FINEXSI Audit | KPMG AUDIT IS S.A.S. | ERNST & YOUNG et Autres

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	KPMG AUDIT IS S.A.S.	ERNST & YOUNG et Autres
14, rue de Bassano 75116 Paris	Tour Eqho 2, avenue Gambetta 92066 Paris-La Défense Cedex S.A. au capital de € 5.497.100	1/2, place des Saisons 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

In thousands euros	*Notes*	Dec 2015 (9 months)	Restated March 2015 (12 months)
Revenue	*8.1*	**525 244**	**742 978**
Other income	*8.2*	2 343	16 279
Consumed purchases	*8.3*	(50 426)	(67 673)
Personnel costs	*8.4*	(111 107)	(162 407)
External expenses	*8.5*	(99 534)	(132 818)
Profit on disposal of non-current operating assets	*8.6*	2 627	1 463
Other expenses	*8.2*	(13 407)	(22 217)
EBITDA		**255 740**	**375 605**
Depreciation, amortisation and impairment losses	*8.7*	(131 685)	(190 175)
Current Operating Income		**124 055**	**185 430**
Impairment of goodwill & intangible assets identified in business combinations	*8.7/9.1/9.2*	-	(4 897)
Other operating income	*8.8*	533	7 299
Other operating charges	*8.8*	(30 915)	(3 261)
Operating Income		**93 673**	**184 571**
Income from cash and cash equivalents		95	385
Gross finance costs		(86 050)	(257 182)
Net finance costs	*8.9*	**(85 955)**	**(256 797)**
Other financial income	*8.9*	398	327
Share of net losses of associates	*16*	(3 280)	(6 738)
Income tax	*8.10*	(43 056)	(50 393)
Net loss from continuing operations		**(38 220)**	**(129 030)**
Net income / loss from discontinued operations	*7*	-	(264 239)
NET LOSS FOR THE YEAR		**(38 220)**	**(393 269)**
Other comprehensive income			
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)
Income and expenses recognized directly in equity	*8.9/8.10*	**1 964**	**37 756**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(36 256)**	**(355 513)**

Net income (loss) for the year attributable to		
Owners of the company	(39 521)	(395 014)
Non controlling interests	1 301	1 745
Total comprehensive income (loss) for the year attributable to		
Owners of the company	(37 585)	(357 170)
Non controlling interests	1 329	1 658

Earnings per share		
Basic (in euros)	(4)	(0)
Earnings per share - continuing operations		
Basic (in euros)	(4)	(0)

Consolidated balance sheet as of December 31, 2015

In thousands euros	*Notes*	**Dec 2015**	**Restated March 2015**
Non-current assets			
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
TOTAL NON-CURRENT ASSETS		**3 054 466**	**3 098 767**
Current assets			
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
TOTAL CURRENT ASSETS		**359 545**	**363 910**
TOTAL ASSETS		**3 414 011**	**3 462 677**

In thousands euros	*Notes*	**Dec 2015**	**Restated March 2015**
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
TOTAL EQUITY	*10.1*	**144 379**	**(633 787)**
Non-current liabilities			
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
TOTAL NON-CURRENT LIABILITIES		**2 883 989**	**2 832 282**
Current liabilities			
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
Lliabilities related to assets held for sale	*7*	1 517	1 773
TOTAL CURRENT LIABILITIES		**385 643**	**1 264 182**
TOTAL EQUITY AND LIABILITIES		**3 414 011**	**3 462 677**

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

In thousands euros	*Notes*	Dec 2015 (9 months)	Restated March 2015 (12 months)
Net loss from continuing operations		**(38 220)**	**(129 030)**
Non-cash items and other adjustments			
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
Cash generated from operating activities before changes in working capital	*12.1*	**245 236**	**366 166**
Income tax paid		(65 038)	(92 124)
Change in Working Capital	*12.2*	14 008	11 288
Net cash from operating activities		**194 206**	**285 330**
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 formely controlled		(11 448)	192 190
Change in other financial assets		5 781	(4 623)
Net cash used in investing activities	*12.3*	**(97 978)**	**53 652**
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)
Net cash used in financing activities	*12.4*	**(17 558)**	**(714 027)**
Effect of exchange rate changes on cash		(115)	166
NET CASH FROM CONTINUING ACTIVITIES		**78 555**	**(374 879)**
Net cash from discontinued activities	*12.5*	-	**259 619**
Net change in cash and cash equivalents		**78 555**	**(115 260)**
Opening cash & cash equivalents		**66 518**	**181 778**
Closing cash & cash equivalents		**145 073**	**66 518**

Consolidated statement of changes in equity

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

Notes to the consolidated financial statements

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 exceptionnaly 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 provisionned (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 simplifies" (simplified joint stock company) with registered office at 106, avenue Marx Dormoy, 92 120 Montrouge.

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

3. Basis of preparation

3.1 Statement of compliance

The TDF Infrastructure Group 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

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, IFER and C3S tax (tax on revenues), which expenses were spread over the year, are now fully recognized on 1st 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 1st 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:

	December 2015		March 2015	
	Average	Closing	Average	Closing
Polish zloty	0,239143	0,235838	0,238848	0,244774
US dollar	0,906167	0,919963	0,788550	0,929454
Hungarian forint*	n.a.	n.a.	3,268269	3,302401
Danish krone	0,134022	0,134030	0,134196	0,133874
Norwegian krone	0,111020	0,104619	0,118325	0,114896
Swedisk krone	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

<u>Fair value hedges</u> 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.

<u>Cash flow hedges</u> 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.

<u>Hedges of the net investment in a foreign operation</u> 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:

	Dec 2015		March 2015	
In thousands euros	**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%
Total before hedging	**2 494 633**	**100,0%**	**3 261 182**	**100,0%**
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%
Total after hedging	**2 494 633**	**100,0%**	**3 261 182**	**100,0%**

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):

	Dec 2015		Maturities		
In thousands euros	**Book value**	**Cash flow**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-derivative financial instruments					
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	-	-
Total financial liabilities	**2 618 497**	**3 579 966**	**280 892**	**1 259 976**	**2 039 098**

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

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 31st 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 31st 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
Leverage ratio (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").

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

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:

In thousands euros	**March 2015 (12 months)**
Revenue	**314 343**
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)
EBITDA	**105 358**
Depreciation, amortisation and impairment losses	(91 464)
Impairment of goodwill & intangible assets identified in business combinations	(11 211)
Other operating charges	(244 838)
OPERATING LOSS	**(242 155)**
Financial income and expenses	(12 178)
Income tax	(9 906)
NET LOSS OF DISCONTINUED OPERATIONS	**(264 239)**

At March 31, 2015, other operating income and charges include:
- The net capital loss realized on the sale of German entities, that is to say a loss of € 340.0m. This loss includes a receivable write-off of € 25.2m, and disposal costs for € 0.4m (€ 0.6 m of costs had already been incurred in 2013/2014);
- An income of €104.2m corresponding to the agreement to sell rights to use the orbital position 28.5° signed by MediaBroadcast with SES Astra. This income corresponds to the following counterparts:
  - € 43.5m of cash received from SES Astra,
  - recognition of an asset of € 60.7m corresponding to the right of use granted by SES Astra for two transponders for a duration of 16 ½ years.

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:

In thousands euros	**March 2015 (2 months)**
Revenue	**8 821**
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)
EBITDA	**2 751**
Other operating income and expenses	(781)
Depreciation, amortisation and impairment losses	(2 700)
OPERATING LOSS	**(730)**
Other finance expenses	(562)
Income tax	28
NET LOSS OF DISPOSED OPERATIONS	**(1 264)**
Net cash from operating activities of disposed operations	**1 851**

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:

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
Revenue	**3 944**	**5 694**
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
EBITDA	**2 253**	**3 560**
Other operating income and expenses	-	-
Depreciation, amortisation and impairment losses	(158)	(207)
OPERATING INCOME	**2 095**	**3 353**
Other finance expenses	(3)	3
Income tax	(657)	(1 064)
NET INCOME OF DISPOSED OPERATIONS	**1 435**	**2 292**
Net cash from operating activities of disposed operations	**1 206**	**957**

In thousands euros	Dec 2015	March 2015
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
Assets from held for sale activities	**11 417**	**11 233**
Provisions	629	940
Financial debts	34	34
Trade payables	236	211
Other payables	618	588
Liabilities from held for sale activities	**1 517**	**1 773**

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

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

8.2 Other income and expenses (in current operating income)

In thousands euros	Dec 2015 (9 months)	March 2015 restated (12 months)
Other income	**2 343**	**16 279**

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.

In thousands euros	Dec 2015 (9 months)	March 2015 restated (12 months)
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)
Other expenses	**(13 407)**	**(22 071)**

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

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
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
Consumed purchases	**(50 426)**	**(67 673)**

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

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
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
Total personnel costs	**(111 107)**	**(162 440)**

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

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
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)
External expenses	**(99 534)**	**(132 818)**

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

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
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)
Depreciation, amortization and impairment losses	**(131 685)**	**(190 175)**

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 mentionned above were released (see note 9.2).

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

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 :
    - A provision allowance of 26.2 million euros,
    - 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 :
    - 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 reinvoicing of part of the bonus to Tyrol 1 acquisition & Cie SCA (former shareholder of TDF Infrastructure Holding SAS);
    - reinvoicing 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:

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
Revenues from available funds placed	95	385
Total financial revenue (a)	**95**	**385**
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)
Result on financial instruments measured at amortized cost (b)	**(83 411)**	**(189 229)**
Capitalisation & amortisation of loan issue expenses (c)	**(2 639)**	**13 401**
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
Profit (loss) related to derivatives (d)	**-**	**(81 354)**
Total finance expenses (e) = (b) + (c) + (d)	**(86 050)**	**(257 182)**
Net financial debt cost (a) + (e)	**(85 955)**	**(256 797)**

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 :
  - 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,
  - 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%),
  - 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:

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

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:

In thousands euros	Dec 2015 (9 months)	March 2015 (12 months)
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)
Finance income and expenses recognised in other comprehensive income	**(115)**	**45 999**

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:

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

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:

	Dec 2015 (9 months)			**March 2015 (12 months)**		
In thousands euros	Pre-tax	Tax (Expense) / Credit	**Net of tax**	Pre-tax	Tax (Expense) / Credit	**Net of tax**
Currency translation differences for foreign operations	(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
Total	**2 987**	**(1 023)**	**1 964**	**59 233**	**(21 477)**	**37 756**

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:

In thousands euros	Dec 2015 (9 months) Value	Dec 2015 (9 months) Rate	March 2015 (12 months) Rate	March 2015 (12 months) 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)
Theoretical income tax based on the French statutory income tax rate	**(1 665)**	**34,43%**	**34,43%**	**114 603**
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)
Actual income tax	**(43 056)**	**890,32%**	**-19,39%**	**(60 339)**

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:

In thousands euros	March 2015	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassifi-cation and allocation	Dec 2015
France	**1 604 923**	-	-	-	-	(1 604 923)	-
TDF	-	2 341	-	-	-	1 608 675	**1 611 016**
Arkena	-	-	-	-	-	2 628	**2 628**
Mediamobile	-	-	-	-	-	10 784	**10 784**
Levira	-	-	-	-	-	-	-
Arkena AB (ex Qbrick)	-	-	-	-	-	-	-
Bebanjo	-	-	-	-	-	-	-
Others (*)	**17 164**	-	-	-	-	(17 164)	-
Total	**1 622 087**	**2 341**	-	-	-	-	**1 624 428**

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:

In thousands euros	March 2014	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS	Currency translation adjustment	Reclassifi-cation and allocation	March 2015
France	**1 613 446**	-	-	(8 523)	-	-	**1 604 923**
Allemagne	**372 488**	-	-	(372 488)	-	-	-
Arkena AB (ex Qbrick)	**2 520**		(2 444)	-	(76)	-	-
Bebanjo	**392**		(392)	-	-	-	-
Autres (*)	**17 164**	-	-	-	-	-	**17 164**
Total	**2 006 010**	-	**(2 836)**	**(381 011)**	**(76)**	-	**1 622 087**

(*): 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

Dec 2015	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%

March 2015	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:

In million euros	Levira	Long term growth rates		
		-0,5 point		+0,5 point
Discounting rates (WACC)	-0,5 point	--	--	--
		--	--	--
	+0,5 point	(0,4)	--	--

In million euros	Levira	EBITDA margin rate		
		-1,0 point		+1,0 point
Discounting rates (WACC)	-0,5 point	--	--	--
		(0,2)	--	--
	+0,5 point	(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:

In thousands euros	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
Gross value at March 31, 2014	**96 657**	**285 143**	**247 300**	**344 916**	**274 482**	**1 248 498**
Acquisitions	1 589	-	-	-	23 832	**25 421**
Disposals	-	-	-	-	(9 017)	**(9 017)**
Reclassifications	2 612	-	-	-	(2 421)	**191**
Changes in consolidation scope	-	(285 143)	(48 800)	(58 200)	(41 238)	**(433 381)**
Currency translation adjustments	(188)	-	-	(494)	(45)	**(727)**
Gross value at March 31, 2015	**100 670**	**-**	**198 500**	**286 222**	**245 593**	**830 985**
Acquisitions	157	-	-	-	12 097	**12 254**
Disposals	(247)	-	-	-	(1 133)	**(1 380)**
Reclassifications	4 149	-	-	-	(3 932)	**217**
Changes in consolidation scope	-	-	-	-	285	**285**
Currency translation adjustments	3	-		(4)	(8)	**(9)**
Gross value at December 31, 2015	**104 732**	**-**	**198 500**	**286 218**	**252 902**	**842 352**

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:

In thousands euros	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
Amortization at March 31, 2014	**(58 886)**	**(177 827)**	**(231 989)**	**(105 461)**	**(165 986)**	**(740 149)**
Charge of the period	(10 462)	(28 618)	(7 539)	(12 802)	(29 402)	**(88 823)**
Disposals	-	-	-	-	9 015	**9 015**
Reclassifications	-	-	-	-	248	**248**
Changes in consolidation scope	-	206 445	43 639	22 500	24 112	**296 696**
Currency translation adjustments	105	-	-	150	-	**255**
Amortization at March 31, 2015	**(69 243)**	**-**	**(195 889)**	**(95 613)**	**(162 013)**	**(522 758)**
Charge of the period	(9 537)	-	(2 350)	(6 256)	(15 132)	**(33 275)**
Disposals	247	-	-	-	1 007	**1 254**
Reclassifications	119	-	-	-	-	**119**
Changes in consolidation scope	-	-	-	-	(265)	**(265)**
Currency translation adjustments	(5)	-	-	-	6	**1**
Amortization at December 31, 2015	**(78 419)**	**-**	**(198 239)**	**(101 869)**	**(176 397)**	**(554 924)**

	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
Impairment losses at March 31, 2014	**-**	**-**	**-**	**(106 946)**	**(9 909)**	**(116 855)**
Charge of the period	(2 816)	-	-	(9 172)	(6 491)	**(18 479)**
Changes in consolidation scope	-	-	-	7 111	4 554	**11 665**
Currency translation adjustments	19	-	-	255	3	**277**
Impairment losses at March 31, 2015	**(2 797)**	**-**	**-**	**(108 752)**	**(11 843)**	**(123 392)**
Charge of the period	2 780	-	-	-	1 919	**4 699**
Currency translation adjustments	17	-	-	3	4	**24**
Impairment losses at December 31, 2015	**-**	**-**	**-**	**(108 749)**	**(9 920)**	**(118 669)**
Carrying amount at March 31, 2014	**44 395**	**135 934**	**35 597**	**172 637**	**101 924**	**490 487**
Carrying amount at March 31, 2015	**28 630**	**-**	**2 611**	**81 857**	**71 737**	**184 835**
Carrying amount at December 31, 2015	**26 313**	**-**	**261**	**75 600**	**66 585**	**168 759**

Impairment of intangible assets

Intangible asset impairment is detailed below:

In thousands euros	France	Other Countries	Total
Trademarks with indefinite lives	-	-	-
Backlog	-	-	-
Other intangible assets	-	4 699	4 699
Total December 31, 2015	**-**	**4 699**	**4 699**

In thousands euros	France	Germany	Other Countries	Total
Trademarks with indefinite lives	-	(4 100)	-	(4 100)
Backlog	-	-	-	-
Other intangible assets	-	(7 565)	(6 814)	(14 379)
Total March 31, 2015	**-**	**(11 665)**	**(6 814)**	**(18 479)**

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:

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer	Others	Total
Gross value at March 31, 2014	**634 871**	**1 812 733**	**97 198**	**502 865**	**3 047 667**
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**
Gross value at March 31, 2015	**560 183**	**1 506 585**	**64 853**	**510 902**	**2 642 523**
Acquisitions	16 476	25 903	1 560	35 137	**79 076**
Sorties	(2 958)	(20 954)	(5 713)	(9 172)	**(38 797)**
Reclassifications	143	3 837	4	(1 065)	**2 919**
Changes in consolidation scope	1 000	5 183	595	-	**6 778**
Currency translation adjustments	(26)	(117)	(30)	(84)	**(257)**
Gross value at December 31, 2015	**574 818**	**1 520 437**	**61 269**	**535 718**	**2 692 242**

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and	Others	Total
Amortization at March 31, 2014	**(215 664)**	**(929 266)**	**(75 358)**	**(274 008)**	**(1 494 296)**
Charge of the period	(19 409)	(99 803)	(7 781)	(32 654)	**(159 647)**
Disposals	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)**
Amortization at March 31, 2015	**(213 855)**	**(765 482)**	**(55 566)**	**(290 394)**	**(1 325 297)**
Charge of the period	(16 652)	(57 792)	(3 327)	(25 947)	**(103 718)**
Disposals	1 783	20 934	5 582	9 085	**37 384**
Reclassifications	1 785	(3 642)	-	12	**(1 845)**
Changes in consolidation scope	(147)	(2 920)	(492)	-	**(3 559)**
Currency translation adjustments	22	96	17	72	**207**
Amortization at December 31, 2015	**(227 064)**	**(808 806)**	**(53 786)**	**(307 172)**	**(1 396 828)**

	Land & buildings	Broadcasting network	Office furniture, office and computer	Others	Total
Impairment losses at March 31, 2014	**(48 983)**	**(28 559)**	**(8)**	**(4 003)**	**(81 553)**
Charge of the period	(4 287)	(17 661)	(3 282)	(30)	**(25 260)**
Changes in consolidation scope	46 665	9 074	2 807	-	**58 546**
Currency translation adjustments	-	(3)	3	(2)	**(2)**
Impairment losses at March 31, 2015	**(6 605)**	**(37 149)**	**(480)**	**(4 035)**	**(48 269)**
Charge of the period	17	-	469	34	**520**
Disposals	-	11	-	-	**11**
Currency translation adjustments	-	5	3	6	**14**
Impairment losses at December 31, 2015	**(6 588)**	**(37 133)**	**(8)**	**(3 995)**	**(47 724)**

Carrying amount at March 31, 2014	**370 224**	**854 908**	**21 832**	**224 854**	**1 471 818**
Carrying amount at March 31, 2015	**339 723**	**703 954**	**8 807**	**216 473**	**1 268 957**
Carrying amount at December 31, 2015	**341 166**	**674 498**	**7 475**	**224 551**	**1 247 690**

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

In thousands euros	Dec 2015	March 2015
Gross value at opening	**463**	**840**
Acquisitions	315	25
Disposals	-	(632)
Currency translation adjustments	-	-
Fair value AFS	-	-
Changes in consolidation scope	-	230
Gross value at closing (A)	**778**	**463**
Impairment at opening	**(230)**	-
Acquisitions	-	(230)
Reversal	230	-
Currency translation adjustments	-	-
Changes in consolidation scope	-	-
Impairment at closing (B)	-	**(230)**
Net carrying amount at closing	**778**	**233**

Financial assets available for sale mainly comprise the Group's investment in non-consolidated companies.

9.5 Inventories

	Dec 2015			March 2015		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories,including items in progress	6 300	(2 276)	4 024	6 183	(2 281)	3 902
Total inventories	**6 300**	**(2 276)**	**4 024**	**6 183**	**(2 281)**	**3 902**

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

In thousands euros	Dec 2015 Gross	Dec 2015 Depreciation	Dec 2015 Net	March 2015 Gross	March 2015 Depreciation	March 2015 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
Total trade accounts receivables	**139 484**	**(11 799)**	**127 685**	**218 616**	**(8 199)**	**210 417**

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 Net	March 2015 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
Net trade account receivables	**127 685**	**210 417**

Other current and non-current assets are as follows:

In thousands euros	Dec 2015 Gross	Dec 2015 Depreciation	Dec 2015 Net	March 2015 Gross	March 2015 Depreciation	March 2015 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
Total other current assets	**71 264**	**(97)**	**71 167**	**71 186**	**(735)**	**70 451**
Non-current receivables	4 069	-	4 069	198	-	198
Loans, security deposit, guaranty	8 767	(320)	8 447	18 895	-	18 895
Total other non current assets	**12 836**	**(320)**	**12 516**	**19 093**	**-**	**19 093**

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:

In thousands euros	Dec 2015	Restated 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
Closing cash & cash equivalents	**145 073**	**66 518**

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 10th 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).

Direct holding at	Dec 2015	March 2015
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%
Total	**100,00%**	**100,00%**

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

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

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:

In thousands euros	**March 2015**	Increase	Decrease	Others	**Dec 2015**
Bond debt	-	592 594	167	-	592 761
including term debt	-	*600 000*	-	-	*600 000*
including loan issuance costs	-	*(7 406)*	*167*	-	*(7 239)*
Bank debt	1 415 142	-	-	-	*802 021*
including loan issuance costs	*(14 858)*	*(1 471)*	*11 350*	-	*(4 979)*
including term debt	*1 400 000*	-	*(593 000)*	-	*807 000*
including revolving debt	*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
Financial debt	**3 261 182**	**29 456**	**(3 069)**	**(772 576)**	**2 494 633**

In thousands of euros	**March 2014**	Increase	Decrease	Others	**March 2015**
Bank debt	3 764 843	1 445 142	(3 832 781)	37 938	1 415 142
including loan issuance costs	*(1 457)*	*(14 858)*	*1 457*	-	*(14 858)*
including term debt	*3 566 300*	*1 400 000*	*(3 604 238)*	*37 938*	*1 400 000*
including revolving debt	*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
Financial debt	**4 385 641**	**3 360 331**	**(3 911 968)**	**(572 822)**	**3 261 182**

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:

In thousands euros	Dec 2015	< 1 year	1 to 5 years	> 5 years
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	-
Financial debt	**2 494 633**	**28 818**	**809 225**	**1 656 590**

In thousands euros	March 2015	< 1 year	1 to 5 years	> 5 years
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	-
Financial debt	**3 261 182**	**847 634**	**1 389 850**	**1 023 698**

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:
  - €107.0m tranche A for which contractual maturity is November 6, 2017,
  - €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:

In millions euros	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	
Term debt										
Tranche A	700,0	107,0	Baa2 or above	BBB or above	0,65%	0,80%	1,25%	NA	NA	6-nov.-17
			Baa3	BBB-	0,80%	1,00%	1,40%	NA	NA	
			Below Baa3	Below BBB-	Marge Baa3/BBB- plus 0,75%					
Tranche B	700,0	700,0	Baa2 or above	BBB or above	0,65%	0,80%	1,35%	1,60%	2,00%	6-nov.-19
			Baa3	BBB-	0,80%	1,00%	1,50%	1,75%	2,15%	
			Below Baa3	Below BBB-	Marge Baa3/BBB- plus 0,75%					
TOTAL term debt	**1 400,0**	**807,0**								
Revolving Facility	250,0		Baa2 or above	BBB or above	1,00%					6-nov.-19
			Baa3	BBB-	1,15%					
			Below Baa3	Below BBB-	Marge Baa3/BBB- plus 0,75%					
TOTAL Revolving debt	**250,0**									
TOTAL FA debt	**1 650,0**	**807,0**								

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.àr.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:

In thousands euros	**Dec 2015**	**March 2015**
Present value of the defined benefit obligation	38 081	39 521
Fair value of plan assets	(18 990)	(18 551)
Provision recognised for defined benefit obligations	**19 091**	**20 970**

The time schedule of expected discounted cash flows on these provisions is as follows:

In thousand euro	**Dec 2015**	**< 1 year**	**1 to 5 years**	**> 5 years**
France	19 083	-	777	18 306
Others	8	3	-	5
Provision recognised for defined benefit obligations	**19 091**	**3**	**777**	**18 311**

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 1/7th month for executives,
- Over 10 years, allocation of 2/8th month per year of service for the non-executives and 2/7th month for the executives.

The change in the present value of the defined benefit obligation is analyzed below:

In thousands euros	Dec 2015	March 2015
Present value of the defined benefit obligation at opening	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 inco	(2 987)	12 297
Changes in consolidation scope	-	(32 991)
Others	-	(2)
Present value of the defined benefit obligation at closing	**38 081**	**39 521**

	Dec 2015	March 2015
Fair value of plan assets at opening	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	-	-
Fair value of plan assets at closing	**18 990**	**18 551**

In thousands euros	Dec 2015	March 2015
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
Expense in the year	**(1 079)**	**(2 994)**

Actuarial gains/losses recognized in other comprehensive income before tax:

In thousands euros	Dec 2015	March 2015
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
Cumulative amount at closing date	**9 069**	**12 040**

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:

		In M€
Discount Rate	-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:

		In M€
Taux d'actualisation	-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

In thousands euros	March 2015	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	Dec 2015
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
Total provisions	**101 726**	**41 442**	**(11 753)**	**(7 428)**	**120**	**-**	**(1 303)**	**122 804**
Presented as current	**45 320**							**33 386**
Presented as non-current	**56 406**							**89 418**

In thousands euros	March 2014	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	March 2015
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
Total provisions	**151 048**	**30 070**	**(25 456)**	**(15 787)**	**2 356**	**(2)**	**(40 503)**	**101 726**
Presented as current	**67 683**							**45 320**
Presented as non-current	**83 365**							**56 406**

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:

In thousands euros	Dec 2015	Restated March 2015
Deferred tax assets	295	282
Deferred tax liabilities	304 939	320 661
Net position - liability	**304 644**	**320 379**

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:

In thousands euros	**Dec 2015**	Change	**Restated March 2015**
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
Deferred tax liabilities	**(304 644)**	**15 735**	**(320 379)**

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:

In thousands euros	**Dec 2015**	**Restated March 2015**
Trade payables	91 811	81 026
Trade payables on fixed assets aquisitions	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
Current liabilities	**295 967**	**367 830**
Other non-current liabilities	**23 817**	**41 451**
Total liabilities	**319 784**	**409 281**

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

Other current and non-current liabilities include deferred income of €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

In thousands euros	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	-	-	-	-
Assets carried at fair value	**12 195**	**12 195**	**11 466**	**11 466**
Loans and receivables	211 368	211 368	299 969	299 969
Cash and cash equivalents	145 252	145 252	67 899	67 899
Assets carried at amortised cost	**356 620**	**356 620**	**367 868**	**367 868**
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	-	-	-	-
Liabilities carried at fair value	**1 517**	**1 517**	**1 773**	**1 773**
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
Liabilities carried at amortised cost	**2 840 372**	**2 840 372**	**3 672 304**	**3 672 304**

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.

In thousands euros	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	**10 678**	-	-	9 693	**9 693**
Derivative financial liabilities	-	-	-	-	-	-	-	-
	-	-	**10 678**	**10 678**	-	-	**9 693**	**9 693**

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

In thousands euros	**Dec 2015**	**March 2015**
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)
Changes in working capital	**14 008**	**11 288**

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

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

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
Total workforce at closing	**2 059**	**2 155**

14. Auditor's fees

	Ernst & Young		KPMG, FINEXSI et Autres		TOTAL	
In thousand of euros	Dec 2015	March 2015	Dec 2015	March 2015	Dec 2015	March 2015
Audit	365	408	337	666	702	1 074
Other services	-	-	-	-	-	-
TOTAL	**365**	**408**	**337**	**666**	**702**	**1 074**

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 alledgedly 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 alledged 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:

In thousands euros	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
Total	**45 477**	**52 193**

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:

In thousands euros	Dec 2015	< 1 year	1 to 5 years	> 5 years
Commitment of capex	12 474	12 318	156	-
Commitment to buy satellite capacity	31	31	-	-
Commitment others	28 294	12 748	14 907	639
Total	**40 799**	**25 097**	**15 063**	**639**

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

C. Firm commitments to provide services

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

In thousands euros	Dec 2015 Actual	Projection	< 1 year	1 to 5 years	> 5 years
Digital Television	162 298	422 612	145 304	269 619	7 689
Satelite	1 225	7 152	1 550	5 602	-
Radio	98 637	223 044	114 211	105 371	3 462
Total Broadcasting Services	**262 160**	**652 808**	**261 065**	**380 592**	**11 151**
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
Total Telecoms & Services	**212 734**	**1 714 320**	**219 676**	**687 486**	**807 158**
Media Services	42 041	35 524	21 405	14 119	-
Others	8 309	364	257	107	-
Total revenue / future contractual revenue	**525 244**	**2 403 016**	**502 403**	**1 082 304**	**818 309**

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

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

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 an 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).

<u>Disposal of Hungarian entities on May 30, 2014: guarantees given to the buyer by TDF SAS:</u>
The guarantees given by TDF SAS as part of the sale of Hungarian entities have expired May 30, 2015, unexercised.

<u>TDF Entertainment:</u>
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.

<u>Disposal of German entities:</u>
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.

<u>Acquisition of AD Valem Technologies (see note 1)</u>
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 correpond to the company's accounts for September (i.e. 9 months).

In thousands euros	Dec 2015 (9 months)	March 2015 (12 mois)
Revenue	4 308	11 523
EBITDA	(1 535)	(2 652)
OPERATING INCOME (LOSS)	(8 107)	(16 757)
Financial income and expenses	(41)	(158)
Income tax	(52)	71
NET INCOME	(8 200)	(16 844)

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.

In thousands euros	Dec 2015 (9 months)	March 2015 (12 mois)
Employee benefits, including termination payments	(1 625)	(5 454)
Post-employment benefits	-	(47)
Share-based payments	-	-
Total expense	(1 625)	(5 501)
Provision for retirement indemnities	-	299
Debt related to equity instruments	-	-
Acquisition of equity instruments (cash out)	-	-
Cash outflows and liabilities	-	299

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 10th 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 Dec 2015	% Interests March 2015	Observation
Full consolidation						
TDF Infrastructure SAS (former Tyrol Acquisition 2 SAS)	**France**		**300 000**	**100,00%**	**100,00%**	
TDF SAS	France	TDF	166 957	100,00%	100,00%	
Diffusion Outre Mer	France				100,00%	Under liquidation
Tiare	France			100,00%	100,00%	
MCR	Monaco		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
Taunus Beteiligungs 1	Germany					
Taunus Verwaltungs 2	Germany					
Taunus Management Verwaltungs	Germany					
Taunus 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	Arkena	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		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	Média-mobile	1 157	71,19%	71,19%	
Mediamobile Nordic	Finland		3 050	71,19%	71,19%	
Levira	Estonia	Levira	9 587	49,00%	49,00%	
Talinna Teletorn Foundation	Estonia		13	49,00%	49,00%	
Levira Central Europe	Estonia		5	49,00%	49,00%	
Equity method						
Smartjog Ymagis Logistics	France	**Arkena**			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).