, in all material respects, the assets, liabilities and financial position of the group constituted by the persons or the entities included in the consolidation of TDF Infrastructure for the years ended March 31, 2014 and March 31, 2015 and the results of its operations for the years then ended, in accordance with the IFRS as adopted by the European Union.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim, dispute or difference resulting from the engagement letter or the present report or any related matters. Each party irrevocably waives its right to oppose any action being brought before French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Paris-La Défense, May 28, 2015

The statutory auditors  
*French original signed by*

KPMG Audit IS

ERNST & YOUNG et Autres

Marie Guillemot

Eric Lefebvre

Patrick Cassoux

**TDF INFRASTRUCTURE SAS GROUP**  
**(Formerly TYROL ACQUISITION 2 SAS)**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**Years ended March 31, 2015**  
**And March 31, 2014**

## Consolidated statement of comprehensive income, Years ended March 31, 2015 and March 31, 2014

<i>In thousands euros</i>	<i>Notes</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Revenue</b>	<i>8.1</i>	<b>742 978</b>	<b>805 246</b>
Other income	<i>8.2</i>	16 279	8 479
Consumed purchases	<i>8.3</i>	(67 673)	(80 138)
Personnel costs	<i>8.4</i>	(162 440)	(182 133)
External expenses	<i>8.5</i>	(132 818)	(145 405)
Profit/loss on disposal of non-current operating assets	<i>8.6</i>	1 463	1 668
Other expenses	<i>8.2</i>	(22 071)	(25 261)
<b>EBITDA</b>		<b>375 718</b>	<b>382 456</b>
Depreciation, amortisation and impairment losses	<i>8.7</i>	(190 175)	(191 145)
<b>Current Operating Income</b>		<b>185 543</b>	<b>191 311</b>
Impairment of goodwill & intangible assets identified in business combinations	<i>8.7,9.1,9.2</i>	(4 897)	(18 357)
Other operating income	<i>8.8</i>	7 299	4 599
Other operating charges	<i>8.8</i>	(3 261)	(15 984)
Share of net profits (losses) of associates	<i>16</i>	(6 738)	8
<b>Operating Income (Loss)</b>		<b>177 946</b>	<b>161 577</b>
Income from cash and cash equivalents		385	668
Gross finance costs		(257 182)	(245 577)
<b>Net finance costs</b>	<i>8.9</i>	<b>(256 797)</b>	<b>(244 909)</b>
Other financial income / charges	<i>8.9</i>	327	(510)
Income tax	<i>8.10</i>	(50 433)	(52 896)
<b>Net income (loss) from continuing operations</b>		<b>(128 957)</b>	<b>(136 738)</b>
Net income (loss) from discontinued operations	<i>7</i>	(264 239)	37 114
<b>NET INCOME (LOSS) FOR THE YEAR</b>		<b>(393 196)</b>	<b>(99 624)</b>
<b>Other comprehensive income</b>			
Currency translation differences		1 000	(1 320)
Cash flow hedge		69 727	55 631
Actuarial gains (losses)		(12 303)	3 907
Fair value of available for sale assets		809	(112)
Income tax on other comprehensive income		(21 477)	(20 453)
<b>Income and expenses recognized directly in equity</b>	<i>8.9,8.10</i>	<b>37 756</b>	<b>37 653</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>(355 440)</b>	<b>(61 971)</b>

<b>Net income (loss) for the year attributable to</b>		
Owners of the company	(394 941)	(100 098)
Non controlling interests	1 745	474
<b>Total comprehensive income (loss) for the year attributable to</b>		
Owners of the company	(357 097)	(100 098)
Non controlling interests	1 658	(6 843)

<b>Earnings per share</b>		
Basic (in euros)	(0,05)	(0,06)
<b>Earnings per share - continuing operations</b>		
Basic (in euros)	(0,02)	(0,06)

In accordance with IFRS 5, March 2015 and March 2014 results disclosed are restated from discontinued operations (German operations of the group, see the notes 1 and 7.1), 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) are not reclassified, as 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 7.2.

## Consolidated balance sheet as of March 31, 2015 and March 31, 2014

<i>In thousands euros</i>	<i>Notes</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Non-current assets</b>			
Goodwill	9.1	1 622 087	2 006 010
Intangible assets	9.2	184 835	391 494
Property, plant and equipment	9.3	1 268 957	1 471 818
Shares in associates	16	3 280	10 008
Financial assets available for sale	9.4	233	840
Other non-current assets	9.6	19 093	27 084
Derivative financial instruments	10.4		
Deferred tax assets	10.7	282	477
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3 098 767</b>	<b>3 907 731</b>
<b>Current assets</b>			
Inventories	9.5	3 902	8 577
Trade receivables	9.6	210 425	194 826
Other current assets	9.6	70 451	59 434
Derivative financial instruments	10.4		20 488
Cash and cash equivalents	9.7	67 899	173 282
Assets held for sale and discontinued operations	7	11 233	187 561
<b>TOTAL CURRENT ASSETS</b>		<b>363 910</b>	<b>644 168</b>
<b>TOTAL ASSETS</b>		<b>3 462 677</b>	<b>4 551 899</b>
<b>Equity</b>			
<i>In thousands euros</i>	<i>Notes</i>	<b>March 2015</b>	<b>March 2014</b>
Share capital	10.1	749 979	165 819
Additional paid-in capital		1 511 157	1 511 157
Reserves	10.1	(2 511 753)	(2 420 917)
Cash flow hedging reserves	10.1	466	(31 585)
Net income (loss) of the year - attributable to owners of the company		(394 941)	(100 098)
Non-controlling interests		16 193	13 850
<b>TOTAL EQUITY</b>		<b>(628 899)</b>	<b>(861 774)</b>
<b>Non-current liabilities</b>			
Financial debt	10.2 - 10.3	2 413 548	3 814 578
Provisions	10.5 - 10.6	56 406	83 365
Deferred tax liabilities	10.7	323 230	333 850
Other non-current liabilities	10.8	41 451	48 874
Accrued interest		216	26 706
Derivative financial instruments	10.4		26 209
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2 834 851</b>	<b>4 333 582</b>
<b>Current liabilities</b>			
Financial debt	10.1	847 634	571 063
Provisions	10.3 - 10.4	45 320	67 683
Trade payables	10.8	118 338	139 553
Tax and social liabilities	10.8	130 488	114 186
Other current liabilities	10.8	111 547	120 210
Bank overdrafts	9.7	1 425	1 879
Accrued interest		200	2 713
Derivative financial instruments	10.4		44 557
Liabilities held for sale and discontinued operations	7	1 773	18 247
<b>TOTAL CURRENT LIABILITIES</b>		<b>1 256 725</b>	<b>1 080 091</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 462 677</b>	<b>4 551 899</b>

NB: March 2014 figures include the assets and liabilities of German entities, which were sold during the financial year. Assets and liabilities of Hungarian entities, also disposed of during the period, were already reclassified in the lines "Assets and liabilities held for sale and discontinued operations» as of March 31, 2014. See notes 1 and 7.

**Consolidated statement of cash flows,  
Years ended March 31, 2015 and March 31, 2014**

<i>In thousands euros</i>	<i>Notes</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Net income (loss) from continuing operations</b>		<b>(128 957)</b>	<b>(136 738)</b>
<b>Non-cash items and other adjustments</b>			
Depreciation, amortisation and impairment		195 072	209 502
Change in provisions and non-cash expenses		(10 556)	1 073
Gain (loss) on disposal of non-current assets		(9 209)	(3 734)
Total income tax		50 433	52 896
Finance income and expenses		269 505	256 091
<b>Cash generated from operating activities before changes in working capital</b>	<i>12.1</i>	<b>366 288</b>	<b>379 090</b>
Current income tax expense		(83 696)	(84 242)
Changes in income tax receivables, liabilities and provisions		(8 428)	(10 225)
<b>Income tax paid</b>		<b>(92 124)</b>	<b>(94 467)</b>
Change in inventories, accounts receivable & accounts payable	<i>12.2</i>	(10 515)	(38 799)
Change in other receivables and payables		21 690	4 481
<b>Change in Working Capital</b>		<b>11 175</b>	<b>(34 318)</b>
<b>Net cash from operating activities</b>		<b>285 339</b>	<b>250 305</b>
Acquisitions of non-current operating assets		(136 017)	(118 018)
Proceeds from disposal of non-current operating assets		2 102	4 707
Dividends from non consolidated companies			(100)
Acquisition of controlling interests, net of cash & cash equivalents acquired			(100)
Net proceeds from disposals of subsidiaries formerly controlled		192 190	(10 436)
Change in other financial assets		(4 623)	248
<b>Net cash used in investing activities</b>	<i>12.3</i>	<b>53 652</b>	<b>(123 599)</b>
Dividends paid to non-controlling interests		(1 272)	(5 829)
Proceeds from new loans		3 373 003	307 413
Loan repayments		(3 837 096)	(518 956)
Fees related to the refinancing		(15 020)	(478)
Balancing payment received (given) on financial instruments		(34 538)	1 210
Revenue from cash and cash equivalents		385	668
Finance costs (including financial lease)		(169 931)	(207 470)
Change in accrued interest		(29 558)	(8 869)
Changes of interest in controlled entities		0	(650)
<b>Net cash used in financing activities</b>	<i>12.4</i>	<b>(714 027)</b>	<b>(432 961)</b>
Effect of exchange rate changes on cash		113	243
<b>NET CASH FROM (USED IN) CONTINUING ACTIVITIES</b>		<b>(374 923)</b>	<b>(306 012)</b>
<b>Net cash from discontinued activities</b>		<b>259 619</b>	<b>35 589</b>
<b>Net change in cash and cash equivalents</b>		<b>(115 304)</b>	<b>(270 423)</b>
<b>Cash &amp; cash equivalents at opening</b>		<b>181 778</b>	<b>452 201</b>
<b>Cash &amp; cash equivalents at closing</b>		<b>66 474</b>	<b>181 778</b>

In accordance with IFRS 5, March 2015 and March 2014 cash flows disclosed are restated from cash flows from discontinued operations (German operations of the group, see the notes 1 and 7.1).

Cash flows from entities sold but which are not qualified as « discontinued operations » under IFRS 5 (Hungarian entities) remain included in the Group's cash flows statement. Their contributive figures are detailed in the note 7.2.

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

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Cash and cash equivalent of continuing activities	66 430	165 052
Cash and cash equivalent of discontinued or held for sale activities	44	21 420
<b>Cash &amp; cash equivalents at closing</b>	<b>66 474</b>	<b>186 472</b>

## Consolidated statement of changes in equity

<i>In thousands euros</i>	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 and Retained earnings	Total		
<b>At March 31st, 2013</b>	1 658 189 195	<b>165 819</b>	<b>1 511 157</b>	<b>(30 414)</b>	<b>(80 446)</b>	<b>(2 378 592)</b>	<b>(812 476)</b>	<b>18 394</b>	<b>(794 082)</b>
Consolidated net income					(100 098)		(100 098)	474	(99 624)
Other comprehensive income			(1 145)	36 259	2 550		37 664	(11)	37 653
<b>Total comprehensive income</b>			<b>(31 559)</b>	<b>(44 187)</b>	<b>(2 476 140)</b>		<b>(874 910)</b>	<b>18 857</b>	<b>(856 053)</b>
Dividends paid								(5 829)	(5 829)
Capital increase									0
Stock options valuation									0
Changes of interest in controlled entities and changes in consolidation scope			(26)		(688)		(714)	822	108
<b>At March 31st, 2014</b>	1 658 189 195	<b>165 819</b>	<b>1 511 157</b>	<b>(31 585)</b>	<b>(44 187)</b>	<b>(2 476 828)</b>	<b>(875 624)</b>	<b>13 850</b>	<b>(861 774)</b>
Consolidated net income				974	(394 941)	(7 317)	(394 941)	1 745	(393 196)
Other comprehensive income				44 187	(7 317)		37 844	(87)	37 757
<b>Total comprehensive income</b>			<b>(30 611)</b>	<b>0</b>	<b>(2 879 086)</b>		<b>(1 232 721)</b>	<b>15 508</b>	<b>(1 217 213)</b>
Dividends paid								(1 272)	(1 272)
Capital increase	5 841 603 957	584 160					584 160		584 160
Stock options valuation									0
Changes of interest in controlled entities and changes in consolidation scope			31 077		(27 608)		3 469	1 957	5 426
<b>At March 31st, 2015</b>	7 499 793 152	<b>749 979</b>	<b>1 511 157</b>	<b>466</b>	<b>0</b>	<b>(2 906 694)</b>	<b>(645 092)</b>	<b>16 193</b>	<b>(628 899)</b>

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 (see note 1.3).

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.

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## 1. Highlights of the years ended Mars 31, 2015 and March 31, 2014

### 1.1 Change of shareholders and refinancing of the Group on March 31, 2015

On March 31, 2015, Brookfield Infrastructure Group, Public Sector Pension Investment Board (PSP Investments) and APG Asset Management N.V. acquired the TDF Infrastructure SAS Group. The acquisition was made through the French company Tivana France Holdings, which owns 100% of the share capital of TDF Infrastructure Holding SAS (formerly named Tyrol Acquisition 1 SAS), itself being the main shareholder of the TDF Infrastructure SAS Group (formerly named Tyrol Acquisition 2 SAS). Tyrol Acquisition 1 & Cie SCA does not keep any share in the capital of TDF Infrastructure Holding SAS. In addition, the acquisition of TDF Infrastructure Holding SAS (formerly named Tyrol Acquisition 1 SAS) by Tivana France Holdings was made after the disposal of the German subsidiaries to Tyrol Acquisition 1 & Cie SCA (see note 1.2).

This transaction enabled the TDF Infrastructure SAS Group to refinance its financial debts, and impacts in the financial statements are the following:

- Shareholder debts:
  - o On March 31, 2015 the debt due to TDF Infrastructure Holding SAS and related accrued interests, which concern the cash convention related to the tax consolidation agreement, were capitalised for a global amount of €584.2m;
  - o A new loan was drawn from TDF Infrastructure Holding SAS for an amount of €815m (7.7% fixed interest rate). See note 18, this loan was fully capitalised post-closing, on April 10, 2015;
  - o A new loan was drawn directly from Tivana France Holdings for an amount of € 1 023.7m (10 years maturity, 7.7% fixed interest rate);
- Bank debt Tyrol SFA:
  - o repayment of the senior debts contracted under the former bank agreement "Tyrol SFA" (see note 5.4), for a total amount of € 3,563.7m;
  - o repayment of the outstanding amount on March 31, 2015 of the revolving debt contracted under the former Tyrol SFA, that is €30.0m;
  - o repayment of accrued interest and loan issuance charges for € 35.6m;
  - o these repayments have also resulted in the amortization of the part of loan issuance costs that was still not amortized as of March 31, 2015 (€ 1.5m amortized over the year);
- New bank agreement: a new bank debt was drawn for € 1 415.1m, including:
  - o €1,400 m of term debt (maturities between 2.6 and 5 years, see note 5.4)
  - o € 30m of revolving debt (this line can be drawn up to € 250m according to the bank agreement), which was repaid on April 21, 2015,
  - o That is a total of €1,430m of debt, which is disclosed net from loan issuance costs that have been paid for an amount of € 14.9m and which are activated using the effective interest rate method in IFRS.

Prior to this operation, on March 26, 2015, the Group decided to terminate all the financial derivative instruments it had:

- cash payments were made for € 33.0m to terminate the swaps (excluding accrued coupon),
- impacts in the financial result and other comprehensive income are detailed in note 8.9.

Moreover, this operation also triggered bonuses for managers and re-invoicing to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holdings SAS) of costs incurred by the Group, see note 8.8.

See the notes 5.4, 8.8, 8.9, 10.1, 10.2 and 10.3 to follow these impacts in the accounts and for details about the new debts characteristics.

### 1.2 Disposal of German entities on March 31, 2015 (before the change of shareholders)

The Group's German subsidiaries (subgroup Mediabroadcast) were sold to Tyrol Acquisition 1 & Cie SCA on March 31, 2015, prior to the change of shareholders of TDF Infrastructure Holding SAS described above. These subsidiaries were both a major segment and a main geographical area of operations for the Group, so the sale of these subsidiaries is qualified as discontinued operations according to IFRS 5 (see note 7.1). Therefore:

- incomes and expenses of German entities have been reclassified on the line " Net income (loss) from discontinued operations " in the group's comprehensive income,

- the net capital loss realized on the sale over the period, that is a loss of € 340.0m, has also been reclassified on this line. 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).

From a cash point of view, the group received € 310.3m for repayment of the loan granted by TDF SAS to Taunus Verwaltungs II (including accrued interests), and repaid the current account advance granted by MediaBroadcast to TDF SAS, which was of € 45m as of the disposal date.

### **1.3 Disposal of Hungarian entities on May 30, 2014**

On March 26, 2014, the Group had signed with NISZ (a Hungarian public company), an agreement to sell its subsidiaries Antenna Hungaria, Hungaro Digital and Digitalis Atallasert. The effective disposal of the three Hungarian subsidiaries took place on May 30, 2014, resulting in a net capital gain of € 0.6m over the period (€ 5.4m of disposal fees were already recognised in the year 2013-2014). See also note 8.8.

From a cash point of view, the group received € 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. Net from the cash of these entities which is disposed of, the impact on the Group's cash position is of € 189.4m.

In addition, a charge of € 1.0m is recognised 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 (see notes 8.9 and 5.2).

### **1.4 Various points of the year 2014-2015**

On July 29, 2014, the subsidiary Antalis TV was merged into TDF SAS, with no impact in the consolidated accounts.

On April 10, 2014, Media Broadcast signed an agreement with SES Astra to sell rights to use the orbital position 28.5°. In May 2014, approval of this transaction from the Bundesnetzagentur (Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway) has been received and published, and the outstanding conditions to the effective sale were fulfilled on July 10, 2014. This operation notably generated a cash inflow by Mediabroadcast of € 43.5m (see notes 7.1 and 12.5).

The effects of the application of new IFRS standards and amendments as of March 31, 2015 are detailed in note 4.1.

### **1.5 Highlights of the year ended March 31, 2014**

On July 12, 2013, TDF Infrastructure SAS Group sold some equity interests in MCR, its Monaco-based subsidiary. This sale, which includes two stages, results in reducing TDF SAS's equity interests in MCR from 83.33% to 51% as of September 27, 2013. TDF also undertook to sell a further 2% with effect from March 31, 2016.

This transaction, treated as a single transaction in accordance with IFRS 10 "Consolidated Financial Statements", prompted the Group to recognise, from September 27, 2013, an advance payment received on sale of shares amounting to €4.0m. The net gain/loss on disposal, which we estimate to be approximately break-even, will be recognised after March 31, 2016, which means after the Group cedes control over MCR.

On November 22, 2013, Smartjog France signed a partnership agreement with Ymagis, specialist in Digital Cinema, so as to set up a joint venture, Smartjog Ymagis Logistics (SYL), with a view to becoming a leading European player for digital content delivery for cinema.

This transaction resulted in a €2.0m gain, which was recognised under Other operating income (see note 8.8) and corresponds to the difference between:

- €10.5m net reduction in Smartjog France's net assets following transfer of the Digital Cinema business to the joint venture (comprising €8.9m of goodwill (see note 9.1), €1.7m of tangible assets and -€0.1m of liabilities);
- Sale proceeds received by Smartjog France in the form of Smartjog Ymagis Logistics' shares valued at €10.0m and €2.5m of cash.

SmartJog France's 40%-held joint venture is consolidated under the equity method (see note 16), given that the Group exercises a significant influence.

## 2. General presentation

The parent company, TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS), is a "société par actions simplifiée" (simplified joint stock company) with registered office at 106, avenue Marx Dormoy, 92120 Montrouge.

As a partner to televisions, radios, telecommunication operators and local authorities, the Group provides know-how in the fields of broadcasting (TV broadcasting, digital TV and radio broadcasting), mobile phones technology (design, deployment, maintenance and management of telecom infrastructure networks 2G, 3G, 4G, ultra-high-speed transport offer, rooftop terraces hosting and data center, hosting of broadcasting and reception equipment on proprietary sites), management and dissemination of multimedia content to all fixed and mobile devices, based on a proven expertise and a fleet of approximately 9,900 terrestrial broadcasting sites mainly in France. The group is committed to developing new digital solutions: connected DTT (Digital Terrestrial Television), catch-up TV, ultra high-definition TV etc.

The Group operates in markets characterised 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 amortisation), which is equivalent to current operating income before depreciation, amortisation 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,
  - o Material and unusual gains or losses on sale and/or impairment of non-current tangible and intangible assets ;
  - o 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 ;
  - o Gains or losses on sale of subsidiaries net of selling costs, liquidation costs and acquisition costs of subsidiaries ;
  - o 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 (formerly Tyrol Acquisition 2 SAS) consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at the reporting date, namely March 31, 2015.

IFRS can be downloaded from the following website:  
[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

The TDF Infrastructure Group's financial statements were approved by the Chairman of TDF Infrastructure SAS on May 28, 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**

The first financial statements of the TDF Infrastructure SAS Group (formerly Tyrol Acquisition 2 SAS Group) were established as of March 31, 2014. At this date, in accordance with IFRS 1, they were established by taking into account book values of assets and liabilities of the Group TDF Infrastructure SAS (excluding income tax for which the accounting treatment is described in the note 4.18) as they were in the financial statements of the group TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 group) for the years ended March 31, 2014 and March 31, 2013.

On this basis, the consolidated financial statements have been drawn up on the historical cost basis, except for the following items that are recognised at fair value: financial instruments held for trading, available-for-sale financial instruments and liabilities arising from cash-settled share-based transactions. Methods applied to estimate the fair value are explained in note 4.4.

#### **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.

### 3.5 Error corrections

No error correction has been accounted for during the year.

## 4. Significant accounting policies

The accounting policies described hereunder have been applied by all Group entities throughout all the periods presented in the consolidated financial statements.

The accounting policies are unchanged compared to those used in the preparation of the consolidated financial statements for the year ended March 31, 2014, except for the points mentioned in note 4.1 below.

### 4.1 Standards and interpretations in force

The group has applied the standards, amendments to standards and interpretations as adopted by the European Union that are required to be applied from January 1, 2014:

The application of these standards did not have any material impact on the Group financial statements.

In addition, the Group has decided not to adopt the following new standards, amendments to standards and interpretations early:

- Standards and amendments adopted by the European Union but for which the mandatory application date is after this financial year:
  - IFRIC 21 "Levies charged by Public Authorities";
  - 2010-2012 and 2011-2013 Annual Improvements to IFRS.
  - Amendment to IAS 19 "Employee contributions".
- Standards and amendments not adopted by the European Union:
  - IFRS 9 "Financial Instruments",
  - IFRS 14 « Regulatory Deferral Accounts » ;
  - IFRS 15 « Revenue from contracts with customers » ;
  - Amendements to IFRS 11 « Joint Arrangements » ;
  - Amendements to IAS 16 and IAS 38 «clarification concerning appropriate amortisation methods» ;
  - Amendements to IAS 28 and IFRS 10 «Sale or Contribution of Assets between an Investor and its Associate or Joint Venture » ;
  - 2012-2014 Annual Improvements to IFRS.

The impact of applying these standards and amendments is currently being analysed.

### 4.2 Consolidation

The consolidated financial statements include the financial statements of TDF Infrastructure SAS and its subsidiaries, as well as the financial statements of associates and joint ventures. All those entities make up the Group, for which the consolidation scope is described in note 19.

Entities are included in the consolidation scope at the date when control is transferred to the Group. They are excluded from the consolidation scope at the date they cease to be controlled by the Group.

#### ***Subsidiaries***

In compliance with IFRS 10, subsidiaries are all entities on which the Group exercises control, that is to say:

- power over the entity;
- exposure, or rights, to variable return from its involvement with the subsidiary;
- ability to use its power over the subsidiary in order to affect the expected returns.

Subsidiaries' financial statements are consolidated, and non-controlling interests are measured on the basis of percentage equity interest.

#### ***Joint arrangements***

The Group is not engaged in any joint arrangements as described in IFRS 11.

### ***Investments in associates***

An associate is an entity over which the Group has significant influence, meaning the power to participate in the financial and operating decisions but not to exercise control over these policies. Significant influence is presumed when the Group holds directly or indirectly through its subsidiaries 20% or more of the voting rights. Investments in associates are accounted for under the equity method.

Under this method, investments in associates are reported as a separate item on the balance sheet and the net income of associates is reported as a separate item in the statement of comprehensive income.

If the Group's share of the losses of an associate exceeds the carrying value of the investment, the investment is written off. The Group continues to recognise its share of the losses of the associate only to the extent it has a binding obligation to make additional investments to cover the losses.

### ***Transactions eliminated on consolidation***

All intra-group transactions represented by balances, income and expenses and unrealised gains and losses are eliminated in the consolidation process.

Unrealised gains arising from transactions with associates and joint ventures are eliminated in proportion to the Group's interest in these entities.

### ***Non-controlling interests***

Non-controlling interests are identified separately within equity. The share of non-controlling interests in consolidated net income is reported as a separate item in the statement of comprehensive income.

## **4.3 Foreign currency translation**

### ***Transactions in foreign currencies***

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rate prevailing at the reporting date. Non-monetary items measured at historical cost are translated using the historical exchange rate as at the date of the transaction, while those measured at fair value are translated using the exchange rate as at the date on which fair value is determined.

### ***Translation of foreign entities' financial statements***

The functional currency of foreign companies is their local currency, which they use for most of their transactions. The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euro as follows:

- Assets and liabilities, including related goodwill, are translated at the rate prevailing on the reporting date,
- Income and expense items are translated at the average exchange rate over the period (the average exchange rate is an approximate value of the transaction date rate when there is no significant fluctuations),
- The cash flow statement is translated at the average exchange rate over the period.

Exchange differences arising on translation are shown in the currency translation reserve included in equity. In case of a loss of control of a foreign entity, the cumulative amount in the currency translation reserve related to this foreign entity is taken to profit or loss. In the case of a partial disposal without loss of control, a proportional part of the cumulative amount of exchange differences related to this entity held in the currency translation reserve is reclassified from equity attributable to owners of the company to non-controlling interests.

### ***Net investment in a foreign operation***

When settlement of a monetary item which is an intra-group receivable or payable with a foreign operation is neither planned nor likely to take place in the foreseeable future, the net investment in the foreign operation is disclosed at its historical cost and exchange gains/losses are recognised in the currency translation reserve through the statement of other comprehensive income.

### ***Hedging of the net investment in a foreign operation***

Exchange differences arising on translation of a financial liability classified as a hedge of a net investment in a foreign operation are recognised in the currency translation reserve through the statement of other comprehensive income for the portion that is effectively hedged. Exchange differences on the portion not effectively hedged are taken to profit or loss.

### **Exchange rates used for the period**

The following were the functional currencies used in the Group:

	March 2015		March 2014	
	Average	Closing	Moyen	Cloture
<b>Polish zloty</b>	0,238848	0,244774	0,237865	0,239699
<b>US dollar</b>	0,788550	0,929454	0,745995	0,725268
<b>Hungarian forint*</b>	3,268269	3,302401	3,335462	3,255420
<b>Danish krone</b>	0,134196	0,133874	0,134070	0,133942
<b>Norwegian krone</b>	0,118325	0,114896	0,124470	0,121139
<b>Swedish krone</b>	0,108360	0,107641	0,114393	0,111753

\* 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 (see note 1).

## **4.4 Financial instruments**

The Group initially recognises loans, receivables and deposits on the date on which they are generated. All other financial assets are initially measured on the date on which the Group becomes a party to the contractual terms attaching to the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

Financial assets and liabilities are netted and shown for the net balance if, and only if, the Group has the legal right to offset them.

Group financial instruments are detailed hereinafter:

### **Financial assets recognised at fair value**

Financial assets at fair value comprise financial assets held for trading, namely financial assets held by the Group with the intention of selling in the short-term or which are part of a portfolio managed to generate short-term profits. Changes in fair value are recognised in profit or loss.

### **Loans and receivables**

This heading includes receivables relating to non-consolidated equity holdings, other loans and receivables and trade receivables.

Trade receivables are recognised initially at fair value, which is generally the same as their nominal value unless the impact of discounting them to present value is significant, and thereafter at their amortised cost.

Nevertheless if the recoverable amount becomes lower than the net carrying value, an impairment charge is recognised under operating income.

### **Cash and cash equivalents**

This comprises current account balances with banks as well as cash equivalents defined as short-term investments (the term of the investment is usually less or equal to 3 months) that are highly liquid (can be sold at any time without impact on their value), and readily convertible to known amounts of cash and which are subject to an insignificant risk of loss in value (with historical data confirming the regularity of their growth in result).

For purposes of the cash flow statement, cash and cash equivalents is stated net of bank overdrafts.

### **Financial assets available for sale**

These mainly comprise the Group's equity holdings in non-consolidated companies.

Available for sale assets are measured in the balance sheet at fair value, and changes in value are recognised directly in equity except where an impairment test leads to the recognition of a material or ongoing unrealised loss relative to historical acquisition cost, in which case the impairment is recognised through profit or loss.

Amounts recognised in equity are taken to profit or loss upon disposal of available for sale financial assets.

Fair value corresponds to market price for listed securities or to estimated fair value for unlisted securities, determined in accordance with the financial criteria most appropriate to the particular circumstances of each investment.

### ***Non-derivative financial liabilities***

The Group has the following non-derivative financial liabilities: financial borrowings and debts, bank overdrafts, trade payables. After initial recognition at fair value less transaction costs, corresponding to the consideration received, these financial liabilities are measured at amortised cost under the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash outflows over the expected life of the financial liability to the net carrying value on initial recognition.

### ***Purchase of own equity instruments***

If the Group buys back its own equity instruments, the value of the consideration paid, including directly attributable costs, is recognised in equity, net of tax.

### ***Derivative financial instruments and hedge accounting***

To hedge its exposure to interest rate and foreign exchange risk, the group uses derivative instruments. Certain transactions, which in accordance with the group's management policy do not meet hedge accounting criteria, are recognised as trading instruments and the changes in fair value are recognised directly through profit or loss.

Hedge accounting applies:

- as soon as any transaction is so designated and documented when put in place,
- to the extent that the effectiveness of the hedge is proven (in a range of 80% to 125%).

When a derivative is designated as a cash flow or a net foreign investment hedging instrument, the change in fair value of the derivative corresponding to the effective portion of the hedge is recognised in the cash flow hedge reserve through other comprehensive income in equity. The ineffective portion of the change in the fair value of the hedge is recognised directly in profit or loss.

Derivatives are initially recognised at fair value; attributable transaction costs are recorded in profit or loss when incurred. Following initial recognition, derivatives are measured at fair value and resulting changes are recognised in accordance with the methods described hereunder.

According to IFRS 13, derivative financial instruments are recognised in balance sheet at their fair value including the effect of the Group's net exposure to the counterparty credit risk (for asset derivative financial instruments) or the counterparty's net exposure to the Group credit risk (for liability derivative financial instruments). This credit risk estimate is based on likelihood of default observed in the market for Groups with a similar rating TDF Infrastructure SAS Group and on an estimation of recoverability rate specific to the TDF Infrastructure SAS Group.

### **Types of hedge**

Fair value hedges aim to hedge exposure to changes in fair value that might affect a recognised asset or liability or an unrecognised firm commitment where such changes are attributable to a particular risk and may affect earnings. TDF Infrastructure Group SAS has no fair value hedges.

Cash flow hedges are intended to cover exposure to fluctuations in cash flows or to net foreign investments attributable to a particular risk associated with a recognised asset or liability that may affect earnings. The contractual flows associated with interest rate swaps are paid at the same time as those associated with variable rate borrowings, and the amount deferred in equity is taken to profit or loss over the period in which the interest on borrowings impacts profit or loss.

Hedges of the net investment in a foreign operation are intended to cover the risk of a diminution in the value of assets in the event of a fall in the exchange rate of the currency in which the financial statements of the subsidiary are established.

### **Fair value estimates**

The fair value of financial instruments traded on active markets, such as derivatives and investments traded on public markets is based on the market price quoted as at the reporting date. This valuation method is classed as level 1 in the hierarchy defined by IFRS 7.

The fair value of financial instruments that are not traded on active markets, such as over-the-counter derivatives, is determined using valuation techniques. The assumptions used are observable either directly (i.e. prices) or indirectly (i.e. determined on the basis of prices). This valuation method is classed as level 2 in the hierarchy defined by IFRS 7.

The fair value of instruments classed as level 3 is determined in accordance with a valuation technique not based on observable market data. In this case fair value is based on estimates made using discounting and other techniques.

The levels used to estimate the fair value of financial instruments are stated under note 11.

### **Effectiveness tests**

Two types of test exist:

Prospective tests: prospective tests are performed using the so-called “change in fair value changes” method. At each reporting date, a computation is made applying the new interest rate environment to demonstrate that the change in the present value of the hedged items (i.e. interest coupons) is correlated to the change in the present value of the cash flows of the variable portion of the hedging instrument.

Retrospective tests: retrospective tests are performed using the so-called “hypothetical derivative” method, which compares changes in:

- the value of the actual swap designated as the hedging instrument
- the value of a hypothetical swap that, based on its terms and conditions, hedges perfectly the risk and that had no value at the inception of the hedging relationship.

Results of these comparisons must be within a range of 80-125% throughout the term of the hedge for the hedge to be regarded as effective.

## **4.5 Property, plant and equipment**

### ***Recognition and measurement***

Property, plant and equipment is stated at cost (of acquisition or production), less accumulated depreciation and impairment. Cost includes expenses directly attributable to the transfer of the asset to the place where it is to be used, and to preparing it for use.

Where applicable it also includes costs relating to the dismantling and removal of assets and to restoring sites to their original states where the Group is obliged to do so, without being subject to subsequent revaluation.

The total cost of an asset is broken down between its various components each of which is accounted for separately. Such is the case where different components of an asset have different useful lives.

Current maintenance and upkeep costs are expensed as incurred.

Depreciation is recognised as an expense based on the straight-line method over the estimated useful life of each component of property, plant and equipment.

Land is not depreciated.

Items of property, plant and equipment to be scrapped are fully depreciated before being derecognised.

Useful lives in years:

Buildings	18 to 50 years
Pylons	10 to 40 years
Transmitters	8 to 40 years
Microwave links	8 to 15 years
Office furniture, office and computer equipment	3 to 10 years
Other	4 to 24 years

The fair value of property, plant and equipment recognised following a business combination is based on market values and/or replacement cost where appropriate.

### ***Leased assets***

Lease agreements having the effect of transferring to the Group substantially all the risks and benefits inherent in ownership of an asset are classified as finance leases. An asset is recognised and measured at the lower of the fair value of the lease and the present value of the minimal lease payments, and is depreciated over the term of the agreement. The corresponding liability is shown under financial liabilities. All other lease agreements are treated as operating leases.

### ***Safety inventories***

The major safety and spare part inventories that are essential to maintain property, plant and equipment and to ensure its continuous use, that have no other use and that the Group intends to use over a period longer than 12 months are recognised as property, plant and equipment and depreciated over the same period as the principal asset to which they are related.

Spare parts for which use (consumption, capitalisation or sale) is not pre-specified are recognised under inventories.

## **4.6 Intangible assets**

### ***Goodwill***

Goodwill represents the difference between the purchase price of the investment in the consolidated companies and the fair value of their identifiable net assets at the date of transfer of control to the Group. At the acquisition date the fair value of the assets and liabilities of the acquired entity are determined by reference to market values or, failing that, by using generally accepted methods such as those based on costs and revenues.

Costs incurred by the Group in relation to the acquisition are expensed as incurred and recognised in other operating expenses, except costs related to acquisition of non-controlling interests which are recognised in equity.

Except at the time of a business combination, assets and liabilities acquired are not revalued.

Negative goodwill arising from an acquisition is recognised immediately in profit or loss within operating income, under the heading "Impairment of goodwill".

Goodwill recognised on associates is shown under "Shares in associates" on the balance sheet. Impairment of goodwill recognised on associates is shown in the statement of comprehensive income under "Share of net profits (losses) of associates".

Acquisitions of non-controlling interests are recognised as transactions with shareholders and do not give rise to goodwill.

In accordance with IFRS 3 "Business combinations", goodwill is not amortised and is subject to an impairment test at least once a year and whenever an indicator of loss of value occurs (see note 4.8).

### ***Research and development costs***

All research costs are recognised as expenses in the period in which they are incurred.

Development costs deriving from the application of the results produced by research are capitalised only to the extent that the Group can demonstrate that:

- It has the intention and ability to complete the project;
- The probability is that future economic benefits will accrue to the Group;
- Costs can be determined in a reliable manner.

On average, development costs related to the Media Services business are amortised over 3 to 5 years, and over 10 to 15 years concerning other activities. Amortisation is calculated under the straight-line method.

Other development and similar costs not meeting the above criteria are recognised as expenses in the period in which they are incurred.

### ***Other intangible assets***

This heading comprises:

- intangible assets recognised at the time that acquisition consideration is allocated: mainly order backlog, customer relationships, patents, technology and the benefits accruing from leases and trademarks. With the exception of trademarks, these assets are amortised, where appropriate, on a straight line basis over the economic life of the asset in question (primarily the average term of the contracts: see note 9.2).
- lease rights acquired for consideration represented by a guaranteed minimum payment to DFMG from Media Broadcast (see note 9.2), amortised over the duration of the first lease period.
- other intangible assets (mainly software and patents) are amortised using the straight-line method: ten years for patents and technologies and five years for software.

Intangible assets to be scrapped are fully amortised before being derecognised.

### ***Subsequent expenditures***

Subsequent expenditures relating to intangible assets are capitalised only to the extent that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance. All other expenditures are expensed in the period in which they are incurred.

### ***Measurement of intangible assets arising from a business combination***

Fair value is defined as "the price at which an asset could be expected to be exchanged between knowledgeable, willing parties in an arm's length transaction".

The Group uses a revenue-based approach to estimate the fair value of intangible assets recognised following a business combination. This approach determines the value of an asset by reference to the present value of the future revenues attributable to it (or of the cost savings achieved from owning the asset).

The two main revenue-based methods are:

- The royalty method

This method consists in discounting to present value the future revenues that could be obtained by licensing the asset to a third party. The revenues that would be thus generated are estimated by applying a royalty rate appropriate to the total revenues generated from using the asset.

- The super-profits method

This method measures assets by reference to the discounted present value of the future super-profits to be made from use of the asset. It consists in discounting, over a sufficiently long period and at an appropriate rate, the super-profit flows generated by the asset, after deducting a fair return for the other assets and liabilities used to generate the flows.

The life of an asset is determined by taking the period during which the asset contributes directly or indirectly to the Group's future cash flows.

## **4.7 Inventories**

Inventories are essentially composed of spare parts for which use (consumption, capitalisation or sale) is not pre-specified. They mainly concern TDF SAS.

Inventories are measured at weighted average unit purchase cost. Where the future use of an inventory item is uncertain, it is subject to an impairment adjustment, if necessary, to reduce its carrying value to its recoverable amount.

Assets that qualify as safety inventories are accounted for as property, plant and equipment.

## **4.8 Impairment**

### ***Financial assets***

A financial asset is subject to impairment whenever there is an objective indication that an adverse event has occurred subsequent to its initial recognition and that this event has a negative impact on the future cash flows of the asset that can be reliably estimated.

### ***Non-financial assets***

Carrying values of the Group's non-financial assets are reviewed at each reporting date in order to assess whether there is any indication that an asset has suffered impairment. If there is such an indication, the recoverable amount of the asset is estimated, and if necessary an impairment expense is recognised to bring the carrying value of the asset down to its recoverable value, as described below.

For goodwill and intangible assets with an indefinite life, the recoverable amount is estimated on an annual basis during the last quarter of the fiscal year or during the year if an indicator of loss of value arises. For other non-current tangible and intangible assets, the recoverable amount is estimated if there is any indication that an asset has suffered impairment.

### ***Estimation of the recoverable amount***

The recoverable amount of an asset or group of assets is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset or group of assets in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined by using available market information. Fair value is estimated on the basis of projected cash flows discounted to present value, using assumptions that any market player would make. In particular, account is taken of any restructuring, expansionary investment and development of new activities that would normally be envisaged by any market player.

The fair value thus determined is further corroborated by observing the EBITDA multiples resulting from recent transactions and a sample of comparable listed companies.

Value in use as generally used by the Group corresponds to the present value of the future cash flows expected to be derived from an asset or group of assets based on assumptions made by the Group's management regarding economic, regulatory and forecast operating conditions. These cash flows correspond to those generated by the assets in their current operating state.

In all cases, discounted cash flows are determined as follows:

- Cash flows are obtained from eight to ten-year plans; this period corresponds to the time needed for activities such as digital television to reach maturity;
- Beyond this horizon, cash flows are extrapolated using a growth rate to infinity that reflects the market's expected long-term growth rate;
- Cash flows are discounted to present value using rates that reflect the risks inherent to the activities and countries concerned.

#### ***Definition of Cash Generating Units***

The Cash Generating Unit (CGU) is the smallest identifiable group of assets generating largely independent cash inflows.

Goodwill impairment tests are carried out at the level of CGU groups of CGUs corresponding to the level at which the monitoring of returns on investment is carried out, for internal management purposes, taking account in particular of the expected synergies between the CGUs. The groups of CGUs are equivalent to or no larger than the Group's operating segments (defined in note 4.20). The groups of CGUs that are selected for goodwill impairment tests are: France, Arkena AB (ex Qbrick), Bebanjo and Others. Germany and Hungaria have been sold over the period.

Tangible and intangible assets do not as a rule generate independent cash flows, and are therefore tested at the level of the CGUs to which they belong. These assets may nonetheless be subject to individual tests in cases where their fair value can be determined and/or it can be established that there is no reason why their value in use should exceed their fair value.

#### ***Recognition of impairment***

If the carrying value of a CGU or a group of CGUs exceeds its recoverable value, an impairment loss is recognised, without any off-setting with other CGUs or groups of CGUs for which the carrying value is less than the recoverable value. Impairment losses are recognised as other operating expenses. An impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the CGU or group of CGUs tested, and then against the carrying value of the CGU or group of CGUs' other assets.

An impairment loss recognised against goodwill cannot be reversed in a subsequent period. For assets other than goodwill, the Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, and if such is the case, the increased carrying value of the asset attributable to a reversal of an impairment loss may not exceed the carrying value that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years.

### **4.9 Employee benefits**

Employee benefits are provided through both defined contribution and defined benefit plans. Under a defined contribution plan, the Group is only obliged to pay contributions. Contributions paid in respect of these plans are recognised in profit or loss when incurred.

### ***Post-employment benefit plans***

Defined benefit plans are subject to actuarial measurement using the projected unit credit method. Under the projected unit credit method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final liability, which is then discounted.

These actuarial calculations include demographic assumptions (retirement date, rate of increase in salaries, rate of employee turnover, etc.) and financial assumptions (discount rate, rate of inflation) defined at the level of each entity taking into account the local macroeconomic environment.

All actuarial gains and losses are recognised in other comprehensive income.

### ***Termination benefits***

Where applicable, benefits arising from the termination of an employment contract are measured and provided for to the extent of the resulting liability. Where termination benefits fall due more than 12 months after the reporting date, they are discounted to present value.

### ***Short-term employee benefits***

Short-term obligations are not discounted and are recognised when the corresponding service is rendered.

### ***Share-based payments***

If payment results in the delivery of equity instruments, the fair value of share-based payments at the grant date is recognised as a personnel expense, with a corresponding increase in equity, over the period during which the equity instruments vest in favour of the employees.

If payment results in a cash settlement, the fair value of amounts due to employees is recognised as a personnel expense, with a corresponding increase in financial liabilities over the period in which the rights vest. The fair value of this liability is revalued each year.

## **4.10 Provisions**

A provision is recognised when:

- there exists a current, legal or implicit, obligation arising from a past event,
- it is likely that an outflow of resources representing economic benefits will be required in order to discharge this obligation, and
- the value of the obligation can be estimated with a sufficient degree of reliability.

Such obligations may be of a legal, regulatory, technical or contractual nature. They may also stem from the Group's practices or public commitments that have given rise to legitimate expectations on the part of the third parties concerned that the Group will assume certain responsibilities.

The amount recognised as a provision is the best estimate of the outflow of economic benefits required to settle the present obligation at the reporting date. If the value cannot be estimated reliably, no provision is recognised and the obligation is disclosed as a contingent liability in the notes to the consolidated financial statements.

## **4.11 Contingent liabilities**

Contingent liabilities are disclosed in the notes and correspond to:

- Possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## **4.12 Distinction between current and non-current items**

Except for deferred taxes that are classified as non-current assets or liabilities, assets and liabilities are classified as current when the amounts are expected to be recovered or settled no more than 12 months after the reporting date. If this is not the case, they are classified as non-current.

#### **4.13 Revenue recognition**

Revenue consists in the sale of goods and services to third parties, net of discounts or rebates and sales related taxes. Intra-group sales are eliminated in the consolidation process.

##### ***Sales of goods and services (IAS 18)***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

No revenue is recognised if a major uncertainty exists as to the recoverability of the amount due by the buyer.

Revenue from services is recognised:

- Once the service has been rendered; or
- Based on the stage of completion at the reporting date, by reference to the work performed under a contract whose execution spans the reporting date; or
- On a straight-line basis over the period when the services will be rendered or, for advance one-time invoices for site access costs or for customers contributing to capital expenditure, over the term of the initial contract.

##### ***Construction contracts (IAS 11)***

Revenue from construction contracts is recognised by reference to the stage of completion as measured by the proportion of the work that has been carried out.

When a loss is expected, it is recognised in profit or loss immediately.

##### ***Royalties (IAS 18)***

Royalties are recognised in accordance with the economic substance of the relevant agreements.

##### ***Agency relationships (IAS 18)***

When Group entities act as agent on behalf of a principal, the only revenue recognised is the value of the commission received, and the amounts collected on behalf of the principal are not considered as Group revenue.

#### **4.14 Research Tax Credit**

The *Crédit d'Impôt Recherche* (Research Tax Credit) is recognised as other income when the group is reasonably confident that its applications to be filed with the tax authorities will not be challenged.

#### **4.15 Government grants (IAS 20)**

Government grants are recognised when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants related to assets (investment grants) are shown as a reduction in the carrying value of the asset and amortised over its useful life by a reduction in the depreciation charge.

Operating grants are credited to profit or loss in the periods associated with the related costs.

#### **4.16 Leases**

##### ***Operating leases***

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

##### ***Finance leases***

###### Group as lessee

Assets held under finance leases are recognised as Group assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (using the implicit rate of interest for the relevant lease). The corresponding liability to the lessor is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability.

#### Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Revenue is recognised by reference to the conditions applied to a direct sale with immediate payment. Amounts receivable are apportioned between finance income and the repayment of the outstanding capital amount.

### **4.17 Financial income and charges**

Financial income consists of interest on investments, dividends received from non-consolidated entities, increases in fair value of financial assets held at fair value through profit or loss, and gains on hedging instruments recognised in profit or loss.

Dividends are recognised when the shareholder's right to receive payment is established.

Financial charges consist of interest on borrowings, the unwinding of discounts on provisions, reductions in fair value of financial assets held at fair value through profit or loss, impairment losses recognised on financial assets and losses on hedging instruments recognised in profit or loss.

Exchange gains and losses are recognised at their net amount.

### **4.18 Income tax**

TDF Infrastructure SAS (formerly Tyrol Acquisition 2) and TDF SAS are entities that are included in the tax consolidation group of which TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1) is the head company. Income tax have been calculated in compliance with the tax consolidation convention in force, in which each entity of the tax consolidation group bears its own income tax charge and keep the benefits of its tax loss carried forward towards TDF Infrastructure Holding SAS, as if the entity was on its own from a tax point of view.

On this basis, income tax expense or income consists of current tax expense (income) and deferred tax expense (income). Current and deferred tax is recognised in profit or loss except if it relates to a business combination or to items recognised directly in equity or in other items in the statement of comprehensive income.

Current tax is the estimated amount of tax payable (or receivable) on the taxable profit (or loss) of a period and of any adjustments to the amount of current tax in respect of previous periods.

Deferred tax is recognised using the liability method for all temporary differences between the carrying value of assets and liabilities and their tax bases. Temporary differences linked to the Group's holdings in its subsidiaries do not give rise to recognition of deferred tax, to the extent that these differences will not be reversed in the foreseeable future. The measurement of deferred tax assets and liabilities depends on when the Group expects them to be reversed, using the tax rates in force or announced at the reporting date. Deferred tax assets are recognised only to the extent that the Group expects to have future profits to which they may be applied.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

With effect from January 1, 2010, the French finance act replaced the *taxe professionnelle* with the *contribution économique territoriale* (CET), which is made up of two component parts: the *contribution foncière des entreprises* (CFE) based on the rateable value of the property occupied by the business, and the *cotisation sur la valeur ajoutée des entreprises* (CVAE) based on the value added of the business each year. The Group considers the CVAE as income tax. In accordance with IAS 12, this classification requires the Group to recognise related deferred tax since 2009, notably on depreciable non-current assets; the deferred tax liability related to the CVAE amounts to €8.5m.

### **4.19 Non-current assets held for sale and discontinued operations**

In accordance with IFRS 5, when non-current assets and groups of assets are first classified as held for sale they are recognised at the lower of net carrying value and fair value less selling expenses.

### **4.20 Operating segments**

Pursuant to IFRS 8, the Group reports its results and assets by operating segment (see note 6). The determination of the operating segments reflects the Group's internal reporting structure. The results of all operating segments are regularly reviewed by Group senior management with a view to assessing their performance and to taking decisions on the resources to allocate to each segment. Each CGU, or groups of CGUs, corresponds to an operating segment except Hungary, Qbrick, BeBanjo and Others (Finland, Estonia and Poland) which are not shown separately

but are grouped together in the operating segment Other countries since they are below the materiality thresholds established by IFRS 8 (namely 10% of revenues, assets or profits taken individually, or 25% in aggregate).

This segmentation reflects the fact that the Group's operations are focused primarily on national markets in terms of both customer services, which are provided on a national or regional basis, and the legal and regulatory framework governing these services. Television and radio broadcasting, telecom operator services, filming and pre-transmission services are provided to national customers for populations and regions defined by the licences issued by national regulatory and administrative authorities.

#### **4.21 Business line segments**

Under IFRS 8, the Group discloses revenue by business line (see note 8.1) which breaks down as follows (even if the IFRS 5 impact concerning Hungarian and German entities, and their disposal, is to be considered, see note 7):

- Television: carrying and broadcasting analogue and digital signals and related services (TDF SAS, Antenna Hungaria, Media Broadcast, Levira, Antalis TV, MCR and PSN),
- Radio: carrying and broadcasting signals and related services (TDF SAS, Antenna Hungaria, Media Broadcast, PSN and MCR),
- Telecom and Services: hosting of broadcasting and reception equipment on proprietary sites, providing maintenance and engineering services, and locating sites (TDF SAS, MCR, Antenna Hungaria),
- Satellite: provision of uplink services, temporary or permanent rental of 'space' (satellite transponder time), allowing TV and radio broadcasting to given territories (Media Broadcast, TDF SAS and Antenna Hungaria),
- Contribution Networks: provision of broadcasting services and contribution to the implementation of television and radio production services; provision of lease-line type digital audio and video connections for emergency services; private network services for operators,
- Multimedia: pre-broadcasting/final control rooms (Arkena SAS (ex Cognacq-Jay Images), Levira, Media Broadcast, Bebanjo, Qbrick), smart transport activities (traffic information: Médiamobile in France and Scandinavian countries) and digital delivery of multi-media content (SmartJog and Media Broadcast),
- Other: royalties generated from intellectual property, income and interest from rentals

## 5. Financial risk management

### 5.1 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*

The TDF Infrastructure SAS 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.

### 5.2 Market risk

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

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

<i>In thousands euros</i>	March 2015		March 2014	
	Outstanding	% of the debt	Outstanding	% of the debt
Fixed interest rate debt	1 845 902	56,6%	123 384	2,8%
Variable interest rate debt	1 415 280	43,4%	4 262 257	97,2%
<b>Total before hedging</b>	<b>3 261 182</b>	<b>100,0%</b>	<b>4 385 641</b>	<b>100,0%</b>
Fixed interest rate debt	1 845 902	56,6%	2 023 384	46,1%
Variable interest rate	1 415 280	43,4%	2 362 257	53,9%
<b>Total after hedging</b>	<b>3 261 182</b>	<b>100,0%</b>	<b>4 385 641</b>	<b>100,0%</b>

Prior to the change of shareholders and to the refinancing of the group on March 31, 2015 (see note 1.1), on March 26, 2015, the Group decided to terminate all the financial derivative instruments it had, which were hedging the Tyrol SFA debt (which was subject to EURIBOR (1, 3, 6 months) plus a margin).

Following the refinancing that occurred on March 31, 2015, the group notably bears as of the closing date:

- €1 838.7m of debt with fixed interest rate towards its direct and indirect shareholders (see the notes 10.2 and 10.3), out of which €815m were capitalised post-closing on April 10, 2015 (see the note 18);
- €1 430.0m of debt with variable interest rate (excluding loan issuance costs) in the frame of the new bank agreement (see the note 5.4), which is for now not hedged by derivative financial instruments.

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

##### *As of March 31, 2015*

No variable rate instrument is owned by the Group at closing date.

##### *As of March 31, 2014*

Sensitivity analysis of cash flows for variable rate instruments takes account of all variable flows from derivative and non-derivative instruments. The analysis was carried out on the assumption that the value of financial borrowings and derivatives and other variables (in particular exchange rates) as of March 31 remain constant throughout the year.

An increase / decrease of 25 basis points in variable rates would have the following impact on a forward-looking basis on the outstanding debt as of March 31, 2014:

<i>In thousands euros</i>	March 2014	
	Net income	Equity
Increase of 25 pts in variable interest rate on debt	874	8 386
Decrease of 25 pts in variable interest rate on debt	N/A (*)	N/A (*)

(\*)Interest rates are too low to perform tests for potential reductions in interest rates.

The Group does not recognise any fixed rate financial asset or liability at fair value through profit or loss (as per the fair value option); as such, a change in interest rates would have no effect on earnings.

### B. Exchange risk

TDF SAS granted a loan to its subsidiary Antenna Hungaria with an outstanding balance of HUF 24.6 billion just before the disposal of this entity (same amount as at March 31, 2014).

This loan was hedged against the exchange risk by means of a cross currency swap at a fixed exchange rate of 245.68 HUF/euro for a notional amount of HUF 24 billion.

In the frame of the disposal of Hungarian entities which occurred on May 30, 2014 (see note 2), the loan was fully repaid, and the cross currency swap was ended, generating a global cash in of €100.2m for TDF SAS.

Furthermore, the currency option that was contracted at the end of March 2014 in order to cover the exchange risk on the sale proceeds receivable under the disposal of Hungarian entities, ensuring a minimum EUR/HUF exchange rate of 311 for a notional of HUF 30 billion, was not exercised, as the HUF exchange rate was in the end better.

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

### 5.3 Liquidity risk

To ensure liquidity, the Group has available resources of €287.8m (€303.3m as of March 31, 2014 and €672.1m as of March 31, 2013):

- Cash and cash equivalents of €67.8m as of March 31, 2015 (€181.5m as of March 31, 2014 and €452.1m as of March 31, 2013);
- A Revolving Credit Facility negotiated within the new bank agreement put in place on March 31, 2015 (see note 1 and 5.4) usable for an amount of €250m by TDF Infrastructure SAS mainly in order to cover its own needs and those of its subsidiaries in respect of acquisitions, capital expenditure and working capital. At March 31, 2015, €30.0m of this facility has been drawn down (compared to €200m over €321.8m negotiated at March 31, 2014, and €180m over €400m negotiated at March 31, 2013, within the former bank agreement which ended on March 31, 2015).

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

<i>In thousands euros</i>	March 2015		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
<b>Non-derivative financial instruments</b>					
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		
<b>Total financial liabilities</b>	<b>3 379 520</b>	<b>3 829 220</b>	<b>163 888</b>	<b>1 467 398</b>	<b>2 197 934</b>

<i>In thousands euros</i>	March 2014		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
<b>Non-derivative financial instruments</b>					
Financial debts - Nominal	4 387 098	4 387 098	571 063	3 816 001	34
Loan issue expenses	(1 457)				
Financial interest		382 894	141 215	241 679	
Trade payables	139 553	139 553	139 553		
<b>Derivative financial instruments</b>					
Hedging	Liabilities	60 121	62 290	34 575	27 715
Not qualified as hedging	Liabilities	10 772	11 023	11 023	
<b>Total financial liabilities</b>	<b>4 596 087</b>	<b>4 982 858</b>	<b>897 429</b>	<b>4 085 395</b>	<b>34</b>

See the notes 10.2 and 10.3 that describe the breakdown and the nature of financial debts, and see the note 5.4 hereafter that describes the bank agreement of the group.

By prudence, maturities on financial debts correspond to contractual maturities, without taking into account any early repayments scenarios. Note that following the refinancing of the group on March 31, 2015:

- The shareholder debt, € 1 838.7m at closing, bears 7.7% fixed rate interests and :
  - o € 815m were capitalised post-closing (in share capital and share premium) on April 10, 2015, see note 18;
  - o For the remaining € 1.023,7m towards Tivana France Holdings, maturity is 10 years, that is March 31, 2025 (and the borrower also has an extension option);
- The senior debt of € 1,430m bears variable interest rates and breaks down as follows:
  - o A term debt tranche of € 700m for which contractual maturity is November 6, 2017,
  - o A term debt tranche of € 700m for which contractual maturity is November 6, 2019,
  - o A revolving debt of €30m, which was repaid on April 21, 2015.

Concerning the € 815m capitalised on April 10, 2015, and the €1.7m of related interests also capitalised (see the note 18), these amounts are included in the column "Book value", but not in the columns Cash flow.

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 €1023.7m towards Tivana France Holdings, quarterly interests on that debt are capitalised, 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 capitalised and reimbursed in the end on March 31, 2025.

Note that financial debts include €495.6 M at March 31, 2014 which are related to the tax group consolidation agreement cash convention (€ 405.7m at March 31, 2013), that are due to TDF Infrastructure Holding SAS, which is the main shareholder the TDF Infrastructure SAS (see note 10.1) and the head of the tax consolidation grouping TDF Infrastructure SAS, TDF SAS, Smartjog France, Antalis TV and Arkena SAS. Under this agreement, TDF Infrastructure SAS collects on behalf of TDF Infrastructure Holding SAS the tax installments and payments of member companies of the tax group.

This tax consolidation agreement has a nature of current account, so no interest on these debts is disclosed in the lines "financial interests" above. Note that these cash installments are nevertheless subject to the provisions of Article 39.1.3 ° of the General Tax Code, and 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.

Also, prior to the change of shareholders and to the refinancing of the group on March 31, 2015 (see note 1), on March 26, 2015, the Group decided to terminate all the financial derivative instruments it had.

## 5.4 Bank agreements

### **At March 31, 2015**

At March 31, 2015, the TDF Infrastructure SAS Group has a bank financing agreement, which was put in place together with the change of shareholders on March 31, 2015 (see the note 1), called "Facilities Agreement", "FA". The Group's former bank agreement, the "Tyrol SFA", as amended on 22 July 2011 and which was in force during the period, is completely terminated at the closing date.

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, disclosed hereafter:

Ratios	Limits	Contractual covenant as of March 31, 2015 FA	Calculated covenant as of March 31, 2015 FA
<b>Leverage ratio</b> (consolidated net debt / consolidated EBITDA)	This ratio has to be lower than or equal to the following limits	5.32	NA

The covenant is calculated and communicated to the lenders 'agent twice a year, and the first time for which the Group has to comply with this obligation is June 30, 2015 (no applicable covenant as of March 31, 2015).

Some adjustments, defined in the bank agreement, are applied to the consolidated aggregates for the ratio calculations. The scope is laid down under the agreement, so it might not match this financial statements scope.

### **At March 31, 2014**

As at March 31, 2014, the TDF Infrastructure SAS Group is committed in one financing agreement called "Senior Facility Agreement Tyrol" hereafter "Tyrol SFA". Senior and revolving debt attached to this contract are presented in the notes 10.2 and 10.3. Note that TDF Infrastructure Holding SAS, main shareholder of the TDF Infrastructure SAS group (see note 10.1), is also involved in the contract, the repayment of its own debts being subordinated to the repayment of the Tyrol SFA debt.

The Tyrol SFA notably includes:

- the definition of progressive financial ratios (Covenants), that the group has to comply with at various defined periods ;
- a decrease cost of debt through lower margins applied to some tranches, in relation to the effective decrease in the "leverage ratio",
- anticipated repayments when Group operating cash exceeds a certain level ("excess cash flow" mechanism ) or under certain conditions (notably in case of a change of control, IPO, certain disposals or bond issuance),
- restrictive covenants (subject to exceptions included in the facility agreement) limiting the possibility for Group companies to perform certain transactions.

### **Covenant definitions**

The Tyrol SFA bank agreement includes four types of financial ratios (covenants), disclosed hereafter:

Ratios	Limits	Contractual covenant as of March 31, 2014 SFA Tyrol	Calculated covenant as of March 31, 2014 SFA Tyrol
<b>Leverage ratio</b> (consolidated net debt / consolidated EBITDA)	This ratio has to be lower than or equal to	8.25	7.31
<b>Interest Cover ratio</b> (consolidated EBITDA / Interests paid or to be paid)	This ratio has to be lower than or equal to the following limits	1.60	2.37
<b>Fixed Charge Cover ratio</b> (consolidated operating cash flow / debt service (principal repayment + interests paid or to be paid))	This ratio has to be lower than or equal to the following limits	1.00	2.66
<b>Capital Expenditure covenant</b> (maximum amount of capex approved during the financial year)	This ratio has to be lower than or equal to the following limits (in thousands of euros)	155 800	77 269

The first three ratios are calculated and reported to credit institutions every quarter, the Capital Expenditure covenant is calculated and reported once a year.

Some adjustments, defined in the bank agreement, are applied to the consolidated aggregates for the ratio calculations. The scope is laid down under the agreement, so it might not match this financial statements scope.

The contractual covenants are in compliance as of March 31, 2014, as certified by group auditors.

## 5.5 Operational risk

Compliance with Group policies is supported by a program of periodic reviews undertaken by Internal Audit. Conclusions are submitted to the Audit Committee and group senior management.

The group has taken out insurance policies to manage liabilities in respect of corporate officers, general third party liabilities and those concerning vehicle lease contracts, material damages and loss of profits.



NB :

- At March 31, 2015, the 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 March 15 and March 2014 figures ; this segment is not disclosed anymore ;
- The segment Other countries include Hungarian entities in March 2014 (12 months activity) and partly in March 2015 (2 months activity). Hungarian entities were qualified as assets held for sale at March 31, 2014 closing under IFRS 5. Income and expenses, and cash flows, which remain included in the Group's comprehensive income and Cash Flow statement until their disposal (without being restated), are detailed in the note 7.2 hereafter.

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

### 7.1 Discontinued operations

At March 31, 2015, German entities (MediaBroadcast sub-group) were disposed of (see note 1.2). These entities were a business segment, a CGU and a major geographical area of operations of 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;
- For comparison requirements, this restatement was also performed on March 2014 comprehensive income;
- The net capital loss realized with the sale of these entities at March 31, 2015 is also reclassified on this line of the Group's comprehensive income;
- Similarly the Group's cash flow statement for March 2015 and March 2014 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 the balance sheet at March 31, 2014 has not been retrospectively restated, in accordance with IFRS 5.

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

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Revenue</b>	<b>314 343</b>	<b>354 074</b>
Other income	5 553	5 123
Consumed purchases	(71 872)	(90 191)
Personnel costs	(67 216)	(67 557)
External expenses	(69 443)	(70 811)
Profit/loss on disposal of non-current operating assets	233	0
Other expenses	(6 240)	(6 560)
<b>EBITDA</b>	<b>105 358</b>	<b>124 078</b>
Depreciation, amortisation and impairment losses	(91 464)	(80 404)
Impairment of goodwill & intangible assets identified in business combinations	(11 211)	
Other operating income and charges	(244 838)	6 390
<b>OPERATING INCOME (LOSS)</b>	<b>(242 155)</b>	<b>50 064</b>
Financial income and expenses	(12 178)	(13 172)
Income tax	(9 906)	222
<b>NET INCOME (LOSS) OF DISCONTINUED OPERATIONS</b>	<b>(264 239)</b>	<b>37 114</b>

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

- The net capital loss realized on the sale of German entities, that is 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:
  - o € 43.5m of cash received from SES Astra,
  - o 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.

Details of the German entities' assets and liabilities included in the Group balance sheet at 31 March 2014 are as follows:

<i>In thousands euros</i>	<b>March 2014</b>
Goodwill	372 488
Fixed assets	360 172
Financial assets	63
Other non-current assets	12 214
Trade receivables	18 945
Other receivables	1 025
Cash and cash equivalents	11 045
<b>Assets from discontinued activities</b>	<b>775 952</b>
Provisions	52 362
Financial debts	117 103
Deferred tax liabilities	(4)
Trade payables	31 109
Other payables	39 555
<b>Liabilities from discontinued activities</b>	<b>240 125</b>

## 7.2 Assets held for sale and disposed entities

### Hungarian subsidiaries

The three Hungarian subsidiaries (Antenna Hungaria and its subsidiaries) have been classified as assets and liabilities held for sale under IFRS 5. A share purchase agreement was signed on March 26, 2014 (see note 1.3). Consequently:

- The assets and liabilities of these entities were presented on separate lines in the balance sheet for the year ended March 2014,
- Their income and expenses however remain included in the Group's comprehensive income for the financial years 2013-2014 and 2014-2015, as these entities are not material enough to be classified as discontinued activity according to IFRS 5.

The effective disposal of the three Hungarian subsidiaries took place on May 30, 2014, resulting in a net capital gain of € 0.6m over the period (€ 5.4m of disposal fees were already recognised in the year 2013-2014). See also note 8.8.

From a cash point of view, the group received € 195.9m including the repayment of the loan granted by TDF SAS to its subsidiary Antenna Hungaria (including hedging) as well as the sale price of the shares. Net from the cash of these entities which is disposed of, the impact on the Group's cash position is of € 189.4m.

Incomes and expenses of these three Hungarian subsidiaries therefore remain included in the group's comprehensive income statement until the disposal date. Their contributions to the Group's comprehensive income statement and to the cash flows statement at March 31, 2014 and March 31, 2015 are the following:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Revenue</b>	<b>8 821</b>	<b>65 832</b>
Other income	13	63
Consumed purchases	(1 177)	(9 816)
Personnel costs	(2 281)	(12 088)
External expenses	(1 556)	(13 992)
Profit/loss on disposal of non-current operating assets	10	300
Other expenses	(1 079)	(6 684)
<b>EBITDA</b>	<b>2 751</b>	<b>23 615</b>
Other operating income and expenses	(781)	(1 610)
Depreciation, amortisation and impairment losses	(2 700)	(16 981)
<b>OPERATING INCOME (LOSS)</b>	<b>(730)</b>	<b>5 024</b>
Other finance revenues / expenses	(562)	(3 933)
Income tax	28	(1 027)
<b>NET INCOME (LOSS) OF DISPOSED OPERATIONS</b>	<b>(1 264)</b>	<b>64</b>
<b>Net cash from operating activities of disposed operations</b>	<b>1 851</b>	<b>21 003</b>

#### **MCR**

The Monaco subsidiary MCR becomes qualified as asset held for sale at the 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.

As for the Hungarian entities, 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 as of March 31, 2014 and March 31, 2015 are the following:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Revenue</b>	<b>5 694</b>	<b>5 634</b>
Other income	8	1 600
Consumed purchases	(1 049)	(1 019)
Personnel costs	(859)	(751)
External expenses	(405)	(353)
Profit/loss on disposal of non-current operating assets	3	(20)
Other expenses	168	(287)
<b>EBITDA</b>	<b>3 560</b>	<b>4 804</b>
Other operating income and expenses	(207)	(212)
<b>OPERATING INCOME (LOSS)</b>	<b>3 353</b>	<b>4 592</b>
Other finance revenues / expenses	3	19
Income tax	(1 064)	(1 476)
<b>NET INCOME (LOSS) OF DISPOSED OPERATIONS</b>	<b>2 292</b>	<b>3 135</b>
<b>Net cash from operating activities of disposed operations</b>	<b>957</b>	<b>5 049</b>

Thus the assets and liabilities presented under lines "Assets/Liabilities held for sale and discontinued operations" correspond to:

- Hungarian entities as of March 31, 2014
- MCR as of March 31, 2015

Detail is the following :

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Goodwill	8 523	68 654
Fixed assets	1 263	97 214
Inventories		1 328
Trade receivables	1 014	8 842
Other receivables	288	1 145
Deferred tax assets	101	3
Cash and cash equivalents	44	10 375
<b>Assets from held for sale activities</b>	<b>11 233</b>	<b>187 561</b>
Provisions	940	1 309
Financial debts	34	547
Accrued interest		23
Deferred tax liabilities		443
Trade payables	211	8 529
Other payables	588	7 396
<b>Liabilities from held for sale activities</b>	<b>1 773</b>	<b>18 247</b>

## 8. 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 from March 2015 and March 2014 figures (see notes 1.2 and 7.1) ;
- Incomes and charges of Hungarian entities, disposed of on May 30, 2014 and classified since March 31, 2014 as « assets held for sale » according to IFRS 5, remain included in figures disclosed for March 2015 and March 2014 until the date of their disposal (see note 7.2).

### 8.1 Revenue

<i>In thousands euros</i>	March 2015	March 2014	March 2015 Proforma (unaudited)	March 2014 Proforma (unaudited)	Proforma variation
Analog Television		11 127			
Digital Television	224 951	231 449	221 280	208 799	6,0%
Radio	136 369	154 325	134 561	142 274	-5,4%
Telecoms & services	304 274	313 995	302 555	302 992	-0,1%
Satellite	2 609	8 207	1 642	1 659	-1,0%
Contribution networks					
Media Services	58 469	65 204	58 570	65 142	-10,1%
Other	16 306	20 939	15 925	21 923	-27,4%
<b>Total revenue</b>	<b>742 978</b>	<b>805 246</b>	<b>734 533</b>	<b>742 789</b>	<b>-1,1%</b>

NB :

- figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5),
- proforma figures correspond to revenues excluding contribution from German and Hungarian entities, and with constant exchange rates.

2014-2015 « proforma » revenue decreased by 1.1% compared to last year:

- TV : 6% growth (+€12.5m), mainly explained by the DTT network roll out for MHD7 and R8 muxes in France (+€8.8m), and increase in revenue from access given to competitors to TDF sites (+€4.7m)
- Radio: 5.4% decrease in revenue, due to the phase out of Short Waves activities in France (shutdown of SW sites for Radio France during summer 2014), and a decrease by €4.5m in FM broadcasting revenues (mainly Radio France for -€2.9m)
- Telecoms revenue remains flat, in spite of various effects :
  - o 10.9% growth in site hosting revenues in France, reflecting a significant volume of business :
    - The full-year-effect from 2013-2014 PoS roll out and new PoS roll out during 2014-2015, mainly for Free Mobile network roll out and the network upgrade to 4G technology
    - The litigation settlement with SFR, as well as negotiations concerning SPH4 contract with Bouygues Telecom, partially offset by a pricing pressure from other customers
  - o 38.4% decrease in other services revenue in France, due to the impact of "Proma" contract with SFR on maintenance activities (-€10.6m) and the GSM-R project slowdown (-€13.1m)
- Media services: 10.1% decrease, mainly due to CDN and OVP low performance in 2014-2015
- Other activities: 27.4% decrease, mainly due to patents and licenses royalties' revenue below the level of 2013-2014, as patents gradually transfer to the public domain.

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

<i>In thousands euros</i>	March 2015	March 2014
<b>Other income</b>	<b>16 279</b>	<b>8 479</b>

NB: figures in March 2015 and March 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.

At March 31, 2015, it includes €12.0m of research tax credit income recognition.

At March 31, 2014, it also includes €4.1m of gains on sale of leases and leaseholds from former operating sites and €1.1m income coming from contract terminations.

<i>In thousands euros</i>	March 2015	March 2014
Business tax	(8 657)	(8 423)
Property tax	(8 361)	(8 220)
Other taxes	(4 105)	(3 987)
Provision on receivables - Prov. for risks and charges	6 270	4 088
Other operating expenses	(7 218)	(8 719)
<b>Other expenses</b>	<b>(22 071)</b>	<b>(25 261)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

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 previously recognised agreements reached for litigation, and the successful negotiations for the Group related to the provision for charges.

## 8.3 Consumed purchases

<i>In thousands euros</i>	March 2015	March 2014
Resold purchases	(26 250)	(37 905)
Energy and fuels	(39 598)	(38 646)
Other purchases including change in inventory	(13 499)	(14 840)
Capitalized purchases	11 674	11 253
<b>Consumed purchases</b>	<b>(67 673)</b>	<b>(80 138)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

The €11.7m change in Resold purchases between March 2014 and March 2015 is primarily due to the following items:

- €3.0m coming from change in consolidation scope effects due to the disposal of Hungarian entities,
- €9.6m related to a charge decrease by TDF SAS, which concerns for €8.8m a Telecom network deployment (GSM-R).

The €1.0m increase in energy and fuels mainly corresponds to the following:

- €5.1m increase in expenses at TDF SAS, due to higher prices as well as to the increase of the number of sites,
- €4.2m reduction in expenses due to changes in the consolidation scope effects related to the disposal of Hungarian entities.

The change in "Other purchases including change in inventory" and in Capitalised purchases respectively include a reduction in expenses of €2.5m and a decrease in capitalised purchases of €1.0m which are related to the disposal of Hungarian entities (consolidation scope effects).

#### 8.4 Personnel costs

<i>In thousands euros</i>	March 2015	March 2014
Salaries & wages	(116 849)	(126 444)
Social security contributions	(38 895)	(40 291)
Tax contributions on salaries & wages	(5 465)	(7 548)
Statutory employee profit sharing	(5 586)	(7 012)
Post-employment benefits : defined benefit plans	(1 491)	(1 452)
Post-employment benefits : defined contributions	(11 176)	(11 519)
Share based payments		
Other personnel costs	(9 505)	(15 000)
Capitalized personnel costs	26 527	27 133
<b>Total personnel costs</b>	<b>(162 440)</b>	<b>(182 133)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

Change in consolidation scope related to the disposal of Hungarian entities amounts to €9.8m on the total personnel costs, out of which €7.2m on Salaries & wages.

Excluding change in consolidation scope effects, Salaries & wages decrease by €2.4m, including a decrease of €4.4m by TDF SAS which is notably due to a workforce reduction.

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.

#### 8.5 External expenses

<i>In thousands euros</i>	March 2015	March 2014
Real estate	(36 886)	(36 253)
Technical subcontracting	(52 155)	(54 324)
Administrative subcontracting	(12 388)	(16 391)
Expenses linked to personnel	(17 520)	(17 787)
Surveys & consulting fees	(8 946)	(10 078)
External & internal communication costs	(2 521)	(7 626)
Corporate fees	96	(128)
Insurance	(2 498)	(2 818)
<b>External expenses</b>	<b>(132 818)</b>	<b>(145 405)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

The global change of €12.6m in these expenses includes a decrease of €12.4m due to change in consolidation scope related to the disposal of Hungarian entities, notably:

- €2.1m on technical subcontracting costs,
- €1.8m on administrative subcontracting costs,
- €1.3m concerning expenses linked to personnel,
- €1.0m on surveys & consulting fees,
- €5.2m on external & internal communication costs.

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

At March 31, 2015 as at March 31, 2014, profit on disposals mainly corresponds to sales realised by TDF SAS.

## 8.7 Depreciation, amortisation and impairment losses

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Amortisation of intangible assets	(52 397)	(56 732)
Depreciation of tangible assets	(122 237)	(136 157)
Write-back of investment subsidies	1 136	1 162
Impairment of intangible assets	(4 753)	
Impairment of tangible assets	(11 924)	582
<b>Depreciation, amortisation and impairment losses</b>	<b>(190 175)</b>	<b>(191 145)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

The €18.2m total reduction in amortisation of intangible assets and depreciation of tangible assets is notably due to €14.2m from changes in consolidation scope related to the sale of Hungarian entities (out of which €3.9m concerning intangible assets and €10.3m concerning tangible assets).

Depreciations of intangible assets recognised at the end of March 2015 concern Bebanjo (€1.3m) and Arkena AB and its subsidiaries (€3.4m), and are due to a deterioration of growth and cash flows forecasts.

Depreciations of tangible assets of €11.9m have been recognised at the end of March 2015, and notably concern:

- Arkena AB (Sweden) and its subsidiaries, for a global amount of €0.5m, due to the reasons mentioned above,
- TDF SAS for €11.4m, notably due to the fact that the forecasted phase out of middle waves activities was shortened.

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Impairment loss of intangible recognised on business combinations	(2 061)	(2 525)
Impairment loss of goodwill	(2 836)	(15 832)
<b>Impairment loss</b>	<b>(4 897)</b>	<b>(18 357)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

Over the period, impairment losses correspond to:

- A new and final depreciation of €2.1 m of Arkena AB (ex Qbrick) customer relationship, and an additional depreciation of €2.4m of the goodwill of Arkena AB CGU, for the reasons mentioned above,
- An additional depreciation of the goodwill of Bebanjo CGU for €0.4m.

The goodwills of these two CGU are thus totally depreciated (see also the note 9.1).

2013-2014:

- due notably to further losses of long-standing Arkena AB (ex Qbrick) customers, an additional impairment charge of €2.5m was booked against Arkena AB's customer relationship;
- Impairment of goodwill of €15.8 concerns Arkena AB (ex Qbrick) and Bebanjo CGU for €14.4m and €1.4m respectively.

## 8.8 Other operating income and charges

At March 31, 2015, other operating income and expenses principally correspond to the following items:

- €2.2m 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 recognised 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 (see notes 8.9 and 5.2); the net impact in comprehensive income at March 31, 2015 for the disposal of Hungarian entities is thus €0.6m;
- €0.9m of additional allowance on Analog TV dismantling provision by TDF SAS, due to a change in actuarial assumptions (in compliance with IFRIC 1, these adjustments should be posted to the income statement because the underlying assets are fully depreciated) ;
- Otherwise the change of shareholders and the refinancing of the group also triggered :
  - o bonus due for managers, representing a net charge of €0.3m over the period, which corresponds to the actual expenses net from provisions releases and re invoicing of part of the bonus to Tyrol 1 acquisition & Cie SCA (former shareholder of TDF Infrastructure Holding SAS);
  - o re invoicing of fees incurred by the Group in the frame of this operation to Tyrol Acquisition 1 & Cie SCA, representing a net income of €6.0m.

At March 31, 2014, other operating income and expenses mainly include the following items:

- €10.5m of expenses on various strategic Group projects, and notably the group refinancing project, which led on March 31, 2015 to a bank refinancing, a change of shareholders, a capital increase, and a new shareholder loan (see note 1);
- €4.9m of expenses incurred in conjunction with the sale of Hungarian entities, see also note 1; a charge of €0.5m was also booked under financial items representing the recognition of a EUR/HUF currency option which was contracted in conjunction with the planned sale of the Hungarian entities, see note 8.9;
- €0.2m of remaining restructuring costs;
- €2.0m gain recognised on the Smartjog Ymagis Logistics transaction (see note 1);
- €2.6m of dismantling provision reversals concerning the analogue dismantling provision at TDF SAS. These reversals are mainly due to change of dismantling schedule (in compliance with IFRIC 1, these adjustments should be posted to the income statement because the underlying assets are fully depreciated), see also note 10.6.

## 8.9 Net finance costs

Net finance costs can be broken down as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Revenues from available funds placed	385	668
<b>Total financial revenue (a)</b>	<b>385</b>	<b>668</b>
Finance expenses linked to debt : Senior	(155 910)	(163 841)
Finance expenses linked to debt : Revolving	(2 893)	(4 606)
Finance expenses linked to debt : Shareholders	(14 857)	(12 569)
Finance expenses linked to debt : Financial lease	(292)	(475)
Finance expenses linked to debt : other debts	(257)	(230)
Refinancing costs	(15 020)	1 222
<b>Result on financial instruments measured at amortized cost (b)</b>	<b>(189 229)</b>	<b>(180 499)</b>
<b>Capitalisation &amp; amortisation of loan issue expenses (c)</b>	<b>13 401</b>	<b>(941)</b>
Net change in fair value of financial assets at fair value through profit or loss	(107 892)	(98 522)
Ineffective portion of changes in fair value of cash flow hedges	(17)	374
Net change in fair value of trading financial asset	26 555	34 011
<b>Profit (loss) related to derivatives (d)</b>	<b>(81 354)</b>	<b>(64 137)</b>
<b>Total finance expenses (e) = (b) + (c) + (d)</b>	<b>(257 182)</b>	<b>(245 577)</b>
<b>Net financial debt cost (a) + (e)</b>	<b>(256 797)</b>	<b>(244 909)</b>

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

The net financial debt cost variation compared to March 31, 2014 is primarily related to:

- A €9.6m decrease in interest expense on senior and revolving debt of the Tyrol SFA, explained by :
  - o a decrease of €9.2m corresponding to a volume effect reflecting a diminution in the average value of debt compared to the previous year,
  - o an increase of €(1.8)m corresponding to a margin effect (margins of tranches repaid over the previous year were slightly lower than the average margin of the tranches all together),
  - o a decrease of €2.3m due to lower average Euribor interest rate over the period;
- a €1.9m decrease concerning refinancing costs and amortisation of loan issuance expenses that were activated when the group was created and for the refinancing operation of July 22, 2011; note that following the group refinancing on March 31, 2015, all previous loan issuance costs were fully amortised, and €14.9m of new loan issuance costs were activated;
- A total €17.2m increase in net expenses on financial instruments, which corresponds to the following effects:
  - o On the line « Net change in fair value of financial assets at fair value through profit or loss » :
    - o a decrease in swaps interest rate of €29.3m, principally due to a reduction in the swap portfolio (volume effect and decrease of the fixed rate);
    - o an increase of €38.7m of crystallised reserves amortisation charges which are related to declassification of swaps, which is notably due to the fact that during the period, as the refinancing of the group was anticipated and then occurred on March 31, 2015, and as the former Tyrol SFA was repaid and all swaps were terminated on March 26, 2015 (the amount of debt on swaps at this date being repaid), all swaps still qualified as hedging at March 31, 2014 were declassified during the period, and all crystallised reserves were fully amortised: at March 31, 2015, cash flow hedge reserves of the group are equal to 0;
  - o On the line « Net change in fair value of trading financial assets »: the decrease of €7.5m is mainly due to the reduction of the swap portfolio, which is partly offset by the change in fair value of declassified swaps (their change of value is now taken to income).  
Moreover, at March 31, 2015, this line includes a €1.0m charge concerning the EUR/HUF exchange rate option which was contracted in the frame of the disposal of Hungarian entities (see notes 1.3, 8.8 and 5.2).

At March 31, 2015, excluding shareholders debts, the average interest rate on financial debt is 6.80% (6.53% at March 31, 2014). This rate is impacted by non- recurrent effects on financial instruments (see above), and do not reflect the effect of the change of control and of the refinancing that occurred on March 31, 2015 (see note 1), as the new debt of the Group has sensibly lower interests rates than those in force until March 31, 2015.

Other financial income and charges are as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Net discounting costs excluding net debt	(1 132)	(1 184)
Forex gains (losses)	737	(1 055)
Other financial expense & Income	722	1 729
<b>Other financial revenues / charges</b>	<b>327</b>	<b>(510)</b>

*NB: figures in March 2015 and March 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 recognised under other comprehensive income are as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Currency translation differences for foreign operations	1 000	(913)
Net loss on hedge of net investment in foreign operations		(407)
Net change in fair value of available-for-sale financial assets		(153)
Effective portion of changes in fair value of cash flow hedges	10 165	34 746
Net change in fair value of cash flow hedges transferred to profit or loss	59 562	20 885
Income tax on other comprehensive income	(24 728)	(19 160)
<b>Finance income and expenses recognised in other comprehensive income</b>	<b>45 999</b>	<b>34 998</b>

### 8.10 Income tax

In France, the entities TDF Infrastructure SAS, TDF SAS, Smartjog France, Antalis TV and Arkena SAS form with TDF Infrastructure Holding SAS, main shareholder of the Group (see note 10.1), a tax consolidation group. 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 recognised 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.

Following the change of shareholders that took place on March 31, 2015, these companies are likely to form a new tax consolidation group with the company Tivana France Holdings SAS, which owns 100% of TDF Infrastructure Holding SAS share capital since March 31, 2015.

The income tax is analysed below:

<i>In thousands euros</i>	March 2015	March 2014
Current tax expense	(74 764)	(74 870)
Other income tax	(8 933)	(9 373)
Deferred tax expense	33 264	31 347
<b>Income tax expense from continuing operations</b>	<b>(50 433)</b>	<b>(52 896)</b>
Income tax from discontinued operations and disposed entities	(9 906)	222
<b>Total income tax</b>	<b>(60 339)</b>	<b>(52 674)</b>

Note that among the €74.8m of current tax expenses mentioned above (respectively €74.9m as of March 31, 2014), €72.8m concern TDF SAS (respectively €70.7m as of March 31, 2014), and are actually offset at TDF Infrastructure Holding SAS's tax consolidation group level by loss of other companies, such as TDF Infrastructure SAS, Arkena SAS or SmartJog France (see hereafter).

Income tax recognised in other comprehensive income is analyzed below:

<i>In thousands euros</i>	March 2015			March 2014		
	Pre-tax	Tax (Expense) / Credit	Net of tax	Pre-tax	Tax (Expense) / Credit	Net of tax
Currency translation differences for foreign operations	1 000		1 000	(913)	19	(894)
Net gain on hedge of net investment in foreign operation				(407)	140	(267)
Cash flow hedges	69 727	(25 540)	44 187	55 631	(19 372)	36 259
Actuarial gains (losses) on defined benefit plan	(12 303)	4 063	(8 240)	3 907	(1 293)	2 614
Others	809		809	(112)	53	(59)
<b>Total</b>	<b>59 233</b>	<b>(21 477)</b>	<b>37 756</b>	<b>58 106</b>	<b>(20 453)</b>	<b>37 653</b>

The reconciliation between the theoretical income tax and the actual income tax recognised is provided below:

<i>In thousands euros</i>	March 2015		March 2014	
	Value	Rate	Rate	Value
Profit (loss) for the period	(393 196)			(99 624)
Total income tax for the period	(60 339)			(52 674)
Profit (loss) excluding income tax	(332 857)			(46 950)
<b>Theoretical income tax based on the French statutory income tax rate</b>	<b>114 603</b>	<b>34,43%</b>	<b>34,43%</b>	<b>16 165</b>
Permanent differences on disposals	(105 699)	-31,76%	-6,33%	(2 971)
Non-deductible interest	(23 086)	-6,94%	-25,57%	(12 004)
Other income tax expense (CVAE, etc)	(5 894)	-1,77%	-13,44%	(6 308)
Impairment of tax loss carried forward	(45 567)	-13,69%	-94,12%	(44 190)
Impact of goodwill impairment and IFRS 5 loss	(2 277)	-0,68%	-7,66%	(3 598)
Effect of difference in foreign tax rates (theoretical rate)	(2 120)	-0,64%	-5,68%	(2 667)
Effect of tax rate changes	(1 645)	-0,49%	4,28%	2 009
Exceptional statutory charge	(6 840)	-2,05%	-13,82%	(6 487)
Deferred tax on "CVAE" (1)	875	0,26%	2,95%	1 387
Research Tax Credit	4 191	1,26%		
German entities (discontinued activities)	13 788	4,14%	16,97%	7 966
Other	(668)	-0,20%	-4,21%	(1 976)
<b>Actual income tax</b>	<b>(60 339)</b>	<b>-18,13%</b>	<b>-112,19%</b>	<b>(52 674)</b>

(1) This deferred tax income relates to the Group decision to classify CVAE as income tax.

NB: figures in March 2015 and March 2014 columns are disclosed excluding contribution of German entities (in accordance with IFRS 5)

At March 31, 2015: the permanent difference on disposals effect is explained by:

- €(108.2) m concerning the disposal of German entities : see note 7.1, the net consolidated capital loss on this disposal is of €340m,
- €2.4m concerning the disposal of Hungarian entities.

At March 31, 2014 : the permanent difference on disposals effect concerns the sale of the Digital Cinema business and arose from the fact that the goodwill transfer of €8.9m related to this business line was tax.

The increase of the tax effect on non-deductible interests between March 31, 2014 and March 31, 2015 is due to a reinforcement of the maximum deduction rule for loan interest in France, following the last French Finance Act. Interests are now deductible only up to 75% against 85% previously. This tax effect concerns interest costs on senior and revolving bank debt and on the shareholder loan.

At March 31, 2015, the changes related to depreciations or non-recognition of tax loss carried forward assets are notably explained by the following:

- €38.1m of deferred tax assets for the tax loss carried forward brought forth by TDF Infrastructure SAS over the period (€ 43.0m at March 31, 2014),
- €2.1m generated by Arkena SAS,
- €1.6m by SmartJog France.

These deferred tax assets are not recognised, 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 at 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 March 31, 2016 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 TDF Infrastructure Holding SAS (main shareholder of the group, and head company of the tax consolidation group, see above) are based on this statutory charge.

## 9. Notes to the balance sheet: assets

General comments :

- Assets and liabilities of German entities, qualified as « discontinued operations » according to IFRS 5, are included in March 2013 and March 2014 figures, but not in March 2015 figures, as these entities were sold on March 31, 2015 (see notes 1.2 and 7.1) ;
- Assets and liabilities of Hungarian entities, disposed of on May 30, 2014 and classified since March 31, 2014 as « assets held for sale » according to IFRS 5, are already not included in figures disclosed in the balance sheet since March 31, 2014 (see note 7.2).

### 9.1 Goodwill

At March 31, 2015, Group goodwill breaks down by CGU or group of GGUs as follows:

<i>In thousands euros</i>	<b>March 2014</b>	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassification and allocation	<b>March 2015</b>
France	<b>1 613 446</b>			(8 523)			<b>1 604 923</b>
Germany	<b>372 488</b>			(372 488)			<b>0</b>
Hungaria	<b>0</b>						<b>0</b>
Arkena AB (ex Qbrick)	<b>2 520</b>		(2 444)		(76)		<b>0</b>
Bebanjo	<b>392</b>		(392)				<b>0</b>
Others (*)	<b>17 164</b>						<b>17 164</b>
<b>Total</b>	<b>2 006 010</b>	<b>0</b>	<b>(2 836)</b>	<b>(381 011)</b>	<b>(76)</b>	<b>0</b>	<b>1 622 087</b>

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

The change in consolidation scope of €8.5m on the CGU France corresponds to the reclassification of MCR's goodwill on the line « Assets held for sale and discontinued operations » of the Group's balance sheet, consequently to the classification of MCR as asset held for sale according to IFRS 5 on March 31, 2015 (see note 7.2).

Concerning the CGU Germany, the change corresponds to the disposal of German entities (see the notes 1 and 7.1).

About the impairment losses recognised on CGU Arkena AB (ex Qbrick) and Bebanjo, see the note on Impairment test at March 31, 2015 below.

At March 31, 2014, Group goodwill breaks down by CGU or group of GGUs as follows:

<i>In thousands euros</i>	<b>March 2013</b>	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassification and allocation	<b>March 2014</b>
France	<b>1 622 360</b>			(8 914)			<b>1 613 446</b>
Germany	<b>372 488</b>						<b>372 488</b>
Hungaria	<b>69 275</b>			(70 341)	1 066		<b>0</b>
Arkena AB (ex Qbrick)	<b>17 768</b>		(14 401)		(847)		<b>2 520</b>
Bebanjo	<b>1 823</b>		(1 431)				<b>392</b>
Others (*)	<b>17 164</b>						<b>17 164</b>
<b>Total</b>	<b>2 100 878</b>	<b>0</b>	<b>(15 832)</b>	<b>(79 255)</b>	<b>219</b>	<b>0</b>	<b>2 006 010</b>

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

The €8.9m reduction in the France CGU between March 2013 and March 2014 relates to Smartjog France transferring Digital Cinema to Smartjog Ymagis Logistics in conjunction with the joint venture transaction (see note 1).

Hungaria CGU (see notes 1 and 7): given that the three Hungarian subsidiaries were classified as assets held for sale as March 31, 2014, the Hungaria CGU goodwill was reclassified under "Assets held for sale and discontinued operations".

About the impairment losses recognised on CGU Arkena AB (ex Qbrick) and Bebanjo, see the note on Impairment test at March 31, 2014 below.

#### **A. Impairment test at March 31, 2015**

In compliance with IAS36, the Group has performed an impairment test of goodwill at the reporting date of the period 2014/2015.

So as to determine recoverable values of CGU used for the impairment tests, the group relied on business plans of the various CGUs or groups of CGUs which were used by the new shareholders to evaluate the acquisition of the group as of March 31, 2015 (see note 1).

On France and Others CGUs, taking into account those business plan doesn't lead to any impairment. However on Arkena AB (ex Qbrick) and Bebanjo CGUs, the new business plans implied the recognition of additional impairment, on top of those already recognised at March 31, 2014 (total depreciation of goodwills for an amount of €2.8m, of all intangible and tangible assets).

Also regardless of impairment tests led on the basis of business plans, the transaction and the change of shareholders on March 31, 2015 (see note 1) also lead to the conclusion that it is not necessary to recognise any additional impairment on the CGUs France and Others.

#### **B. Impairment test at March 31, 2014**

In compliance with IAS36, the Group has performed an impairment test of goodwill at the reporting date of the period 2013/2014.

So as to determine recoverable values of CGU used for the impairment tests, the group relies on business plans of the various CGUs or groups of CGUs.

During the year 2013/2014, shareholders and management reviewed the business plan of the various Group CGUs (or groups of CGUs) in order to draw conclusions from:

- Variances between actual and forecast results of subsidiaries which have not matched their initial acquisition business plans;
- Capacity of some subsidiaries to expand geographically as originally planned in some business plans;
- Actual or anticipated developments in certain markets.

Business plan goals were rationalised which resulted in lower recoverable amounts for the Qbrick, Bebanjo and Germany CGU. As a result, goodwill impairment totalling €15.8m (Qbrick CGU €14.4m and Bebanjo CGU €1.4m) was recorded.

#### **C. Assumptions underlying the impairment tests as of the reporting date**

<b>March 2015</b>	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
France	Value in use based on discounted cash flows	10 years	7,5%	2,0%
Arkena AB (ex Qbrick)			11,5%	2,0%
Qbrick			12,5%	2,0%
Bebanjo			9,5%	2,0%

March 2014	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
France	Value in use based on discounted cash flows	8 years	8,5%	2,0%
Germany			7,5%	2,0%
Arkena AB (ex Qbrick)			11,5%	2,0%
Bebanjo			12,5%	2,0%
Other (*)			9,5%	2,0%
Hungaria	Test realised based on the transaction value given in the SPA of March 26, 2014			

The discount rate corresponds to the weighted average cost of capital, determined on the basis of observable market data, in particular a sample of comparable listed companies carrying on business as operators in the fields of satellites and telephone, radio or television infrastructures/networks. The rate is an after-tax rate applied to the cash flows after tax.

#### D. Sensitivity analysis

Sensitivity analysis was carried out on the key assumptions (+ or – 0.5 bp. on discount rate, growth rate to infinity and the EBITDA margin terminal value) both individually and using a combination of scenarios

At March 31, 2015 reasonable potential changes in key assumptions listed above:

- would have no impairment impact on France and Others CGU goodwills,
- would not lead to any reduction of impairment or additional impairment charges concerning goodwills of Arkena AB (ex Qbrick) CGU and Bebanjo CGU, as their goodwill are totally depreciated at March 31, 2015.

At March 31, 2014 reasonable potential changes in key assumptions:

- would not have impacted France and Others CGU goodwill impairment,
- would have impacted Germany CGU goodwill impairment as follows:

In M€	Germany	Long term growth rate		
		-0,5 pt		+0,5 pt
Discount rate (WACC)	-0,5 pt	--	--	--
		(12,7)	--	--
	+0,5 pt	(63,8)	(30,1)	--

In M€	Germany	EBITDA margin rate		
		-1,0 pt		+1,0 pt
Discount rate (WACC)	-0,5 pt	--	--	--
		(1,7)	--	--
	+0,5 pt	(56,8)	(30,1)	(3,4)

- Arkena AB (ex Qbrick) and Bebanjo CGUs: goodwill impairment at March 31, 2014 would have increase or decrease as follows:

<i>In M€</i>		<b>Qbrick</b>	<b>Long term growth rate</b>		
			-0,5 pt		+0,5 pt
<b>Discount rate</b>		-0,5 pt	0,4	0,7	1,1
<b>(WACC)</b>			(0,3)	--	0,3
		+0,5 pt	(0,8)	(0,6)	(0,4)

<i>In M€</i>		<b>Qbrick</b>	<b>EBITDA margin rate</b>		
			-1,0 pt		+1,0 pt
<b>Discount rate</b>		-0,5 pt	(0,2)	0,7	1,6
<b>(WACC)</b>			(0,8)	--	0,8
		+0,5 pt	(1,4)	(0,6)	0,1

<i>In M€</i>		<b>Bebanjo</b>	<b>Long term growth rate</b>		
			-0,5 pt		+0,5 pt
<b>Discount rate</b>		-0,5 pt	0,1	0,1	0,2
<b>(WACC)</b>			--	--	--
		+0,5 pt	(0,1)	(0,1)	(0,1)

<i>In M€</i>		<b>Bebanjo</b>	<b>EBITDA margin rate</b>		
			-1,0 pt		+1,0 pt
<b>Discount rate</b>		-0,5 pt	--	0,1	0,1
<b>(WACC)</b>			(0,1)	--	--
		+0,5 pt	(0,2)	(0,1)	--

## 9.2 Intangible assets

Intangible assets are analysed below:

<i>In thousands euros</i>	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Other	<b>Total</b>
<b>Gross value at March 31, 2013</b>	<b>93 438</b>	<b>285 143</b>	<b>247 300</b>	<b>391 598</b>	<b>272 870</b>	<b>1 290 349</b>
Acquisitions	3 572				21 481	<b>25 053</b>
Disposals					(5 520)	<b>(5 520)</b>
Reclassifications					1 125	<b>1 125</b>
Changes in consolidation scope	(57)			(46 433)	(15 640)	<b>(62 130)</b>
Currency translation adjustments	(296)			(249)	166	<b>(379)</b>
<b>Gross value at March 31, 2014</b>	<b>96 657</b>	<b>285 143</b>	<b>247 300</b>	<b>344 916</b>	<b>274 482</b>	<b>1 248 498</b>
Acquisitions	1 589				23 832	<b>25 421</b>
Disposals					(9 017)	<b>(9 017)</b>
Reclassifications	2 612				(2 421)	<b>191</b>
Changes in consolidation scope		(285 143)	(48 800)	(58 200)	(41 238)	<b>(433 381)</b>
Currency translation adjustments	(188)			(494)	(45)	<b>(727)</b>
<b>Gross value at March 31, 2015</b>	<b>100 670</b>		<b>198 500</b>	<b>286 222</b>	<b>245 593</b>	<b>830 985</b>

Changes in consolidation scope during 2014-2015 correspond to the disposal of German entities (see note 7.1).

Changes in consolidation scope during 2013-2014 consist of the Hungarian subsidiaries intangible assets being reclassified as assets held for sale (see also note 7.2).

### Order backlog and customer relationships

During the purchase price allocation process, the Group recorded order backlog, which is amortised over the average term of the contracts per business (between 4 and 14 years) and customer relations, which are amortised over periods ranging from 6 to 22 years.

### “Other”

It includes:

- €137.0m of software (€144.6m at March 31, 2014),
- €28.8m of trademarks with an indefinite life (gross value, €44.3m as of March 31, 2014),
- €34.7m concerning a technology recognised during purchase price allocation (unchanged since March 31, 2014).

Intangible assets accumulated amortisation and impairment is broken down as follows:

<i>In thousands euros</i>	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Other	Total
<b>Amortisation at March 31, 2013</b>	<b>(49 043)</b>	<b>(149 209)</b>	<b>(211 703)</b>	<b>(111 216)</b>	<b>(160 877)</b>	<b>(682 048)</b>
Charge of the period	(9 973)	(28 618)	(20 286)	(15 506)	(20 640)	<b>(95 023)</b>
Disposals					5 520	<b>5 520</b>
Reclassifications						
Changes in consolidation scope	17			21 331	10 135	<b>31 483</b>
Currency translation adjustments	113			(70)	(124)	<b>(81)</b>
<b>Amortisation at March 31, 2014</b>	<b>(58 886)</b>	<b>(177 827)</b>	<b>(231 989)</b>	<b>(105 461)</b>	<b>(165 986)</b>	<b>(740 149)</b>
Charge of the period	(10 462)	(28 618)	(7 539)	(12 802)	(29 402)	<b>(88 823)</b>
Disposals					9 015	<b>9 015</b>
Reclassifications					248	<b>248</b>
Changes in consolidation scope		206 445	43 639	22 500	24 112	<b>296 696</b>
Currency translation adjustments	105			150		<b>255</b>
<b>Amortisation at March 31, 2015</b>	<b>(69 243)</b>		<b>(195 889)</b>	<b>(95 613)</b>	<b>(162 013)</b>	<b>(522 758)</b>

	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Other	Total
<b>Impairment losses at March 31, 2013</b>				<b>(107 745)</b>	<b>(10 069)</b>	<b>(117 814)</b>
Charge of the period				(2 525)		<b>(2 525)</b>
Disposals						
Changes in consolidation scope				3 022	163	<b>3 185</b>
Currency translation adjustments				302	(3)	<b>299</b>
<b>Impairment losses at March 31, 2014</b>				<b>(106 946)</b>	<b>(9 909)</b>	<b>(116 855)</b>
Charge of the period	(2 816)			(9 172)	(6 491)	<b>(18 479)</b>
Disposals						
Changes in consolidation scope				7 111	4 554	<b>11 665</b>
Currency translation adjustments	19			255	3	<b>277</b>
<b>Impairment losses at March 31, 2015</b>	<b>(2 797)</b>			<b>(108 752)</b>	<b>(11 843)</b>	<b>(123 392)</b>
<b>Carrying amount at March 31, 2013</b>	<b>44 395</b>	<b>135 934</b>	<b>35 597</b>	<b>172 637</b>	<b>101 924</b>	<b>490 487</b>
<b>Carrying amount at March 31, 2014</b>	<b>37 771</b>	<b>107 316</b>	<b>15 311</b>	<b>132 509</b>	<b>98 587</b>	<b>391 494</b>
<b>Carrying amount at March 31, 2015</b>	<b>28 630</b>		<b>2 611</b>	<b>81 857</b>	<b>71 737</b>	<b>184 835</b>

### Impairment of intangible assets

Intangible asset impairment is detailed below:

<i>In thousands euros</i>	France	Germany	Other Countries	Total
Trademarks with indefinite lives		(4 100)		(4 100)
Backlog				
Other intangible assets		(7 565)	(6 814)	(14 379)
<b>Total March 31, 2015</b>		<b>(11 665)</b>	<b>(6 814)</b>	<b>(18 479)</b>

<i>In thousands euros</i>	France	Germany	Other Countries	Total
Trademarks with indefinite lives				
Backlog				
Other intangible assets			(2 525)	(2 525)
<b>Total March 31, 2014</b>			<b>(2 525)</b>	<b>(2 525)</b>

Trademarks with an indefinite life are subject to an annual impairment test. The following were the main assumptions used as of March 31, 2015:

	France
Recoverable value based on	Fair value
Valuation Method	Royalties
Projected periods	10 years
Discount rates	7,5%
Long term growth rates	2,0%
Royalty rate on the revenues	0,3%

The following were the main assumptions used as of March 31, 2014:

	France	Germany
Recoverable value based on	Fair value	
Valuation Method	Royalties	
Projected periods	8 years	
Discount rates	8,5%	7,5%
Long term growth rates	2,0%	2,0%
Royalty rate on the revenues	0,3%	0,3%

The net book value of trademarks with indefinite lives amounts to €23.0m (for France, Germany was sold). Sensitivity analysis carried out showed that any deterioration in the key criteria would not lead to further impairment.

#### **At March 31, 2015**

Impairments of this financial year correspond to:

- Depreciations of intangible assets concerning Bebanjo (€1.3m), and Arkena AB and its subsidiaries (€5.5m, of which €2.1 concerning a new and final depreciation of Arkena AB customer relationship), due to a deterioration of growth and cash flows forecasts.
- €11.7m of depreciations in Germany (disposed of on March 31, 2015), following changes in forecasted cash flows on some activities.

At March 31, 2015 accumulated impairment on other intangible assets includes €5.8m related to trademarks and €1.4m related to software.

#### **At March 31, 2014**

The €2.5m impairment charge relates to the depreciation of Arkena AB (ex Qbrick)'s customer relationship, which was primarily required due to contract losses with long-standing Qbrick customers during the year.

At March 31, 2014 and March 31, 2013 accumulated impairment on other intangible assets includes €5.8m related to trademarks and €1.2m related to software.

### 9.3 Property, plant and equipment

Property, plant and equipment is analysed below:

<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Other	Total
<b>Gross value at March 31, 2013</b>	<b>675 470</b>	<b>1 954 717</b>	<b>101 513</b>	<b>519 202</b>	<b>3 250 902</b>
Acquisitions	16 415	56 901	6 767	59 348	139 431
Sorties	(12 006)	(122 674)	(9 526)	(13 223)	(174 429)
Reclassifications	1 162	11 037	2 593	(13 538)	1 254
Changes in consolidation scope	(46 877)	(88 543)	(4 086)	(32 314)	(171 820)
Currency translation adjustments	707	1 295	(63)	390	2 329
<b>Gross value at March 31, 2014</b>	<b>634 871</b>	<b>1 812 733</b>	<b>97 198</b>	<b>502 865</b>	<b>3 047 667</b>
Acquisitions	21 335	58 890	6 519	111 659	198 403
Sorties	(1 700)	(37 944)	(6 569)	(13 175)	(59 388)
Reclassifications	836	14 084	1 123	(12 354)	3 689
Changes in consolidation scope	(95 174)	(341 246)	(33 350)	(78 415)	(548 185)
Currency translation adjustments	15	68	(68)	322	337
<b>Gross value at March 31, 2015</b>	<b>560 183</b>	<b>1 506 585</b>	<b>64 853</b>	<b>510 902</b>	<b>2 642 523</b>
<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Other	Total
<b>Depreciation at March 31, 2013</b>	<b>(211 038)</b>	<b>(993 049)</b>	<b>(75 835)</b>	<b>(294 838)</b>	<b>(1 574 760)</b>
Charge of the period	(24 502)	(113 805)	(11 410)	(27 398)	(177 115)
Sorties	9 259	122 734	8 240	29 427	169 660
Reclassifications	(9)	(1 944)	160	131	(1 662)
Changes in consolidation scope	10 774	57 593	3 476	18 922	90 765
Currency translation adjustments	(148)	(795)	11	(252)	(1 184)
<b>Depreciation at March 31, 2014</b>	<b>(215 664)</b>	<b>(929 266)</b>	<b>(75 358)</b>	<b>(274 008)</b>	<b>(1 494 296)</b>
Charge of the period	(19 409)	(99 803)	(7 781)	(32 654)	(159 647)
Sorties	975	37 827	6 486	13 075	58 363
Reclassifications	950	9 585	30	(1 990)	8 575
Changes in consolidation scope	19 306	216 230	21 014	5 425	261 975
Currency translation adjustments	(13)	(55)	43	(242)	(267)
<b>Depreciation at March 31, 2015</b>	<b>(213 855)</b>	<b>(765 482)</b>	<b>(55 566)</b>	<b>(290 394)</b>	<b>(1 325 297)</b>
<i>In thousands euros</i>	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Other	Total
<b>Impairment losses at March 31, 2013</b>	<b>(57 288)</b>	<b>(28 897)</b>	<b>(8)</b>	<b>(4 717)</b>	<b>(90 910)</b>
Charge of the period	(63)	(13)		643	567
Sorties			15		15
Reclassifications			(15)	15	
Currency translation adjustments	8 495	357		57	8 909
	(127)	-6		(1)	(134)
<b>Impairment losses at March 31, 2014</b>	<b>(48 983)</b>	<b>(28 559)</b>	<b>(8)</b>	<b>(4 003)</b>	<b>(81 553)</b>
Charge of the period	(4 287)	(17 661)	(3 282)	(30)	(25 260)
Sorties					
Reclassifications					
Currency translation adjustments	46 665	9 074	2 807		58 546
		(3)	3	(2)	(2)
<b>Impairment losses at March 31, 2015</b>	<b>(6 605)</b>	<b>(37 149)</b>	<b>(480)</b>	<b>(4 035)</b>	<b>(48 269)</b>
<b>Carrying amount at March 31, 2013</b>	<b>407 144</b>	<b>932 771</b>	<b>25 670</b>	<b>219 647</b>	<b>1 585 232</b>
<b>Carrying amount at March 31, 2014</b>	<b>370 224</b>	<b>854 908</b>	<b>21 832</b>	<b>224 854</b>	<b>1 471 818</b>
<b>Carrying amount at March 31, 2015</b>	<b>339 723</b>	<b>703 954</b>	<b>8 807</b>	<b>216 473</b>	<b>1 268 957</b>

Broadcasting networks comprise pylons, antennas, transmitters, microwave links and site fixtures, satellite equipment (terrestrial stations), pre-broadcasting equipment for master control rooms. "Other" includes vehicles, equipped vehicles and assets in progress.

The gross value of property, plant and equipment held under finance leases (group as lessee) and included in non-current assets amounts to €28.2m (€ 29.4m as of March 31, 2014). It mainly consists of DVRN towers rented from France Telecom and a car fleet. Accumulated depreciation regarding those assets amounts to €16.2m (€15.7m as of March 31, 2014).

The Group does not lease any of its assets to third parties under finance leases (group as lessor).

### **March 31, 2015**

Changes in consolidation scope mainly correspond to the disposal of German entities (see the note 7.1).

### **March 31, 2014**

Changes in consolidation scope correspond to reclassifying the Hungarian subsidiaries' tangible assets as assets held for sale (see note 7.2).

Disposals include €1.7m of Digital Cinema tangible assets that Smartjog France transferred to Smartjog Ymagis Logistics (which is consolidated under the equity method see note 1).

## **9.4 Financial assets available for sale**

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Gross value at opening</b>	<b>840</b>	<b>1 251</b>
Acquisitions	25	160
Sorties	(632)	(418)
Currency translation adjustments		
Fair value AFS		(153)
Changes in consolidation scope	230	
<b>Gross value at closing (A)</b>	<b>463</b>	<b>840</b>
<b>Impairment at opening</b>	<b>0</b>	<b>(75)</b>
Charge for the year	(230)	
Reversal		75
Currency translation adjustments		
Changes in consolidation scope		
<b>Impairment at closing (B)</b>	<b>(230)</b>	<b>0</b>
<b>Net carrying amount at closing</b>	<b>233</b>	<b>840</b>

Financial assets available for sale mainly comprise the Group's investment in non-consolidated companies.

## **9.5 Inventories**

<i>In thousands euros</i>	<b>March 2015</b>			<b>March 2014</b>		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories, including items in progress	6 183	(2 281)	3 902	12 064	(3 487)	8 577
<b>Total inventories</b>	<b>6 183</b>	<b>(2 281)</b>	<b>3 902</b>	<b>12 064</b>	<b>(3 487)</b>	<b>8 577</b>

Inventories comprise spare parts for which use (consumption, capitalisation or sale) is not pre-determined.

## 9.6 Trade receivables and other current and non-current assets

<i>In thousands euros</i>	March 2015			March 2014		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade accounts receivables	217 880	(8 147)	209 733	205 815	(11 453)	194 362
Trade receivables on disposal of assets	736	(52)	684	586	(122)	464
<b>Total trade accounts receivables</b>	<b>218 616</b>	<b>(8 199)</b>	<b>210 417</b>	<b>206 401</b>	<b>(11 575)</b>	<b>194 826</b>

Trade receivables impairment is based on the probability of bad debts.

The breakdown of past due amounts on trade receivables is as follows:

	March 2015	March 2014
	Net	Net
Not yet due	182 625	180 689
Less than 3 months past due	20 535	13 857
More than 3 months and less than 1 year past due	1 618	(75)
More than one year and less than 3 years past due	4 014	649
More than 3 years past due	1 625	(294)
<b>Net trade account receivables</b>	<b>210 417</b>	<b>194 826</b>

Other current and non-current assets are as follows:

<i>In thousands euros</i>	March 2015			March 2014		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Credit notes not yet received	257		257	222		222
Advance payment - corporate income tax	443		443	1 316		1 316
Tax and social security receivables	36 003		36 003	25 175		25 175
Prepaid expenses	10 378		10 378	12 376		12 376
Escrow account	146		146	78		78
Other receivables	23 959	(735)	23 224	20 656	(389)	20 267
<b>Total other current assets</b>	<b>71 186</b>	<b>(735)</b>	<b>70 451</b>	<b>59 823</b>	<b>(389)</b>	<b>59 434</b>
Non-current receivables	198	0	198	71		71
Loans, security deposit, guaranty	18 895	0	18 895	27 333	(320)	27 013
<b>Total other non current assets</b>	<b>19 093</b>	<b>0</b>	<b>19 093</b>	<b>27 405</b>	<b>(320)</b>	<b>27 084</b>

## 9.7 Cash and cash equivalents

<i>In thousands euros</i>	March 2015	March 2014
Cash and cash equivalents	67 899	173 282
Bank overdrafts used for cash management purposes	(1 425)	(1 879)
<b>Cash of continued activities</b>	<b>66 474</b>	<b>171 403</b>

The Group's cash is largely denominated in euros.

## 10. Notes to the balance sheet: equity and liabilities

General comments :

- Assets and liabilities of German entities, qualified as « discontinued operations » according to IFRS 5, are included in March 2013 and March 2014 figures, but not in March 2015 figures, as these entities were sold on March 31, 2015 (see notes 1.2 and 7.1) ;
- Assets and liabilities of Hungarian entities, disposed of on May 30, 2014 and classified since March 31, 2014 as « assets held for sale » according to IFRS 5, are already not included in figures disclosed in the balance sheet since March 31, 2014 (see note 7.2).

### 10.1 Share capital and reserves

As of March 31, 2015, share capital of TDF Infrastructure SAS amounts to 749 979 315.20 euros. A share issue of 584 160 395,70 euros was fully subscribed and paid by TDF Infrastructure Holding SAS on March 31, 2015 by offset against a cash receivable it had on TDF Infrastructure SAS.

The share capital consists of 7.499.793.152 fully paid shares, each with a nominal value of €0.10, out of which 6.337.654.447 ordinary shares and 1,162,138,705 preference shares (divided into three categories: A1, A2 and B); 6,102,710 of the ordinary shares have a subscription right ("BSA") attached to them (one BSA per share). The preference shares have a priority right in case of dividend distribution.

At March 31, 2015, the share capital of TDF Infrastructure SAS is owned by the following shareholders:

Direct holding at	March 2015	March 2014
TDF Infrastructure Holding SAS <i>(formerly Tyrol Acquisition 1 SAS)</i>	99,66%	98,41%
Tower Associés SAS	0,06%	0,25%
Tower Associés 2 SAS	0,01%	0,04%
Colisée Management SAS	0,09%	0,41%
Tivana France Holdings SAS	0,18%	
Other		0,89%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

See also note 18 concerning three operations that occurred post-closing on April 10, 2015, which impact the debt and the share capital of TDF Infrastructure SAS.

Besides, 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).

Note that until March 31, 2015 morning , TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 SAS) was fully owned by one shareholder, Tyrol Acquisition 1 & Cie SCA, which is itself directly or indirectly owned by the following shareholders :

Indirect holding at	March 2014 and during the period
TPG Capital	41,57%
Bpifrance Participations (ex-FSI)	23,99%
ARDIAN (ex-Axa Private Equity)	17,74%
Charterhouse Capital Partners	13,87%
Other	2,83%
<b>Total</b>	<b>100,00%</b>

Following the change of shareholders that occurred on March 31, 2015 (see note 1), the share capital of TDF Infrastructure Holding SAS is now 100% owned by the French company Tivana France Holdings SAS, which is itself directly or indirectly owned by the following shareholders :

Indirect holding at	March 2015
Brookfield Infrastructure Group	50,00%
Public Sector Pension Investment Board (PSP Investments)	25,00%
APG Asset Management N.V.	25,00%
<b>Total</b>	<b>100,00%</b>

### **Currency translation reserve**

The currency translation reserve comprises the total of accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations and of financial liabilities designated as hedges of net investments in foreign operations.

### **Cash flow hedging reserve**

The cash flow hedging reserve represents the cumulative portion of gains and losses on cash flow hedging instruments that have been deemed effective.

### **Other reserves**

Other reserves include:

- The net accumulated change in fair value of available-for-sale financial assets until they are written off or impaired;
- The reserve for treasury shares;
- The reserve for actuarial differences ;
- Changes in consolidation scope relating to changes in minority interests.

## **10.2 Financial debt**

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

<i>In thousands euros</i>	March 2014	Increase	Decrease	Other	March 2015
Senior debt (FA / SFA Tyrol)	3 764 843	1 445 142	(3 832 781)	37 938	1 415 142
<i>including loan issuance costs</i>	<i>(1 457)</i>	<i>(14 858)</i>	<i>1 457</i>		<i>(14 858)</i>
<i>including term debt</i>	<i>3 566 300</i>	<i>1 400 000</i>	<i>(3 604 238)</i>	<i>37 938</i>	<i>1 400 000</i>
<i>including revolving debt</i>	<i>200 000</i>	<i>60 000</i>	<i>(230 000)</i>		<i>30 000</i>
Shareholders' debt		1 838 698			1 838 698
Tax group convention debt	495 579	74 112		(569 691)	0
Finance lease debt	124 501	2 186	(33 873)	(86 035)	6 779
NCI repurchase commitments debt					
Other financial debt	718	193	(45 314)	44 966	563
<b>Financial debt</b>	<b>4 385 641</b>	<b>3 360 331</b>	<b>(3 911 968)</b>	<b>(572 822)</b>	<b>3 261 182</b>
<i>In thousands of euros</i>	March 2013	Increase	Decrease	Other	March 2014
Senior debt	3 827 964				3 564 843
<i>including loan issuance expenses</i>	<i>(2 398)</i>		<i>941</i>		<i>(1 457)</i>
<i>including SFA Tyrol senior debt</i>	<i>3 830 362</i>		<i>(304 886)</i>	<i>40 824</i>	<i>3 566 300</i>
Revolving debt	180 000	230 000	(210 000)		200 000
Tax group convention debt	405 739	77 271		12 569	495 579
Finance lease debt	156 095	3 123	(34 156)	(561)	124 501
NCI repurchase commitments debt	1 684		(594)	(1 090)	
Other financial debt	1 677	142	(1 087)	(14)	718
<b>Financial debt</b>	<b>4 573 159</b>	<b>310 536</b>	<b>(549 782)</b>	<b>51 728</b>	<b>4 385 641</b>

### **Senior debt towards banks**

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 put in place in July 2007, that is a repayment of €3 356.7m,
- the setup of the FA: €1400m of senior term debt drawn (excluding borrowing issue costs of €14.9m).  
The characteristics of this new senior debt are detailed in the notes 5.4 and 10.3.

Note that €40.5m of senior debt of the Tyrol SFA (former bank agreement, see the note 5.4) was repaid during the period, prior to the refinancing of March 31, 2015.

Besides the €37.9m movement in "Other" as of March 31, 2015 (€40.8m as of March 31, 2014) correspond to the capitalisation of "Pay In Kind" interest on senior debt that was negotiated in the Tyrol SFA. These capitalisation transactions were agreed under the July 2011 refinancing operation.

Borrowing issue costs disclosed as a deduction from the debt balance amount to €14.9m as at March 31, 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 Tyrol SFA have been fully amortised on March 31, 2015).

The senior revolving debt of the FA put in place 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 at closing. 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) are due to TDF Infrastructure Holding SAS, which is the main shareholder the TDF Infrastructure SAS Group (see note 10.1) and the head of the tax consolidation grouping TDF Infrastructure SAS, TDF SAS, SmartJog France, Antalis TV and Arkena SAS. Under this agreement, TDF Infrastructure SAS collects 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 has a nature of current account, and is 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.

After increase of the period, this debt was entirely capitalised (including accrued interests) on March 31, 2015 for an amount €584.2m, in the frame of impacts brought forth by the change of shareholders (see note 1). The counterpart is an increase of the share capital of TDF Infrastructure SAS (see note 10.1).

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%). See note 18, this loan was completely capitalised post-closing on April 10, 2015 ;
- €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);

### **Finance lease debt**

At March 31, 2014, the finance lease debt includes €117.1m on rental entitlements purchased from DFMG (Deutsche Funkturm GmbH) as part of the Media Broadcast acquisition. After repayment of the period, this outstanding debt of €86m is disposed of ("Other" flow) together with the disposal of MediaBroadcast (German entity) on March 31, 2015.

### **Other financial debts**

Other financial debts of €0.6m at March 31, 2015 (March 31, 2014: €0.7m) correspond to third party payables for operating capex, purchase of equity investments and commercial partnerships.

The flow "Other" of €45m corresponds to the current account with MediaBroadcast, which becomes a third party debt after the disposal of this entity, and the decrease corresponds to its repayment just after.

At March 31, 2015, accrued interest related to the debt stood at €0.4m (€29.4m at March 31, 2014).

Financial debt is analysed by maturity below:

<i>In thousands euros</i>	<b>March 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
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
Tax group convention debt				
Finance lease debt	6 779	2 563	4 216	
NCI repurchase commitments debt				
Other financial debt	563	71	492	
<b>Financial debt</b>	<b>3 261 182</b>	<b>847 634</b>	<b>1 389 850</b>	<b>1 023 698</b>

<i>In thousands euros</i>	<b>March 2014</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Senior debt, term debt and revolving debt	3 764 843	40 500	3 724 343	
Shareholders' debt				
Tax group convention debt	495 579	495 579		
Finance lease debt	124 501	34 861	89 640	
NCI repurchase commitments debt	0			
Other financial debt	718	123	561	34
<b>Financial debt</b>	<b>4 385 641</b>	<b>571 063</b>	<b>3 814 544</b>	<b>34</b>

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

- The shareholder debt, € 1 838.7m at closing, bears 7.7% fixed rate interests and :
  - o € 815m were capitalised post-closing (in share capital and share premium) on April 10, 2015, see note 18;
  - o For the remaining € 1.023,7m towards Tivana France Holdings, maturity is 10 years, that is March 31, 2025 (and the borrower also has an extension option);
- The senior debt of € 1,430m bears variable interest rates and breaks down as follows:
  - o A term debt tranche of € 700m for which contractual maturity is November 6, 2017,
  - o A term debt tranche of € 700m for which contractual maturity is November 6, 2019,
  - o A revolving debt of €30m, which was repaid on April 21, 2015, which is usable up to 250m, and for which contractual maturity is November 6, 2019.

### 10.3 Description of debt

#### At March 31, 2015

The characteristics of the new bank debt put in place at March 31, 2015 are summarised in the table below:

In millions euros	Initial amount	Amount due at Mars 2015	Depending in the Group's rating		Margin applied to EURIBOR					Maturity
			Moody's	S&P	Until 11/06/15	Until 11/06/16	Until 11/06/17	Until 11/06/18	Until 11/06/19	
<i>Term debt</i>										
Tranche A	700,0	700,0	Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-	0,65% 0,80%	0,80% 1,00%	1,25% 1,40%	NA NA	NA NA	6-nov.-17
							Margin Baa3/BBB- plus 0,75%			
Tranche B	700,0	700,0	Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-	0,65% 0,80%	0,80% 1,00%	1,35% 1,50%	1,60% 1,75%	2,00% 2,15%	6-nov.-19
							Margin Baa3/BBB- plus 0,75%			
<b>TOTAL term debt</b>	<b>1 400,0</b>	<b>1 400,0</b>								
Revolving Facility	250,0	30,0	Baa2 or above Baa3 Below Baa3	BBB or above BBB- Below BBB-			1,00% 1,15%			6-nov.-19
							Margin Baa3/BBB- plus 0,75%			
<b>TOTAL Revolving debt</b>	<b>250,0</b>	<b>30,0</b>								
<b>TOTAL FA debt</b>	<b>1 650,0</b>	<b>1 430,0</b>								

The description hereafter is related to the new bank agreement of the Group put in place on March 31, 2015.

The refinancing performed by TDF Infrastructure SAS on March 31, 2015 is ruled by the following contracts that were entered into on March 31, 2015:

"Facilities Agreement" signed November 6, 2014 and amended March 26, 2015 between Tivana Topco S.A., Tivana Midco S.à r.l., Tivana France Holdings SAS,, as parent companies and joint guarantors, and TDF Infrastructure SAS (which entered into the contract on March 31, 2015), as borrower and joint guarantor, BNP Paribas SA, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent and the lenders named therein (the "Senior Credit Agreement"), which object is the establishment of senior credit lines for an initial principal amount of €1.650.000.000 ; it is also managed that TDF Infrastructure Holding SAS and TDF SAS can enter into the contract within 90 days after March 31, 2015;

« Intercreditor Agreement » signed November 6, 2014 between notably Tivana Topco S.A., Tivana Midco S.à r.l., Tivana France Holdings SAS, as parent companies and joint guarantors, and TDF Infrastructure SAS, as borrower and joint guarantor, BNP Paribas SA,, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent, the Senior lenders parties to the Credit Senior Agreement and certain banks as Hedge Counterparts, under which are in particular determined the conditions of subordination and ranking between creditors of Tivana Topco S.A., Tivana Midco S.à r.l., Tivana France Holdings SAS, TDF Infrastructure Holding SAS, TDF Infrastructure SAS and TDF SAS ;

These credit lines include :

- a facility A, with 3 year initial length (maturing on November 6, 2017), amounting to €700m
- a facility B, with 5 years initial length (maturing on November 6, 2019), amounting to €700m
- a revolving credit line, with 5 years initial length (maturing on November 6, 2019), amounting to €250m

Facilities A and B are intended to repay part of the former bank debt of the Group in the frame of the change of control (the repayment of the outstanding amount of the former debt was repaid using capital and shareholder loans).

The revolving credit line can be used to cover the general needs of the group, including repayment of the former revolving debt in the frame of the refinancing, acquisitions, capital expenditure, working capital and distribution to shareholders.

This debt has variable interest rates. Interests periods are 1 month, 2 months, 3 months or 6 months, the period length being freely chosen by the borrower depending on its own needs (except under certain circumstances such as debt syndication).

As disclosed in the table above, margins applied to Euribor increase as time goes by, and also depend on the group's rating as determined by Moody's or S&P.

These facilities are subject to compliance with a ratio and commitments set contractually (see note 5.4). This ratio and these commitments will be tested twice a year, starting on June 30, 2015.

### At March 31, 2014

The characteristics of the Senior debt are summarised in the table below:

<i>In millions euros</i>	Initial amount	Amount due at March 2014	Margin applied to EURIBOR			Maturity
			cash	PIK (2)	Total	
<i>Original senior debt</i>						
Tranche A (ex "Senior A")	59,5		1,75%		1,75%	31-janv.-14
Tranche B (ex "Senior B")	35,9	33,3	2,00%		2,00%	31-janv.-15
Tranche C - 1 (ex "Senior C") (1)	19,1	17,7	2,25%		2,25%	31-janv.-16
<i>Debt "add-on"</i>						
Tranche AA1 (ex "Accordion A")	4,6		2,75%		2,75%	31-janv.-14
Tranche BA1 (ex "Accordion B")	7,8	7,2	3,00%		3,00%	31-janv.-15
<i>Debt "extended"</i>						
Tranche A-2 (ex "Senior A")	1 040,5	984,2	3,00%	1,00%	4,00%	31-janv.-16
Tranche B-2 (ex "Senior B")	939,1	888,3	3,00%	1,00%	4,00%	31-janv.-16
Tranche AA1-2 (ex "Accordion A")	48,5	45,9	3,00%	1,00%	4,00%	31-janv.-16
Tranche BA1-2 (ex "Accordion B")	39,3	37,2	3,00%	1,00%	4,00%	31-janv.-16
<i>Debt "Bucket"</i>						
Tranche C - 2 (ex "Senior C") (1)	955,9	904,2	3,00%	1,00%	4,00%	31-janv.-16
Tranche CA1 - 2 (ex "Accordion C") (1)	47,1	44,1	3,50%	0,50%	4,00%	31-janv.-16
<i>New debt</i>						
Tranche D	100,0	94,6	3,00%	1,00%	4,00%	31-janv.-16
Revolving TDF SAS PIK Loan (3)	0,0	3,0	3,00%	1,00%	4,00%	31-janv.-16
<i>Second lien</i>						
Original 2nd lien Tranche - 1 (ex "Senior 2nd lien") (1)	16,5	16,5	3,25%		3,25%	31-juil.-16
Add-on 2nd lien Tranche A1 (ex "Accordion 2nd lien")	22,7	22,7	5,75%		5,75%	31-juil.-16
Bucket 2nd lien Tranche - 2 (ex "Senior 2nd lien") (1)	453,5	467,5	4,25%	1,50%	5,75%	31-juil.-16
<b>TOTAL Senior TDF &amp; TYA 2 debt</b>	<b>3 790,0</b>	<b>3 566,4</b>				
Revolving TDF SAS Tranche 1 (1)	78,2		1,75%		1,75%	31-janv.-14
Revolving TDF SAS Tranche 2 (1)	321,8	200,0	3,00%	1,00%	4,00%	31-janv.-16
<b>TOTAL Revolving debt</b>	<b>400,0</b>	<b>200,0</b>				
<b>Total Senior &amp; Revolving debt</b>	<b>4 190,0</b>	<b>3 766,4</b>				

(1) The breakdown between tranche 1 and tranche 2 is made for administrative purposes only. From a legal point of view there is one single tranche

(2) PIK = Pay In Kind means capitalised interest (annual capitalisation); this interest is not payable until the corresponding debt is repaid

(3) The revolving TDF SAS PIK Loan results from capitalised interest on the TDF SAS revolving debt tranche 2. The revolving TDF SAS PIK Loan cannot be repaid until the final maturity date (January 31, 2016) even if the other revolving lines tranches 1 and 2 are fully repaid (except in the event of cancellation of the revolving line).

The description below sets out the Group's on-going financing after renegotiation of bank agreements, including amendments signed July 22, 2011.

The financing set up in 2007 by TDF Infrastructure SAS is governed by the following agreements, for which TDF SAS is an Additional Borrower since January 31, 2007:

"Senior Facilities Agreement" dated January 19, 2007 as modified on January 31, 2007 and July 22, 2011 between TDF Infrastructure Holding SAS, as the parent company and joint guarantor, TDF Infrastructure SAS as Borrower and joint guarantor, Citigroup as global coordinator, Citibank International Plc., BNP Paribas SA, BNP Paribas London Branch, Merrill Lynch International, HSBC France, Morgan Stanley Bank International Limited and Morgan Stanley Senior Funding Inc. as Mandated Lead Arrangers, BNP Paribas SA as Facility Agent, Security Agent and Issuing Bank, Citibank International Plc. as Documentation Agent and the Lenders (the "SFA") for the setting of an initial senior financing principal amount of €3,970,000,000;

"Intercreditor Agreement" dated January 31, 2007 as modified on July 22, 2011, between TDF Infrastructure Holding SAS as the parent company and joint guarantor, TDF Infrastructure SAS as Borrower and joint guarantor, Citigroup as Global Coordinator, Citibank International plc., BNP Paribas SA, as Senior Agent,

Security Agent and Issuing Bank, Citibank International Plc. as Documentation Agent (the "ICA"), the Senior lenders parties to the Credit Senior Agreement and certain banks as Hedge Counterparts, under which are in particular determined the conditions of subordination and ranking between creditors of TDF Infrastructure Holding SAS TDF Infrastructure SAS, TDF SAS and other companies of the group that have entered this Intercreditor agreement.

This debt is at variable interest rates. Interest periods are of 1, 2, 3, or 6 months.

- On January 15, 2008, the group raised additional senior debt through a so-called accordion feature negotiated in conjunction with the bank agreement, for a total nominal amount of €170m, through the intermediary of TDF Infrastructure SAS and TDF SAS, in order to finance capital increases by the holding companies used to acquire the German company Media Broadcast.  
This debt is at a variable interest rate, with the same maturity terms as the initial senior debt.  
In the meantime, facilities were raised for a total amount of €505m by the German holding company Taunus Verwaltungen (the "Taunus Credit Agreement", which has since been refinanced).
- On July 22, 2011, the group raised additional senior debt under the bank agreement for a total principal amount of €250m through the intermediary of TDF Infrastructure SAS. This debt was used to refinance the Taunus group's existing debt (which was completely repaid), thereby allowing the German subsidiaries to be party to Tyrol bank agreement. At that date, the maturities for tranches A and B (and their related accordion tranches) and for the revolving debt were extended to January 31, 2016 to the extent of 92.8% of the value of these tranches. Simultaneously, the financial covenants were modified and certain bank agreement clauses were amended (notably to allow TDF Infrastructure SAS to raise additional debt by issuing bonds)

These facilities are subject to compliance with certain ratios and aggregates set contractually (see note 5.4). These ratios and aggregates were in compliance as of March 31, 2014.

#### 10.4 Characteristics of derivative instruments

The Group manages its exposure to changes in interest rates through a policy of hedging its variable interest rate debt. Interest on Tyrol SFA debt before hedging is calculated based on Euribor (1, 3, 6 months) plus a margin as described in note 10.3.

However, at March 31, 2015, no derivative instrument is in place.

The hedging instruments that existed under the previous financial structure prior to the change of control have been completely terminated prior to the refinancing of March 31, 2015 (see notes 1.1 and 8.9). Cash payments for terminating swaps were paid for an amount of €33.0m (excluding coupon).

As of March 31, 2014 these swaps were classified and presented as follows:

<i>March 31, 2014</i>	Notional amount of interest rate hedging contracts by maturity date		Derivatives Fair value (Excluding Accrued interest)		
	<i>In thousands euros</i>			Assets	Liabilities
	Total	< 1 year	1 to 5 years		
<b>Cash flow hedging</b>					
Lender swap floating rate / borrower fixed rate	1 900 000		1 900 000		60 029
<b>Net investment hedging</b>					
Cross Currency Swap	95 988	95 988		19 470	
<b>Derivatives not qualified as hedging</b>					
Lender swap floating rate / borrower fixed rate	460 000	460 000			10 737
<b>Call and put options</b>					
Change option on Hungarian Forint	96 463	96 463		1 018	
				<b>20 488</b>	<b>70 766</b>

## 10.5 Employee benefits

### A. Post-employment benefits

The amounts shown in the balance sheet essentially concern the provision for retirement indemnities, as follows:

<i>In thousands euros</i>	March 2015	March 2014
Present value of the defined benefit obligation	39 521	56 940
Fair value of plan assets	(18 551)	(18 276)
<b>Provision recognised for defined benefit obligations</b>	<b>20 970</b>	<b>38 664</b>

The time schedule of expected discounted cash flows on these provisions is as follows:

<i>In thousands euros</i>	March 2015	< 1 year	1 to 5 years	> 5 years
France	20 963		822	20 141
Other	7	1	1	5
<b>Provision recognised for defined benefit obligations</b>	<b>20 970</b>	<b>1</b>	<b>823</b>	<b>20 146</b>

The main employee benefit plans concern retirement benefits in France.

Retirement benefits are valued based on a collective workforce agreement or a company agreement and the legal age of retirement is assumed to be 65 years.

TDF, TDF Infrastructure SAS and SmartJog France, representing 93% of benefit obligations in France as of March 31, 2015 as at March 31, 2014, apply the National Telecommunication Collective Agreement and no company agreement may override this agreement. Under the collective agreement, the retirement benefit paid out equals statutory severance pay (based on the employee's length of service and last salary prior to retirement) or if more favourable for the employee, the retirement benefit is based on the following calculation:

- 20% of gross annual salary after 10 years length of service,
- 40% of gross annual salary after 20 years length of service,
- 60% of gross annual salary after 30 years length of service.

Arkena SAS (ex Cognacq Jay Images), representing 5% of benefit obligations in France as of March 31, 2015 as at March 31, 2014, applies a specific company agreement. The retirement benefit is based on the employee length of service:

- Between 2 and 10 years, allocation of 1/8<sup>th</sup> month per year of service for non-executives and 1/7<sup>th</sup> month for executives,
- Over 10 years, allocation of 2/8<sup>th</sup> month per year of service for the non-executives and 2/7<sup>th</sup> month for the executives.

The change in the present value of the defined benefit obligation is analysed below:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Present value of the defined benefit obligation at opening</b>	56 940	55 926
Service cost	2 679	1 907
Delivered services	(978)	(242)
Discounting (interest cost)	1 576	1 630
Actuarial gains and losses recognised in the statement of comprehensive income	12 297	(1 770)
Changes in consolidation scope	(32 991)	
Changes in consolidation scope	(2)	(511)
<b>Present value of the defined benefit obligation at closing</b>	<b>39 521</b>	<b>56 940</b>
<b>Fair value of plan assets at opening</b>	<b>18 276</b>	<b>17 874</b>
Contribution paid into the plan		
Benefits paid	(347)	(76)
Expected return on plan assets	628	478
Actuarial gains and losses (by net equity)	(6)	
Changes in consolidation scope		
<b>Fair value of plan assets at closing</b>	<b>18 551</b>	<b>18 276</b>

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Personnel costs (service cost)	(2 048)	(1 741)
Discounting (interest cost)	(1 576)	(1 630)
Expected return on plan assets	628	478
Other (restructuring provision, others...)	2	511
<b>Expense in the year</b>	<b>(2 994)</b>	<b>(2 382)</b>

Actuarial gains/losses recognised in other comprehensive income before tax:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Cumulative amount at 1st april	(263)	1 544
Experience adjustment arising on plan liabilities	(1 271)	(1 815)
Experience adjustment arising on plan assets	6	
Adjustement from changes in assumptions	13 568	8
<b>Cumulative amount at 31 March</b>	<b>12 040</b>	<b>(263)</b>

The main actuarial assumptions for this obligation liability are as follows:

	<b>March 2015</b>	<b>March 2014</b>
<b>Discount rate</b>	0,94% - 1,25%	2,80% - 3,44%
<b>Expected rates of salary increases</b>	0,70% - 2,80%	1,00% - 2,80%
<b>Expected rate of return on plan assets</b>	2,00% - 3,46%	2,00% - 2,69%

The sensitivity of actuarial calculations to the discounting rate and the expected rate of return on plan assets at March 31, 2015 is presented below:

	<i>In M€</i>	
<b>Discount rate</b>	-0,5 pt	23,6
		21,0
	+0,5 pt	18,5

The sensitivity of actuarial calculations to the discounting rate and the expected rate of return on plan assets at March 31, 2014 is presented below:

	<i>In M€</i>	
<b>Discount rate</b>	-0,5 pt	42,1
		38,7
	+0,5 pt	35,5

The underlying assets of employee benefit plans in France amount to €18.6m as of March 31, 2015, and correspond to a group insurance contract with a private insurer. The average expected return is the same as the insurer's return on its "Actif Général Retraite" (General Retirement Asset).

### ***B. Share-based payments***

As of March 31, 2015 as at March 31, 2014:

- the shares of TDF Infrastructure SAS are divided into five classes:
  - 1,162,138,705 preference shares (in which 3 classes),
  - 6.337.654.447 ordinary shares, including 6,102,710 shares with equity warrants for ordinary shares ("ABSA").
- Preference shares entitle holders to a priority distribution.
- Shares may be issued in the future as a result of:
  - exercise of equity warrants,
  - exercise of stock options granted to employees, that expired on March 31, 2015

### **TDF Infrastructure SAS stock options**

The Shareholders' General Meeting of TDF Infrastructure SAS held on January 31, 2007 authorised the Chairman to issue for the benefit of Group employees stock options for ordinary shares until March 31, 2008 (the "options"), and to issue shares to cover these options. The number and exercise price of these options are as follows:

<b><i>Stock-options plan</i></b>	<b>Plan 2007/1</b>	<b>Plan 2007/2</b>	<b>Plan 2007/3</b>
<i>Allotment date</i>	31/05/2007	14/11/2007	31/03/2008
<i>Expiration date</i>	31/05/2015	31/05/2015	31/05/2015
Number of shares subject to option	7 410 000	1 280 000	25 000
<b>Strike price in €</b>	<b>€ 1,00</b>	<b>€ 1,00</b>	<b>€ 1,00</b>
<b>Outstanding at March 31, 2013</b>	<b>5 225 000</b>	<b>790 000</b>	<b>25 000</b>
Number that have been gave up in 2013/2014	-360 000	-140 000	
Number exercised in 2013/2014			
Number expired in 2013/2014			
<b>Outstanding at March 31, 2014</b>	<b>4 865 000</b>	<b>650 000</b>	<b>25 000</b>
Number that have been gave up in 2013/2014	-4 865 000	-650 000	-25 000
Number exercised in 2013/2014			
Number expired in 2013/2014			
<b>Outstanding at March 31, 2015</b>			

At March 31, 2015, no stock options TDF Infrastructure SAS was exercised. They can not be exercised anymore, they have expired.

### **German investment agreements I and II (partnership agreements)**

Control and responsibility of these agreements have been transferred to Tyrol Acquisition 1 & Cie SCA together with the German entities, following the change of shareholders and the disposal of German entities (see note 1), with a residual cash payment of €0.1m for the group.

**C. Accounting recognition**

The effect of the stock option plans on the Group's financial statements can be summarised as follows:

<i>In thousand euro</i>	<b>March 2015</b>	<b>March 2014</b>
Expenses linked to bonus shares		
Expenses linked to bonus shares		
<b>Total personnel costs booked</b>		
<b>Amount in the Balancesheet</b>	<b>March 2015</b>	<b>March 2014</b>
Equity instruments (equity settled)		1 527
Instruments recognised in equity (cash settled)		

Impact on the consolidated financial statements of the German investment agreements I and II is as follows:

<i>In thousand euro</i>	<b>March 2015</b>	<b>March 2014</b>
Expenses linked to equity instruments (statement of comprehensive income)		
Repurchase of equity instruments (cash outflow)	(100)	(810)
Debt arising from the repurchase of equity instruments		

The charge recognised corresponds to the benefit granted at the grant date (the difference between the purchase price and the fair value of the instrument).

## 10.6 Provisions

<i>In thousands euros</i>	March 2014	Provisions			Currency translation adjustment	March 2015
		additions	utilisations	unused		
Prov. for post-employment benefits (pension, retirement benefit)	38 664	2 679	(631)	948	(2)	20 970
Post employment benefits (others)	1 311	67	(755)	9		0
Prov. for employee-related measures	12 857	5 705	(3 921)	68		0
Provision for claims and disputes	21 628	1 769	(5 496)	(1 376)		13 806
Provision for dismantling, decommissioning and restoring sites	38 793	931	(1 108)	(375)	1 331	37 754
Prov for bringing into compliance of sites	1 109					1 109
Provision on onerous contract	5 500	7 700	(4 844)			8 356
Other provisions	31 186	11 219	(8 701)	(12 525)		19 731
<b>Total provisions</b>	<b>151 048</b>	<b>30 070</b>	<b>(25 456)</b>	<b>(15 787)</b>	<b>(2)</b>	<b>101 726</b>
<b>Presented as current</b>	<b>67 683</b>					<b>45 320</b>
<b>Presented as non-current</b>	<b>83 365</b>					<b>56 406</b>

<i>In thousands euros</i>	March 2013	Provisions			Currency translation	March 2014
		additions	utilisations	unused		
Prov. for post-employment benefits (pension, retirement benefit)	38 052	1 907	(125)	(511)	1 152	38 664
Post employment benefits (others)	3 260	55	(653)	0	12	1 311
Prov. for employee-related measures	29 217	3 391	(2 869)	(5 888)	74	12 857
Provision for claims and disputes	57 836	5 072	(7 060)	(12 366)	3	21 628
Provision for dismantling, decommissioning and restoring sites	45 426	105	(3 409)	(4 457)	784	38 793
Prov for bringing into compliance of sites	1 156		(47)			1 109
Provision on onerous contract	5 752		(54)	(198)		5 500
Other provisions	24 160	12 674	(225)	(4 568)		31 186
<b>Total provisions</b>	<b>204 859</b>	<b>23 204</b>	<b>(14 442)</b>	<b>(27 988)</b>	<b>2 022</b>	<b>151 048</b>
<b>Presented as current</b>	<b>116 407</b>					<b>67 683</b>
<b>Presented as non-current</b>	<b>88 452</b>					<b>83 365</b>

As of March 31, 2015, "Other" mainly corresponds to the disposal of German entities and of their related provisions from the group balance sheet (see note 7.1), for an amount of €55.8m.

As of March 31, 2014, "Other" largely consists of reclassifications between lines of provisions transfers of provisions to payables, and the reclassification of the Hungarian entities' provisions as held for sale amounting to €1.3m (see note 7.2).

#### **Employee-related measures**

These measures and their changes during the year mainly relate to Media Broadcast restructuring plans in Germany, before the disposal of this company on March 31, 2015.

#### **Claims and disputes**

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 recognised 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 March 31, 2015 and March 31, 2014, provisions on onerous contracts concern TDF SAS.

### **10.7 Deferred taxes**

Deferred taxes recognised in the balance sheet are detailed below:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Deferred tax assets	282	477
Deferred tax liabilities	323 230	333 850
<b>Net position - liability</b>	<b>322 948</b>	<b>333 373</b>

The tax rates applicable for Group entities are as follows: 33.33% to 34.43% for French entities, 25% for Netherlands, 20% for Finland, 22% for Sweden and 30% for Spain. Deferred tax positions have been netted by tax jurisdiction.

Note that a one-off statutory increase in tax rate applies to TDF SAS and TDF Infrastructure SAS from fiscal year 2012 until year ended March 31, 2016. This one-off charge stands at a rate of 38%. The deferred tax assets and liabilities were updated for this statutory charge.

Breakdown by type of deferred taxes is as follows:

<i>In thousands euros</i>	<b>March 2015</b>	Variation	<b>March 2014</b>
Tax losses to carry forward	(3 225)	(6 225)	3 000
Intangible fixed assets	(52 113)	102 651	(154 764)
Tangible fixed assets	(92 511)	(4 598)	(87 913)
Financial assets	0	(193)	193
Inventories	768	(416)	1 184
Trade receivables	1 717	(1 162)	2 879
Other receivables	7 304	(1 762)	9 066
Tax provisions	(206 420)	(9 837)	(196 583)
Provisions	16 313	5 103	11 210
Financial debt	(2 791)	(68 311)	65 520
Trade payables	86	(1 053)	1 139
Other payables	7 924	(3 772)	11 696
<b>Deferred tax assets (liabilities)</b>	<b>(322 948)</b>	<b>10 425</b>	<b>(333 373)</b>

Unrecognised or impaired material deferred tax assets on tax losses carried forward as of March 31, 2015 concern:

- Tax losses carried forward of TDF Infrastructure SAS, Smartjog France and Arkena SAS (but it's to be noted that these entities are also included in the tax consolidation group of TDF Infrastructure Holding SAS, main shareholder of the group, see note 8.10), for a total deferred tax of €577.8m;
- Tax losses of the Dutch tax group, representing €1.0m of deferred tax assets;
- TDF Entertainment tax losses amounting to €4.7m of deferred tax assets (TDF Entertainment is currently in liquidation);
- Arkena AB (ex Qbrick) entities tax losses totalling €1.7m of deferred tax assets.

### 10.8 Other current and non-current liabilities

Other liabilities are analysed below:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Trade payables	81 026	89 633
Trade payables on fixed assets acquisitions	37 312	49 920
Corporate income tax liabilities	7 852	8 632
Tax and social liabilities	122 636	105 554
Other current liabilities	111 547	120 210
<b>Current liabilities</b>	<b>360 373</b>	<b>373 949</b>
<b>Other non-current liabilities</b>	<b>41 451</b>	<b>48 874</b>
<b>Total liabilities</b>	<b>401 824</b>	<b>422 823</b>

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 €136.9m (€107.5m as of March 31, 2014) of which €41.5m maturing after one year (€48.6m as of March 31, 2013).

## 11. Summary of financial assets and liabilities

<i>In thousands euros</i>	March 2015		March 2014	
	Book value	Fair value	Book value	Fair value
Available for sale financial assets	233	233	840	840
Assets held for sale - IFRS 5	11 233	11 233	187 561	187 561
Financial assets at fair value through P&L			1 018	1 018
Interest rate swaps used for hedging				0
Forward exchange contracts used for hedging			19 470	19 470
<b>Assets carried at fair value</b>	<b>11 466</b>	<b>11 466</b>	<b>208 889</b>	<b>208 889</b>
Loans and receivables	299 969	299 969	281 344	281 344
Cash and cash equivalents	67 899	67 899	173 282	173 282
<b>Assets carried at amortised cost</b>	<b>367 868</b>	<b>367 868</b>	<b>454 626</b>	<b>454 626</b>
Liabilities held for sale - IFRS 5	1 773	1 773	18 247	18 247
Interest rate swap for hedging purposes			70 767	70 767
Forward exchange contracts for hedging purposes				0
<b>Liabilities carried at fair value</b>	<b>1 773</b>	<b>1 773</b>	<b>89 014</b>	<b>89 014</b>
Financial debt	3 254 403	3 254 403	4 261 140	4 261 140
Financial lease obligations	6 779	6 779	124 501	124 501
Trade payable and other liabilities	401 824	401 824	422 822	422 822
Bank overdrafts	1 425	1 425	1 879	1 879
Accrued interest on financial debt and current accounts	416	416	29 419	29 419
<b>Liabilities carried at amortised cost</b>	<b>3 664 847</b>	<b>3 664 847</b>	<b>4 839 761</b>	<b>4 839 761</b>

The methodology used to determine fair value is described in note 4.4.

The following table gives an analysis by valuation method for the financial instruments recorded at fair value. The various levels are defined as follows:

- Level 1 fair value measurements are those derived from actual quoted prices in active markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that are not based on observable market data.

<i>In thousands euros</i>	March 2015				March 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available for sale financial assets			233	233			840	840
Net assets held for sale - IFRS 5			9 460	9 460			169 314	169 314
Financial assets at fair value through P&L				0		1 018		1 018
Derivative financial assets				0		19 470		19 470
	0	0	9 693	<b>9 693</b>	0	20 488	170 154	<b>190 642</b>
Derivative financial liabilities				0		70 767		<b>70 767</b>
	<b>0</b>	<b>0</b>	<b>9 693</b>	<b>9 693</b>	<b>0</b>	<b>(50 279)</b>	<b>170 154</b>	<b>119 875</b>

Available for sale financial assets correspond to shares in non-consolidated entities.

At March 31, 2014, net assets held for sale according to IFRS 5 correspond to net assets of Hungarian entities, and at March 31, 2015 they correspond to net assets of MCR (company in Monaco, see the note 7.2).

## 12. Cash flows

General comments :

- Cash flows of German entities, qualified as « discontinued operations » according to IFRS 5, are restated from March 2015 and March 2014 figures (see notes 1.2 and 7.1) and are commented in the note 12.5 ;
- Cash flows of Hungarian entities, disposed of on May 30, 2014 and classified since March 31, 2014 as « assets held for sale » according to IFRS 5, remain included in figures disclosed for March 2015 and March 2014 until the date of their disposal (see note 7.2).

### 12.1 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.

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

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Changes in inventories	(1 867)	(1 551)
Changes in trade receivables	(34 932)	(10 034)
Changes in trade payables	17 566	(16 603)
Changes in other working capital	8 718	(10 611)
<b>Changes in inventories, accounts receivable &amp; accounts payable</b>	<b>(10 515)</b>	<b>(38 799)</b>

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

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 :
  - o €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,
  - o €(7.3)m of disposal fees paid during the period,
  - o €(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 :
  - o €(4.7)m of expenses paid over the period ;
  - o €15.2m of expenses and bonus invoiced to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS), which were collected on March 31, 2015 (see also the note 8.8);
  - o Note that bonus of managers in the frame of this operation, which was recognise as expense (see note 8.8), will be paid over the next financial year.

At March 31, 2014, the line "Net proceeds from disposal of subsidiaries formerly controlled" includes €4.0m received in advance on the sale of MCR (see note 1), €2.5m of sales proceeds received on the disposal of Digital Cinema by SmartJog France (see note 1) and fees paid on unsuccessful or uncompleted transactions at the closing date.

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

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

At March 31, 2015, drawdowns and repayment of debt are largely impacted by the refinancing of the group that took place on March 31, 2015 (see the note 1.1), and mainly breakdown as follows:

- €1,400m proceed from term debts of the new FA,
- €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, see the note 10.1; this loan has been completely capitalised on April 10, 2015, see the note 18 concerning subsequent events),
- €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 Tyrol SFA),
- Repayment of all of the outstanding term debt of the former Tyrol SFA for an amount of €(3 563.7)m, in the frame 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 (main shareholder of the group).

At March 31, 2014, drawdowns and repayment of debt primarily consist of:

- €(245.5)m repayment of senior debt pursuant to the Senior Facility Agreement clauses following the sale of the Finnish subsidiaries,
- €(59.4)m additional repayment of senior debt, tranche A and AA1, which matured in January 2014,
- €(20.0)m net increase in revolving debt,
- €(3.0)m finance lease instalments paid,
- €77.3m increase in the current account related to the tax consolidation agreement with TDF Infrastructure Holding SAS (main shareholder of the group).

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 (see note 1.1),
- €1.5m paid concerning the currency option EUR / HUF which had been contracted in the frame of 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 put in place on March 31, 2015 (see also notes 8.9 and 10.2).

The decrease in cash financial expenses reflects (see also note 8.9):

- A lower average debt value compared to March 2014,
- The reduction in the swap portfolio volume during the year,
- Lower EURIBOR rates.

The change in accrued interests between March 2014 and March 2015 is exceptionally impacted by the payment of all accrued interests (in particular also capitalisable accrued interests « Payment in Kind ») related to the former Tyrol SFA on March 31, 2015, and by the termination of all swaps on March 26, 2015.

### 12.4 Cash flows from discontinued operations

Cash flows from discontinued operations correspond to flows from activities of German entities, and 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 paid concerning the current account advance granted by MediaBroadcast to TDF SAS,
- € (0.4) m of disposal costs paid during the period.

### 13. Workforce

Total Group headcount is as follows:

	March 2015	March 2014
France	1 917	1 993
International	238	1 109
<b>Total workforce at closing</b>	<b>2 155</b>	<b>3 102</b>

Workforce of German entities (not disclosed in March 2015 figures), was of 864 at March 31, 2014.

Workforce of Antenna Hungaria, classified as asset held for sale at March 31, 2014, was already not included in March 31, 2014 figures.

### 14. Auditor's fees

<i>In thousand of euros</i>	Ernst & Young		KPMG		TOTAL	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
Audit	408	569	666	1 336	1 074	1 905
Other services				7	0	7
<b>TOTAL</b>	<b>408</b>	<b>569</b>	<b>666</b>	<b>1 343</b>	<b>1 074</b>	<b>1 912</b>

Fees on German entities (not disclosed in March 2015 figures), were of €287 thousands at March 31, 2014.

Fees on Antenna Hungaria, classified as asset held for sale at March 31, 2014, were already not included in March 31, 2014 figures.

### 15. Contingent liabilities and off-balance sheet commitments

#### 15.1 Contingent liabilities (assets)

TDF SAS received in July 2014 the report issued by the anti-trust authorities services following complaint filed in February 2007 by the company TowerCast on the grounds that TDF had abused its dominant market position in relation to bidding for the tender launched by the city of Paris. In this report, anti-trust authorities' services maintain the complaints which were addressed to TDF SAS in the notice of complaints. TDF SAS contests the alleged facts. Anti-trust authority, which looked at this procedure during a session in January 2015, did not give its decision yet. At this stage of the proceedings, management cannot assess the financial risk arising from this legal action.

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 did not issued their report yet. Meanwhile, ITAS TIM introduced late July 2014 a procedure with Paris Commercial Court seeking compensation for the damage it claims to have suffered. TDF SAS considers that this complaint have no grounds. At this stage of the proceedings, management cannot assess the financial risk arising from this legal action.

#### 15.2 Firm commitments

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

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

<i>In thousands euros</i>	March 2015	March 2014
At less than 1 year	25 535	50 914
From 1 to 5 years	21 332	90 604
More than 5 years	5 326	15 138
<b>Total</b>	<b>52 193</b>	<b>156 656</b>

Changes between March 31, 2014 and March 31, 2015, are mainly due to the disposal of German entities (which were totaling €91.1m at March 31, 2014).

At March 31, 2015, these leases are:

- **Commercial leases**

These leases concern administrative premises, offices and production sites (other than broadcasting sites). The main leases relate to premises located at 106, avenue Marx Dormoy (Montrouge), 15 rue Cognacq-Jay (Paris), 27 boulevard Hippolyte Marques (Ivry Sur Seine), and 4 rue Ampère (St Quentin en Yvelines).

The main features of these leases are:

- Premises located at 106, Avenue Marx Dormoy, Montrouge: effective date of lease: March 1, 2008; first possible termination date: Feb 28, 2017; rent is indexed to the French INSEE index (consumer price index),
- Premises located at Saint-Quentin-en-Yvelines: 9 years (firm); effective date of lease: April 1, 2008; lease expires March 31, 2017; rent is indexed to the French INSEE index (consumer price index),
- Premises located at 15 rue Cognacq-Jay, Paris: 9 years (possible exit after 8 years); lease expires Sep 30, 2018; rent is indexed to the French INSEE index (consumer price index),
- Premises located at 27 boulevard Hippolyte Marques, Ivry Sur Seine: 9 years; lease expires Jan 31, 2017; rent is indexed to the French INSEE index (consumer price index).

- **Agreements for the occupation of public property**

These agreements signed with state, regional and local authorities in France concern land on which broadcasting infrastructures are installed (pylons, towers, building and related installations).

Usually, these agreements are concluded with local authorities:

- As a rule, these agreements run for 12 years (10 years from March 1, 2007 for the Eiffel Tower broadcasting site in Paris),
- These agreements are renewable for the same term, whether or not by tacit agreement,
- Under these agreements, the land must be returned in its initial condition unless the parties agree otherwise.

In continental France, there are 654 such agreements in force as at March 31, 2015 (667 at March 31, 2014).

- **Sites leases**

These leases signed with private landlords (individuals, associations or companies) concern land on which broadcasting infrastructures are installed (pylons, towers, building and related installations).

In continental France, there are 3,692 such sites (excluding public property occupation) as of March 31, 2015 (3,825 as of March 31, 2014).

## B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Commitment of capex	13 396	10 327	3 069	
Commitment to buy satellite capacity	126	126		
Commitment to buy energy				
Commitment to buy optic fibre				
Commitment others	27 291	16 434	7 514	3 343
<b>Total</b>	<b>40 813</b>	<b>26 887</b>	<b>10 583</b>	<b>3 343</b>

<i>In thousands euros</i>	<b>March 2014</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Commitment of capex	14 186	14 186		
Commitment to buy satellite capacity	73 725	27 650	46 075	
Commitment to buy energy	83 316	19 727	52 681	10 908
Commitment to buy optic fibre				
Commitment others	76 610	41 788	28 041	6 781
<b>Total</b>	<b>247 837</b>	<b>103 351</b>	<b>126 797</b>	<b>17 689</b>

The sharp decrease in firm purchase commitments mainly corresponds to the disposal of German entities, representing €208.1m of firm purchase commitments at March 31, 2014.

### C. Firm commitments to provide services

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

<i>In thousands euros</i>	<b>March 2015 Actual</b>	<b>Projection</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Digital Television	224 951	448 978	192 967	250 196	5 815
Radio	136 369	285 980	120 974	162 442	2 564
Telecoms & services	304 274	1 583 597	223 651	706 198	653 748
Satellite	2 609	7 287	1 423	4 981	883
Networks					
Media Services	58 469	42 147	23 033	18 950	164
Other	16 306	348	238	110	
<b>Total revenue / future contractual revenue</b>	<b>742 978</b>	<b>2 368 337</b>	<b>562 286</b>	<b>1 142 877</b>	<b>663 174</b>

<i>In thousands euros</i>	<b>March 2014 Actual</b>	<b>Projection</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Analog Television	11 127				
Digital Television	231 449	1 072 574	313 134	613 951	145 489
Radio	154 325	592 449	218 323	343 726	30 400
Telecoms & services	313 995	1 341 254	204 624	603 939	532 691
Satellite	8 207	73 955	36 281	35 021	2 653
Networks		113 204	41 027	58 757	13 420
Media Services	65 204	52 097	25 143	26 951	3
Other	20 939	1 932	487	945	500
<b>Total revenue / future contractual revenue</b>	<b>805 246</b>	<b>3 247 465</b>	<b>839 019</b>	<b>1 683 290</b>	<b>725 156</b>

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

The decrease between projections for March 2014 and March 2014 is largely due to commitments of the German subsidiaries, which are not included in the March 2015 table (see notes 1 and 7), whereas €877.5m were included in the March 2014 table.

### 15.3 Contingent commitments

#### Guarantees given

At March 31, 2015, the Group has given guarantees totalling €20.6m (€16.9m at March 31, 2014), of which:

- €11.7m (€9.8m at March 31, 2014) by way of an independent guarantee to Synérail Construction in conjunction with the subcontracting agreement for the design and construction of the GSM-R for RFF (that also covers subcontracting commitments given by TDF SAS). Besides TDF SAS paid over €6.1m by way of a guarantee to the bank that gave guarantees to Synérail, out of which €1.1 million has not been repaid yet as of March 31, 2015 (€3.3m at March 31, 2014),
- €4.0m guarantee given to the Paris city council in connection with the Eiffel Tower occupation and operation agreement. This guarantee expires on February 28, 2017.
- €4.4m (as at March 31, 2014) guarantee given in the frame of contracts to commercialize patents, which were paid.

The balance consists mainly of guarantees given in relation to the use of broadcasting networks and frequencies or to obtain contracts.

### **Guarantees received**

The Group has received bank guarantees amounting to €69.0m (€69.2m at March 31, 2014), of which €68.3m (as at March 31, 2014) of subcontracting guarantees are related to radio and cable installations in conjunction with Synérial Construction contracts.

### **TDF SAS**

As of March 31, 2015 as at March 31, 2014, TDF SAS has not received any offers to purchase unutilised sites. The company is committed to participate in public research and other projects totalling €3.6m (€0.9 m at March 31, 2014).

In conjunction with the sale of Gobé, TDF SAS issued the following guarantees:

- TDF SAS undertook to buy at least €35m from Gobé (excluding services under the GSM-R contract) over 5 years and will pay Gobé compensation amounting to 15% of any shortfall in amount purchased in the event of non-compliance. As at March 31, 2015, any residual compensation amounts to €2.1m (€2.5m at March 31, 2014);
- A liability guarantee capped at €0.8m has been granted and runs until March 31, 2016.

Under tax optimization schemes based on investments in French overseas territories, TDF SAS is committed to comply with certain terms concerning these investments in order to retain tax related subsidies received amounting to €2.9m (€3.2m at March 31, 2014).

#### Disposal of Hungarian entities (see note 1):

As part of the sale of the Hungarian entities that took place on May 30, 2014 TDF SAS has given the buyer the usual guarantees in this type of transaction, valid for a period of 1 year until May 30, 2015. These guarantees are besides capped as follows:

- Guarantees relating to the seller's ability and shares are capped to 53.8 billion forint, that is €179.7m converted at March 31, 2015,
- All other warranties (organization, financial reporting, tax aspects and taxes, intellectual property, assets, real estate, major contracts, normal course of business during the period between December 31 and the effective sale, etc.) shall not exceed 2 billion forint (that is €6.7m converted at March 31, 2015).

#### TDF Entertainment :

Under the liquidation process of this company, TDF SAS and DFI-BV have jointly issued a first demand guarantee, towards TDF Entertainment liquidator and the lawyers company Roschier. This guarantee amounts €2m and will end over 5 years after the effective liquidation of the company.

#### Disposal of German entities (see note 1):

The sale contract for German subsidiaries from TDF SAS to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS, which is the main shareholder of the group) provides for payment of an additional price to TDF SAS if, within the 12 months after the disposal that took place on March 31, 2015, Tyrol Acquisition 1 & Cie SCA was to sell one or more of the subsidiaries acquired for an amount higher than original transaction of March 31, 2015. This earn-out equals to the difference between the resale price and the original transaction share price (1 €) less the costs of sales that would be incurred by Tyrol Acquisition 1 & Cie SCA.

### **DFI BV**

Under the sale of Alticom, Axion and the Finnish companies TDF Nordic, Digita and Digi Waves Oy, the Group issued guarantees to the buyers. At March 31, 2015, the following guarantees are still in force:

- Alticom (sold June 7, 2011)
  - The maximum aggregate warranty for tax liabilities is €52.6m, including any tax liability of another company for which Alticom was liable as well as any real estate transfer tax due in connection with the sale transaction.
  - The maximum aggregate warranty is €105.3m for the following matters: sellers' authority and capacity, corporate organization, shares.

Those warranties have been given for a 3 months period after the expiry of the prescription period relating to the above mentioned items (that is March 31, 2017, for tax matters; September 7, 2016, for sellers' authority and capacity, corporate organisations; September 7, 2031, for warranty on shares).

- Axion (sold October 13, 2011)
  - Tax warranties (covering income tax, employment and social security matters) were given for a period equivalent to the expiry of the prescription period for each matter, being July 26, 2016.
  - Warranties relating to shares and third party rights and charges were given for an unlimited period of time.

The cap on these warranties is equal to 7% of the transaction price, i.e. €8.6m, the Group being liable for 65% (representing its holding in Axion) i.e. €5.6m.

- TDF Nordic, Digita et Digi Waves Oy (sold October 18, 2012)
  - Tax warranties given for a 60 month period following the sale expiring October 18, 2017,
  - Warranties relating to TDF Entertainment shares transferred from TDF Nordic to DFI BV (covering any liabilities related to the share transfer including tax liabilities), given for a 3 year term following the sale expiring October 18, 2015.
  - Warranties related to the pending proceedings before the Finnish anti-trust authorities, which were given for a 3 years period following the sale expiring October 18, 2015.

The cap on these warranties amounts to €70.2m except for those related to the divested Finnish company shares as well as those related to tax which are capped at €468.1m.

### **Médiamobile**

Médiamobile's customer contracts contain an industry warranty covering continued provision of service for three years after the date of termination of the contract. At March 31, 2015 and March 31, 2014, this commitment amounts to €5.7m over the three years, i.e. €1.9m per year.

### **Commitments under bank agreements as of March 31, 2015**

Under the new bank agreement "FA" put in place on March 31, 2015 (see notes 1 and 5.4), commitments given were as follows:

#### **By Tivana Topco S.A.:**

- Joint guarantor ;
- Pledge of the financial instruments accounts recording the shares held by Tivana Topco S.A. in Tivana Midco S.à.r.l. ;
- Receivables pledge agreement over the intercompany loans granted by Tivana Topco S.A. to à Tivana Midco S.à.r.l.

#### **By Tivana Midco S.à r.l.:**

- Joint guarantor ;
- Pledge of the financial instruments accounts recording the shares held by Tivana Midco S.à r.l. in Tivana France Holdings SAS ;
- Receivables pledge agreement over the intercompany loans granted by Tivana Midco S.à r.l. to à Tivana France Holdings SAS.

#### **By Tivana France Holdings SAS:**

- Joint guarantor ;
- Pledge of the financial instruments accounts recording the shares held by Tivana France Holdings SAS in TDF Infrastructure Holding SAS;

#### **By TDF Infrastructure Holding SAS:**

- Joint guarantor ;
- Pledge of the financial instruments accounts recording the shares held by TDF Infrastructure Holding SAS in TDF Infrastructure SAS;

#### **By TDF Infrastructure SAS:**

- Joint guarantor ;
- Pledge of the financial instruments accounts recording the shares held by TDF Infrastructure SAS in TDF SAS ;

#### **By TDF SAS :**

- Joint guarantor ;

All commitments given in the frame of the former bank agreement « Tyrol SFA » are over at March 31, 2015.

**Commitments under bank agreements as of March 31, 2014 (which no longer exist since March 31, 2015 due to the group refinancing, see note 1.1)**

Under these facilities, commitments given were as follows:

**By TDF Infrastructure Holding SAS (main shareholder of the group, see note 10.1):**

- Joint guarantor;
- Pledge of the financial instruments accounts recording the shares held by TDF Infrastructure Holding SAS in TDF Infrastructure SAS;
- Pledge of TDF Infrastructure Holding SAS bank accounts and tax group current account ;
- Receivables pledge agreement over the intercompany loans granted by TDF Infrastructure Holding SAS to TDF Infrastructure SAS.

**By TDF Infrastructure SAS:**

- Joint guarantor;
- Pledge of the financial instruments accounts recording the shares held by TDF Infrastructure SAS in TDF SAS ;
- Shares pledge agreement under German law over the shares of Taunus Management Verwaltungs GmbH and Taunus Management Verwaltungs II GmbH held by TDF Infrastructure SAS;
- Pledge of TDF Infrastructure SAS bank accounts ;
- Receivables pledge agreement over the intercompany loans granted by TDF Infrastructure SAS to TDF SAS and Taunus Management GmbH & Co KG ;
- Assignment of trade receivables by way of a security ("Daily") on the intercompany receivables of TDF Infrastructure SAS (other than those subject to pledges).

**By TDF SAS:**

- Shares pledge agreement under Hungarian law over the shares of Antenna Hungaria held by TDF SAS ;
- Shares pledge agreement under Dutch law over the shares of Digital Future Investment BV held by TDF SAS ;
- Shares pledge agreement under German law over the shares of Taunus Beteiligungs GmbH held by TDF SAS ;
- Pledge of TDF SAS bank accounts in France ;
- Pledge under Hungarian law of TDF SAS bank accounts in Hungary ;
- Receivables pledge agreement over the intercompany loans granted by TDF SAS to Taunus Verwaltungs GmbH ;
- Assignment of trade receivables by way of a security ("Daily") on the intercompany receivables (other than those subject to pledges) and trade receivables of TDF SAS.

**By Taunus Beteiligungs GmbH:**

- Joint guarantor ;
- Shares pledge under German law over the shares of Taunus Verwaltungs GmbH held by Taunus Beteiligungs GmbH ;
- Pledge under German law of bank accounts over Taunus Beteiligungs GmbH bank accounts ;
- Assignment of receivables under German law on receivables held by Taunus Beteiligungs GmbH against insurance companies and on its intercompany receivables.

**By Taunus Verwaltungs GmbH:**

- Joint guarantor ;
- Shares pledge under German law over the shares of Media Broadcast held by Taunus Verwaltungs GmbH ;
- Pledge under German law of Taunus Verwaltungs GmbH bank accounts ;
- Assignment of receivables under German law on receivables held by Taunus Verwaltungs GmbH against insurance companies, on its intercompany receivables and on its indemnities under the sale and purchase agreement dated November 8, 2007.

**By Media Broadcast GmbH:**

- Joint guarantor ;
- Mortgage under German law ;
- Pledge under German law of Media Broadcast GmbH bank accounts ;
- Assignment of receivables under German law on receivables held by Mediabroadcast GmbH against insurance companies and on its intercompany trade receivables.

**By Digital Future Investments BV and Antenna Hungaria:**

- Joint guarantors.

## 16. Shares in associates

Since the end of November 2013, the Group consolidates the company Smartjog Ymagis Logistics under the equity method (see note 1). Smartjog France owns 40% of this entity.

This company's financial year end is December 31, and figures that are consolidated at March 31, 2015 correspond the company's accounts for the year ended December 31, 2014.

The balance sheet of this entity at December 31st, 2014, which is the one consolidated as of March 31, 2015, is as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Goodwill		12 312
Fixed assets	9 558	10 630
Financial assets	1 907	2 013
Inventories	243	
Trade receivables	4 288	1 828
Other receivables	2 616	612
Cash and cash equivalents	1 080	589
<b>TOTAL ASSETS</b>	<b>19 692</b>	<b>27 984</b>
Equity	8 200	25 020
Provisions	41	41
Financial debts	4 301	915
Trade payables	4 352	1 205
Other payables	2 798	803
<b>TOTAL LIABILITIES</b>	<b>19 692</b>	<b>27 984</b>

In addition, the results of this entity at December 31<sup>st</sup>, 2014, which are the one consolidated as of March 31, 2015, were as follows:

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
<b>Revenue</b>	<b>11 523</b>	<b>617</b>
Other income	9	5
Consumed purchases	(4 932)	(6)
External expenses	(1 824)	(117)
Other expenses	(7 428)	(302)
<b>EBITDA</b>	<b>(2 652)</b>	<b>197</b>
Depreciation, amortisation and impairment losses	(1 793)	(161)
Impairment of goodwill & intangible assets identified in business combinations	(12 312)	
<b>OPERATING INCOME (LOSS)</b>	<b>(16 757)</b>	<b>36</b>
Financial income and expenses	(158)	(2)
Income tax	71	(14)
<b>NET INCOME</b>	<b>(16 844)</b>	<b>20</b>

At March 31, 2015 the impairment of €12.3 million reflects the fact that the company has uncertainties concerning its ability to deliver the business plan that was established when the company was created.

## 17. Related party disclosures

### 17.1 Control

The Group parent company is TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS), which is controlled at 99,66% by TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 SAS, see note 10.1), which is itself 100% controlled by the French company Tivana France Holdings since March 31, 2015. Until March 31, 2015, TDF Infrastructure Holding SAS was 100% controlled by Tyrol Acquisition 1 & Cie SCA.

Since March 31, 2015, the TDF Infrastructure SAS Group is notably included in the consolidated financial statements of Brookfield Infrastructure Group, using the equity method. Until March 31, 2015, it was integrated into the consolidated accounts of the Strategic Investment Fund (FSI), subsidiary of Caisse Des Dépôts, using the equity method.

### 17.1 Compensation of key management personnel

Disclosure of the remuneration of the Group's key management is limited to people having the authority and responsibility for managing and controlling the Group's business, namely the President and some of his direct subordinates. Historical data is not comparable, due to changes in key management personnel. Figures for March 2015 are notably disclosed excluding German and Hungarian key management, as German and Hungarian entities have been sold during the period.

<i>In thousands euros</i>	<b>March 2015</b>	<b>March 2014</b>
Employee benefits, including termination payments	(5 454)	(7 182)
Post-employment benefits	(47)	(144)
Share-based payments		
<b>Total expense</b>	<b>(5 501)</b>	<b>(7 326)</b>
Provision for retirement indemnities	299	335
Debt related to equity instruments		
Acquisition of equity instruments (cash out)		80
<b>Cash outflows and liabilities</b>	<b>299</b>	<b>415</b>

On September 19, 2013, the TDF Infrastructure SAS board decided to set up a special bonus scheme for certain key Group executives. The allocation of this bonus notably depends on the effective completion of a change in control of TDF Infrastructure Holding SAS by given deadlines, as well as on the presence of the executives concerned when the change in control is completed. Following the change of shareholders and the refinancing of the group on March 31, 2015, this bonus was triggered, it amounts to €5.4m (excluding employer contributions) and it is included in the figures disclosed above net from provisions releases. This bonus will be paid during the year 2015-2016. Note that part of these charges were invoiced to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS; this invoicing is not taken into account in the table above).

On September 19, 2013, the TDF Infrastructure SAS board also decided to set up a special bonus scheme for certain key Group executives within the context of the Hungarian subsidiaries sale. The allocation of this bonus notably depends on the effective completion of the sale of the Hungarian subsidiaries by given deadlines, as well as on the presence of the executives concerned when the disposal is completed. Following the change of shareholders and the refinancing of the group on March 31, 2015, this bonus was triggered, it amounts to €0.6m (excluding employer contributions) and it is included in the figures disclosed above net from provisions releases. This bonus has been paid during the year 2014-2015.

## 17.2 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 Tyrol Acquisition 1 et Cie SCA, TPG Capital, ARDIAN (ex-AXA PE), Charterhouse Capital Partners and Bpifrance Participations (ex-FSI), until March 31, 2015,
3. 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),
4. Companies in which directors of the companies included in the TDF Infrastructure SAS Group scope are company representatives,
5. Key management personnel.

During 2014/2015, the main transactions with related parties were as follows:

- Interest charges invoiced to the Group by TDF Infrastructure Holding SAS concerning the current account related to the tax consolidation agreement, amounting to €14.6m (€12.6m in 2013/2014);
- capitalisation of the current account related to the tax consolidation agreement on March 31, 2015 (see note 10.1) for an amount of €584.2m ;
- A new loan was drawn from TDF Infrastructure Holding SAS for an amount of €815m on March 31, 2015 (7.7% fixed interest rate) in the context of the change of indirect shareholder of the group; at closing date accrued interests amount €0.2m; see note 18, this loan was fully capitalised post-closing on April 10, 2015, including accrued interests at this date amounting €1.7m;
- A new loan was drawn directly from Tivana France Holdings for an amount of € 1 023.7m (10 years maturity, 7.7% fixed interest rate); at closing date accrued interests amount €0.2m;
- Invoicing of expenses and services in the period for a total amount of €1.1m (€0.7m in 2013/2014);
- The disposal to Tyrol Acquisition 1 et Cie SCA (former shareholder of TDF Infrastructure holding SAS) of the German entities of the group, on March 31, 2015 (see the notes 1, 7.1, and 12.5) ;
- Taunus Management II GmbH & Co KG, controlled by Tyrol Acquisition 1 et Cie SCA .entered into a German investment agreement II (a partnership agreement) during 2010/2011. On March 31, 2011, Taunus Management II GmbH & Co purchased Taunus Beteiligungs shares from the Group amounting to €5.2m. In this context, Tyrol Acquisition 1 et Cie SCA, shareholder of TDF Infrastructure Holding SAS (the latter being the main shareholder of the Group, see note 10.1) has entered into a debt agreement towards the Group on behalf of its new subsidiary, amounting to €6.6m. This loan which was held by a German entity, was disposed of on March 31, 2015
- The €15.2m re-invoicing to Tyrol Acquisition 1 & Cie SCA of bonuses and expenses related to the change of shareholders and group refinancing operation.

During 2013/2014, the main transactions with related parties were as follows:

- Interest charges invoiced to the Group by TDF Infrastructure Holding SAS concerning the current account related to the tax consolidation agreement, amounting to €12.6m (€11.5m in 2012/2013),
- Invoicing of expenses and services in the period for a total amount of €0.7m (€0.8m in 2012/2013),
- In the context of the German investment agreement II put in place during the year 2010/2011, the debt of Tyrol Acquisition 1 et Cie SCA towards the Group amounts to €6.6m at March 31, 2014.

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

### **17.3 Transactions with associates and jointly controlled entities**

In March 2010 the Group took a 10% equity stake in Synérail (a company holding the RFF partnership contract to roll out GSM – Rail) and paid over €6.1m by way of a guarantee to the bank that gave guarantees to Synérail, out of which €1.1 million has not been repaid yet as of March 31, 2015.

## **18. Significant subsequent events**

### **Significant subsequent events at March 31, 2015 closing**

On December 17, 2014, TDF SAS management has presented to the Works Council 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). As of today, the best estimate of costs to be incurred for these employee-related measures to support early leaves, which are currently being negotiated with the employee representatives, would be 35.0 million. Given the significant and unusual nature of these measures and costs, the expense will be recognised in non-current other operating charges (outside EBITDA).

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

- Statutory retained earnings were 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,
- a capitalization of the shareholder loan towards TDF Infrastructure Holding SAS of €815,000 thousand plus accrued interests as of April 10 of 1719 thousand euros was performed with counterpart:
  - o the share capital for €272,240 thousand, which thus amounts to €872,223 thousand,
  - o share premiums for €544,480 thousand.

Thus, after these three steps:

- the share capital of TDF Infrastructure SAS increases from €749,979 thousand to €872,223 thousand,
- the share premium (additional paid-in capital) increases from €1,511,157 thousand to €544,480 thousand,
- the Group's debt (including accrued interest) decreases by €816,719 thousand.

The revolving debt of the new FA which was put in place on March 31, 2015, which was drawn for an amount of €30m at March 31, 2015, was totally repaid on April 21, 2015.

Finally, 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).

### **Significant subsequent events at March 31, 2014 closing**

The sale of the Hungarian subsidiaries (Antenna Hungaria, Hungaro Digitel and Digitalis Atallasert) was completed on May 30, 2014. The actual gain/ loss on sale is not materially different from the estimated gain/ loss at March 31, 2014 (see note 1). In line with the sale agreement, the group has received €195.9m including repayment of the TDF SAS loan to Antenna Hungaria, related currency hedges and the sale price proceeds.

On April 10, 2014, Media Broadcast signed an agreement with SES Astra to sell rights to use the orbital position 28.5°. In May 2014, while approval of this transaction from the Bundesnetzagentur (Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway) has been published, the sale is subject to outstanding conditions. If completed, this transaction will not result in a loss for the Group.

## 19. Consolidation scope

### At March 31, 2015

List of consolidated companies	Countries	Share capital in € thousands	% Interests		Observation
			March 2015	March 2014	
<b>Full consolidation</b>					
<b>TDF Infrastructure SAS (formerly Tyrol Acquisition 2 SAS)</b>	<b>France</b>	<b>749 979</b>	<b>100,00%</b>	<b>100,00%</b>	
TDF SAS	France	166 957	100,00%	100,00%	
Antalis TV	France			100,00%	Merged in TDF SAS
Diffusion Outre Mer	France		100,00%	100,00%	
Tiare	France		100,00%	100,00%	
MCR	Monaco	549	51,00%	51,00%	Held for sale - IFRS 5
Médiamobile	France	1 157	71,19%	71,19%	
Arkena SAS (ex - Cognacq Jay)	France	13 809	100,00%	100,00%	
Smartjog France	France	456	100,00%	100,00%	
Arkena Inc (ex - Smartjog USA)	USA	2 091	100,00%	100,00%	
Media Broadcast	Germany			97,55%	
Taunus Beteiligungs 1	Germany			97,55%	
Taunus Verwaltungs 2	Germany			97,55%	
Taunus Management Verwaltungs	Germany			100,00%	Disposed of on March 31, 2015
Taunus Management GmbH & Co Kg	Germany			27,66%	
Media Services GmbH	Germany			97,55%	
Antenna Hungaria	Hungaria			100,00%	Disposed of on May 30, 2015, classified as assets held for sale since March 31, 2014
Hungaro DigiTel	Hungaria			55,38%	
Digitalis Atallasert	Hungaria			100,00%	
Arkena holding (ex - Qbrick holding)	Sweden	108	100,00%	100,00%	
Arkena AB (ex - Qbrick AB)	Sweden	46	100,00%	100,00%	
Arkena AS (ex - Qbrick AS)	Norway	11	100,00%	100,00%	
Arkena A/S (ex - Qbrick A/S)	Danemark	85	100,00%	100,00%	
Arkena Oy (ex - Qbrick Oy)	Finland	50	100,00%	100,00%	
Arkena Spain SL (ex - Qbrick Spain SL)	Spain	3	100,00%	100,00%	
Bebanjo	Spain	8	100,00%	100,00%	
Arkena Sp.zoo (ex PSN)	Poland	4 700	100,00%	100,00%	
Levira	Estonia	9 587	49,00%	49,00%	
Talinna Teletorn Foundation	Estonia	13	49,00%	49,00%	
Levira Central Europe	Estonia	5	49,00%		Created this year
Mediamobile Nordic	Finland	3 050	71,19%	71,19%	
TDF Entertainment Oy	Finlande	500	100,00%	100,00%	Created in September 2010, put into liquidation in March 2012
DFI BV	Netherlands	7 529	100,00%	100,00%	
<b>Equity method</b>					
Smartjog Ymagis Logistics	France	431	40,00%	40,00%	Created in November, 2013

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 1.

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.

**At March 31, 2014**

List of consolidated companies	Countries	Share capital in € thousands	% Interests		Observation
			March 2014	March 2013	
<b>Full consolidation</b>					
<b>Tyrol Acquisition 2</b>	<b>France</b>	<b>165 819</b>	<b>100,00%</b>	<b>100,00%</b>	
TDF SAS	France	166 957	100,00%	100,00%	
Gobé	France				Disposed of on March 13, 2013
Antalis TV	France	386	100,00%	100,00%	
Diffusion Outre Mer	France		100,00%	100,00%	
Tiare	France		100,00%	100,00%	
MCR	Monaco	549	51,00%	83,33%	Partial disposal on September 27, 2015
Médiamobile	France	1 157	71,19%	71,19%	
Arkena SAS (ex - Cognacq Jay)	France	13 809	100,00%	100,00%	Acquired on May 24, 2012 and merged into Smartjog France in January 2013
Yacast Media	France				
Smartjog France	France	456	100,00%	100,00%	
Smartjog USA	USA	1 632	100,00%	100,00%	
Media Broadcast	Germany	26	97,55%	97,41%	
Taunus Beteiligungs 1	Germany	10 000	97,55%	97,41%	
Taunus Verwaltungs 2	Germany	25	97,55%	97,41%	
Taunus Management Verwaltungs	Germany	25	100,00%	100,00%	
Taunus Management GmbH & Co Kg	Germany	922	27,66%	18,98%	
Media Services GmbH	Germany	25	97,55%	97,41%	Created on March 1, 2013
Antenna Hungaria	Hungaria	38 658	100,00%	100,00%	Held for sale - IFRS 5
Hungaro DigiTel	Hungaria	2 858	55,38%	55,38%	Held for sale - IFRS 5
Digitalis Atallasert	Hungaria	1 305	100,00%	100,00%	Held for sale - IFRS 5
Qbrick holding	Suède	112	100,00%	100,00%	
Qbrick AB	Suède	48	100,00%	100,00%	
Qbrick AS	Norvège	12	100,00%	100,00%	
Qbrick A/S	Danemark	85	100,00%	100,00%	
Qbrick Oy	Finlande	50	100,00%	100,00%	
Qbrick Spain SL	Espagne	3	100,00%	100,00%	
Bebanjo	Espagne	4	100,00%	100,00%	
Arkena Sp.zoo (ex PSN)	Pologne	4 602	100,00%	100,00%	
Levira	Estonie	9 587	49,00%	49,00%	
Talina Teletorn Foundation	Estonie	13	49,00%	49,00%	
Médiamobile Nordic	Finlande	3 050	71,19%	71,19%	
Digita	Finlande				Disposed of on October 18, 2012
Digi Waves Oy	Finlande				Disposed of on October 18, 2012
TDF Nordic	Finlande				Disposed of on October 18, 2012
TDF Entertainment Oy	Finlande	500	100,00%	100,00%	Created in September 2010, put into liquidation in March 2012
DFI BV	Pays Bas	7 529	100,00%	100,00%	
<b>Equity method</b>					
Smartjog Ymagis Logistics	France	431	40,00%		Created in November, 2013

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 MCR as well as the Hungarian entities, please refer to note 1.5.

On November 22, 2013, Smartjog France entered a partnership agreement with Ymagis, so as to set up a joint venture, Smartjog Ymagis Logistics (SYL), which aims to become a leading European provider of digital content delivery for cinema. This joint venture, in which Smartjog France holds a 40% stake, is consolidated under the equity method.

## Recent Developments

On 17 March 2016, Luxco 2 completed the On-Sale. The purchaser of TDF's former German business is mobilcom-debitel GmbH.

At the time of the Carve-Out, TDF was not able under the partnership agreement related to Taunus Management GmbH & Co. KG ("**Taunus KG1**") to dispose its interest in Taunus KG1.

The On-Sale triggered the right for TDF: (i) to call the outstanding interests of several managers in Taunus KG1; and (ii) to dispose of its own interest in Taunus KG1. Both the managers' interests and TDF's interest in Taunus KG1 were purchased by an affiliate of Luxco 2.

As a result of the sale of TDF's interest in Taunus KG1, the Group no longer holds any stake in its previous German business.

In addition, under the Carve-Out Agreement, the On-Sale triggered the right for TDF to be paid a price complement of circa. €106.2 million by Luxco 2 (the "**Price Complement**"). Under the securities purchase agreement relating to the Acquisition, the Price Complement was to be repaid by Tivana France to Luxco 2.

In practice, Luxco 2 delegated Tivana France for the payment of the Price Complement to TDF, resulting in: (i) a circa. €106.2 million debt of Luxco 2 towards Tivana France, which was netted against the circa. €106.2 million payment obligation of Tivana France towards Luxco 2 under the securities purchase agreement; and (ii) a circa. €106.2 million debt of Tivana France towards TDF.

The Group is considering any options in connection with this circa. €106.2 million receivable of TDF towards Tivana France.

## TAXATION

### EU SAVINGS DIRECTIVE

The Council of the European Union has adopted on 10 November 2015 a Council Directive 2015/2060/EU repealing the Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States.

Therefore, unless a payment is made or collected through a paying agent in Austria before 1 January 2017, no withholding tax should apply on the amount of interest paid in relation with the Savings Directive.

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the EU Savings Directive, for the immediate benefit of individuals.

### FRANCE

#### Certain French Tax Considerations

The following summary is of a general nature and is included herein solely for information purposes. It is a description of the essential material French withholding tax consequences with respect to the Bonds. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any prospective investor and may not include tax considerations that arise from rules of general application or that are generally assumed to be known by holders of the Bonds. The following describes certain French tax consequences with respect to the Bonds for holders of the Bonds who do not hold shares in any Issuer. This summary is based on the laws in force in France on the date of this Prospectus and is subject to any change in law that may take effect after such date. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including French tax law, to which they may be subject.

#### *Payments of Interest and Other Similar Revenues with respect to the Bonds*

Payments of interest and other similar revenues made by a debtor with respect to a particular debt (including debt in the form of bonds) will not be subject to the withholding tax set out under Article 125 A III of the FTC unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a “**Non-Cooperative State**”). If such payments are made in a Non-Cooperative State, a 75 per cent. withholding tax is applicable (subject to certain exceptions certain of which are set forth below and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the FTC.

Furthermore, according to Article 238 A of the FTC, interest and other similar revenues with respect to a particular debt will not (where otherwise deductible) be deductible from the debtor’s taxable income if it is paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other similar revenues may be re-characterised as constructive dividends pursuant to Article 109 *et seq.* of the FTC, in which case it may be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, Articles 125 A III and 238 A of the FTC provide that neither the 75 per cent. withholding tax set out under Article 125 A III of the FTC nor, to the extent the relevant interest relates to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility rule set out under Article 238 A of the FTC will apply in respect of a particular debt if the debtor can prove that the main purpose and effect of such transactions were not that of locating the interest in a Non-Cooperative State (the “**Exception**”). Pursuant to the *Bulletin Officiel des Finances Publiques—Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320 (the “**Administrative Guidelines**”), an issue of bonds will benefit from the Exception without the issuer having to provide any evidence supporting the main purpose and effect of such issue of bonds (the “**Safe Harbour**”), if such bonds are:

- offered by means of a public offering within the meaning of Article L.411-1 of the French *Code monétaire et financier* (French Monetary and Financial Code) or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an “equivalent offering” means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); or
- admitted to trading on a French or foreign regulated market or on a multilateral financial instruments trading facility provided that such market or facility is not located in a Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity, that is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

To the extent (i) that the Bonds will be admitted to trading on Euronext Paris which does not qualify as a market located in a Non-Cooperative State and that such market will be operated by a market operator which is not located in a Non-Cooperative State, and/or (ii) that the Bonds will be admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier* which is not located in a Non-Cooperative State, payments of interest and other similar revenues made by or on behalf of the Issuers with respect to the Bonds to their holders will fall under the Safe Harbour and consequently be exempt from the withholding tax set out under Article 125 A III of the FTC as interpreted by the Administrative Guidelines. Moreover, under the same conditions, interest and other similar revenues paid by or on behalf of the Issuers with respect to the Bonds will not be subject to the non-deductibility rule set out under Article 238 A of the FTC as interpreted by the Administrative Guidelines and, as a result, will not be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC solely on account of their being paid on an account opened in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Pursuant to Article 125 A of the FTC and subject to certain exceptions, interest and other similar income received by French tax resident individuals is subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest paid to French tax resident individuals.

## SUBSCRIPTION AND SALE

### Subscription Agreement

BNP Paribas and Société Générale (the “**Global Coordinators and Joint Lead Managers**” and Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc and The Royal Bank of Scotland plc (the “**Joint Lead Managers**”), and together with the Global Coordinators and Joint Lead Managers, the “**Managers**”) have, pursuant to a subscription agreement dated 5 April 2016 (the “**Subscription Agreement**”), agreed jointly and severally with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Bonds at a price equal to 99.043 per cent. of the principal amount of the Bonds, less any applicable commission. The Issuer will also pay certain costs incurred by it and the Managers in connection with the issue of the Bonds.

The Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

### Selling Restrictions

#### *General*

No action has been or will be taken in any jurisdiction by the Managers or the Issuer that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of the Prospectus (in proof or final form) or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Managers has agreed that it will not, directly or indirectly, offer, sell or deliver any Bonds or distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

#### *Republic of France*

Each of the Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed, directly or indirectly, and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

#### *United States*

The Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for any Bonds in the United States. The Bonds offered hereby are being offered and sold only outside the United States in “offshore transactions” as defined in Regulation S. Any person who subscribes or acquires Bonds will be deemed to have represented, warranted and agreed, by accepting delivery of this Prospectus or delivery of Bonds, that it has not received this document or any information related to the Bonds in the United States, is not located in the United States and is

subscribing for or acquiring Bonds in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act.

*United Kingdom*

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Corporate Authorisation

The issue of the Bonds was decided by Mr. Olivier Huart, as *Président* of the Issuer on 4 April 2016.

### Listing and Admission to Trading of the Bonds

For the sole purpose of the admission to trading of the Bonds on Euronext Paris, and pursuant to Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the AMF and received visa no. 16-119 dated 5 April 2016.

Application has been made for the Bonds to be admitted to trading on Euronext Paris with effect from the Issue Date.

### Listing Fees

The total expenses payable to Euronext Paris and to the AMF related to the admission to trading of the Bonds are estimated to be €13,000.

### Clearing of the Bonds

The Bonds have been accepted for clearance through Clearstream, Luxembourg (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (1, boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66, rue de la Victoire, 75009 Paris, France) with the common code 139106377. The ISIN for the Bonds is FR0013144201.

### Yield of the Bonds

The yield of the Bonds is 2.610 per cent. per annum, as calculated at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

### No Material Adverse Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2015.

### No Significant Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2015.

### No Material Interests

Save for any fees payable to the Managers, as far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the issue.

### Managers transacting with the Issuer

The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Managers and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers.

Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Auditors**

The statutory auditors of the Issuer for the period covered by the historical financial information are KPMG Audit IS S.A.S. (1, cours Valmy, 92923 Paris-La Défense Cedex, France), Ernst & Young et Autres S.A.S (Tour First, 1, place des Saisons, 92400 Courbevoie, France) and, further to its appointment on 18 December 2015 as auditor of the Issuer for the financial year beginning 1 April 2015, Finexsi Audit S.A. (14 rue de Bassano, 75016 Paris).

KPMG Audit IS S.A.S. and Ernst & Young et Autres S.A.S. have audited and rendered audit reports on the financial statements of the Issuer for each of the financial years ended 31 March 2014 and 31 March 2015.

On 28 May 2015, the Issuer changed its financial year end from 31 March to 31 December.

KPMG Audit IS S.A.S. (which resigned on 3 March 2016, effective from the date of approval by the Issuer's sole shareholder of the Issuer's financial statements for the financial year ended 31 December 2015), Ernst & Young et Autres S.A.S. and Finexsi have audited and rendered audit reports on the financial statements of the Issuer for the financial year ended 31 December 2015.

Each of KPMG Audit IS S.A.S. and Ernst & Young et Autres S.A.S. is a member of the *Compagnie régionale des Commissaires aux comptes de Versailles* (the Versailles regional branch of statutory auditors). Finexsi Audit S.A. is a member of the *Compagnie régionale des Commissaires aux comptes de Paris* (the Paris regional branch of statutory auditors).

No other information in this Prospectus has been audited.

### **Documents Available**

For as long as any of the Bonds are outstanding, copies of this Prospectus, the Fiscal Agency Agreement and the *statuts* (by-laws) of the Issuer will be available for inspection and copies of the most recent annual financial statements of the Issuer will be made available or obtainable, free of charge, at the specified office of the Paying Agent during normal business hours. This Prospectus is also available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.tdf-infrastructure.com](http://www.tdf-infrastructure.com)).

### **Ratings**

The Bonds have been rated BBB- by S&P.

## PERSONS RESPONSIBLE FOR THE PROSPECTUS

To the best knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuer has obtained a statutory auditors' report on the consolidated financial statements for the financial year ended 31 December 2015 which states that, in their opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of operations for the nine-month period then ended in accordance with IFRS as adopted by the European Union.

Without qualifying this opinion, the statutory auditors draw attention to the matter set out in note 4.1 to such consolidated financial statements relating to the new standards and the interpretations which the Issuer applied as from 1 April 2015.

TDF Infrastructure S.A.S.  
106, Avenue Marx Dormoy  
92120 Montrouge  
France  
Tel: 01.55.95.10.00

Duly represented by:  
Olivier Huart

Dated 5 April 2016



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* (“AMF”) has granted to this Prospectus the visa n° 16-119 on 5 April 2016. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is consistent”. It does not imply that the AMF has verified the accounting and financial information set out in it or the appropriateness of the issue of the Bonds.

**REGISTERED OFFICE OF THE ISSUER**

106, Avenue Marx Dormoy  
92120 Montrouge  
France

**GLOBAL COORDINATORS AND JOINT LEAD MANAGERS**

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United Kingdom

**Société Générale**  
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75009 Paris  
France

**JOINT LEAD MANAGERS**

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Investment Bank**  
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92920 Paris La Défense Cedex  
France

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10 Gresham Street  
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United Kingdom

**The Royal Bank of Scotland plc**  
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United Kingdom

**AUDITORS TO THE ISSUER**

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S.A.S**  
Tour First, 1, place des Saisons  
92400 Courbevoie  
France

**Finexsi Audit S.A.**  
14 rue de Bassano  
75016 Paris  
France

**FISCAL AGENT, PAYING AGENT,  
CALCULATION AGENT AND PUT  
AGENT**

**BNP Paribas Securities Services**  
(Euroclear Affiliate number 29106)  
Corporate Trust Services  
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France

**LEGAL ADVISORS**

**To the Issuer**

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London EC4A 1AN  
United Kingdom

**To the Managers**

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25, rue de Marignan  
75008 Paris  
France