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TDF INFRASTRUCTURE S.A.S.

Société par actions simplifiée
with share capital of 300 000 000 €

155 bis, Avenue Pierre Brossolette
92120 MONTROUGE

This is a free translation into English of the statutory auditors' report issued in French and 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 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 captions or on information taken outside of the consolidated financial statements.

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

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2016

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2016

To the Sole Shareholder,

In compliance with the assignment entrusted to us by your sole shareholder's decision, we hereby report to you, for the year ended December 31, 2016:

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

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

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with 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, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. 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 consolidated financial statements and concern mainly goodwill amounting to €1.752m, intangible assets amounting to €153m, tangible amounting to €1.323m and provisions amounting to €127m.

- Regarding goodwill, intangible and tangible assets, we have reviewed the methodology carried out for the impairments tests, data and assumptions used. As mentioned in the notes 9.1 and 9.2 to the consolidated financial statements, significant assumptions used for the December 31, 2016 impairment tests include notably the discount rate and cash flows forecasts issued from the strategic plan prepared by the company's management.
  We also verified that notes 4.9, 4.10, 4.11, 9.1, 9.2 and 9.3 to the consolidated 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 10.4 and 10.5 to the consolidated financial statements provide relevant information. In addition, we ensured that note 15.1 "Contingent liabilities (assets)" provides appropriate disclosure about pending disputes for which there is no 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.

3. 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 15, 2017

The statutory auditors
French original signed by

FINEXSI AUDIT	ERNST & YOUNG et Autres
Olivier PERONNET	Patrick CASSOUX

TDF INFRASTRUCTURE SAS GROUP

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2016

Consolidated statement of comprehensive income,
Year ended December 31, 2016

In thousands euros	*Notes*	Dec 2016 (12 months)	Dec 2015 (9 months) *
Revenue	*8.1*	**673 893**	**525 244**
Other income	*8.2*	13 871	2 343
Consumed purchases	*8.3*	(52 837)	(50 426)
Personnel costs	*8.4*	(135 514)	(111 107)
External expenses	*8.5*	(133 889)	(99 534)
Profit/loss on disposal of non-current operating assets	*8.6*	(63)	2 627
Other expenses	*8.2*	(13 179)	(13 407)
EBITDA		**352 282**	**255 740**
Depreciation, amortisation and impairment losses	*8.7*	(164 159)	(131 685)
Current Operating Income		**188 123**	**124 055**
Impairment of goodwill & intangible assets identified in business combinations	*8.7/9.1/9.2*	(776)	-
Other operating income	*8.8*	111 823	533
Other operating charges	*8.8*	(34 036)	(30 915)
Operating Income		**265 134**	**93 673**
Income from cash and cash equivalents		136	95
Gross finance costs		(127 248)	(86 050)
Net finance costs	*8.9*	**(127 112)**	**(85 955)**
Other financial income	*8.9*	1 388	398
Share of net profits of associates	*16*	535	(3 280)
Income tax	*8.10*	(32 327)	(43 056)
Net income from continuing operations		**107 618**	**(38 220)**
Net income / loss from discontinued operations	*7*	-	-
NET INCOME FOR THE YEAR		**107 618**	**(38 220)**
Other comprehensive income			
Currency translation differences		(162)	(115)
Cash flow hedge			-
Actuarial gains		954	2 971
Fair value of available for sale assets			131
Income tax on other comprehensive income		(327)	(1 023)
Income and expenses recognized directly in equity	*8.9/8.10*	**465**	**1 964**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**108 083**	**(36 256)**

Net income (loss) for the year attributable to		
Owners of the company	106 173	(39 521)
Non controlling interests	1 443	1 301
Total comprehensive income (loss) for the year attributable to		
Owners of the company	106 628	(37 585)
Non controlling interests	1 453	1 329

Earnings per share		
Basic (in euros)	11	(4)
Earnings per share - continuing operations		
Basic (in euros)	11	(4)

*****: the previous comprehensive income represents a 9-month period activity, as TDF Infrastructure Group changed closing date in 2015 and now closes at December 31 of each year.

Consolidated balance sheet as of December 31, 2016

In thousands euros	*Notes*	Dec 2016	Dec 2015
Non-current assets			
Goodwill	*9.1*	1 751 783	1 624 428
Intangible assets	*9.2*	153 156	168 759
Property, plant and equipment	*9.3*	1 323 395	1 247 690
Shares in associates	*16*	6 777	-
Financial assets available for sale	*9.4*	4 427	778
Other non-current assets	*9.6*	3 743	12 516
Deferred tax assets	*10.7*	452	295
TOTAL NON-CURRENT ASSETS		**3 243 733**	**3 054 466**
Current assets			
Inventories	*9.5*	9 894	4 024
Trade receivables	*9.6*	124 202	127 685
Other current assets	*9.6*	80 633	71 167
Cash and cash equivalents	*9.7*	73 507	145 252
Assets held for sale	*7*		11 417
TOTAL CURRENT ASSETS		**288 236**	**359 545**
TOTAL ASSETS		**3 531 969**	**3 414 011**

In thousands euros	*Notes*	Dec 2016	Dec 2015
Share capital		300 000	300 000
Additional paid-in capital		1 010 375	1 116 703
Currency translation reserve		(1 045)	351
Other reserves and Retained earnings		(1 286 075)	(1 248 374)
Net income (loss) of the year - attributable to owners of the company		106 173	(39 521)
Non-controlling interests		15 104	15 220
TOTAL EQUITY	*10.1*	**144 532**	**144 379**
Non-current liabilities			
Bond debt	*10.2 - 5.4*	1 382 472	592 761
Bank debt	*10.2 - 5.4*	(1 530)	802 021
Shareholders' debt	*10.2*	1 063 599	1 063 599
Other financial debts	*10.2*	20 471	7 434
Provisions	*10.4 - 10.5*	78 587	89 418
Deferred tax liabilities	*10.7*	257 533	304 939
Other non-current liabilities	*10.7*	30 178	23 817
Accrued interest		-	-
TOTAL NON-CURRENT LIABILITIES		**2 831 310**	**2 883 989**
Current liabilities			
Other financial debts	*10.2*	66 384	28 818
Provisions	*10.4 - 10.5*	48 639	33 386
Trade payables	*10.7*	140 429	123 864
Tax and social liabilities	*10.7*	98 821	87 701
Other current liabilities	*10.7*	76 278	84 402
Bank overdrafts	*9.7*	3	211
Accrued interest		125 573	25 744
Lliabilities related to assets held for sale	*7*		1 517
TOTAL CURRENT LIABILITIES		**556 127**	**385 643**
TOTAL EQUITY AND LIABILITIES		**3 531 969**	**3 414 011**

Consolidated statement of cash flows,
Year ended December 31, 2016

In thousands euros	*Notes*	Dec 2016 (12 months)	Dec 2015 (9 months)
Net income from continuing operations		**107 618**	**(38 220)**
Non-cash items and other adjustments			
Depreciation, amortization and impairment		164 935	131 685
Change in provisions and non-cash expenses		(117 178)	28 456
Gain on disposal of non-current assets		3 319	(2 787)
Total income tax expense		32 327	43 056
Finance income and expenses		131 803	83 046
Cash generated from operating activities before changes in working capital	*12.1*	**322 824**	**245 236**
Income tax paid		(76 189)	(65 038)
Change in Working Capital	*12.2*	(3 318)	14 008
Net cash from operating activities		**243 317**	**194 206**
Acquisitions of non-current operating assets		(145 463)	(94 872)
Proceeds from disposal of non-current operating assets		276	3 923
Dividends from non consolidated companies		765	
Acquisition of controlling interests, net of cash & cash equivalents acquired		(75 203)	(1 362)
Net proceeds from disposals of subsidiaries formely controlled		1 685	(11 448)
Change in other financial assets		(86 283)	5 781
Net cash used in investing activities	*12.3*	**(304 223)**	**(97 978)**
Dividends paid to non-controlling interests		(1 009)	(1 771)
Proceeds from bond debt		800 000	600 000
Proceeds from bank debt			-
Bank debt repayments		(807 000)	(623 000)
Proceeds from shareholders' debt		-	-
Proceeds from other financial debts		37 402	26 634
Other financial debts repayments		(5 948)	(3 069)
Fees related to the refinancing		(13 126)	(8 878)
Revenue from cash and cash equivalents		136	95
Financial interests (including financial lease)		(21 265)	(7 569)
Net cash used in financing activities	*12.4*	**(10 810)**	**(17 558)**
Effect of exchange rate changes on cash		147	(115)
NET CASH USED IN CONTINUING ACTIVITIES		**(71 569)**	**78 555**
Net cash from discontinued activities	*12.5*	**-**	**-**
Net change in cash and cash equivalents		**(71 569)**	**78 555**
Opening cash & cash equivalents		**145 073**	**66 518**
Closing cash & cash equivalents		**73 504**	**145 073**

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, 2015 (restated)	7 499 793 152	**749 979**	**1 511 157**	**466**	**-**	**(2 906 694)**	**(645 092)**	**16 193**	**(628 899)**
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 31st, 2015	10 000 000	**300 000**	**1 116 703**	**351**	**-**	**(1 287 895)**	**129 159**	**15 219**	**144 378**
At December 31st, 2015	10 000 000	**300 000**	**1 116 703**	**351**	**-**	**(1 287 895)**	**129 159**	**15 219**	**144 378**
Consolidated net income		-	-		-	106 173	106 173	1 443	**107 616**
Other comprehensive income		-	-	(162)		617	455	10	**465**
Total comprehensive income		**300 000**	**1 116 703**	**189**	**-**	**(1 181 105)**	**235 787**	**16 672**	**252 459**
Dividends paid			(106 328)				(106 328)	(478)	**(106 806)**
Capital change							-	-	**-**
Changes of interest in controlled entities and changes in consolidation scope				(1 234)		1 203	(31)	(1 090)	**(1 121)**
At December 31st, 2016	10 000 000	**300 000**	**1 010 375**	**(1 045)**	**-**	**(1 179 902)**	**129 428**	**15 104**	**144 532**

Notes to the consolidated financial statements

1. Highlights of the year

Change of annual closing date

In 2015, the Group has changed its annual closing date and will close its financial statements each December 31 (previously March 31). Comparability of periods disclosed is impacted by this change: the current financial year disclosed lasted 12 months (from January 1st 2016 to December 31st 2016) whereas previous financial year exceptionally lasted 9 months (from April 1st 2015 to December 31st 2015).

TDF SAS - 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 provision related to the estimation of the costs of this plan is of €26.2m at December 31, 2015. An additional provision allowance of €13.8m was recognized during the period (see the notes 8.8 and 10.5).

Evolution project by Arkena SAS and SmartJog France

On February 8, 2016 a final agreement was signed with the Works council of Arkena SAS and SmartJog 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.

Second digital dividend

Within the context of 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 at the beginning of 2016 between TDF SAS and the Government. See also the notes 8.2, 10.7 and 15.1.

Fine from the anti-trust authorities

Concerning the procedure with the anti-trust authorities following a complaint filed in 2009 by the company ITAS TIM about TDF's alledged anti-competitive practices in the digital terrestrial broadcasting services industry (see the note 15.1), the French Competition Authority has announced on June 6, 2016 that it is issuing a fine of €20.6m to the Group. The Group, which challenges the facts complained of, filed an appeal against this decision. The fine was recognized in the accounts and was paid on September 8 2016.

Earn-out on the disposal of German entities

Tyrol Acquisition 1 & Cie SCA (former sole shareholder of TDF Infrastructure Holding SAS before March 31, 2015) has sold the former German subsidiaries of TDF SAS to an external purchaser in March 2016. According to the German carve-out agreement described in the note 15.3, it has triggered the right for TDF SAS to receive an earn-out, for an amount of €106.2m. Impacts in consolidated accounts are the following:

- This earn-out has been booked as profit over the period (see note 8.8),
- Simultaneously, Tivana France Holdings (sole shareholder of TDF Infrastructure Holding SAS, itself sole shareholder of the Group) has to pay an earn-out for the same amount towards Tyrol Acquisition 1 & Cie SCA,
- In view of different delegations and compensations in place between Tivana France Holdings and Tyrol Acquisition 1 & Cie SCA, the earn-out of €106.2m generated a receivable of TDF toward Tivana France Holdings for the same amount,
- This receivable of the Group on Tivana France Holdings has been cleared by compensation with a dividend distribution of the group for €106.3m in December 2016 (see consolidated statement of changes in equity).

Monaco Media Diffusion Company (ex – MCR) now under equity method

Since April 26, 2016, the company Monaco Media Diffusion (formerly named MCR) is now consolidated under the equity method instead of full integration, following the loss of control of this entity (additional disposal of 2% of the share capital, the Group's interest now being 49%).

This subsidiary was qualified as asset held for sale since March 31, 2015 closing. See also notes 7.2, 8.8, 16 and 19.

Arkena Nordics entities (ex Qbrick) – disposal

The six Nordics subsidiaries of the CGU Arkena (Arkena Holding, Arkena AB, Arkena As, Arkena A/S, Arkena Oy and Arkena Spain SL, see the note 19), called the « Arkena Nordics » sub-group, were qualified as assets held for sale under IFRS 5 on June 30, 2016, and then have been sold in July, which generated a net disposal result that is a loss of €1.7m (see also notes 8.8 and 15.3).

Acquisition of the ITAS Group on October 12, 2016

On October 12, 2016, the Group purchased 100% of the ITAS group (see detail of entities in this group in note 19): it holds, directly or indirectly, the entire share capital of the ITAS entities.

Acquiring ITAS means the Group bolsters its TV and radio business by taking on an additional network comprising nearly 400 sites throughout mainland France. The acquisition will lead to production synergies allowing the Group to maintain a high level of capital spending on its DTT broadcasting facilities. As such, the Group will be in a position to provide an innovative high-tech offering while controlling TV/radio customer broadcasting costs.

The Group will also be boosted by the know-how and production capacity of the ITAS group involved in building masts and pylons, which will support its French telecoms strategy of growth.

The purchase price, as defined in IFRS 3, is of €104.7m and includes:

- the purchase price towards former major and minor shareholders of this group (not fully paid on October 12, see note 10.2),
- the valuation of tariff agreements concluded with some partners.

Acquisition goodwill is of €127.2m and is still under allocation as of December 31, 2016. The ITAS group is included in the CGU "TDF".

On December 31 2016, ITAS contributive figures in the consolidated accounts since its acquisition date are revenues of €11.0m and an EBITDA of €1,6m (see also note 3.4).

See also notes 9.1, 9.3, 10.2 and 15.3.

Investment in Molotov

In December 2016, TDF SAS concluded a strategic partnership with Molotov, so as to integrate Digital Television in the application, while becoming involved as a minor shareholder (for 3.7%).

Second bond issue on April 7, 2016 and total repayment of bank term debt

On April 7, 2016, TDF Infrastructure SAS issued a second bond of €800 million whose characteristics are described in the note 5.4.

Following this bond issuance, all of the bank term debt of the credit facility agreement implemented with the banks on March 31, 2015 was repaid, that is €807m (€107m of tranche A and €700m of tranche B, see also the note 10.2).

Extension of the maturity of the shareholder loan

The maturity of the shareholder loan towards Tivana France Holding (€1 063.6m with a fixed rate of 7.7%), which contractually was March 31, 2025, was postponed to March 20, 2030 following the implementation of the extension clause over the period.

Legal income tax rate used for evaluation of deferred taxes basis in French entities

The new French tax law decided on December 30, 2016 of a gradual decrease of the income tax rate. As notably concerns the main French entities of the Group, a rate of 28.9% (against 34.43% now) will be applicable from January 1st 2019. Deferred taxes basis reversing after that date have been evaluated with this new rate, which is a revaluation impact of €45.7m (profit). See also notes 8.10 and 10.6.

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 92 120 Montrouge [106, avenue Marx Dormoy]. Since February 1st 2017, the registered office of the company was transferred at 92 120 Montrouge [155 bis Avenue Pierre Brossolette].

As a partner to television, radio, telecommunication operators and local governments, the Group provides know-how in the following activities:
- audiovisual services (TV and radio digital broadcasting, radio FM broadcasting),
- 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),
- design, building, implementation and operation of sites in the infrastructure activity for Broadcast, Transmission and Detection,
- management and broadcast of multimedia contents to all fixed and mobile devices.

To these ends, the Group draws upon its recognized expertise and over 11 850 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, 2016.

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 15, 2017.

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 10.4 and 10.5), deferred tax valuation (notes 4.8 and 10.6), recognition of revenue (note 4.4), contributive figures of the ITAS Group on 2016 4th quarter (see note 1). 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 December 31, 2015.

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 December 31, 2016.

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 2017. As of now, no significant change is expected concerning the revenue recognition phasing.

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 2016		December 2015	
	Average	Closing	Average	Closing
Polish zloty	0,229108	0,226783	0,239143	0,235838
US dollar	0,903347	0,964878	0,906167	0,919963
Danish krone	0,134230	0,134485	0,134022	0,134030
Norwegian krone	0,106148	0,106703	0,111020	0,104619
Swedisk krone	0,107571	0,107250	0,106984	0,107608
Congolese franc	0,001524	0,001524	n.a.	n.a.

** Nordic countries currencies (Danish, Norwegian and Swedish crones) were only used for Arkena Nordics entities, sold on July 7th, 2016 (see note 1). Average and closing rates above are those applied until disposal date.*

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

<u>Group as lessee</u>
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.

<u>Group as lessor</u>
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

From April 1, 2015, a new tax consolidation group was created headed by Tivana France Holdings, sole shareholder of TDF Infrastructure Holding SAS, itself shareholder of the Group. 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 and French entities acquired or created during 2016 (see note 19).

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 ratable 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 €7.5m.

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 4.11).

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).

- 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.

At December 31 2016 like at December 31 2015, the CGUs or groups of CGUs that are selected for goodwill impairment tests are: 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

In financial years 2016 and 2015, the Group doesn't hold any derivative financial instruments.

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 2016		Dec 2015	
In thousands euros	**Outstanding**	**% of the debt**	**Outstanding**	**% of the debt**
Fixed interest rate debt	2 465 220	97,4%	1 666 910	66,8%
Variable interest rate debt	66 176	2,6%	827 723	33,2%
Total before hedging	**2 531 396**	**100,0%**	**2 494 633**	**100,0%**
Fixed interest rate debt	2 465 220	97,4%	1 666 910	66,8%
Variable interest rate	66 176	2,6%	827 723	33,2%
Total after hedging	**2 531 396**	**100,0%**	**2 494 633**	**100,0%**

At the December 31 2016 closing date, the Group notably bears:
- €1 063.6m of debt with fixed interest rate towards its direct and indirect shareholders;
- €1 400.0m of bond debt with fixed rates (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, 2016 nor at December 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 €323.6m (€394.9m on December 31, 2015):
- Cash and cash equivalents of €73.6m as of December 31, 2016 (€144.9m on December 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 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, neither as of December 31, 2016 nor as of December 31, 2015.

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

	Dec 2016		Maturities		
In thousands euros	**Book value**	**Cash flow**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-derivative financial instruments					
Financial debts - Nominal	2 550 454	2 550 454	66 384	20 072	2 463 998
Loan issue expenses	(19 058)	-	-	-	-
Financial interests	-	1 495 619	225 960	476 813	792 845
Trade payables	140 429	140 429	140 429	-	-
Total financial liabilities	**2 671 825**	**4 186 502**	**432 773**	**496 885**	**3 256 843**

	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 interest	-	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**

See the notes 5.4 and 10.2 which describe the split, the nature and the characteristics of financial debts.

As of December 31, 2016 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 15 years that is to say March 20, 2030 (extension of 5 years compared to December 31st, 2015, after the borrower implemented its extension option):
- the first bond debt, issued on October 19, 2015, for €600m, with a fixed coupon of 2.875% and a maturity on October 19, 2022;
- the second bond debt, issued on April 7, 206, for €800m, with a fixed coupon of 2.50% and a maturity on April 7, 2026;
- the senior debt was fully repaid following the second bond issuance.

Financial interests are calculated up to the contractual maturity of the liabilities to which they relate. Variation of financial interests between December 2015 and December 2016 is explained by the fact that the bond debt of €800m issued during the period has a longer maturity (April 2026) than senior bank debt of €807m which was repaid (November 2017 and 2019).

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 can be:

- capitalized
- paid
- or the payment can be deferred, without the interests being capitalized.

Therefore, in the liquidity risk disclosure, by prudence, assumptions taken are the following:

- interests neither capitalized nor paid are disclosed with a maturity below one year,
- future interests are supposed 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 »).

Bond debt

The characteristics of bond debts of the Group are followings:

In millions euros	Nominal Amount	Market	Maturity	Fixed coupon	Periodicity payment	Repayment option	Other clauses
Term debt							
debt issued on Octobre 19, 2015	600,0	Euronext Paris	October 19, 2022	2.875 %	coupon annually paid on October 19	Option of early repayment from bondholders in case of control change (under some conditions)	Clause of 1,25% rise of annual coupon in case of rating inferior to BBB- (or equivalent)
debt issued on April 7, 2016	800,0	Euronext Paris	April 7, 2026	2.50 %	coupon annually paid on April 7		
TOTAL bond debt	**1 400,0**						

Bank debt

At December 31, 2016, like December 31, 2015, the Group has a bank credit facility agreement, which was implemented within the context of the change of control on March 31, 2015, and which is ruled by the following contracts:

"Facilities Agreement" signed on November 6, 2014 and amended on March 26, 2015 between Tivana Topco S.A., Tivana Midco S.à.r.l.,, Tivana France Holdings SAS, as parent companies and joint guarantors, and TDF Infrastructure SAS (which entered into the contract on March 31, 2015), as borrower and joint guarantor, BNP Paribas SA, Crédit Agricole Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent and the lenders named therein (the "Senior Credit Agreement"), which object is the establishment of senior credit lines for an initial principal amount of €1.650.000.000 ; in accordance with the contract, TDF Infrastructure Holding SAS and TDF SAS entered into the contract on June 29, 2015 ; finally all commitments given by Tivana Topco S.A., Tivana Midco S.à.r.l., Tivana France Holdings SAS terminated on October 19, 2015 following the bond issue ; TDF Infrastructure Holding SAS's commitments terminated on November 12, 2015 ;

« Intercreditor Agreement » signed November 6, 2014 between notably Tivana Topco S.A., Tivana Midco S.à r.l.,, Tivana France Holdings SAS, as parent companies and joint guarantors, and after accession TDF Infrastructure SAS, as borrower and joint guarantor, BNP Paribas SA,, Crédit Agricol Corporate and Investment Bank, Lloyds Bank plc, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, acting as mandated arrangers, BNP Paribas SA, as Facility Agent, Security Agent, the Senior lenders parties to the Credit Senior Agreement and certain banks as Hedge Counterparts, under which are in particular determined the conditions of subordination and ranking between creditors of Tivana Topco S.A., Tivana Midco S.à r.l.,, Tivana France Holdings SAS, TDF Infrastructure Holding SAS, TDF Infrastructure SAS and TDF SAS ;

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);

- 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.

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

Ratios	Limits	Contractual covenant as of December 31, 2016 FA	Calculated covenant as of December 31, 2016 FA
Leverage ratio (consolidated net debt / consolidated EBITDA)	This ratio has to be lower than or equal to the following limits	5,32	3,89

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.
The leverage ratio covenant at the end of December 2016 is met, and its calculation is certified by the Group auditors.

The characteristics of bank debt implemented on March 31, 2015 are composed as following:

In millions euros	Initial amount	Amount due at Dec 2016	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											
				Baa2 or above	BBB or above	0,65%	0,80%	1,25%	NA	NA	
Tranche A	700,0	-	107,0	Baa3	BBB-	0,80%	1,00%	1,40%	NA	NA	6-nov.-17
				Below Baa3	Below BBB-			Margin Baa3/BBB- plus 0,75%			
				Baa2 or above	BBB or above	0,65%	0,80%	1,35%	1,60%	2,00%	
Tranche B	700,0	-	700,0	Baa3	BBB-	0,80%	1,00%	1,50%	1,75%	2,15%	6-nov.-19
				Below Baa3	Below BBB-			Margin Baa3/BBB- plus 0,75%			
TOTAL term debt	**1 400,0**	**-**	**807,0**								
Revolving Facility				Baa2 or above	BBB or above			1,00%			
	250,0	-	-	Baa3	BBB-			1,15%			6-nov.-19
				Below Baa3	Below BBB-			Margin Baa3/BBB- plus 0,75%			
TOTAL revolving debt	**250,0**	**-,**	**-,**								
TOTAL bank debt	**1 650,0**	**-**	**807,0**								

It is to be noted that the term debt was fully repaid following the second bond issuance on April 7, 2016. However, the revolving credit line for €250m is still in force (not used on December 31, 2016).
The revolving credit line can be used for general corporate purpose of the Group, included WCR, investments, acquisitions or distribution to shareholders.
The facility is at a floating rate. Interests periods are of 1 month, 2 months, 3 months or 6 months and are freely set by the borrower according its needs (except particular context, for example debt syndication).

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.
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:

- The Key indicator « EBITDA excluding severance payments and related fees" is notably 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.).
- Column "Dec 2016 Restated (12 months)" presents the Group results excluding Monaco Media Diffusion and Arkena Nordics contributions, for which control has been lost in 2016 (indeed, these contributions remain included in group results of December 2016 until disposal date, see notes 1 and 7.2).

	In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)	Dec 2016 Restated (12 months)
Net income	Digital Television	187 411	163 523	187 411
	Radio	120 858	98 637	119 248
	Total Broadcasting Services	**308 269**	**262 160**	**306 659**
	Telecom: site hosting	269 892	189 671	269 892
	Telecom: other services	23 413	23 063	23 413
	Total Telecoms & Services	**293 305**	**212 734**	**293 305**
	Media Services	52 901	42 041	49 777
	Others	19 418	8 309	19 388
	Total revenue	**673 893**	**525 244**	**669 129**
	EBITDA excluding severance payments and related fees	**354 304**	**261 481**	**354 085**
	EBITDA	**352 282**	**255 740**	**352 156**
	Depreciation, amortisation and impairment losses	(164 159)	(131 685)	(162 226)
	Current Operating Income	**188 123**	**124 055**	**189 930**
	Impairment of goodwill & intangible assets identified in business combinations	(776)	-	
	Other operating income and charges	77 787	(30 382)	
	Operating Income	**265 134**	**93 673**	
Flow	**Net cash from operating activities (a)**	**243 317**	**194 206**	**244 034**
	Operating capex free from working capital effects (b)	**(164 989)**	**(89 606)**	**(164 507)**
	Working capital effects on net operating capex (c)	19 526	(5 266)	19 526
	Operating disposals net from working capital effects (d)	276	3 923	399
	Operating cash available ((a) + (b) + (c) + (d))	**98 130**	**103 257**	**99 452**
	Workforce (full-time average equivalent)	**1 958**	**2 028**	**1 934**

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

7.1 Discontinued operations

At December 31 2016, as at December 31 2015, the Group does not have any discontinued operations in the meaning of IFRS 5.

7.2 Assets held for sale and disposed entities

At December 31, 2016, the Group doesn't have any assets held for sale and disposed entities in accordance with IFRS 5.

Monaco Media Diffusion (ex-MCR) and Arkena Nordics sub-group

Monaco Media Diffusion ("MMD", formerly named MCR) was qualified as held for sale since March 2015 closing. Its loss of control occurred on April 26, 2016, as a consequence of an additional disposal of 2% of the share capital bringing the Group's interest to 49% (see also note 16).

Its assets and liabilities were reclassified as held for sale in December 2015.

In thousands euros	**Dec 2015**
Goodwill	8 523
Fixed assets	1 235
Trade receivables	1 443
Other receivables	80
Deferred tax assets	104
Cash and cash equivalents	32
Assets from held for sale activities	**11 417**
Provisions	629
Financial debts	34
Trade payables	236
Other payables	618
Liabilities from held for sale activities	**1 517**

Also, the 6 Nordics subsidiaries of the CGU Arkena (see note 1 and 19), called the « Arkena Nordics » sub-group, have been sold on July 7, 2016 and were qualified as assets held for sale at June 30, 2016.

Profit and loss and cash flows of MMD and Arkena Nordics entities remain included in the comprehensive income and in the cash flow statement of the Group until their date of effective loss of control. Their contributions are the following:

In thousands euros	Dec 2016 (4-6 months)	Dec 2015 (9 months)
Revenue	**5 055**	**10 212**
Other income	-	4
Consumed purchases	(1 233)	(2 219)
Personnel costs	(2 087)	(4 141)
External expenses	(1 335)	(1 971)
Profit/loss on disposal of non-current operating assets	(85)	(89)
Other expenses	(189)	(772)
EBITDA	**126**	**1 024**
Other operating income and expenses	(142)	(27)
Depreciation, amortisation and impairment losses	(2 709)	2 171
OPERATING LOSS	**(2 725)**	**3 168**
Other finance revenues / expenses	(127)	(322)
Income tax	(334)	(620)
NET LOSS OF DISPOSED OPERATIONS	**(3 186)**	**2 226**
Net cash from operating activities of disposed operations	**(844)**	**762**

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.
Therefore, as the forecast net result of the disposal (net from disposal costs) is a loss of €1.7m, the following impacts were recognized:

- an impairment of goodwill of €776k, corresponding to the part of the Arkena CGU goodwill which is attributable to these entities, which is disclosed on the line « Depreciation, amortization and impairment losses » in the above table,
- an impairment of intangible assets of k964€, which is disclosed on the line « Depreciation, amortization and impairment losses » in the above table.

8. Notes to the statement of comprehensive income

General comments:

- due to the change of annual closing date of the Group (see note 1), the two periods disclosed do not represent the same number of months of activity;
- Incomes and charges of MCR remain included in figures for all the periods disclosed until the effective loss of control date (April 26, 2016, see the note 1);
- Incomes and charges of Arkena Nordics entities remain included in figures for all the period disclosed until their effective disposal date (see note 1).

8.1 Revenue

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Digital Television	187 411	163 523
Radio	120 858	98 637
Total Broadcasting Services	**308 269**	**262 160**
Telecom: site hosting	269 892	189 671
Telecom: other services	23 413	23 063
Total Telecoms & Services	**293 305**	**212 734**
Media Services	52 901	42 041
Others	19 418	8 309
Total revenue	**673 893**	**525 244**

As of December 2016, contributive revenues of ITAS entities since their acquisition date (October 12, 2016) are of €11.0m.

8.2 Other income and expenses (in current operating income)

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Other income	**13 871**	**2 343**

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

Apart from the comparability issue on the periods disclosed which is due to the change of annual closing date of the Group (see the note 1), the change in other income is partly due to the impact of the agreement signed at the beginning of 2016 between TDF SAS and the Government concerning the second digital dividend. Indeed, the indemnity granted is recognized as other income under IFRS (see also the notes 10.7 and 15.1).

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Business tax	(2 238)	(6 699)
Property tax	(8 866)	(39)
Other taxes	(1 290)	(1 514)
Provision on receivables - Prov. for risks and charges	3 403	1 722
Other operating expenses	(4 188)	(6 877)
Other expenses	**(13 179)**	**(13 407)**

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.

The change on the lines Property tax and Other taxes is explained by the effects of both IFRIC 21 and the change of annual closing date of the Group (December 31 since December 31, 2015, March 31 before). Indeed, applying IFRIC 21, annual charges related to Property tax, IFER and C3S taxes have to be fully recognized on January 1st. Therefore, these charges appear over the December 2016 period (which runs from January 1, 2016 to December 31, 2016), but don't appear over the December 2015 period (which runs from April 1, 2015 to December 31, 2015).

In 2016, the charge of the Business tax is reduced due to a cap mechanism effect related to the exceptional charge of the CVAE over the period.

8.3 Consumed purchases

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Resold purchases	(13 589)	(17 942)
Energy and fuels	(41 014)	(31 363)
Other purchases including change in inventory	(6 110)	(5 689)
Capitalized purchases	7 876	4 568
Consumed purchases	**(52 837)**	**(50 426)**

Apart from the comparability issue on the periods disclosed which is due to the change of annual closing date of the Group (see the note 1), the change on the line "Resold purchases" is due to the near end of GSMR network deployment contract, which is a non-recurrent project with a high activity during 2015: €8.2m of resold purchases charges in December 2015 (9 months), and €1.1m of resold purchases charges in December 2016 (12 months).

8.4 Personal cost

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Salaries & wages	(106 522)	(80 912)
Social security contributions	(35 495)	(29 737)
Tax contributions on salaries & wages	(4 368)	(2 559)
Statutory employee profit sharing	(9 271)	(6 198)
Post-employment benefits : defined benefit plans	(1 720)	(1 578)
Post-employment benefits : defined contributions	(10 180)	(8 430)
Other personnel costs	(2 665)	(2 317)
Capitalized personnel costs	34 707	20 624
Total personnel costs	**(135 514)**	**(111 107)**

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.

Since the acquisition date (October 12, 2016), ITAS entities represent €3.9m of personnel costs as of December 2016.

8.5 External expenses

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Real estate	(33 179)	(28 313)
Technical subcontracting	(57 992)	(37 689)
Administrative subcontracting	(11 379)	(11 085)
Expenses linked to personnel	(15 150)	(11 830)
Surveys & consulting fees	(6 770)	(6 224)
External & internal communication costs	(1 873)	(1 472)
Corporate fees	(4 985)	(1 110)
Insurance	(2 561)	(1 811)
External expenses	**(133 889)**	**(99 534)**

8.6 Profit on disposal of non-current operation assets

Profit on disposals over the various periods disclosed mainly corresponds to sales completed by TDF SAS.

8.7 Depreciation, amortization and impairment losses

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Amortisation of intangible assets	(32 759)	(33 275)
Depreciation of tangible assets	(131 384)	(104 479)
Write-back of investment subsidies	868	838
Impairment of intangible assets	(964)	4 699
Impairment of tangible assets	80	532
epreciation, amortisation and impairment losse	**(164 159)**	**(131 685)**

The impairment of intangible assets recognized at the end of December 2016 is related to the classification as assets held for sale of the 6 Arkena Nordics entities as of June 30, 2016, before the disposal in July 2016 (see the note 7.2).

In December 2015, thanks to improved growth and profitability forecast of Arkena AB (Sweden) and Bebanjo, part of the depreciations of tangible and intangible assets was reversed (see note 9.2).

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Impairment loss of intangible recognised on business combinations	-	-
Impairment loss of goodwill	(776)	-
Impairment loss	**(776)**	**-**

As of December 31, 2016, impairment of goodwill of €0.8m is related to the classification as assets held for sale of the 6 Arkena Nordics entities, before the disposal in July 2016 (see the note 7.2).

8.8 Other operating income and charges

At December 31, 2016, other operating income and charges mainly include incomes and costs, which are significant and unusual, and are recognized in non-recurrent operating income (below EBITDA), notably:

- the additional provision allowance of €13.8m related to the agreement which was signed on July 23, 2015 concerning employee-related measures to support the leaves necessary to adjust the workforce (see the notes 1 and 10.5), and actual costs incurred, net from uses of provision, of €0.1m;
- the expense of €20.6m related to the fine decided by the anti-trust authorities following a complaint filed in 2009 by the company ITAS TIM (see notes 1, 10.5 and 15.1) and which is partially covered by a reversal of provision of €5.3m;
- the reinvoicing to Tivana France Holdings of costs incurred by the Group in the frame of the change of shareholders and following refinancing operations, which represents an income of €4.9m;
- + €0.1m of residual result (net from disposal costs, and after recognition of an impairment on goodwill and intangible assets for €1.7m) concerning the disposal of Arkena Nordics entities (see notes 1, 7.2 and 8.7);
- an income of €106.2m, corresponding to the earn-out related to the disposal of German entities (see notes 1 and 15.3);
- -€2.2m corresponding to the acquisition costs of the ITAS Group (see note 1);
- -€1.5m of allocation concerning dismantling provision for which assets are fully depreciated (see note 10.5).

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 10.5), 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 10.5).

8.9 Net finance costs

Net finance costs can be broken down as follows:

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Revenues from available funds placed	136	95
Total financial revenue (a)	**136**	**95**
Finance expenses linked to debt : Bond	(32 032)	(3 487)
Finance expenses linked to debt : Bank term debt	(2 162)	(7 930)
Finance expenses linked to debt : Bank debt revolving	(1 023)	(790)
Finance expenses linked to debt : Shareholder	(86 188)	(62 112)
Finance expenses linked to debt : Financial lease	(389)	(84)
Finance expenses linked to debt : Other debts	(190)	(40)
Refinancing costs	(12 103)	(8 968)
Result on financial instruments measured at amortized cost (b)	**(134 087)**	**(83 411)**
Capitalisation & amortisation of loan issue expenses (c)	**6 839**	**(2 639)**
Profit (loss) related to derivatives (d)	**-**	**-**
Total finance expenses (e) = (b) + (c) + (d)	**(127 248)**	**(86 050)**
Net financial debt cost (a) + (e)	**(127 112)**	**(85 955)**

Apart from the difference in the financial year lengths disclosed (12 months for December 2016, 9 months for December 2015), change in the net financial debt cost compared to the previous year is principally explained by the change in the financing structure of the Group, including:

- The decrease of interests expenses on bank debts is mainly due to the progressive extinction of the bank term debts over the periods disclosed, which decrease (excluding loan issuance costs) from €1400m at March 31, 2015, to €807m at October 19, 2015, and then to €18m on April 7,2016 and 0 in May 2016;

- The bond debt issued have generated interest of €32.0m over the period (€600m with a fixed coupon of 2.875% issued on October 19, 2015, €800m with a fixed coupon of 2.5% issued on April 7, 2016);

- the interests on the shareholder's debts are stable on a prorata temporis basis;

- finally, the lines Refinancing costs and capitalization & amortization of loan issue expenses are impacted by the issuances and repayments of debts performed on 2016, as new issuance costs have been activated for the second bond debt issuance on April 7, 2016, up to €12.1m, which are amortized since then, and besides the charge of the period also include a one shot amortization of €1.4m related to the €807m repayment of the bank term debt repaid following the second bond issue.

See also notes 5.4 and 10.2 describing financial debts evolution and their characteristics.

At December 31, 2016, excluding shareholder debts, the average interest rate on financial debt is 2.88% (2.24% at December 31, 2015), including financing costs.

Other financial income and charges are as follows:

In thousands euros	**Dec 2016 (12 months)**	**Dec 2015 (9 months)**
Net discounting costs excluding net debt	(1 844)	(89)
Forex gains	1 140	(265)
Other financial income	2 092	752
Other financial revenues	**1 388**	**398**

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 2016 (12 months)**	**Dec 2015 (9 months)**
Currency translation differences for foreign operations	(162)	(115)
Finance income and expenses recognised in other comprehensive income	**(162)**	**(115)**

8.10 Income tax

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, apart from the company Valem Ad Technologies and French entities acquired or created in 2016 (see note 19).

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 2016 (12 months)**	**Dec 2015 (9 months)**
Current tax expense	(64 692)	(53 449)
Other income tax expenses	(14 191)	(6 364)
Deferred tax expense	46 556	16 757
Income tax expense from continuing operations	**(32 327)**	**(43 056)**
Income tax from discontinued operations and disposed entities	-	-
Total income tax	**(32 327)**	**(43 056)**

Note that among the €64.7m of current tax expenses mentioned above (€53.4 as of December 31, 2015), €63.0m concern TDF SAS (€52.2 as of December 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 2016 (12 months)			**Dec 2015 (9 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 operation:	(162)		(162)	(115)	-	(115)
Cash flow hedges			-	-	-	-
Actuarial gains (losses) on defined benefit plan	954	(327)	627	2 971	(1 023)	1 948
Others			-	131	-	131
Total	**792**	**(327)**	**465**	**2 987**	**(1 023)**	**1 964**

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

	Dec 2016 (12 months)		Dec 2015 (9 months)	
In thousands euros	Value	Rate	Rate	Value
Loss for the period	107 618			(38 220)
Total income tax for the period	(32 327)			(43 056)
Profit excluding income tax	139 945			4 836
Theoretical income tax based on the French statutory income tax rate	**(48 183)**	**34,43%**	**34,43%**	**(1 665)**
Non-deductible interest	(10 372)	7,41%	132,24%	(6 395)
Other income tax expenses (CVAE, etc)	(9 309)	6,65%	82,90%	(4 009)
Impairment of tax loss carried forward	(35 448)	25,33%	584,55%	(28 269)
Impact of subsidiaries disposals, goodwill depreciation and IFRS 5 losses	31 734			-
Fine of competition authority	(7 093)			
Effect of difference in foreign tax rates (theoretical rate)	(99)	0,07%	-6,08%	294
Effect of tax rate changes	45 675	-32,64%	-37,90%	1 833
Exceptional statutory charge			100,70%	(4 870)
Deferred tax on CVAE	706	-0,50%	-12,26%	593
Others	62	-0,04%	11,75%	(568)
Actual income tax	**(32 327)**	**40,71%**	**890,32%**	**(43 056)**

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

Evolution of non-deductible interests is explained by the difference of financial year lengths disclosed and also by the change in the financial debt structure of the Group (see notes 5.4, 8.9 and 10.2)
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.

At December 31, 2016, 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 €32.1m vs €23.8m as of December 31, 2015. The evolution is explained by the difference of durations of the presented periods and the change in the Group financial debt structure (see notes 5.4, 8.9 and 10.2).
TDF Infrastructure SAS, SmartJog France SAS and Arkena SAS deferred tax assets are not recognized (€2.6m 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).

At December 31, 2016, the permanent difference on disposals effect is essentially explained for €32.2m by the earn-out of €106.2m recognized on the disposal of the German entities shares (see the notes 1, 8.8), which is only taxable up to 12%.

At December 31, 2016, effects related to tax rate changes are explained by the new French tax law, which decided on December 30, 2016 of a gradual decrease of the income tax rate. As concerns the French tax group of the Group, a rate of 28.9% (against 34.43% actually) will be applied from January 1st 2019. Deferred taxes basis reversing after that date have been evaluated with this new rate, which is a revaluation impact of €45.7m (profit).

As of December 31, 2015, 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 was based on this statutory charge.

9. Notes to the balance sheets: 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.

9.1 Goodwill

At December 31, 2016, the Group goodwill breaks down by CGU or group of GGUs as follows:

In thousands euros	**Dec 2015**	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassifi-cation and allocation	**Dec 2016**
TDF	**1 611 016**	128 131	-	-	-		**1 739 147**
Arkena	**2 628**	-	-	(776)	-		**1 852**
Mediamobile	**10 784**	-	-	-	-		**10 784**
Levira	**-**	-	-	-	-		**-**
Total	**1 624 428**	**128 131**	**-**	**(776)**	**-**	**-**	**1 751 783**

The increase of the TDF CGU goodwill corresponds:
- for €0.9m to allocations performed following the acquisition of the company AD Valem Technologies in September 2015, pursuant to IFRS 3;
- for €127.2m to the ITAS group acquisition (see note 1).

At December 31, 2016, ITAS goodwill allocation is still under process.

Decrease of CGU Arkena goodwill is related to the disposal of the six Nordics entities (subgroup of the Arkena CGU) in July 2016 (see the notes 1, 7.2 and 16).

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**

As a reminder, following the sale of German and Hungarian entities, the shareholders change and Group management, the Group redefined four CGU in December 2015: TDF, Arkena, Médiamobile and Levira.
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, 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.

A. Impairment test at December 31, 2016

In compliance with IAS36, the Group has performed an impairment test of goodwill at 2016 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 23, 2016.

B. Impairment test at December 31, 2015

To determine the recoverable amounts of each CGU used for the impairment test, the Group relied on the latest business plans of the various CGU.
According to Group management, business plans of the various CGUs are annually revised and approved by the shareholders. Acquisition business plan of TDF Infrastructure Holding group has been revised and approved by group shareholders on November 25, 2015.
One of the major changes compared to the March 31, 2015 acquisition business plans was related to Television activity of TDF CGU and concerned 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.

C. Assumptions underlying the impairment tests as of the reporting date

Dec 2016	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	9,5%	1,75%
Médiamobile		5 years	9,5%	1,75%
Levira		5 years	11,5%	1,75%

Dec 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%	1,75%
Arkena AB (ex Qbrick)		5 years	10,0%	1,75%
Bebanjo		5 years	10,0%	1,75%
Others		5 years	12,0%	1,75%

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 pt. on discount rate, + or – 0.5 pt. on growth rate to infinity and + or – 1.0 pt. on the EBITDA margin terminal value) both individually and using a combination of scenarios.

At December 31, 2016 reasonable potential changes in key assumptions listed above would have no impairment impact on TDF, Arkena and Médiamobile CGUs.

On Levira CGU, changes in key assumptions generate the following sensitivities on impairment test:

En M€	**Levira**	**Taux de croissance long terme**		
		-0,5 point		+0,5 point
Taux actualisation (WACC)	-0,5 point	(0,2)	--	--
		(0,7)	--	--
	+0,5 point	(1,3)	(0,7)	(0,2)

En M€	**Levira**	**Taux de marge d'EBITDA**		
		-1,0 point		+1,0 point
Taux actualisation (WACC)	-0,5 point	(0,2)	--	--
		(0,8)	--	--
	+0,5 point	(1,3)	(0,7)	(0,1)

At December 31, 2015 reasonable potential changes in key assumptions listed above would have no impairment impact on TDF, Arkena and Médiamobile CGUs.
On Levira CGU, changes in key assumptions would have increase or decrease as follows:

En M€	**Levira**	**Taux de croissance long terme**		
		-0,5 point		+0,5 point
Taux actualisation (WACC)	-0,5 point	--	--	--
		--	--	--
	+0,5 point	(0,4)	--	--

En M€	**Levira**	**Taux de marge d'EBITDA**		
		-1,0 point		+1,0 point
Taux actualisation (WACC)	-0,5 point	--	--	--
		(0,2)	--	--
	+0,5 point	(0,5)	--	--

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, 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**
Acquisitions	627				18 022	**18 649**
Disposals	(285)			(900)	(349)	**(1 534)**
Reclassifications	4 274				(4 030)	**244**
Changes in consolidation scope	(6 845)			(12 914)	304	**(19 455)**
Currency translation adjustments	(3)			(4)	(7)	**(14)**
Gross value at December 31, 2016	**102 500**	**-**	**198 500**	**272 400**	**266 842**	**840 242**

Changes in consolidation scope in 2016 correspond to ITAS group acquisition and Arkena Nordics disposal (see note 1):

- Arkena Nordics: €-8.5m of capitalized development and expenditure, others -€0.2m;
- ITAS: €+1.7m of capitalized development and expenditure, others €+0.5m.

In 2015, changes in scope consolidation correspond to AD Valem Technologies acquisition.

Order backlog and customer relationships

During the purchase price allocation process, the Group recorded order backlog and customer relationships, which are amortized over the average periods ranging from respectively 4 to 14 years and 6 to 22 years.

« Others »

It includes notably:

- €154.6m of software (against €143.7m at December 31, 2015),
- €28.8m of TDF SAS trademark with an indefinite life (gross value, same as December 31, 2015),
- €34.7m concerning a technology recognized during purchase price allocation (unchanged since December 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, 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)**
Charge of the period	(5 493)		(261)	(8 342)	(18 662)	**(32 758)**
Disposals	206			900	341	**1 447**
Reclassifications	(1 418)				1 418	**-**
Changes in consolidation scope	5 107			4 567	(217)	**9 457**
Currency translation adjustments	2			2	6	**10**
Amortization at December 31, 2016	**(80 015)**	**-**	**(198 500)**	**(104 742)**	**(193 511)**	**(576 768)**

	Capitalized development expenditure & Patents	Lease right	Backlog	Customer relationship	Others	Total
Impairment losses at March 31, 2015	**(2 797)**	**-**	**-**	**(108 752)**	**(11 843)**	**(123 392)**
Charge of the period	2 780	-	-		1 919	**4 699**
Changes in consolidation scope		-	-			**-**
Currency translation adjustments	17	-	-	3	4	**24**
Impairment losses at December 31, 2015	**-**	**-**	**-**	**(108 749)**	**(9 920)**	**(118 669)**
Charge of the period	(964)					**(964)**
Disposals						**-**
Changes in consolidation scope	964			8 348		**9 312**
Currency translation adjustments				3		**3**
Impairment losses at December 31, 2016	**-**	**-**	**-**	**(100 398)**	**(9 920)**	**(110 318)**
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**
Carrying amount at December 31, 2016	**22 485**	**-**	**-**	**67 260**	**63 411**	**153 156**

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	-	(964)	(964)
Total Dec 31, 2016	**-**	**(964)**	**(964)**

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

TDF trademark, which has an indefinite life, is subject to an annual impairment test.

The following were the main assumptions used as of December 31, 2016:

	France
Recoverable value based on	Fair value
Valuation Method	Redevances
Projected periods	10 years
Discount rates	7,50%
Long term growth rates	1,75%
Royalty rate on the revenues	0,30%

The net book value of trademark with indefinite life amounts to €23.0m. Sensitivity analysis carried out showed that any deterioration in the key criteria would not lead to further impairment.

December 31, 2016

In December 2016, the €1.0m impairment of intangible assets is related to the classification as assets held for sale of the six Arkena Nordics entities as of June 30, 2016, before the disposal in July 2016 (see the note 7.2).

December 31, 2015

In December 2015, thanks to the improvement of growth forecasts and profitability of Arkena AB (Sweden) and Bebanjo, compared to the initial acquisition business plan (March 31, 2015), intangible assets depreciations recorded at the opening balance as of March 31, 2015 were written off over the period notably:

- €3.4m concerning Arkena AB (the part of depreciation related to the customer relationship wasn't released),
- €1.3m concerning Bebanjo.

9.3 Property, plant and equipment

Property, plant and equipment are analyzed below:

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	Total
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**
Acquisitions	26 678	60 820	2 535	57 999	**148 032**
Sorties	(1 810)	(18 464)	(939)	(9 054)	**(30 267)**
Reclassifications	1 513	5 763	4 408	(9 660)	**2 024**
Changes in consolidation scope	1 398	85 413	(663)	5 172	**91 320**
Currency translation adjustments	(26)	(104)	(4)	(7)	**(141)**
Gross value at December 31, 2016	**602 571**	**1 653 865**	**66 606**	**580 168**	**2 903 210**

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	Total
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)**
Charge of the period	(20 630)	(72 620)	(4 151)	(33 017)	**(130 418)**
Disposals	1 663	18 384	847	9 003	**29 897**
Reclassifications	1 238	519	(2 661)	(226)	**(1 130)**
Changes in consolidation scope	(13)	(32 984)	260	(1 079)	**(33 816)**
Currency translation adjustments	22	86	6	2	**116**
Amortization at December 31, 2016	**(244 784)**	**(895 421)**	**(59 485)**	**(332 489)**	**(1 532 179)**

	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	Total
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**
Reclassifications	-	-	-	-	**-**
Changes in consolidation scope	-	-	-	-	**-**
Currency translation adjustments	-	5	3	6	**14**
Impairment losses at December 31, 2015	**(6 588)**	**(37 133)**	**(8)**	**(3 995)**	**(47 724)**
Charge of the period					**-**
Disposals		80			**80**
Currency translation adjustments		4		4	**8**
Impairment losses at December 31, 2016	**(6 588)**	**(37 049)**	**(8)**	**(3 991)**	**(47 636)**

Carrying amount at March 31, 2015	**354 358**	**717 806**	**5 223**	**241 289**	**1 318 676**
Carrying amount at December 31, 2015	**341 166**	**674 498**	**7 475**	**224 551**	**1 247 690**
Carrying amount at December 31, 2016	**351 199**	**721 395**	**7 113**	**243 688**	**1 323 395**

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 €29.0m (€28.2m on December 31, 2015). It mainly consists of DVRN towers rented from Orange and a car fleet. Accumulated depreciation regarding those assets amounts to €17.4m (€17.1m on December 2015).
The Group does not lease any of its assets to third parties under finance leases (group as lessor).

December 31, 2016

Changes in scope consolidation correspond to ITAS group acquisition (€92.2m of gross value, €34.3m of amortization) and Arkena Nordics disposal (-€0.9m of gross value, +€0.4m of amortization).

December 31, 2015

Changes in consolidation scope correspond to AD Valem Technologies acquisition.

9.4 Financial assets available for sale

In thousands euros	Dec 2016	Dec 2015
Gross value at opening	**778**	**463**
Acquisitions	3 679	315
Disposals	(32)	-
Changes in consolidation scope	2	-
Gross value at closing (A)	**4 427**	**778**
Impairment at opening	**-**	**(230)**
Reversal		230
Impairment at closing (B)	**-**	**-**
Net carrying amount at closing	**4 427**	**778**

Financial assets available for sale mainly comprise the Group's investment in non-consolidated companies.
Acquisitions in 2016 notably comprise Group's investment in Molotov corporation (see note 1).

9.5 Inventories

	Dec 2016			Dec 2015		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories,including items in progress	12 233	(2 339)	9 894	6 300	(2 276)	4 024
Total inventories	**12 233**	**(2 339)**	**9 894**	**6 300**	**(2 276)**	**4 024**

Inventories are essentially composed of spare parts for which use (consumption, capitalization or sale) is not pre-specified. They mainly concern TDF SAS (net: €4.8m at December 31, 2016, and €3.9m at December 2015) and ITAS entities (net: €5.1m at December 31, 2016).
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

	Dec 2016			Dec 2015		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade accounts receivables	131 423	(7 895)	123 528	138 748	(11 747)	127 001
Trade receivables on disposal of assets	674		674	736	(52)	684
Total trade accounts receivables	**132 097**	**(7 895)**	**124 202**	**139 484**	**(11 799)**	**127 685**

Trade receivables impairment is based on the probability of bad debts.

The breakdown of past due amounts on trade receivables are as follows:

	Dec 2016	Dec 2015
	Net	Net
Not yet due	89 766	93 636
Less than 3 months past due	30 295	31 956
More than 3 months and less than 1 year past due	1 969	(530)
More than one year and less than 3 years past due	2 134	758
More than 3 years past due	38	1 865
Net trade account receivables	**124 202**	**127 685**

Other current and non-current assets are as follows:

	Dec 2016			Dec 2015		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Credit notes not yet received	875		875	70	-	70
Advance payment - corporate income tax	9 141		9 141	1 496	-	1 496
Tax and social security receivables	19 461		19 461	43 667	-	43 667
Prepaid expenses	4 897		4 897	1 808	-	1 808
Escrow account	357		357	9	-	9
Other receivables	46 282	(380)	45 902	24 214	(97)	24 117
Total other current assets	**81 013**	**(380)**	**80 633**	**71 264**	**(97)**	**71 167**
Non-current receivables	935		935	4 069	-	4 069
Loans, security deposit, guaranty	3 128	(320)	2 808	8 767	(320)	8 447
Total other non current assets	**4 063**	**(320)**	**3 743**	**12 836**	**(320)**	**12 516**

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 2016	Dec 2015
Cash and cash equivalents	73 507	145 252
Bank overdrafts used for cash management purposes	(3)	(211)
Cash of continued activities	**73 504**	**145 041**

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.

10.1 Share capital and reserves

TDF Infrastructure SAS has a share capital of €300,000 thousand, divided into 10.000.000 shares, entirely owned by TDF Infrastructure Holding SAS.

Direct holding at	Dec 2016	Dec 2015
TDF Infrastructure Holding SAS (former Tyrol Acquisition 1 SAS)	100,00%	100,00%
Total	**100,00%**	**100,00%**

Besides, TDF Infrastructure Holding SAS is entirely owned by French entity Tivana France Holdings since March 31, 2015, itself owned by Tivana Midco S.à.r.l, which is itself directly or indirectly owned by the following shareholders:

Indirect holding at	Dec 2016	Dec 2015
Brookfield Infrastructure Group	45,00%	45,00%
Public Sector Pension Investment Board (PSP Investments)	22,50%	22,50%
APG Asset Management N.V.	22,50%	22,50%
Prévoyance Dialogue du Crédit Agricole – Predica SA	10,00%	10,00%
Total	**100,00%**	**100,00%**

Consolidated reserves

Consolidated reserves are composed as follow:

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, 2016 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, 2016, the main part of financial debt consists of unsecured senior external debt held by bond lenders (bond debt) as well as a shareholder loan.
Globally the Group's financial debt is analyzed and has varied as described below:

In thousands euros	**Dec 2015**	Increase	Decrease	Others	**Dec 2016**
Bond	592 761	787 917	1 794	-	1 382 472
including term debt	600 000	*800 000*		-	*1 400 000*
including loan issuance costs	(7 239)	*(12 083)*	*1 794*	-	*(17 528)*
Bank debt	802 021	-	(803 551)	-	*(1 530)*
including loan issuance costs	*(4 979)*		*3 449*	-	*(1 530)*
including term debt	*807 000*	-	*(807 000)*	-	-
including revolving debt	-	-	-	-	-
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	6 904	1 723	(2 305)	638	6 960
Other financial debts	29 348	49 902	(4 018)	4 663	79 895
Financial debt	**2 494 633**	**839 542**	**(808 080)**	**5 301**	**2 531 396**

In thousands of 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	(1 471)	(611 650)	-	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**	**620 579**	**(614 552)**	**(772 576)**	**2 494 633**

Bond debt

TDF Infrastructure SAS has issued a bond for €600m on October 19, 2015, and a second one for €800m on April 7, 2016 (see characteristics disclosed in the 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) amount to €17.5m as of December, 2016 (€7.2m as of December 31, 2015).

Bank debt

At December 31, 2016, the Group no longer has bank term debts: following the bond issue of April 7, 2016, the last €107m of tranche A and the €700m of tranche B have been fully repaid.
As a consequence of these repayments, the loan issuance costs disclosed as a deduction from the bank term debt balance have been fully amortized (see also the note 8.9). Only €1.5m of costs remain activated and correspond to the revolving debt (which is not used at December 31, 2016).

As of December 31, 2015, bank term debt amounts to €807.0m. Decrease over 2015 financial year is related to the early repayment 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. The partial repayment of Tranche A for €593.0m resulted in an immediate additional amortization 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, and wasn't drawn again since then.

Shareholders loans

Shareholders loans change and are composed as follows:

- Loan with Tivana France Holdings (sole shareholder of TDF Infrastructure Holding SAS) for €1 063.6m (fixed rate of 7.7%, maturity 10 years). Extension option was applied during the period; the maturity is now at March 2030. In 2015, a part of accrued interests on this loan were capitalized for €39.9m, bringing the shareholder loan from €1 023.7m to €1 063.6m as of December 31, 2015.
- €815m corresponding to the 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, for a total amount of €816.7m.

Other financial debts

Other financial debts of €79.9 at December 31, 2016 (December 31, 2015: €29.3m) correspond to:

- Current accounts with Tivana France Holdings and TDF Infrastructure Holding for a total amount of €62.5m (€25.7m as of December 31, 2015);
- €2.1m of debts from ITAS entities, acquired October 12, 2016;
- €12.5m of debt toward former shareholders of the ITAS group, with a maturity at June 2018, corresponding to unpaid purchase price on October 12, 2016 and covering liability guarantees received from former shareholders (see also notes 1 and 15.3);
- 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 2016**	**< 1 year**	**1 to 5 years**	**> 5 years**
Bond debt	1 382 472			1 382 472
Bank debt	(1 530)		(1 530)	
Shareholders' debt	1 063 599			1 063 599
Finance lease debt	6 960	2 251	4 420	289
Other financial debts	79 895	64 133	15 652	110
Financial debt	**2 531 396**	**66 384**	**18 542**	**2 446 470**

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**

As of December 31, 2016:

- The shareholder debt, €1 063.6m, bears 7.7% fixed rate interests and the maturity is at March 20 2030;
- the first bond debt, issued on October 19, 2015, for €600m, with a fixed coupon of 2.875% and a maturity on October 19, 2022;
- the second bond debt, issued on April 7, 206, for €800m, with a fixed coupon of 2.50% and a maturity on April 7, 2026;

10.3 Characteristics of derivative instruments

At December 31, 2016 (as at December 31, 2015) no derivative instrument is in place.

10.4 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 2016	Dec 2015
Present value of the defined benefit obligation	39 888	38 081
Fair value of plan assets	(19 141)	(18 990)
Provision recognised for defined benefit obligations	**20 747**	**19 091**

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

In thousand euro	Dec 2016	< 1 year	1 to 5 years	> 5 years
France	20 743	72	869	19 802
Others	4			4
Provision recognised for defined benefit obligations	**20 747**	**72**	**869**	**19 806**

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 SAS, which represents 89% of benefit obligations in France as of December 31, 2016, applies an adapted agreement of the National Telecommunication Collective Agreement. The retirement benefit paid out depends on employee's length of service and last salary prior to retirement:

- 2% of gross annual salary after 9 years length of service (after the employee entered the company),
- 20% of gross annual salary after 10 years length of service,
- 25% of gross annual salary after 15 years length of service,
- 40% of gross annual salary after 20 years length of service,
- 50% of gross annual salary after 25 years length of service,
- 60% of gross annual salary after 30 years length of service,
- 70% of gross annual salary after 40 years length of service.

Arkena SAS (ex Cognacq Jay Images), representing 7% of benefit obligations in France as of December 31, 2016 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 2016	Dec 2015
Present value of the defined benefit obligation at opening	38 081	39 521
Service cost	1 711	1 405
Delivered services	(139)	(226)
Discounting (interest cost)	761	368
Actuarial gains and losses recognised in the statement of comprehensive income	(950)	(2 987)
Changes in consolidation scope	426	-
Others	(2)	-
Present value of the defined benefit obligation at closing	**39 888**	**38 081**

	Dec 2016	Dec 2015
Fair value of plan assets at opening	18 990	18 551
Contribution paid into the plan	-	-
Benefits paid	(139)	(221)
Expected return on plan assets	289	689
Actuarial gains and losses (by net equity)	1	(29)
Changes in consolidation scope	-	-
Fair value of plan assets at closing	**19 141**	**18 990**

In thousands euros	Dec 2016	Dec 2015
Personnel costs (service cost)	(1 711)	(1 400)
Discounting (interest cost)	(761)	(368)
Expected return on plan assets	289	689
Others (restructuring provision, others...)	2	-
Expense in the year	**(2 181)**	**(1 079)**

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

In thousands euros	Dec 2016	Dec 2015
Cumulative amount at 1st april	9 069	12 040
Experience adjustment arising on plan liabilities	(3 353)	-
Experience adjustment arising on plan assets	(1)	29
Adjustement from changes in assumptions	2 400	(3 000)
Cumulative amount at closing date	**8 115**	**9 069**

The main actuarial assumptions for this obligation liability are as follows:

	Dec 2016	Dec 2015
Discount rate	1,25%	2,00%
Expected rates of salary increases	1,00% - 2,00%	1,00% - 2,00%
Expected rate of return on plan assets	1,00% - 1,51%	2,00% - 3,70%

The sensitivity of actuarial calculations to the discounting rate and the expected rate of return on plan assets at December 31, 2016 is presented below:

		In M€
Discount Rate	-0,5 pt	23,2
		20,7
	+0,5 pt	18,5

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 underlying assets of employee benefit plans in France amount to €19.1m as of December 31, 2016 (€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).

B. Share-based plan

On December 12, 2016, a share-based plan was implemented for some employees, with regard to their services rendered to the Group:

- This plan bears on 138 000 preference shares of the company Tivana France Holdings (indirect shareholder of the Group, see note 10.1), which are not issued yet, and which will be granted in 2017;
- These preference shares have no voting right, no dividend right, but have a liquidation bonus calculated by comparison between the Group's value (based on its value in use, or on its purchase price in case of a disposal of the Group) and a minimum expected return;
- This plan is qualified as «equity settled » in the meaning of IFRS 2, notably because the liquidity clauses on these shares are assumed by Tivana Midco S.à.r.l., indirect shareholder of the Group (see note 10.1);
- Beneficiaries acquire the right to dispose of their shares only gradually from December 12, 2016 to March 31 2025 ("vesting period"), by tranche at anniversary date, and as longs as they're still working for the Group;
- The fair value of this plan is estimated at €3.2m; in compliance with IFRS 2, this fair value will be recognized as expense in the profit & loss over the vesting period, on a nonlinear basis: the IFRS 2 expense which is to be recognized in 2017 is estimated at €1.4m;
- A social contribution expense will also be booked in 2017, for an amount which is approximatively estimated at €0.6m.

10.5 Provisions

In thousands euros	Dec 2015	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	Dec 2016
Prov. for post-employment benefits (pension, retirement benefit)	19 091	1 711			472	(2)	(525)	20 747
Post employment benefits (others)	-							-
Prov. for employee-related measures	29 700	13 996	(8 453)	(300)	490			35 433
Provision for claims and disputes	9 402	483	(6 161)	(484)				3 240
Provision for dismantling, decommissioning and restoring sites	38 596	1 504	(563)	(15)	883		1 597	42 002
Prov for bringing into compliance of sites	5 801		(16)					5 785
Provision on onerous contract	4 350		(1 776)					2 574
Other provisions	15 864	4 075	(370)	(3 129)			1 005	17 445
Total provisions	**122 804**	**21 769**	**(17 339)**	**(3 928)**	**1 845**	**(2)**	**2 077**	**127 226**
Presented as current	**33 386**							**48 639**
Presented as non-current	**89 418**							**78 587**

In thousands euros	March 2015	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation	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**

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).

Employee-related measures

In the frame of the agreement which was signed on July 23, 2015 concerning employee-related measures to support the leaves necessary to adjust the workforce by TDF SAS, a provision covering the estimated costs of these measures has been booked for a global amount of €26.2m at December 31, 2015. Due to a change in the estimation of the costs incurred, notably related to the adhesion rates on the various measures proposed that have been observed, an additional provision allowance of €13.8m was recognized during the period (see also the 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. On February 8, 2016 a final agreement was signed with the Works council of Arkena SAS and SmartJog France SAS, regarding strategic directions and the organization of these entities.
Provision for related costs is of €2.1m as of December 31, 2016 (€3.5m as of December 31, 2015).

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.

Concerning the procedure with the anti-trust authorities following a complaint filed in 2009 by the company ITAS TIM about TDF's alledged practices in the terrestrial digital broadcasting services industry, the French Competition Authority has announced on June 6, 2016 that it issued a fine of €20.6m to the Group. The Group, which challenges the facts complained of, filed an appeal against this decision. A reversal of provision for €5.3m has been booked (see also notes 1 and 8.8).

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 (allocation of €1.5m in 2016, see note 8.8)

Onerous contracts

At December 31, 2016, as well as December 31, 2015, provisions on onerous contracts concern TDF SAS.

10.6 Deferred taxes

Deferred taxes recognized in the balance sheet are detailed below:

In thousands euros	Dec 2016	Dec 2015
Deferred tax assets	452	295
Deferred tax liabilities	257 533	304 939
Net position - liability	**257 081**	**304 644**

The tax rates applicable for Group entities are as follows: 33.33% to 34.43% for French entities, 25.5% for Netherlands, 20% for Finland, 19% for Poland and 28% for Spain. Deferred tax positions have been netted by tax jurisdiction.

As disclosed in note 1 and 8.10, concerning French entities, a rate of 28,924% (income tax rate increased by social contribution) has been implemented on deferred tax basis reversing after January 1, 2019. This revalorization generates a profit of €45.7m.

Breakdown by type of deferred taxes is as follows:

In thousands euros	**Dec 2016**	Variation	**Dec 2015**
Tax losses to carry forward	(2 585)	(1 197)	(1 388)
Intangible fixed assets	(37 126)	8 613	(45 739)
Tangible fixed assets	(68 247)	17 240	(85 487)
Financial assets		-	-
Inventories	803	35	768
Trade receivables	1 270	(1 577)	2 847
Other receivables	3 957	2 099	1 858
Tax provisions	(182 862)	25 736	(208 598)
Provisions	21 714	(1 310)	23 024
Financial debt	(439)	(2 900)	2 461
Trade payables	(48)	1	(49)
Other payables	6 482	823	5 659
Deferred tax liabilities	**(257 081)**	**47 563**	**(304 644)**

Unrecognized or impaired material deferred tax assets on tax losses carried forward as of December 31, 2016 concern:

- Tax losses carried forward of TDF Infrastructure SAS, SmartJog France and Arkena SAS (included in the tax consolidation group of Tivana France Holdings, indirect shareholder of the Group, see the note 8.10) representing €533.4m of deferred tax assets at 28,9% (€605.7m at 34,43% as of December 31, 2015);
- TDF Entertainment tax losses amounting to €4.7m of deferred tax assets (TDF Entertainment is currently in liquidation);
- Other entities: €3.8m of unrecognized deferred tax assets.

10.7 Other current and non-current liabilities

Other liabilities are analyzed below:

In thousands euros	**Dec 2016**	**Dec 2015**
Trade payables	88 176	91 811
Trade payables on fixed assets aquisitions	52 253	32 053
Corporate income tax liabilities	11 424	988
Tax and social liabilities	87 396	86 713
Other current liabilities	76 279	84 402
Current liabilities	**315 528**	**295 967**
Other non-current liabilities	**30 178**	**23 817**
Total liabilities	**345 706**	**319 784**

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

Changes in other current liabilities and other non-current liabilities are partly due to the impact of the agreement signed at the beginning of 2016 between TDF SAS and the Government. Indeed, concerning the compensation granted by the government:

- the income is recognized in other income under IFRS (see also the note 7.2),
- the part received but not yet recognized in other income is recognized among other current liabilities or other non-current liabilities (depending on the date at which it will be recognized as income).

Other current and non-current liabilities include deferred income of €70.3m (€78.6m as of December 31, 2015) of which €16.3m is maturing after one year (€23.8m after December 31, 2015).

11. Summary of financial assets and liabilities

In thousands euros	December 2016		December 2015	
	Book value	Fair value	Book value	Fair value
Available for sale financial assets	4 427	4 427	778	778
Assets held for sale - IFRS 5			11 417	11 417
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	**4 427**	**4 427**	**12 195**	**12 195**
Loans and receivables	208 578	208 778	211 368	211 368
Cash and cash equivalents	73 507	73 507	145 252	145 252
Assets carried at amortised cost	**282 085**	**282 285**	**356 620**	**356 620**
Liabilities held for sale - IFRS 5			1 517	1 517
Interest rate swap for hedging purposes			-	-
Forward exchange contracts for hedging purposes			-	-
Liabilities carried at fair value	**-**	**-**	**1 517**	**1 517**
Financial debt	2 524 436	2 524 436	2 487 729	2 487 729
Financial lease obligations	6 960	6 960	6 904	6 904
Trade payable and other liabilities	345 706	345 706	319 784	319 784
Bank overdrafts	3	3	211	211
Accrued interest on financial debt and current accounts	125 573	125 573	25 744	25 744
Liabilities carried at amortised cost	**3 002 678**	**3 002 678**	**2 840 372**	**2 840 372**

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.

	December 2016				December 2015			
Inthousands euros	*Level 1*	*Level 2*	*Level 3*	Total	*Level 1*	*Level 2*	*Level 3*	Total
Available for sale financial assets	-	-	4 427	4 427	-	-	778	778
Net assets held for sale - IFRS 5	-	-			-	-	9 900	9 900
Financial assets at fair value through P&L	-	-			-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
	-	-	4 427	**4 427**	-	-	10 678	**10 678**
Derivative financial liabilities	-	-	-	**-**	-	-	-	**-**
	-	**-**	**4 427**	**4 427**	**-**	**-**	**10 678**	**10 678**

Available for sale financial assets correspond to shares in non-consolidated entities.

At 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 flow

General comments:

- due to the change of annual closing date of the Group (see note 1), the two periods disclosed do not represent the same number of months of activity;
- cash flows of MCR remain included in net cash from operating activities, and net cash used in financing or investing activities for all the periods disclosed until the effective loss of control date (April 26, 2016, see the note 1);
- cash flows of Arkena Nordics entities remain included in net cash from operating activities, and net cash used in financing or investing activities for all the periods disclosed until their disposal date (see the note 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 2016	Dec 2015
Changes in inventories	(1 816)	(122)
Changes in trade receivables	9 542	84 781
Changes in trade payables	(6 913)	8 898
Changes in prepaid income	(8 404)	(58 426)
Changes in other working capital	4 273	(21 123)
Changes in working capital	**(3 318)**	**14 008**

12.3 Net cash used in investing activities

As of December 31, 2016:

- "Acquisition of controlling interests, net of cash & cash equivalents acquired" of -€75.2m corresponds to payment of costs related to the refinancing and change of shareholder at March 31, 2015; and also to the acquisition of the ITAS group on October 12, 2016 (impact net from acquisition costs; see note 1);
- "Net proceeds from disposals of subsidiaries formerly controlled" mainly corresponds to disposal of 6 Arkena Nordics entities (see note 1).

At December 31, 2015:

- The line "Acquisition of controlling interests, net of cash & cash equivalents acquired" of € (1.4) m mainly includes cash flows related to the acquisition of AD Valem Technologies;
- The line "Net proceeds from disposal of subsidiaries formerly controlled" of € (11.4) m correspond to the payment of expenses related to the change of shareholders and the Group refinancing on March 31 2015, recognize as expenses on the previous year and paid this year.

December 31, 2016, the line "change in other financial assets" of -€86.3m mainly correspond to the refinancing of the ITAS group acquired on October 12, 2016, the investment in Molotov, and to 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, 2016, drawdowns and repayment of debts are principally composed of:

- €800.0m proceed from the bond debt issued on April 7, 2016,
- followed by the repayment for €807m of the bank term debt (see note 10.2);
- € (2.3) m of finance lease installments paid;
- Current account net proceeds with Tivana France Holdings for €36.8m,
- Repayment of the current account with Monaco Media Diffusion (ex –MCR) after its switch to the equity method for € (2.5) m.

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 of finance lease instalments paid,
- increase in the current accounts with TDF Infrastructure Holding and Tivana France Holdings for €25.7m.

As of December 31, 2016, expenses related to the refinancing of €13.1m correspond to the bond issuance costs contracted on April 7, 2016 for €12.1m.

At the end of December 2015, expenses related to the refinancing correspond for €1.5m to the residual loan issuance costs paid following the new bank agreement implemented on March 31, 2015, as well as €7.4m of expenses on the bond issued on October 19, 2015.

Over financial year 2016, financial interests are lower compared to previous year. This effect is mainly explained by:

- the difference of durations of the financial years disclosed,
- a difference in the pattern of payments of interests since the issuance of bond debts on October 19, 2015 and April 7, 2016 (for which the coupon is paid once a year), and interests which were paid on the bank agreement implemented on March 31, 2015.

See also the notes 5.4, 8.9 and 10.2.

13. Workforce

Total Group headcount is as follows:

	Dec 2016	Dec 2015
France	2 215	1 840
International	157	219
Total workforce at closing	**2 372**	**2 059**

14. Auditor's fees

	Ernst & Young		FINEXSI and others		TOTAL	
In thousand of euros	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Audit	406	365	180	337	586	702
Other services	-	-	-	-	-	-
TOTAL	**406**	**365**	**180**	**337**	**586**	**702**

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, 2016

In February 2007, TowerCast filed a complaint with the anti-trust authorities, on the grounds that TDF had allegedly abused its dominant market position in relation to bidding for the tender launched by the city of Paris for the award of an agreement for the public occupation of the Eiffel Tower. 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, the French Competition Authority has announced on June 6, 2016 that it is issuing a fine of €20.6m to the Group. The Group appealed against this decision on July 20. The fine was booked in the accounts and was paid on September 8, 2016 (see also note 8.8).

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, which considers that FPS Towers claim has no ground, will vigorously dispute the FPS Towers' claim during these proceedings.

Contingent assets as of December 31, 2016

Concerning the contingent asset related to the second digital dividend, the Finance Act of December 29, 2015 attested that compensation will be given to broadcasters. An agreement to this effect was signed on February 9, 2016 between TDF SAS and the Government. See also the notes 8.2 and 10.7.

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 2016	Dec 2015
At less than 1 year	18 978	20 749
From 1 to 5 years	14 990	20 495
More than 5 years	11 675	4 233
Total	**45 643**	**45 477**

At December 31, 2016, 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), 155 bis Avenue Pierre Brossolette (Montrouge, new head office), 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), lease will not be reconducted,

- Premises located at 155 bis, Avenue Pierre Brossolette (Montrouge, new head office): effective date of lease: February 1, 2017; lease for 9 years from February 1, 2017 to January 31, 2026,
- 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 index).

- ***Agreements for the occupation of public property***

These agreements signed with state, regional and local authorities in France concern land on which broadcasting infrastructures are installed (pylons, towers, building and related installations).

Usually, these agreements are concluded with local authorities:
- As a rule, these agreements run for 12 years (10 years from March 1, 2007 for the Eiffel Tower broadcasting site in Paris),
- These agreements are renewable for the same term, whether or not by tacit agreement,
- Under these agreements, the land must be returned in its initial condition unless the parties agree otherwise.

In continental France, there are 665 such agreements in force as at December 31, 2016.

- ***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 3 962 such sites as of December 31, 2016.

B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

In thousands euros	**Dec 2016**	**< 1 year**	**1 to 5 years**	**> 5 years**
Commitment of capex	31 750	31 712	38	
Commitment others	29 216	16 780	9 804	2 632
Total	**60 966**	**48 492**	**9 842**	**2 632**

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**

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 2016 Actual (12 months)	Projection	< 1 year	1 to 5 years	> 5 years
Digital Television	187 411	567 005	165 393	399 003	2 609
Radio	120 858	245 721	102 653	133 729	9 339
Total Broadcasting Services	**308 269**	**812 726**	**268 046**	**532 732**	**11 948**
Telecom: site hosting	269 892	1 796 874	222 677	780 607	793 590
Telecom: other services	23 413	9 411	3 794	4 833	784
Total Telecoms & Services	**293 305**	**1 806 285**	**226 471**	**785 440**	**794 374**
Media Services	52 901	36 661	16 945	18 996	720
Others	19 418	716	581	135	
Total revenue / future contractual revenue	**673 893**	**2 656 388**	**512 043**	**1 337 303**	**807 042**

In thousands euros	Dec 2015 Actual (9 months)	Projection	< 1 year	1 to 5 years	> 5 years
Digital Television	163 523	429 764	146 854	275 221	7 689
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**

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, 2016, the Group has given guarantees totaling €23.5m (€15.4m at December 31, 2015), of which:

- €5.5m (€10.6m at December 31, 2015) by way of a bank guarantee to Synérail Construction in conjunction with the subcontracting agreement for the design and construction of the GSM-R for RFF (that also covers subcontracting commitments given by TDF SAS). Besides TDF SAS paid over €6.0m by way of a collateral to the bank that gave guarantees to Synérail, out of which €0.4 million has not been repaid yet as of December 31, 2016 (€0.8m at December 31, 2015),
- €12.5m of bank guarantee given related to the unpaid part of the ITAS group purchase price, with a maturity at June 2018 (see also note 10.2)
- €4.1m (like at December 31, 2015) of bank guarantee given to the Paris city council in connection with the Eiffel Tower occupation and operation agreement. This guarantee expires on February 28, 2017. On January 26 2017, maturity has been extended to September 30, 2018.

Guarantees received

The Group has received bank guarantees amounting to €19.2m (€18.3m at December 31, 2015), of which €17.7m (in 2016 as 2015) of subcontracting guarantees are related to radio and cable installations in conjunction with Synérail Construction contracts.

TDF SAS

Loss of control of MCR – partial disposal of 2% of the shares of this company on April 26, 2016
The Group did not give any specific guarantees to the buyer for this disposal.

Lease for an office building signed on February 17, 2016

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 are therefore obsolete.

TDF Entertainment:
Under the liquidation process of this company, TDF SAS and DFI-BV have jointly issued a first demand guarantee, towards TDF Entertainment liquidator and the lawyers company Roschier. This guarantee amounts €2m and will end over 5 years after the effective liquidation of the company.

Disposal of German entities:
The sale contract for German subsidiaries from TDF SAS to Tyrol Acquisition 1 & Cie SCA (former shareholder of TDF Infrastructure Holding SAS, which is the main shareholder of the Group) provides for payment of an additional purchase 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.

In March 2016, Tyrol Acquisition 1 & Cie SCA sold to a third party former German entities of TDF SAS. According to the earn-out condition, it has triggered the right for TDF SAS to receive an earn-out, for an amount of €106.2m, which has been recognized as profit over the period (see notes 1 and 8.8)

Disposal of Arkena Nordics entities
Disposal of six Arkena Nordics entities was concluded on July 7, 2016 and is effective with a result corresponding to forecasts realized according to IFRS 5 (see note 7.2).
As part of the deal, Group gave some guarantees to the buyer, amounted a maximum benefit of SEK30m, that is €3.2m. These guarantees expire if any request has been made by the buyer before April 7, 2017, excluded some specific topics where the deadline is of April 7, 2018, and also some fiscal topics for which limitation corresponds to the legal limitation for a fiscal audit.

TDF Infrastructure SAS

Concerning the ITAS group acquisition, TDF Infrastructure SAS received from sellers some guarantees, of which usual guarantees for this kind of transactions, with a maximum amount of €12.5m and a maturity at June 2018, and which are subject to a holdback payment mechanism on the group purchase price (see also note 10.2).

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, 2016, 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. Maturity of this guarantee is March 31, 2017.

- TDF Nordic, Digita et Digi Waves Oy (sold October 18, 2012)
  - Tax warranties given for a 60 months period following the sale expiring October 18, 2017 capped at €468.1m.

Médiamobile

Médiamobile 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, 2016 (as at December 31, 2015), this commitment amounts to €6.0m over the three years, i.e. €2.0m per year.

Commitments under bank agreements as of December 31, 2016

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 2013, the Group consolidated the company SmartJog Ymagis Logistics under the equity method. SmartJog France owns 40% of this entity. On December 29, 2015, SmartJog France sold its shares. Figures that are consolidated at December 31, 2015 correspond to the company's results reported between April 1, 2015 and December 29, 2015.

Besides, since April 26, 2016, Monaco Media Diffusion (ex MCR) is consolidated under the equity method, and not in full consolidation anymore, after loss of control on this entity (see also notes 1 and 19). Figures disclosed in December 2016 of the table below correspond to the results of this entity between April, 26 2016 and December 31, 2016.

In thousands euros	Dec 2016 (8 months)	Dec 2015 (9 months)
Revenue	**3 137**	**4 308**
EBITDA	**1 500**	**(1 535)**
OPERATING INCOME	**1 433**	**(8 107)**
Financial income and expenses	(1)	(41)
Income tax	(340)	(52)
NET INCOME	**1 092**	**(8 200)**

17. Related party disclosures

17.1 Control

The Group parent company is TDF Infrastructure SAS, which is controlled at 100% by TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 SAS, see note 10.1), herself controlled since March 31, 2015 by French entity Tivana France Holding which owned 100% of its shares.

Since March 31, 2015, TDF Infrastructure Group is notably included in consolidated financial statements of Brookfield Infrastructure Group, using the equity method.

17.2 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.

In thousands euros	Dec 2016 (12 months)	Dec 2015 (9 months)
Employee benefits, including termination payments	(1 794)	(1 625)
Post-employment benefits	-	-
Share-based payments	-	-
Total expense	**(1 794)**	**(1 625)**
Provision for retirement indemnities	-	-
Debt related to equity instruments	-	-
Acquisition of equity instruments (cash out)	-	-
Cash outflows and liabilities	**-**	**-**

Concerning the share-based plan implemented on December 12, 2016 (see note 10.4), the part which is relates to key management personnel is of €1.8m over the whole fair value of the plan, out of which €0.8m will be recognized as expense in 2017.

17.3 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 Tivana France Holdings amounting over the period €86.2m, and related to the shareholder loan of €1 063.6m;
- net receipts of €36.8m from shareholders current accounts (with Tivana France Holdings), see also the note 10.2;
- €0.3m of income and €4.6m of expenses recognized by the Group over the period related to the management fees agreement with Tivana France Holdings;
- the reinvoicing to Tivana France Holdings of costs incurred by the Group in the frame of the change of shareholders and following refinancing operations, which represents an income of €4.9m (excluding VAT tax);
- the recognition of a receivable of €106.2m that TDF has on Tivana France Holdings, which was recognized in relation to the earn-out concerning the disposal of the German entities. This receivable had an annual interest rate of 0.15%, it has been offset by dividend distribution of the Group in December 2016 (see notes 1, 8.8 and 15.3).

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

17.4 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 €6.0m by way of a guarantee to the bank that gave guarantees to Synérail, out of which €0.4 million has not been repaid yet as of December 31, 2016.

18. Significant subsequent events

Group has changed of head office since early February: new head office is located at 155 bis Avenue Pierre Brossolette in Montrouge.

Following a public tender launched in 2016 attracting a number of bids, the Val d’Oise Open Mixed Digital Syndicate announced it had selected TDF to install, operate and market a Very High Speed optical fiber network. The company will invest some €100 million for this new digital facility. Network access will be installed progressively, with the first homes getting fiber outlets in 2017. This is an initial success for the new TDF fiber facility operator, confirming its ambitious choice to invest fully in this market, while combining public and private investment to ramp up its digital network facilities throughout France.

19. Consolidation scope

List of consolidated companies	Countries	UGT	Share capital in € thousands	% Interests Dec 2016	% Interests Dec 2015	Observation
Full consolidation						
TDF Infrastructure SAS	**France**		**300 000**	**100,00%**	**100,00%**	
TDF SAS	France	TDF	166 957	100,00%	100,00%	
Tiare	France	TDF			100,00%	Loss of control on December 31, 2016
MCR	Monaco	TDF			51,00%	Full consolidation method until May 2016
TDF Entertainment Oy	Finland	TDF	500	100,00%	100,00%	Put into liquidation in March 2012
DFI BV	Netherlands	TDF	7 529	100,00%	100,00%	
AD Valem Technologies	France	TDF	1 294	100,00%	100,00%	
TDF Fibre	France	TDF	150	100,00%		Entity created in May 2016
Dédale Financement	France	TDF	10	100,00%		Entity created in June 2016
Belvédère	France	TDF	71	70,00%		Entity created in July 2016
ITAS (Anet)	France	TDF	208	100,00%		Entities acquired on 12 october 2016
Tim Acquisition	France	TDF	10 795	100,00%		Entities acquired on 12 october 2016
ITAS Tim	France	TDF	4 830	100,00%		Entities acquired on 12 october 2016
One Cast	France	TDF	3 000	100,00%		Entities acquired on 12 october 2016
Tim Power	France	TDF	200	100,00%		Entities acquired on 12 october 2016
SIT	France	TDF	894	100,00%		Entities acquired on 12 october 2016
ITAS Sud Ouest	France	TDF	500	100,00%		Entities acquired on 12 october 2016
ITEA	France	TDF	225	100,00%		Entities acquired on 12 october 2016
ITAS Méditerranée	France	TDF	355	100,00%		Entities acquired on 12 october 2016
Tim Congo	Congo	TDF	300	100,00%		Entities acquired on 12 october 2016
Arkena SAS (ex - Cognacq Jay)	France	Arkena	13 809	100,00%	100,00%	
Smartjog France	France	Arkena	456	100,00%	100,00%	
Arkena Inc (ex - Smartjog USA)	USA	Arkena	2 171	100,00%	100,00%	
Bebanjo	Spain	Arkena	8	100,00%	100,00%	
Arkena Sp.zoo (ex PSN)	Poland	Arkena	4 354	100,00%	100,00%	
Arkena holding (ex - Qbrick holding)	Sweden	Arkena			100,00%	Entities disposed of on July 7th 2016
Arkena AB (ex - Qbrick AB)	Sweden	Arkena			100,00%	Entities disposed of on July 7th 2016
Arkena AS (ex - Qbrick AS)	Norway	Arkena			100,00%	Entities disposed of on July 7th 2016
Arkena A/S (ex - Qbrick A/S)	Denmark	Arkena			100,00%	Entities disposed of on July 7th 2016
Arkena Oy (ex - Qbrick Oy)	Finland	Arkena			100,00%	Entities disposed of on July 7th 2016
Arkena Spain SL (ex - Qbrick Spain SL)	Spain	Arkena			100,00%	Entities disposed of on July 7th 2016
Médiamobile	France	Média-mobile	1 157	71,19%	71,19%	
Mediamobile Nordic	Finland	Média-mobile	3 050	71,19%	71,19%	
Levira	Estonia	Levira	9 587	49,00%	49,00%	
Talinna Teletorn Foundation	Estonia	Levira	13	49,00%	49,00%	
Levira Central Europe	Estonia	Levira	5	49,00%	49,00%	
Equity method						
Monaco Media Diffusion (ex- MCR)	Monaco	TDF	549	49,00%	51,00%	Under equity method since May 2016

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.

Group acquired 100% of the ITAS Group on October 12, 2016 (see note 1). Entities of this group are listed above and fully consolidated.

Concerning MCR, this subsidiary was classified as asset held for sale as of December 31, 2015 and until April 26, 2016. At this date, it is now consolidated under the equity method, following a disposal of part of its shares bringing forth a loss of control.

The 6 entities from Nordic countries of the CGU Arkena (Arkena Holding, Arkena AB, Arkena As, Arkena A/S, Arkena Oy and Arkena Spain SL), called the “Arkena Nordics” subgroup, have been sold on July 7, 2016.