TDF INFRASTRUCTURE SAS GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2017

Consolidated statement of comprehensive income,
6 months period ended June 30, 2017

In thousands euros	*Notes*	**Unaudited June 2017 (6 months)**	**Dec 2016 (12 months)**	**Unaudited June 2016 (6 months)**
Revenue	*7.1*	**332 601**	**673 893**	**341 517**
Other income	*7.2*	8 170	13 871	5 082
Consumed purchases	*7.3*	(28 503)	(52 837)	(27 696)
Personnel costs	*7.4*	(69 964)	(135 514)	(67 215)
External expenses	*7.5*	(69 974)	(133 889)	(63 027)
Profit/loss on disposal of non-current operating assets	*7.6*	618	(63)	(60)
Other expenses	*7.2*	(15 391)	(13 179)	(15 776)
EBITDA		**157 557**	**352 282**	**172 825**
Depreciation, amortisation and impairment losses	*7.7*	(84 068)	(164 159)	(83 045)
Current Operating Income		**73 489**	**188 123**	**89 780**
Impairment of goodwill & intangible assets identified in business combinations	*7.7/8.1/8.2*	-	(776)	(776)
Other operating income	*7.8*	1 587	111 823	111 428
Other operating charges	*7.8*	(125)	(34 036)	(30 468)
Operating Income (Loss)		**74 951**	**265 134**	**169 964**
Income from cash and cash equivalents		6	136	80
Gross finance costs		(65 909)	(127 248)	(62 209)
Net finance costs	*7.9*	**(65 903)**	**(127 112)** -	**(62 129)**
Other financial income / charges	*7.9*	(685)	1 388	731
Share of net profits (losses) of associates	*13*	369	535	162
Income tax	*7.10*	(26 964)	(32 327)	(40 325)
Net income (loss) from continuing operations		**(18 232)**	**107 618**	**68 403**
Net income (loss) from discontinued operations	*6*	-	-	-
NET INCOME (LOSS) FOR THE YEAR		**(18 232)**	**107 618**	**68 403**
Other comprehensive income				
Currency translation differences		354	(162)	156
Actuarial gains (losses)		20	954	-
Fair value of available for sale assets		(5)	-	4
Income tax on other comprehensive income		(2)	(327)	-
Income and expenses recognized directly in equity	*7.9/7.10*	**367**	**465**	**160**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(17 865)**	**108 083**	**68 563**
Net income (loss) for the year attributable to				
Owners of the company		(18 491)	106 173	67 745
Non controlling interests		259	1 443	658
Total comprehensive income (loss) for the year attributable to				
Owners of the company		(18 124)	106 628	67 905
Non controlling interests		259	1 453	658
Earnings per share				
Basic (in euros)		(2)	11	7
Earnings per share - continuing operations				
Basic (in euros)		(2)	11	7

Consolidated balance sheet as of June 30, 2017

In thousands euros	*Notes*	Unaudited June 2017	Dec 2016	Unaudited Juin 2016
Non-current assets				
Goodwill	*8.1*	1 704 597	1 751 783	1 624 534
Intangible assets	*8.2*	218 151	153 156	158 010
Property, plant and equipment	*8.3*	1 334 597	1 323 395	1 245 818
Shares in associates	*13*	6 511	6 777	6 416
Financial assets available for sale		4 198	4 427	2 057
Other non-current assets	*8.4*	3 564	3 743	7 367
Deferred tax assets		542	452	76
TOTAL NON-CURRENT ASSETS		**3 272 160**	**3 243 733**	**3 044 278**
Current assets				
Inventories	*8.4*	9 494	9 894	4 836
Trade receivables	*8.4*	186 237	124 202	179 024
Other current assets	*8.4*	87 497	80 633	272 926
Cash and cash equivalents		79 324	73 507	93 055
Assets held for sale	*6*			4 347
TOTAL CURRENT ASSETS		**362 552**	**288 236**	**554 188**
TOTAL ASSETS		**3 634 712**	**3 531 969**	**3 598 466**

In thousands euros	*Notes*	Unaudited June 2017	Dec 2016	Unaudited Juin 2016
Share capital		300 000	300 000	300 000
Additional paid-in capital		1 010 375	1 010 375	1 116 703
Currency translation reserve		(692)	(1 045)	499
Other reserves and Retained earnings		(1 179 158)	(1 286 075)	(1 287 904)
Net income (loss) of the year - attributable to owners of the company		(18 491)	106 173	67 745
Non-controlling interests		14 088	15 104	14 580
TOTAL EQUITY		**126 122**	**144 532**	**211 623**
Non-current liabilities				
Bond	*9.1*	1 383 505	1 382 472	1 381 439
Bank debt	*9.1*	(1 264)	(1 530)	(1 802)
Shareholders' debt	*9.1*	1 063 599	1 063 599	1 063 599
Other financial debts	*9.1*	6 992	20 471	6 198
Provisions	*9.3*	72 202	78 587	91 260
Deferred tax liabilities		273 682	257 533	301 152
Other non-current liabilities	*9.4*	42 334	30 178	42 906
TOTAL NON-CURRENT LIABILITIES		**2 841 050**	**2 831 310**	**2 884 752**
Current liabilities				
Other financial debts	*9.1*	108 327	66 384	19 508
Provisions	*9.3*	49 368	48 639	54 945
Trade payables	*9.4*	128 305	140 429	120 979
Tax and social liabilities	*9.4*	110 786	98 821	110 104
Other current liabilities	*9.4*	101 594	76 278	115 331
Bank overdrafts			3	-
Accrued interest		169 160	125 573	79 640
Lliabilities related to assets held for sale	*6*			1 584
TOTAL CURRENT LIABILITIES		**667 540**	**556 127**	**502 091**
TOTAL EQUITY AND LIABILITIES		**3 634 712**	**3 531 969**	**3 598 466**

Consolidated statement of cash flows
6 months period ended June 30, 2017

In thousands euros	*Notes*	Unaudited June 2017 (6 months)	Dec 2016 (12 months)	Unaudited June 2016 (6 months)
Net income (loss) from continuing operations		**(18 232)**	**107 618**	**68 403**
Non-cash items and other adjustments				
Depreciation, amortisation and impairment		84 068	164 935	83 821
Change in provisions and non-cash expenses		(4 827)	(117 178)	(96 335)
Gain (loss) on disposal of non-current assets		(291)	3 319	575
Total income tax		26 964	32 327	40 325
Finance income and expenses		64 209	131 803	69 823
Cash generated from operating activities before changes in working capital	*10.1*	**151 891**	**322 824**	**166 612**
Income tax paid		(36 680)	(76 189)	(38 960)
Change in Working Capital	*10.2*	(21 227)	(3 318)	8 243
Net cash from operating activities		**93 984**	**243 317**	**135 895**
Acquisitions of non-current operating assets		(96 938)	(145 463)	(67 938)
Proceeds from disposal of non-current operating assets		630	276	-
Dividends from non consolidated companies		637	765	765
Acquisition of controlling interests, net of cash & cash equivalents acquired		(1 689)	(75 203)	-
Net proceeds from disposals of subsidiaries formely controlled			1 685	5 085
Change in other financial assets		2 317	(86 283)	(86 580)
Net cash used in investing activities	*10.3*	**(95 043)**	**(304 223)**	**(148 668)**
Dividends paid to non-controlling interests		-	(1 009)	(717)
Proceeds from bond		-	800 000	800 000
Bank debt repayments		-	(807 000)	(807 000)
Proceeds from other financial debts		30 244	37 402	87
Other financial debts repayments		(2 025)	(5 948)	(14 497)
Fees related to the refinancing		(760)	(13 126)	(11 942)
Revenue from cash and cash equivalents		6	136	80
Financial interests (including financial lease)		(20 425)	(21 265)	(4 574)
Net cash used in financing activities	*10.4*	**7 040**	**(10 810)**	**(38 563)**
Effect of exchange rate changes on cash		(161)	147	68
NET CASH FROM (USED IN) CONTINUING ACTIVITIES		**5 820**	**(71 569)**	**(51 268)**
Net cash from discontinued activities		**-**	**-**	**-**
Net change in cash and cash equivalents		**5 820**	**(71 569)**	**(51 268)**
Opening cash & cash equivalents		**73 504**	**145 073**	**145 073**
Closing cash & cash equivalents		**79 324**	**73 504**	**93 805**

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*	Autres Réserves et Résultats non distribués	Total		
At December 31, 2015	10 000 000	**300 000**	**1 116 703**	**351**	**-**	**(1 287 895)**	**129 159**	**15 219**	**144 378**
Consolidated net income		-	-	-	-	67 745	67 745	658	**68 403**
Other comprehensive income		-	-	156	-	4	160		**160**
Total comprehensive income		**300 000**	**1 116 703**	**507**	**-**	**(1 220 146)**	**197 064**	**15 877**	**212 941**
Dividends paid		-	-	-	-	-	-	(186)	**(186)**
Changes of interest in controlled entities and changes in consolidation scope		-	-	(8)	-	(13)	(21)	(1 111)	**(1 132)**
At June 30, 2016 (unaudited)	10 000 000	**300 000**	**1 116 703**	**499**	**-**	**(1 220 159)**	**197 043**	**14 580**	**211 623**
At December 31, 2016	10 000 000	**300 000**	**1 010 375**	**(1 045)**	**-**	**(1 179 902)**	**129 428**	**15 104**	**144 532**
Consolidated net income		-	-			(18 491)	(18 491)	259	**(18 232)**
Other comprehensive income		-	-	354		13	367		**367**
Total comprehensive income		**300 000**	**1 010 375**	**(691)**	**-**	**(1 198 380)**	**111 304**	**15 363**	**126 667**
Dividends paid							-	(1 275)	**(1 275)**
Stock options valuation						710	710		**710**
Changes of interest in controlled entities and changes in consolidation scope				(1)		21	20		**20**
At June 30, 2017 (unaudited)	10 000 000	**300 000**	**1 010 375**	**(692)**	**-**	**(1 197 649)**	**112 034**	**14 088**	**126 122**

Notes to the consolidated financial statements

1. Highlights of the period

Change of head office

The Group has changed of head office since early February 2017: the new head office is located at 155 bis Avenue Pierre Brossolette - Montrouge.

Fiber – Public Initiative Network ("PIN") and Public Call for Investment (Appel à Manifestation d'Engagement d'Investissement, "AMEI")

Val d'Oise (PIN)

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 project involves producing about 85,000 fiber outlets over the next three years in 116 communities, providing inhabitants with VHS Internet facilities in homes and business premises. Network access will be installed progressively.
The company will invest some €100 million for this new digital facility.

Yvelines (AMEI)

Also, end of June 2017, following a competitive tender, the local authority opted for TDF's bid to supply optical fiber in sparsely populated rural areas in *Les Yvelines (78)*. The local authority and *Yvelines Numériques* viewed TDF as a reliable operator with strong financial backing capable of rapid optical fiber roll-out across the county's rural areas.
All told, the project is planned to provide over 100,000 connections in four years spread over 158 communities while providing ultra high speed connections to the county's rural population.
The company will invest close on €120 million without public funds to install these new digital facilities.

These are two initial successes for the new TDF optical fiber facility operator, confirming its ambitious choice to invest fully in this market to ramp up digital network facilities in France.

Second digital dividend

Following the « second digital dividend » and the CSA final decisions (French TV and radio regulatory body), the two multiplex R5 and R8 shutdown early April 2016 brought forth a revenue decrease of 11.3 million euros between June 2017 and June 2016 (see note 7.1). 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 7.2, 9.4 and 12.1.

Purchase price allocation of the ITAS group acquired on October 12, 2016 (IFRS 3)

Pursuant to IFRS3, work has been performed concerning the purchase price allocation, following the acquisition of the ITAS group. Studies have been led on assets and liabilities of the entities acquired, and they mainly ended in the following impacts:

- recognition of intangible assets, which fair values determined at October 12, 2016 represent a global amount of 67 million euros (see below). These assets value the commercial strength of the broadcast activity of the entities ITAS Tim and Onecast,
- €20m of deferred tax liabilities related the recognition of these intangible assets (deferred tax basis resorbing between October 12, 2016 and December 31, 2018 being evaluated at 34,43%, those resorbing after December 31, 2018 being valued at 28.92%).

In millions euros	Net fair value determined at October 12, 2016	Useful lives	Evaluation method	Observation	WACC sensibility	
					WACC -0,5 pt	WACC +0,5 pt
Backlog	14,2	5 years	Excess profit	- backlog as of October 12, 2016 - WACC of 8%	14,4	14,0
Customer relationship	52,8	20 years	Excess profit	- projection of acquisition businesss plans as of October 12, 2016 - regular long term revenue - attrition rates historically consistent - WACC of 9%	55,7	50,1
Total intangible assets	**67,0**					

Evaluation studies rely on the acquisition business plans of the ITAS group. They include revenue, EBITDA and Capex forecasts for a 10 years period.

The remaining goodwill, equal to the difference between the acquisition price and the value of assets and liabilities of the ITAS Group acquired on October 12, 2016, as valuated after the purchase price allocation process, amounts to €80.1m at June 30, 2017, and is recognized among the TDF CGU. Some allocation work is still to be performed.

2. General presentation

The Group's consolidation head company, TDF Infrastructure SAS, is a "société par actions simplifies" (simplified joint stock company) with registered office 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 13 100 terrestrial sites mainly in France. The Group focuses on developing new digital solutions: connected Digital TV, catch-up TV, ultra-high definition television etc.

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

2.1 Presentation of the financial statements

The main performance indicators used by the Group are:

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

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

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

3. Basis of preparation

3.1 Statement of compliance

The TDF Infrastructure Group condensed consolidated financial statements, for the 6 months ended June 30, 2017, have been prepared in accordance with IAS34 – Interim financial reporting. As condensed financial statements, they include selected explanatory notes and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016.
IFRS can be downloaded from the following website:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The condensed consolidated financial statements at June 30, 20167are unaudited and were prepared under the supervision of the management of the Group, and faithfully reflect the results for the periods in accordance with IFRS.

The condensed consolidated financial statements at June 30, 2017 were approved by the Chairman of TDF Infrastructure SAS on September 20, 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.

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 3.7 and 8.1), tangible and intangible assets (notes 8.2 and 8.3), amounts of provisions (notes 9.2 and 9.3), deferred tax valuation (notes 3.8 and 7.10), recognition of revenue. 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.

3.6 Standards and interpretations in force

The accounting principles used are unchanged compared to those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2016.

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

3.7 Impairment tests

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

3.8 Income tax

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

3.9 Exchange rates used for the period

The following were the functional currencies used in the Group:

	Unaudited			Unaudited
	Average	Closing	Opening	Average N-1
Polish zloty	0,234379	0,236373	0,226783	0,228998
US dollar	0,924076	0,896379	0,964878	0,895897
Danish krone	n.a.	n.a.	0,134485	0,134230
Norwegian krone	n.a.	n.a.	0,106703	0,106148
Swedisk krone	n.a.	n.a.	0,107250	0,107571
Swedisk krone	0,001524	0,001524	0,001524	n.a.

4. Financial risk management

4.1 Credit risk

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

Trade receivables

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

Short–term investments

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.

4.2 Market risk

A. Management of interest rate risk

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

	Unaudited			
	June 2017		Dec 2016	
In thousands euros	Outstanding	% of the debt	Outstanding	% of the debt
Fixed interest rate debt	2 464 986	96,2%	2 465 220	97,4%
Variable interest rate debt	96 173	3,8%	66 176	2,6%
Total before hedging	**2 561 159**	**100,0%**	**2 531 396**	**100,0%**
Fixed interest rate debt	2 464 986	96,2%	2 465 220	97,4%
Variable interest rate debt	96 173	3,8%	66 176	2,6%
Total after hedging	**2 561 159**	**100,0%**	**2 531 396**	**100,0%**

At June 30, 2017 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 June 30, 2017 nor at December 31, 2016.

B. Exchange risk

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

4.3 Liquidity risk

To ensure liquidity, the Group has available resources of €329.1m (€323.6m on December 31, 2016):
- cash and cash equivalents of €79.1m as of June 30, 2017 (€73.6m on December 31, 2016);
- a Revolving Credit Facility usable for an amount of €250.0m negotiated under the bank credit agreement signed on March 31, 2015 for use by TDF Infrastructure SAS and TDF SAS to cover their own needs and those of their subsidiaries in respect of acquisitions, capital expenditure and working capital.
  This line is not used, neither as of June 30, 2017 nor as of December 31, 2016.

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

			Unaudited		
	June 2017		Maturities		
In thousands euros	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
Non-derivative financial instruments					
Financial debts - Nominal	2 578 918	2 578 918	108 327	6 864	2 463 727
Loan issue expenses	(17 759)	-	-	-	-
Financial interests	-	1 480 124	271 077	476 813	732 234
Trade payables	128 305	128 305	128 305	-	-
Total financial liabilities	**2 689 464**	**4 187 347**	**507 709**	**483 677**	**3 195 961**

	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 interest	-	1 495 618	225 960	476 813	792 845
Trade payables	140 429	140 429	140 429	-	-
Total financial liabilities	**2 671 825**	**4 186 501**	**432 773**	**496 885**	**3 256 843**

See the notes 4.4 and 9.1 which describe the split, the nature and the characteristics of financial debts of the Group.

As of June 30, 2017, we have:

- the shareholder debt, towards Tivana France Holdings (indirect shareholder of the Group) for €1 063.6m, with a fixed rate interests of 7.7% and a maturity 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, 2016, for €800m, with a fixed coupon of 2.50% and a maturity on April 7, 2026.

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

Financial interests are calculated up to the contractual maturity of the liabilities to which they relate.

For debts with variable interest rates, interest rates used are the forward rates prevailing at the reporting date.

Concerning the shareholder loan of €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.

4.4 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, €600m issued on October 19, 2015 and €800m issued on April 7, 2016 by TDF Infrastructure SAS, are unchanged compared to December 31, 2016:

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 given to bondholders to call for an early repayment in case of a change of control (under some conditions)	1.25% step up of the annual coupon in case the Group rating becomes lower than BBB- (or rating equivalent to BBB-)
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 June 30, 2017, like December 31, 2016, the TDF Infrastructure SAS group has a bank credit facility agreement, which was implemented within the context of the change of shareholders on March 31, 2015, called "Facilities Agreement".

The conditions of this agreement have not changed compared to December 31, 2016. It is to be noticed that the all of the bank term loans have been repaid following the second bond debt issued on April 7, 2016. The revolving credit line of €250m remains in force (it is not used at June 30, 2017).

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

This covenant is calculated and communicated to the lenders' agent twice a year.
The leverage ratio covenant at the end of June 2017 is met.

5. 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 digital signals and related services, provision of uplink services, temporary or permanent rental of 'space' (satellite transponder time), allowing TV broadcasting to given territories,
- Radio: carrying and broadcasting signals and related services,
- Telecom: 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 IFRS 2 charges, severance payments and related fees" is notably followed up, is followed up and correspond to EBITDA restated
  - from charges booked in application of IFRS 2 (which are in the Group's case without cash impact),
  - 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.).
- Columns "Dec 2016 Restated (12 months)" and "June 2016 Restated (6 months) which present 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 2016 group results until disposal date, see notes 6.2).

	In thousands euros	Unaudited June 2017 (6 months)	Dec 2016 (12 months)	Unaudited June 2016 (6 months)	Unaudited Dec 2016 Restated (12 months)	Juin 2016 Restated (6 months)	Variation June 2017 / June 2016 Restated	Variation in %
Income	Digital Television	87 523	187 411	101 010	187 411	101 010	(13 487)	-13%
	Radio	57 333	120 858	62 483	119 248	60 873	(3 540)	-6%
	Total Broadcasting Services	**144 856**	**308 269**	**163 493**	**306 659**	**161 883**	**(17 027)**	-11%
	Telecom: site hosting	143 249	269 892	133 770	269 892	133 770	9 479	7%
	Telecom: other services	12 387	23 413	11 230	23 413	11 230	1 157	10%
	Total Telecoms & Services	**155 636**	**293 305**	**145 000**	**293 305**	**145 000**	**10 636**	7%
	Media Services	25 077	52 901	28 631	49 777	25 507	(430)	-2%
	Other	7 032	19 418	4 393	19 388	4 366	2 666	61%
	Total revenue	**332 601**	**673 893**	**341 517**	**669 129**	**336 756**	**(4 155)**	-1%
	EBITDA excluding IFRS 2 charges, severance payments and related fees	**159 764**	**354 304**	**173 998**	**354 085**	**173 779**	**(14 015)**	-8%
	EBITDA	**157 557**	**352 282**	**172 825**	**352 156**	**172 699**	**(15 142)**	-9%
	Depreciation, amortisation and impairment losses	(84 068)	(164 159)	(83 045)	(162 226)	(81 113)	(2 955)	4%
	Current Operating Income	**73 489**	**188 123**	**89 780**	**189 930**	**91 586**	**(18 097)**	-20%
	Impairment of goodwill & intangible assets identified in business combinations		(776)	(776)				
	Other operating income and charges	1 462	77 787	80 960				
	Operating Income (Loss)	**74 951**	**265 134**	**169 964**				
Flows	**Net cash from operating activities (a)**	**93 984**	**243 317**	**135 895**	**244 034**	**136 739**	**(42 755)**	-31%
	Operating capex (b) *	**(93 975)**	**(164 989)**	**(71 422)**	**(164 507)**	**(70 940)**	**(23 035)**	32%
	Working capital effects on operating capex (c)	(2 963)	19 526	3 484	19 526	3 484	(6 447)	-185%
	Operating disposals net from working capital effects (d)	630	276	-	399	(4)	634	-15850%
	Operating cash available ((a) + (b) + (c) + (d))	**(2 324)**	**98 130**	**67 957**	**99 452**	**69 279**	**(71 603)**	-103%
	Workforce (full-time average equivalent)	**2 137**	**1 958**	**1 914**	**1 934**	**1 864**	**273**	15%

** Operating capex excluding financial lease capex*

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

6.1 Discontinued operations

At June 30, 2017, as at December 31 2016, the Group does not have any discontinued operations in the meaning of IFRS 5.

6.2 Assets held for sale and disposed entities

At June 30, 2017, the Group doesn't have any assets held for sale in the meaning of IFRS 5. At June 30, 2016, assets held for sale concern the Arkena Nordics sub-group (see below).

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

Monaco Media Diffusion ("MMD", formerly named MCR) loss of control occurred on April 26, 2016, as a consequence of the disposal of 2% of the share capital bringing the Group's interest to 49% (see also note 16).

Also, the 6 Nordics subsidiaries of the CGU Arkena (see note 16), 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 at June 30, 2016 and December 31, 2016 are the following:

In thousands euros	Unaudited June 2016 (4-6 months)	December 2016 (4-6 months)
Revenue	**5 055**	**5 055**
Other income	-	-
Consumed purchases	(1 233)	(1 233)
Personnel costs	(2 087)	(2 087)
External expenses	(1 335)	(1 335)
Profit/loss on disposal of non-current operating assets	(85)	(85)
Other expenses	(189)	(189)
EBITDA	**126**	**126**
Other operating income and expenses	(142)	(142)
Depreciation, amortisation and impairment losses	(2 709)	(2 709)
OPERATING INCOME (LOSS)	**(2 725)**	**(2 725)**
Other finance revenues / expenses	(127)	(127)
Income tax	(334)	(334)
NET INCOME (LOSS) OF DISPOSED OPERATIONS	**(3 186)**	**(3 186)**
Net cash from operating activities of disposed operations	**(844)**	**(844)**

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, when Arkena Nordics entities were qualified as held for sale as of June 30, 2016, the forecasted net result of the disposal (net from disposal costs) being 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.

7. Notes to the statement of comprehensive income

7.1 Revenue

In thousands euros	Unaudited June 2017 (6 months)	 June 2016 (6 months)
Digital Television	87 523	101 010
Radio	57 333	62 483
Total Broadcasting Services	**144 856**	**163 493**
Telecom: site hosting	143 249	133 770
Telecom: other services	12 387	11 230
Total Telecoms & Services	**155 636**	**145 000**
Media Services	25 077	28 631
Others	7 032	4 393
Total revenue	**332 601**	**341 517**

Following the « second digital dividend » and the CSA final decisions (French TV and radio regulatory body), the two multiplex R5 and R8 shutdown early April 2016 brought forth a revenue decrease of 11.3 million euros between June 2017 and June 2016.
Also, revenue is impacted by the following perimeter effects:

- +€19.7m corresponding to the revenue generated by the ITAS group entities at the end of June 2017 (group acquired on October 12, 2016), minus -€5.4m corresponding to the revenue made by TDF SAS with these entities, which is now eliminated as an interco transaction, that is a net effect on the Group revenue of +€14.3m at the end of June 2017;
- -€5.1m related to MMD and Arkena Nordics perimeter effects (see the note 6.2).

7.2 Other income and expenses (in current operating income)

In thousands euros	Unaudited June 2017 (6 months)	 June 2016 (6 months)
Other income	**8 170**	**5 082**

Other income and expenses mainly comprises:

- insurance compensation, income from penalties received and operating grants received;
- 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.

The perimeter effect related to the acquisition of the ITAS Group is of +0.9 M€ on this line between June 2017 and June 2016.

In thousands euros	Unaudited June 2017 (6 months)	 June 2016 (6 months)
Business tax	(3 885)	(1 825)
Property tax	(9 060)	(8 564)
Other taxes	(2 223)	(3 691)
Provisions	1 530	(528)
Other operating expenses	(1 753)	(1 168)
Other expenses	**(15 391)**	**(15 776)**

The line Provisions 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 lines Property tax and Other taxes are impacted by the effect of the IFRIC 21 standard. Indeed, applying IFRIC 21, annual charges related to Property tax, IFER and C3S taxes have to be fully recognized on January 1st.

In 2016, the charge of the Business tax is reduced due to a cap mechanism effect related to the exceptional charge of the CVAE. It is non-recurrent effect related to the change of annual closing date of the Group in 2015 (the Group changed its annual closing date from March 31 to December 31).

The increase of the line « Other operating expenses » is due for €0.6m to the perimeter changes - net effect (acquisition of the ITAS group, MMD under equity method, and disposal of the Arkena Nordics entities, see the notes 1 and 6.2).

7.3 Consumed purchases

In thousands euros	**Unaudited**	
	June 2017 (6	**June 2016 (6**
Resold purchases	(7 836)	(6 743)
Energy and fuels	(22 570)	(20 963)
Other purchases including change in inventory	(3 174)	(2 785)
Capitalized purchases	5 077	2 795
Consumed purchases	**(28 503)**	**(27 696)**

The increase of consumed purchases is due for €2.0m to the perimeter changes - net effect (acquisition of the ITAS group, MMD under equity method, and disposal of the Arkena Nordics entities, see the notes 1 and 6.2).

7.4 Personal cost

In thousands euros	**Unaudited**	
	June 2017 (6 months)	**June 2016 (6 months)**
Salaries & wages	(55 053)	(54 805)
Social security contributions	(18 766)	(17 848)
Tax contributions on salaries & wages	(2 863)	(2 983)
Statutory employee profit sharing	(4 819)	(4 099)
Post-employment benefits : defined benefit plans	(914)	(973)
Post-employment benefits : defined contributions	(5 423)	(5 809)
Share based payments	(710)	
Other personnel costs	(2 980)	147
Capitalized personnel costs	21 564	19 155
Total personnel costs	**(69 964)**	**(67 215)**

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.

The impact of perimeter effects on the change of personnel costs splits as follows:
- +€0.2m related to the entity MMD, fully consolidated until April 2016 (see the note 6.2);
- +€1.8m concerning the six subsidiaries of the sub-group « Arkena Nordics », disposed of on July 7, 2016 (see the note 6.2) ;
- €(4.1)m concerning the various ITAS entities, acquired on October 12, 2016.

7.5 External expenses

In thousands euros	Unaudited June 2017 (6 months)	Unaudited June 2016 (6 months)
Real estate	(18 242)	(17 464)
Technical subcontracting	(28 627)	(24 819)
Administrative subcontracting	(6 439)	(6 043)
Expenses linked to personnel	(9 023)	(6 861)
Surveys & consulting fees	(3 228)	(3 403)
External & internal communication costs	(725)	(935)
Corporate fees	(2 509)	(2 222)
Insurance	(1 181)	(1 280)
External expenses	**(69 974)**	**(63 027)**

The impact of perimeter effects on the change of external expenses splits as follows:
- +€1.3m related to the entities MMD and Arkena Nordics (see the note 6.2),
- €(2.7)m concerning the various ITAS entities, acquired on October 12, 2016.

Excluding perimeter effect, the increase of external expenses is to be considered with the rise of Telecom revenue.

7.6 Profit on disposal of non-current operating assets

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

7.7 Depreciation, amortization and impairment losses

In thousands euros	Unaudited June 2017 (6 months)	Unaudited June 2016 (6 months)
Amortisation of intangible assets	(17 795)	(17 000)
Depreciation of tangible assets	(66 549)	(65 640)
Write-back of investment subsidies	328	559
Impairment of intangible assets	-	(964)
Impairment of tangible assets	(52)	-
Depreciation, amortisation and impairment losses	**(84 068)**	**(83 045)**

The impairment of intangible assets recognized at the end of June 2016 is related to the classification as assets held for sale of the 6 Arkena Nordics entities, before their disposal on July 7, 2016 (see the note 6.2).

In thousands euros	Unaudited June 2017 (6 months)	Unaudited June 2016 (6 months)
Impairment loss of intangible recognised on business combinations	-	-
Impairment loss of goodwill	-	(776)
Impairment loss	**-**	**(776)**

As of June 30, 2016, impairment of goodwill of €0.8m is related to the classification as assets held for sale of the 6 Arkena Nordics entities, before their disposal on July 7, 2016 (see the note 6.2).

7.8 Other operating income and charges

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, see also the note 2.1).

At 30 June 2017, other operating income and charges notably correspond to an unused release of €0.9m of provision for employee-related measures (reestimation of expected costs).

At June 30, 2016, other operating income and charges mainly include:
- 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, and actual costs incurred, net from uses of provision, of €0.3m;
- the allowance of an additional provision of €15.4m, in order to cover the amount of the fine issued by the French Competition Authority to the Group in the frame of the procedure following a complaint from the company ITAS TIM;
- 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 ;
- an income of €106.2m, corresponding to the earn-out related to the disposal of German entities (disposed of on March 31, 2015).

7.9 Net finance costs

Net finance costs can be broken down as follows:

In thousands euros	Unaudited June 2017 (6 months)	Unaudited June 2016 (6 months)
Revenues from available funds placed	6	80
Total financial revenue (a)	**6**	**80**
Finance expenses linked to debt : Bond	(18 472)	(13 235)
Finance expenses linked to debt : Bank term debt	-	(2 192)
Finance expenses linked to debt : Bank debt revolving	(760)	(509)
Finance expenses linked to debt : Shareholder	(45 127)	(42 042)
Finance expenses linked to debt : Financial lease	(228)	(287)
Finance expenses linked to debt : Other debts	(20)	(147)
Refinancing costs	-	(11 942)
Result on financial instruments measured at amortized cost (b)	**(64 607)**	**(70 354)**
Capitalisation & amortisation of loan issue expenses (c)	**(1 302)**	**8 145**
Profit (loss) related to derivatives (d)	**-**	**-**
Total finance expenses (e) = (b) + (c) + (d)	**(65 909)**	**(62 209)**
Net financial debt cost (a) + (e)	**(65 903)**	**(62 129)**

The change in the net financial debt cost compared to the previous year is principally explained by the following effects:

- the decrease of interests expenses on bank debts is mainly due to the progressive extinction of the bank term debts during 2016, which decrease (excluding loan issuance costs) from €807m at December 31, 2015 to €18m on April 7,2016 (following the bond debt issued at this date, see note 4.4) and 0 in May 2016;

- the bond debt issued have generated interest of €18.5m 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 change compared to June 2016 being the full year effect of the second bond debt;

- concerning the interests on the shareholder's debts, the rate remains fix and unchanged, but the interests for which payment is deferred (see note 5.3) generate additional interests;

- the lines Refinancing costs and capitalization & amortization of loan issue expenses are impacted in 2016 by the issuances and repayments of debts performed over this period, 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 the 2016 charge also includes a one shot amortization of €1.4m related to the €807m of the bank term debt repaid following the second bond issue.

See also the notes 4.4 and 9.1 describing financial debts evolution and their characteristics.

At June 30, 2017, excluding shareholder debts, the average interest rate on financial debt is 2.92% (2.66% at June 30, 2016), including financing costs.

Other financial income and charges are as follows:

In thousands euros	**Unaudited** **June 2017 (6 months)**	**June 2016 (6 months)**
Net discounting costs excluding net debt	(412)	(490)
Forex gains (losses)	(357)	769
Other financial expenses & Income	84	452
Other financial revenues / charges	**(685)**	**731**

Net discounting costs mainly concern discounting effects on provisions.

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

In thousands euros	**Unaudited** **June 2017 (6 months)**	**June 2016 (6 months)**
Currency translation differences for foreign operations	354	160
Finance income and expenses recognised in other comprehensive income	**354**	**160**

7.10 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 companies created during 2017.

The scope of the tax consolidation group being therefore greater than the consolidation of TDF Infrastructure SAS group, it should be noted that the effects of the tax consolidation (recognition of the tax group benefit and the Tax Group's tax loss carried forward) are not recognized in these consolidated financial statements. On the contrary, each entity calculates its tax expense on its own and recognizes its tax loss carried forward (or not) on its own, according to its own results and its own perspective to use or not the tax loss carried forward it generates.

The income tax expense is calculated applying the effective interest method as prescribed under IAS 34, based on the annual forecast and June 2017 earnings. The forecasted effective tax rate is calculated excluding any impacts of disposal of subsidiary or activity and in particular excluding any impairment of goodwill if it’s not subject to tax.

The income tax of the period is analyzed below:

In thousands euros	Unaudited June 2017 (6 months)	Unaudited June 2016 (6 months)
Current tax expense	(25 463)	(33 245)
Other income tax expenses	(5 476)	(10 672)
Deferred tax expense	3 975	3 592
Income tax expense from continuing operations	**(26 964)**	**(40 325)**
Income tax from discontinued operations and disposed entities	-	-
Total income tax	**(26 964)**	**(40 325)**

Note that among the €25.5m of current tax expenses mentioned above (€33.2m as of June 30, 2016), €24.2m concern entities belonging to the tax consolidation group (€32.6m as of June 30, 2016), 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, or Arkena SAS (see hereafter).

The change of other income tax expenses is explained by the fact that in 2016 the CVAE was exceptionally high due to the change of annual closing date of the Group in 2015 (the Group changed its annual closing date from March 31 to December 31), which brought forth a catch up.

Income tax recognized in other comprehensive income is analyzed below:

	Unaudited					
	June 2017 (6 months)			June 2016 (6 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 operat	354		354	156	-	156
Actuarial gains (losses) on defined benefit plan	20	(2)	18	-	-	-
Others	(5)		(5)	4	-	4
Total	**369**	**(2)**	**367**	**160**	**-**	**160**

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

	Unaudited			
	June 2017 (6 months)		**June 2016 (6 months)**	
In thousands euros	**Value**	**Rate**	**Rate**	**Value**
Profit (loss) for the period	(18 232)			68 403
Total income tax for the period	(26 964)			(40 325)
Profit (loss) excluding income tax	8 732			108 728
Theoretical income tax based on the French statutory income tax rate	**(3 006)**	**34,43%**	**34,43%**	**(37 435)**
Permanent differences on disposals	-		-29,60%	32 184
Impairment of tax loss carried forward	(16 259)	186,20%	13,87%	(15 078)
Other income tax expenses (CVAE, etc)	(3 182)	36,44%	6,38%	(6 941)
Non-deductible interest	(5 643)		4,89%	(5 322)
Impact of goodwill impairment and IFRS 5 loss	-		0,55%	(599)
Effect of difference in foreign tax rates (theoretical rate)	109	-1,25%	0,34%	(374)
Deferred tax on "CVAE" (1)	354	-4,05%	-0,17%	180
Other permanent differences	468	-5,36%	7,22%	(7 846)
Others	195	-2,23%	-0,83%	906
Actual income tax	**(26 964)**	**244,18%**	**37,09%**	**(40 325)**

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

Concerning non-deductible interests, as a reminder, in France, the interest's deductibility limit is 75%. This tax effect concerns interest costs on bank debts, on bond debt and on the shareholder loan.

At June 30, 2017, the changes related to depreciations or non-recognition of tax loss carried forward assets are notably related to TDF Infrastructure SAS: the impact of the tax loss carried forward brought forth by TDF Infrastructure SAS over the period and unrecognized amounts €14.4m vs €12.0m as of June 30, 2016.
Deferred tax assets of TDF Infrastructure SAS and Arkena SAS (€1.0m over the period) are not recognized, since these entities do not have strong enough forecasts demonstrating consumption of tax loss carried forward, but note that a tax consolidation is actually done above TDF Infrastructure SAS level (see above).

At June 30, 2016, the permanent difference on disposals effect is explained by the earn-out of €106.2m recognized on the disposal of the German entities shares, which is only taxable up to 12%, that is a permanent difference effect of €32.2m.

8. 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.

8.1 Goodwill

At June 30, 2017, the Group goodwill breaks down by CGU or group of GGUs as follows:

Unaudited

In thousands euros	**Dec 2016**	Change in consolidation scope : acquisitions	Impairment losses	Change in consolidation scope : disposals / IFRS 5	Currency translation adjustment	Reclassifi-cation and allocation	**June 2017**
TDF	**1 739 147**				-	(47 186)	**1 691 961**
Arkena	**1 852**				-		**1 852**
Mediamobile	**10 784**	-	-	-	-		**10 784**
Levira	**-**	-	-	-	-		**-**
Total	**1 751 783**	**-**	**-**	**-**	**-**	**(47 186)**	**1 704 597**

The decrease of the TDF CGU goodwill corresponds to the purchase price allocation work performed concerning the ITAS group acquisition, pursuant to IFRS 3, which led to reduce the goodwill by €47.2m as of June 30, 2017 (see notes 1 and 8.2). Some allocation work is still to be performed.

At June 30, 2016, the Group goodwill breaks down by CGU or group of GGUs as follows:

Unaudited

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	**Juin 2016**
TDF	**1 611 016**	882	-	-	-		**1 611 898**
Arkena	**2 628**	-	-	(776)	-		**1 852**
Mediamobile	**10 784**	-	-	-	-		**10 784**
Levira	**-**	-	-	-	-		**-**
Total	**1 624 428**	**882**	**-**	**(776)**	**-**	**-**	**1 624 534**

The €0.9m increase of the TDF CGU goodwill corresponds to goodwill allocations performed following the acquisition of the company AD Valem Technologies in September 2015, pursuant to IFRS 3.

The decrease of the Arkena CGU goodwill is related to the classification as assets held for sale (IFRS 5) of the 6 Arkena Nordics entities (a sub-group of the Arkena CGU) which are subject to an ongoing disposal process at June 30, 2016 (see also the notes 6.2).

8.2 Intangible assets

Intangible assets are analyzed below:

In thousands euros	Total
Gross value at December 31, 2016	**840 242**
Acquisitions	**15 785**
Disposals	**(6 635)**
Reclassifications	**5**
Changes in consolidation scope	**67 000**
Currency translation adjustments	**6**
Gross value at June 30, 2017 (Unaudited)	**916 403**

In thousands euros	Total
Amortization at December 31, 2016	**(576 768)**
Charge of the period	**(17 795)**
Disposals	**6 635**
Currency translation adjustments	**(6)**
Amortization at June 30, 2017 (Unaudited)	**(587 934)**

	Total
Impairment losses at December 31, 2016	**(110 318)**
Impairment losses at June 30, 2017 (Unaudited)	**(110 318)**
Carrying amount at December 31, 2016	**153 156**
Carrying amount at June 30, 2017 (Unaudited)	**218 151**

Since no trigger event occurred at June 30, 2017, no impairment test was performed on brands with an indefinite useful life (included in intangible assets). The net book value of these brands is €23.0m at June 30, 2017

The changes in consolidation scope effects correspond to the purchase price allocation work performed concerning the ITAS group acquisition, which led to the recognition of intangible assets, which fair values determined at October 12, 2016 represent a global amount of 67 million:
- €14.2m concerning the backlog,
- €52.8m concerning the customer relationship.

See also the note 1.

8.3 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 December 31, 2016	**602 571**	**1 653 865**	**66 606**	**580 168**	**2 903 210**
Acquisitions	15 161	45 349	2 349	16 579	**79 438**
Disposals	(612)	(10 029)	(4 054)	(5 542)	**(20 237)**
Reclassifications	71	894	35	(522)	**478**
Changes in consolidation scope				616	**616**
Currency translation adjustments	27	78	7	(18)	**94**
Gross value at June 30, 2017 (Unaudited)	**617 218**	**1 690 157**	**64 943**	**591 281**	**2 963 599**

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	Total
Amortization at December 31, 2016	**(244 784)**	**(895 421)**	**(59 485)**	**(332 489)**	**(1 532 179)**
Charge of the period	(9 782)	(38 929)	(1 490)	(15 926)	**(66 127)**
Disposals	596	10 890	4 049	4 603	**20 138**
Reclassifications		(316)		(246)	**(562)**
Changes in consolidation scope				(678)	**(678)**
Currency translation adjustments	(24)	(62)	(6)	19	**(73)**
Amortization at June 30, 2017 (Unaudited)	**(253 994)**	**(923 838)**	**(56 932)**	**(344 717)**	**(1 579 481)**

	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	Total
Impairment losses at December 31, 2016	**(6 588)**	**(37 049)**	**(8)**	**(3 991)**	**(47 636)**
Charge of the period				(52)	**(52)**
Disposals					**-**
Reclassifications				41	**41**
Changes in consolidation scope		(1 281)		(588)	**(1 869)**
Currency translation adjustments		(1)		(4)	**(5)**
Impairment losses at June 30, 2017 (Unaudited)	**(6 588)**	**(38 331)**	**(8)**	**(4 594)**	**(49 521)**

Carrying amount at December 31, 2016	**351 199**	**721 395**	**7 113**	**243 688**	**1 323 395**
Carrying amount at June 30, 2017 (Unaudited)	**356 636**	**727 988**	**8 003**	**241 970**	**1 334 597**

<u>30 June 2017</u>

Changes in consolidation scope flows correspond to goodwill allocations performed concerning ITAS.

8.4 Trade receivables and other current and non-current assets

Other current and non-current assets are as follows:

	Unaudited June 2017			Dec 2016		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories,including items in progress	11 923	(2 429)	9 494	12 233	(2 339)	9 894
Total inventories	**11 923**	**(2 429)**	**9 494**	**12 233**	**(2 339)**	**9 894**

	Unaudited June 2017			Dec 2016		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade accounts receivables	192 312	(6 749)	185 563	131 423	(7 895)	123 528
Trade receivables on disposal of assets	674		674	674		674
Total trade accounts receivables	**192 986**	**(6 749)**	**186 237**	**132 097**	**(7 895)**	**124 202**

	Unaudited June 2017			Dec 2016		
In thousands euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Credit notes not yet received	303		303	875		875
Advance payment - corporate income tax	5 204		5 204	9 141		9 141
Tax and social security receivables	43 104		43 104	19 461		19 461
Prepaid expenses	8 526		8 526	4 897		4 897
Escrow account	96		96	357		357
Other receivables	30 407	(143)	30 264	46 282	(380)	45 902
Total other current assets	**87 640**	**(143)**	**87 497**	**81 013**	**(380)**	**80 633**
Non-current receivables	758		758	935		935
Loans, security deposit, guaranty	3 127	(321)	2 806	3 128	(320)	2 808
Total other non current assets	**3 885**	**(321)**	**3 564**	**4 063**	**(320)**	**3 743**

9. 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.

9.1 Financial debt

As of June 30, 2017, 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 2016**	Increase	Decrease	Others	**Unaudited June 2017**
Bond	1 382 472	-	1 033	-	1 383 505
including bond nominal amount	1 400 000			-	*1 400 000*
including bond issuance costs	(17 528)		*1 033*	-	*(16 495)*
Bank debt	(1 530)	-	266	-	*(1 264)*
including loan issuance costs	*(1 530)*		*266*	-	*(1 264)*
including term debt	-	-		-	-
including revolving debt	-	-	-	-	-
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	6 960	1 248	(1 231)	(63)	6 914
Other financial debts	79 895	30 244	(1 734)		108 405
Financial debt	**2 531 396**	**31 492**	**(1 666)**	**(63)**	**2 561 159**

In thousands of euros	**Dec 2015**	Increase	Decrease	Others	**Unaudited Juin 2016**
Bond	592 761	787 917	761		1 381 439
including bond nominal amount	*600 000*	*800 000*	-		*1 400 000*
including bond issuance costs	*(7 239)*	*(12 083)*	*761*		*(18 561)*
Bank debt	802 021	-	(803 823)	-	(1 802)
including loan issuance costs	*(4 979)*		*3 177*	-	*(1 802)*
including term debt	*807 000*	-	*(807 000)*		-
including revolving debt		-		-	-
Shareholders' debt	1 063 599	-	-		1 063 599
Finance lease debt	6 904	1 416	(1 391)		6 929
Other financial debts	29 348	87	(13 106)	2 448	18 777
Financial debt	**2 494 633**	**789 420**	**(817 559)**	**2 448**	**2 468 942**

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 4.4).
The loan issue expenses (including issue discount) disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) amount to €16.5m as of June 30, 2017 (€17.5m as of December 31, 2016).

Bank debt

At June 30, 2017 (and as of 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 7.9). Only €1.3m of costs remain activated and correspond to the revolving debt (which is not used at June 30, 2017).

Shareholders loans

No change since December 31, 2016.

Other financial debts

Other financial debts of €108.4m at June 30, 2017 (December 31, 2016: €79.9m) correspond to:

- Current accounts with Tivana France Holdings and TDF Infrastructure Holding (indirect and direct shareholders of the Group) for a total amount of €92.7m (€62.5m as of December 31, 2016);
- €1.9m of debts from ITAS entities, acquired October 12, 2016 (€2.1m as of December 31, 2016);
- €12.1m of debt toward former shareholders of the ITAS group (€12.5m as of December 31, 2016), with maturities at October 2017 (for half of it) and June 2018, corresponding to unpaid purchase price on October 12, 2016 and covering liability guarantees received from former shareholders;
- Third party payables for operating capex purchase, equity investments and commercial partnerships.

Financial debt (excluding accrued interests) is analyzed by maturity below:

	Unaudited			
In thousands euros	**June 2017**	**< 1 year**	**1 to 5 years**	**> 5 years**
Bond debt	1 383 505			1 383 505
Bank debt	(1 264)		(1 264)	
Shareholders' debt	1 063 599			1 063 599
Finance lease debt	6 914	2 243	4 543	128
Other financial debts	108 405	106 084	2 321	
Financial debt	**2 561 159**	**108 327**	**5 600**	**2 447 232**

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**

As of June 30, 2017:

- 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, is of €600m, with a fixed coupon of 2.875% and a maturity on October 19, 2022;
- the second bond debt, issued on April 7, 206, is of €800m, with a fixed coupon of 2.50% and a maturity on April 7, 2026;

9.2 Employee benefits

No significant change compared to December 31, 2016.

9.3 Provisions

In thousands euros	Dec 2016	Provisions – additions	Provisions – utilisations	Provisions – unused	Discounting	Currency translation adjustment	Others	June 2017
		Unaudited						Unaudited
Prov. for post-employment benefits (pension, retirement benefit)	20 747	887	-	-	-	(2)	(20)	21 612
Prov. for employee-related measures	35 433		(5 230)	(900)	200			29 503
Provision for claims and disputes	3 240	591	(370)	(738)			228	2 951
Provision for dismantling, decommissioning and restoring sites	42 002		(234)		211			41 979
Prov for bringing into compliance of sites	5 785		(615)				90	5 260
Provision on onerous contract	2 574							2 574
Other provisions	17 445	866	(328)	(36)			(256)	17 691
Total provisions	**127 226**	**2 344**	**(6 777)**	**(1 674)**	**411**	**(2)**	**42**	**121 570**
Presented as current	**48 639**							**49 368**
Presented as non-current	**78 587**							**72 202**

In thousands euros	Dec 2015	Provisions – additions	Provisions – utilisations	Provisions – unused	Discounting	Currency translation	Others	Juin 2016
		Unaudited						Unaudited
Prov. for post-employment benefits (pension, retirement benefit)	19 091	964	-	-	(56)	(2)	-	19 997
Prov. for employee-related measures	29 700	13 996	(3 379)	(300)	-	-	-	40 017
Provision for claims and disputes	9 402	15 778	(15)	(231)	-	-	-	24 934
Provision for dismantling, decommissioning and restoring sites	38 596	-	(231)	-	545	-	258	39 168
Prov for bringing into compliance of sites	5 801	-	(19)	-	-	-	-	5 782
Provision on onerous contract	4 350	-	(500)	-	-	-	-	3 850
Other provisions	15 864	301	(399)	(3 051)	-	-	(258)	12 457
Total provisions	**122 804**	**31 039**	**(4 543)**	**(3 582)**	**489**	**(2)**	**-**	**146 205**
Presented as current	**33 386**							**54 945**
Presented as non-current	**89 418**							**91 260**

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 12.1).

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 2016. At June 30, 2017, the provision related to this agreement is of €28.8m.

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 €0.7m as of June 30, 2017 (€2.1m as of December 31, 2016).

Claims and disputes, other provisions

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

Provisions for dismantling, decommissioning and restoring sites

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the amount recognized as a provision is the best estimate of the expenditure required to settle the Group's obligations, notably regarding TDF SAS' obligations.
The provision is discounted to present value using a rate that reflects the time value of money, based on the yield of a risk-free bond. This actuarial estimate is reviewed every year and, if necessary, the provision is adjusted in the following way (in accordance with IFRIC 1):

- by addition or deduction to/from the corresponding dismantling asset,
- or if the dismantling asset is already totally depreciated, the provision adjustment is taken to profit or loss.

Onerous contracts

At June 30, 2017, as well as December 31, 2016, provisions on onerous contracts concern TDF SAS.

9.4 Other current and non-current liabilities

Other liabilities are analyzed below:

In thousands euros	Unaudited June 2017	Dec 2016
Trade payables	78 336	88 176
Trade payables on fixed assets aquisitions	49 969	52 253
Corporate income tax liabilities	3 939	11 424
Tax and social liabilities	106 847	87 396
Other current liabilities	101 594	76 279
Current liabilities	**340 685**	**315 528**
Other non-current liabilities	**42 334**	**30 178**
Total liabilities	**383 019**	**345 706**

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

Other current and non-current liabilities include deferred income of €107.8m (€70.2m as of December 31, 2016) of which €28.5m is maturing after one year (€16.3m after December 31, 2016).

10. Cash flows

10.1 Cash generated from operating activities before changes in working capital

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

10.2 Changes in working capital

In thousands euros	Unaudited June 2017 (6 months)	Dec 2016 (12 months)	Unaudited June 2016 (6 months)
Changes in inventories	401	(1 816)	(813)
Changes in trade receivables	(60 121)	9 542	(51 844)
Changes in trade payables	(9 522)	(6 913)	(5 970)
Changes in prepaid income	37 606	(8 404)	26 758
Changes in other working capital	10 409	4 273	40 112
Changes in working capital	**(21 227)**	**(3 318)**	**8 243**

10.3 Net cash used in investing activities

At June 30, 2017, the line « Acquisition of controlling interests, net of cash & cash equivalents acquired » correspond to:
- €(1.2)m of residual payments of expenses incurred for the acquisition of the ITAS group ;
- €(0.5)m corresponding to an earn-out paid in 2017 for the acquisition of the entity Ad Valem in 2015.

At June 30, 2016, the line "Net proceeds from disposal of subsidiaries formerly controlled" mainly includes:
- €5.9m of fees reinvoiced to Tivana France Holdings and corresponding to expenses incurred by the Group in the frame of the change of shareholders and following refinancing operations at March 31, 2015 ;
- €(0.6)m of expenses paid concerning the disposal project of the 6 Arkena Nordics entities (see the note 6.2) ;
- €(0.3)m of expenses paid related to former disposals.

At June 30, 2016, the line "Change in other financial assets" essentially comprises:
- the bond loan of €90m that the Group subscribed to in relation to its acquisition projects;
- deposits paid for patents as well as loans and advances granted in relation to network deployments.

10.4 Net cash used in financing activities

At June 30, 2017, drawdowns and repayment of debts are mainly the following:
- net proceeds of €30.2m concerning the current accounts with TDF Infrastructure Holding and Tivana France Holdings,
- €(1.2)m finance lease installments paid,

At June 30, 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 9.1);
- €(1.4)m finance lease installments paid,
- net repayments of €(10.5)m concerning the current accounts with TDF Infrastructure Holding and Tivana France Holdings,
- repayment of the current account with Monaco Media Diffusion (ex –MCR) after its switch to the equity method for €(2.4)m.

At the end of June 2016, the €11.9m of expenses related to the financing correspond to the issuance costs of the bond debt issued on April 7, 2016.

At June 30, 2017, the line « Financial interests » mainly correspond to the €20m payment related to the first term on the €800m bond debt issued on April 7, 2016.

11. Workforce

Total Group headcount is as follows:

	Unaudited June 2017	Dec 2016
France	2 233	2 215
International	165	157
Total workforce at closing	**2 398**	**2 372**

12. Contingent liabilities and off-balance sheet commitments

12.1 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 June 30, 2017

No significant change since December 31, 2016.

12.2 Firm commitments

A. Operating lease commitments – Group as lessee

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

In thousands euros	Unaudited June 2017	Dec 2016
At less than 1 year	17 506	18 978
From 1 to 5 years	14 775	14 990
More than 5 years	12 350	11 675
Total	**44 631**	**45 643**

On February 17, 2016, the Group signed a lease for an office building in Montrouge, located at 155 bis Avenue Pierre Brossolette. It's a 9 years lease from February 1, 2017 to January 31, 2026.
The Group has changed of head office since early February 2017: the new head office is located at 155 bis Avenue Pierre Brossolette in Montrouge. The lease of offices located at 106, avenue Marx Dormoy (Montrouge) was terminated on 02/28/2017.

B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

In thousands euros	Unaudited June 2017	< 1 year	1 to 5 years	> 5 years
Commitment of capex	64 605	52 859	11 746	
Commitment others	31 014	22 071	8 838	105
Total	**95 619**	**74 930**	**20 584**	**105**

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**

The change in commitments of capex between December 2016 and June 2017 is notably due to commitments given in the frame of the tender won by TDF on the AMEI Yvelines (see note 1).

C. Firm commitments to provide services

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

In thousands euros	Unaudited June 2017 Actual (6 months)	Projection	< 1 year	1 to 5 years	> 5 years
Digital Television	87 523	506 505	170 681	334 119	1 705
Radio	57 333	240 446	94 204	133 254	12 988
Total Broadcasting Services	**144 856**	**746 951**	**264 885**	**467 373**	**14 693**
Telecom: site hosting	143 249	1 845 857	244 227	843 533	758 097
Telecom: other services	12 387	17 145	5 336	7 571	4 238
Total Telecoms & Services	**155 636**	**1 863 002**	**249 563**	**851 104**	**762 335**
Media Services	25 077	34 845	18 189	16 656	
Others	7 032	164	163	1	
Total revenue / future contractual revenue	**332 601**	**2 644 962**	**532 800**	**1 335 134**	**777 028**

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**

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

12.3 Contingent commitments

Bank guarantees given and received

The Group's given and received bank guarantees, contracted in the course of business, respectively amount to €26.1m and €1.7m, vs. respectively €23.5m and €19.2m at December 31, 2016.

Commitments under bank agreements

No change compared to December 31, 2016.

Other commitments

No significant change since December 31, 2016, except on the following points:

Guarantees given by the Group concerning disposal of entities

- Alticom (sold June 7, 2011):
  - Income tax and business tax: at 30 June 2017, all guarantees have expired.

- Arkena Nordics entities (sold on July 7, 2016)
  - As part of the deal, the Group gave some guarantees to the buyer, which maximum benefit amount is SEK30m, that is €3.2m. At 30 June 2017, these guarantees expired, except for some specific topics for which the deadline is April 7, 2018, and also for some tax topics for which the deadline corresponds to the legal deadline for a fiscal audit.

Guarantees given concerning optical fiber PIN under Public Service Delegation
As part of the deployment of the Val d'Oise PIN (see note 1), the Group signed a Public Service Delegation contract. This contract for the construction and operation of the network lasts until 2042.

13. Shares in associates

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. Figures disclosed in the June 2016 column of the table below correspond to the results of this entity between April, 26 2016 and June 30, 2016.

	Unaudited	
In thousands euros	June 2017 (6 months)	June 2016 (2 months)
Revenue	**2 337**	**784**
EBITDA	**1 169**	**439**
OPERATING INCOME (LOSS)	**1 052**	**475**
Financial income and expenses		
Income tax	(299)	(145)
NET INCOME	**753**	**330**

14. Related party disclosures

14.1 Compensation of key management personnel

No new compensation scheme towards key management personnel has been set up during 2017 first half year.

14.2 Transactions with related parties

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

1. Companies owned directly or indirectly by TDF Infrastructure Holding SAS (shareholder of the Group),
2. Companies owned directly or indirectly by Tivana France Holdings (shareholder of TDF Infrastructure Holding SAS), Brookfield Infrastructure group, Public Sector Pension Investment Board (PSP Investments), APG Asset Management N.V., Arcus Infrastructure Partners, and Predica SA,
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 of the period made with related parties of the TDF Infrastructure SAS group are:

- Interest charges invoiced to the Group by Tivana France Holdings amounting over the period €45.1m, and related to the shareholder loan of €1 063.6m;
- net receipts of €30.2m from current accounts with TDF Infrastructure Holding and Tivana France Holdings;
- €0.4m of income and €2.5m of expenses recognized by the Group over the period related to the management fees agreement with Tivana France Holdings.

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

15. Significant subsequent events

No significant event to mention.

16. Consolidation scope

List of consolidated companies	Countries	UGT	Share capital in € thousands	% Interests June 2017 (unaudited)	Dec 2016	June 2016 (unaudited)	Observation
Full consolidation							
TDF Infrastructure SAS	**France**		**300 000**	**100,00%**	**100,00%**	**100,00%**	
TDF SAS	France		166 957	100,00%	100,00%	100,00%	
Tiare	France					100,00%	Loss of control on December 31, 2016
TDF Entertainment Oy	Finlande		500	100,00%	100,00%	100,00%	Under liquidation process
DFI BV	Netherlands		7 529	100,00%	100,00%	100,00%	
AD Valem Technologies	France		1 294	100,00%	100,00%	100,00%	
TDF Fibre	France		150	100,00%	100,00%	100,00%	Created in May 2016
Dédale Financement	France		10	100,00%	100,00%	100,00%	Created in May 2016, Merged in TDf Infrastructure on June 30, 2017
Belvédère	France		71	70,00%	70,00%		Created in July 2016
ITAS	France	**TDF**	208	100,00%	100,00%		
Tim Acquisition	France		10 795	100,00%	100,00%		
ITAS Tim	France		4 830	100,00%	100,00%		
One Cast	France		3 000	100,00%	100,00%		
Tim Power	France		200	100,00%	100,00%		Entities acquired on October 12, 2016
SIT	France		894	100,00%	100,00%		
ITAS Pylones (ex Sud Ouest)	France		500	100,00%	100,00%		
ITEA	France		225	100,00%	100,00%		
ITAS Méditerranée	France		355	100,00%	100,00%		
Tim Congo	Congo		15	100,00%	100,00%		
Tim Acquisition	France		10 795	100,00%	100,00%		Entity acquired on October 12, 2016, merged in ITAS on June 30, 2016
ITAS Sud Ouest	France		50	100,00%			Created in April 2017
Val d'Oise Fibre	France		7 000	100,00%			Created in March 2017
Arkena SAS (ex - Cognacq Jay)	France		37 285	100,00%	100,00%	100,00%	
Smartjog France	France				100,00%	100,00%	Merged in Arkena SAS in March 2017
Arkena Inc (ex - Smartjog USA)	USA		2 017	100,00%	100,00%	100,00%	
Bebanjo	Espagne		8	100,00%	100,00%	100,00%	
Arkena Sp.zoo (ex PSN)	Pologne	**Arkena**	998	100,00%	100,00%	100,00%	
Arkena holding (ex - Qbrick holding)	Suède					100,00%	
Arkena AB (ex - Qbrick AB)	Suède					100,00%	
Arkena AS (ex - Qbrick AS)	Norvège					100,00%	Disposed of on July 7, 2016
Arkena A/S (ex - Qbrick A/S)	Danemark					100,00%	
Arkena Oy (ex - Qbrick Oy)	Finlande					100,00%	
Arkena Spain SL (ex - Qbrick Spain SL)	Espagne					100,00%	
Médiamobile	France	**Média-mobile**	1 157	71,19%	71,19%	71,19%	
Mediamobile Nordic	Finlande		3 050	71,19%	71,19%	71,19%	
Levira	Estonie		9 587	49,00%	49,00%	49,00%	
Talinna Teletorn Foundation	Estonie	**Levira**	13	49,00%	49,00%	49,00%	
Levira Central Europe	Estonie		5	49,00%	49,00%	49,00%	
Mise en équivalence							
Monaco Media Diffusion (ex- MCR)	Monaco	**TDF**	549	49,00%	49,00%	49,00%	Under equity method since April 26, 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.