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GROUPE TF1 AND GROUPE M6 ENTER INTO EXCLUSIVE NEGOTIATIONS TO PROVIDE A FRENCH RESPONSE TO THE CHALLENGES FROM GLOBAL PLATFORMS

- **Proposed merger between Groupe TF1 and Groupe M6 to create the French media group with the broadest TV, radio, digital, content production and technology offering to the benefit of all viewers and the French audiovisual industry.**
- **Acceleration of the development of a French streaming champion combining a catch-up and live streaming offer (based on MyTF1 & 6play) and a SVOD service.**
- **Building upon the know-how and complementarity of the two groups – with strong commitment to creativity, diversity and pluralism of opinion, promoting French and European culture.**
- **Consolidated 2020 Pro Forma financials of the merged company: €3.4bn revenues and Current operating profit of €461M¹.**
- **Value creation for all shareholders of both groups through annual synergies (EBITA impact) estimated at €250M to €350M, within three years after completion of the transaction. The combined group will aim to distribute 90 per cent of its free cash flow in dividends.**
- **Long-term support from Groupe Bouygues and RTL Group, holding respectively 30% and 16% of the new group, following the acquisition of an 11% stake by Groupe Bouygues from RTL Group, for a consideration of €641M. Groupe Bouygues would have exclusive control over the merged company, acting in concert with RTL Group as a strategic shareholder.**
- **Transaction terms: special cash dividend payment of €1.50 per share to Groupe M6 shareholders; overall economic exchange ratio of 2.10 Groupe TF1 shares for 1 Groupe M6 share².**
- **Proposed merger between Groupe M6 and Groupe TF1 offering the highest value creation to all shareholders.**
- **Project unanimously approved by the Boards of Groupe TF1, Groupe Bouygues, RTL Group and Groupe M6.**
- **Completion of the transaction by year-end 2022, after consultation with employees' representatives, regulatory approvals (antitrust and CSA) and shareholder meetings of both companies.**

Paris, Boulogne-Billancourt, Neuilly-sur-Seine and Luxembourg, 17 May 2021

Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group today announce that they have signed agreements to enter into exclusive negotiations to merge the activities of Groupe TF1 and Groupe M6 and create a major French media group. The new group would be well positioned to master the challenges arising from the accelerating competition with global platforms, active on the French advertising market and in the production of quality audiovisual content. The merger project has been unanimously approved by the Boards of Groupe Bouygues, RTL Group, Groupe TF1 and Groupe M6.

¹ Corresponding to the sum of the current operating profits published by the 2 Groups

² Detailed transaction terms on page 3



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A French media group ready to master the new challenges of the total video market

Groupe TF1 and Groupe M6 are active in a growing total video market where increasingly rich, original and exclusive content is driving long term audience growth.

This market, where linear TV remains a powerful media, is undergoing a structural transformation, with a strong shift towards on-demand consumption.

The combination of these two players, of the know-how of their employees and of their strong brands, would allow the new group to invest more and to step-up innovation. The proposed merger is critical to ensure the long-term independence of French content creation and to continue to offer diversified and premium local content to the benefit of all viewers.

Ambitious industrial project

The merged group would pursue an ambitious industrial project focused on five key priorities:

- **Strengthen the supply of French quality content** leveraging a portfolio of strong brands and ambitious investment levels.
- **Continue to guarantee the independence, reliability and quality of information** on television, radio and digital, while respecting pluralism and preserving each channel's identity.
- **Further develop a production hub for local and international content** across all media segments, with the ambition to grow international content sales.
- **Accelerate the development of a French streaming champion** combining a catch-up and live streaming offering (based on MyTF1 & 6play) and a SVOD service.
- **Develop cutting-edge technology in streaming** (notably leveraging Groupe TF1's assets and the Bedrock platform, jointly owned with RTL Group) **and in addressable TV advertising** to meet the needs of viewers and customers.

Gilles Pélisson, Chairman & CEO of Groupe TF1, said: "The merger between Groupe TF1 and Groupe M6 is a great opportunity to create a French total video champion that will guarantee independence, quality of content, and pluralism – values that have long been shared by our two groups. It will be an asset in promoting French culture. Groupe TF1 now approaches a new stage in its development, consistent with the strategic vision developed in the past 5 years."

Nicolas de Tavernost, CEO of Groupe M6, said: "The consolidation of the French television and audiovisual markets is an absolute necessity if the French audience and the industry as a whole are to continue to play a predominant role in the face of exacerbated international competition, which is accelerating rapidly. The combination of the two groups' know-how will allow for an ambitious French response. Furthermore, this proposed merger of Groupe M6 and Groupe TF1 is the only transaction offering value creation for all Groupe M6 shareholders."

Olivier Roussat, CEO of Groupe Bouygues, said: "The audiovisual market benefits from long term growth. In this context, Groupe Bouygues is pleased to contribute to the creation of a major French media group able to compete with the GAFANs. We are pleased with this major development and partnership which confirm Groupe Bouygues's commitment to the media since 1987. As shareholders with exclusive control over the new group, we will continue to provide it with our full support."

Thomas Rabe, CEO of RTL Group, said: "The proposed merger of Groupe TF1 and Groupe M6 would be a major step in implementing our strategy to create national media champions across our European footprint. It demonstrates how in-country consolidation creates significant value. As a strategic investor we will be long-term industrial partners of Groupe Bouygues."



Strong value creation potential for all shareholders

The merged company would have 2020 Pro Forma revenue of €3.4bn and Current operating profit of €461M. The shareholders of Groupe M6 and Groupe TF1 would benefit from significant value creation.

The synergies potential (EBITA run-rate impact) is estimated at **€250M to €350M** per year within three years from closing of the transaction.

The financial policy of the combined group would allow attractive shareholder remuneration and significant investments in content and technology. The combined group would aim to distribute 90% of its free cash flow in dividends.

Transaction terms

The transaction would be implemented based on an overall economic exchange ratio of 2.10 Groupe TF1 shares for each Groupe M6 share (after distribution of a special dividend of €1.50 per share for Groupe M6 shareholders and distribution of ordinary dividends of €1.00 per Groupe M6 share and €0.45 per Groupe TF1 share in 2022³) and based on the following steps:

- Carve-out of the activities of Groupe M6 non-related to the broadcasting authorizations of the M6 channel granted by the CSA within a new entity (“M6 Services”).
- Activities related to the broadcasting authorizations granted to the M6 channel would remain in the existing Groupe M6 legal entity which would remain listed and be renamed “M6 Edition” and would benefit from service agreements with “M6 Services”.
- Distribution by Groupe M6 to its shareholders of:
 - Shares in “M6 Services”
 - A special dividend of €1.50 per share
- Merger of “M6 Services” into Groupe TF1 based on a merger parity reflecting the overall economic exchange ratio of 2.10, adjusted for the value of the share received in “M6 Edition” retained by Groupe M6 shareholders.
- Contribution by RTL Group of its 48.3% stake in “M6 Edition” to the merged entity, the remainder being owned by Groupe M6 current free float in line with French media regulation.
- Acquisition by Groupe Bouygues of 11% of the merged entity from RTL Group for a consideration of €641M (based on a price per Groupe M6 share of €26.30 after payment of ordinary and special dividends of €1.00 and €1.50 respectively).

Groupe M6 shareholders would hence receive for each of their existing shares:

- i. An ordinary dividend of €1.00 per share
- ii. A special dividend of €1.50 per share
- iii. 1 share in “M6 Edition”
- iv. A number of shares in the merged entity reflecting the overall economic exchange ratio of 2.10 adjusted for the value of the share retained in “M6 Edition”

Following these steps, Groupe Bouygues would own approximately 30% of the merged entity, which it would have exclusive control over, as part of a shareholder agreement with RTL Group, second largest shareholder with approximately 16%. Free float would own approximately 54% of the new group of which approximately 29% for the existing float of Groupe M6 and approximately 25% for the existing float of Groupe TF1.

³ Dividends for 2021 fiscal year subject to board approvals and shareholder votes



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Governance and management

The Board of Directors of the merged group would consist of 12 members, including 4 directors designated by Groupe Bouygues, 2 directors designated by RTL Group, 3 independent directors, 2 directors representing the employees and 1 director representing the employee shareholders.

At the day the operation is finalized, the management of the combined group would include members of the current management teams of Groupe M6 and Groupe TF1. Nicolas de Tavernost will be proposed as Chairman and CEO of the merged entity. Gilles Pélisson will be nominated as Deputy CEO of Groupe Bouygues in charge of media and development.

A new name reflecting the diversity and the strength of its assets will be given to the merged company. It would remain based in France and listed on Euronext Paris.

A shareholder agreement will be entered into by Groupe Bouygues and RTL Group with customary statements made to the French AMF as appropriate. Double voting rights will also be granted to shareholders of the new group who will register their shares with the merged company, as customary.

The agreement will provide for representation of the parties within governance bodies, an obligation of consultation between the parties and rights to protect minority shareholders for the benefit of RTL Group, ensuring the predominance of Groupe Bouygues.

The pact will also provide for a number of customary restrictions with regards to the transfer of shares as well as a right of first offer for the benefit of Groupe Bouygues on 5% of the capital of the combined entity, exercisable upon the first sale of shares by RTL Group.

Conditions and timetable

In compliance with French legislation, Groupe TF1 and Groupe M6 will initiate information and consultation procedures with the employee representatives.

The completion of the transaction remains subject to the approval of the extraordinary general meetings of Groupe M6 and Groupe TF1 which would follow the receipt of the transaction appraisal documentation from the *Commissaire à la fusion et aux apports* to be designated as part of the transaction.

Completion of the transaction is also subject to customary condition precedents in particular the approvals from the antitrust authorities (*Autorité de la Concurrence*) and media regulator (*Conseil Supérieur de l'Audiovisuel*). The transaction would also give rise to a request for exemptions from the compulsory filing of a public offer project (in particular on the basis of the provisions of article 234-9, 4 ° of the general regulations - Combination of a contribution or of a merger submitted to the general meeting of shareholders with the conclusion of an agreement constituting a concerted action between the shareholders of the companies concerned) it being specified that article 39 V of the 1986 law on freedom of communication provides that crossing a mandatory tender offer threshold requires the filing of a tender-offer only for the amount of shares required to reach the regulatory limit of 49% of the share capital and voting rights.

The transaction is aimed to close by the end of 2022.



Advisors

RTL Group: J.P. Morgan acting as exclusive financial advisor and White & Case LLP as legal advisor.

Groupe Bouygues and Groupe TF1: Rothschild & Co acting as exclusive financial advisor and Darrois Villey Maillot Brochier, Vogel & Vogel and Flichy Grangé as legal advisors.

Groupe M6: Lazard acting as financial advisor and Bredin Prat, Allen & Overy, Arsene-Taxand and Deprez Guignot (DDG) as legal advisors.

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About Groupe TF1

*Groupe TF1 is a **global player in the production, editing and distribution of content.***

*Through its content, its ambition is **to positively inspire society.***

Groupe TF1 organizes its activities into several complementary poles:

The Broadcast division with 5 free-to-air channels (TF1, TMC, TFX, TF1 series films, LCI), 4 thematic channels (Ushuaia TV, Histoire TV, TV Breizh, Série Club), 2 on-demand content platforms (MYTF1, TFOU MAX), and the TF1 PUB agency.

The Production division with Newen, which brings together 9 studios in France and internationally.

The Digital division with Unify, which brings together the Group's native web activities and the most powerful digital communities (including aufeminin, Marmiton, Doctissimo, My Little Paris).

The Music division with Muzeek One, which brings together the Group's musical activities and shows.

Present in 10 countries, the TF1 Group has nearly 3,700 employees. In 2020, it achieved a turnover of €2,081.7M (Euronext Paris: ISIN FR000054900).

About Groupe M6

Created in 1987 around the M6 channel, Groupe M6 is a diversified media group based on three pillars:

television with 13 channels (including M6, 2nd commercial channel on the market), radio with 3 stations (including RTL, 1st private radio in France) and digital with more than 30 media on the internet.

On the strength of its brands and its content, Groupe M6 has gradually extended its activities through targeted diversification (production and acquisition of content, cinema, digital marketing, music, shows, etc.) and innovative offers such as 6play or Bedrock.

About Groupe Bouygues

Groupe Bouygues is a diversified service group present in more than 80 countries and with 129,000 employees working for human progress in everyday life. Promising growth, its activities meet essential and constantly changing needs: construction activities (Bouygues Construction, Bouygues Immobilier, Colas); media (Groupe TF1) and telecoms (Bouygues Telecom) (Euronext Paris, compartment A: ISIN: FR0000120503)

About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 67 television channels, ten streaming platforms and 38 radio stations. RTL Group also produces content throughout the world and owns a digital video network. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, Spain and Luxembourg. RTL Group's content business, Fremantle, is one of the world's largest creators, producers and distributors of scripted and unscripted content. Fremantle has an international network of production teams, companies and labels in over 30 countries, producing over 12,000 hours of original programming and distributing over 30,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as TV Now, 6play, Salto, Videoland), the digital video network Divimove, and



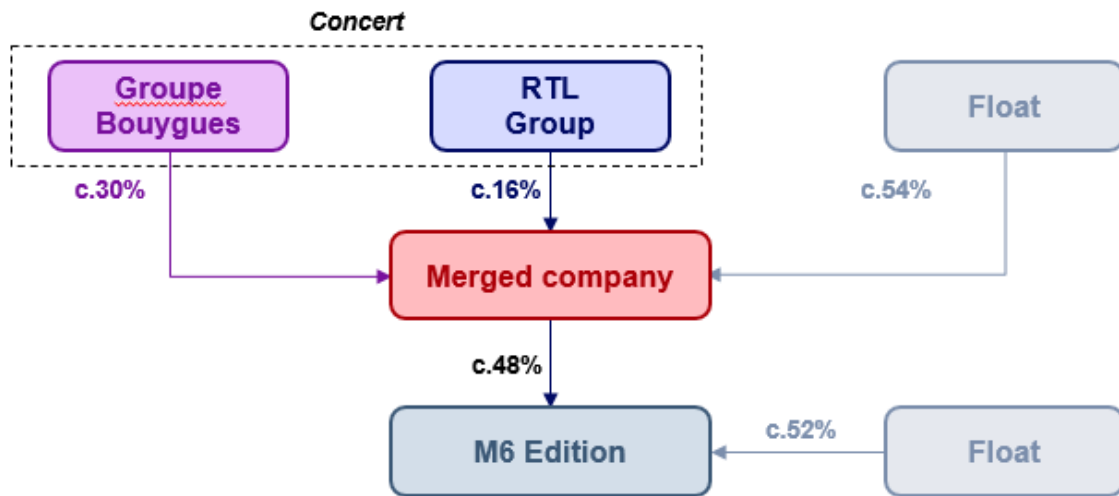
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Fremantle's more than 360 YouTube channels, RTL Group has become the leading European media company in digital video. RTL Group also owns the ad-tech businesses Smartclip and Yospace, as well as the streaming-tech company Bedrock. RTL AdConnect is RTL Group's international advertising sales house. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the SDAX stock index.



APPENDIX

Pro Forma ownership structure





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DISCLAIMER

This press release includes certain projections and forward-looking statements with respect to the anticipated future performance of the combined group.

Such information is sometimes identified by the use of the future tense, the conditional mode and forward-looking terms such as "estimates," "targets," "forecasts," "intends," "should," "has the ambition to," "considers," "believes," "could" and other similar expressions. This information is based on data, assumptions or estimates that Groupe TF1 and Groupe M6 believe are reasonable. Actual future results may differ materially from those projected or forecast in the forward-looking statements, in particular due to the uncertainties as to whether the synergies and value creation from the transaction will be realized in the expected time frame, the risk that the businesses will not be successfully integrated, the possibility that the transaction will not receive the necessary approvals, that the anticipated timing of such approvals will be delayed or will require actions that will adversely affect the anticipated benefits of the transaction, and the possibility that the transaction will not be completed.

All forward-looking statements contained in this press release are expressly qualified in their entirety by the cautionary statements contained or referred to in this disclaimer. Each forward-looking statement speaks only at the date of this press release. Groupe TF1 and Groupe M6 make no undertaking to update or revise any information or the objectives, outlook and forward-looking statements contained in this press release or that Groupe TF1 and Groupe M6 otherwise may make, except pursuant to any statutory or regulatory obligations applicable to Groupe TF1 and Groupe M6.

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