



PRESS RELEASE

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AUTHORIZATION RECEIVED FOR CANALSAT / TPS MERGER

Canal+ Group is pleased that France's Minister of the Economy, Finance and Industry today authorized the merger of CanalSat and TPS within Canal+ Group.

This transaction puts an end to the situation where France is the last major European country with two pay-TV satellite platforms.

The CanalSat-TPS merger is taking place against a backdrop of radical change in the film and TV market, with the rapid expansion of new products and services: fast-paced growth of DTT, triple-play services provided by ADSL operators, consolidation of the cable business and the development of video-on-demand (VOD) services.

The transaction will benefit consumers. It will give subscribers access to an even more extensive and diversified offering than currently available.

In the first stage, TF1, M6 and TPS Star will be made accessible to CanalSat subscribers, and TPS subscribers will have access to Canal+ Le Bouquet (all Canal+ Premium channel package). In a second stage, a new offering will be formed to broaden the choice of high-quality channels of the most popular categories: films, sport, young viewer programs, documentaries and music. This new offering will be made available to CanalSat and TPS subscribers with no change in pricing conditions.

In line with subscriber expectations, emphasis will be placed on encouraging the emergence of new channels covering subjects currently under-developed.

This transaction will also stimulate investment in high-quality, innovative and exclusive film and TV programs, which have always been the trademark of Canal+ Group offerings.

Lastly, the combined know-how of CanalSat and TPS will accelerate the spread of new technologies, in particular high definition television (HDTV).

As a result of analysis by and recommendations from the Conseil de la Concurrence (competition analysis and regulation) and the DGCCRF (French antitrust authority), **59 significant commitments have been proposed guaranteeing that the transaction will have no negative impact on any of the markets involved.**

These commitments do not call into question the pay-TV business model, or the industrial rationale underpinning the transaction and its benefits for consumers. Their aims are, inter alia, to:

- Facilitate TV and VOD operator access to rights to attractive film and TV content, especially French and U.S. films, as well as sports events. To that end, Canal+ Group has committed in particular to limiting the duration of future framework contracts with major American studios to a maximum of three years, to renounce its exclusive VOD rights, to guarantee non-discriminatory access to StudioCanal's film library, to limit the proportion of films from that library in the future entity's acquisitions, and to cease seeking combined offerings for various categories of film or sports rights.

Moreover, Canal+ Group has committed to cede back, as part of a competitive bidding process, the unencrypted film and TV rights for television series and sports programs, which the new entity may own and not exercise.

- Make several high-quality channels available to all pay-TV distributors, enabling them to develop attractive offerings. The following channels will be made available to third parties: TPS's premium channel TPS Star, three film channels (CinéStar, CinéCulte, CinéToile), Sport+, and the Piwi and Teletoon channels for young audiences. In addition, Canal+ will be made accessible in digital form (auto-distribution) by any operator willing to access it. However, Canal+ will keep control over the consumer.
- Allow independent government-regulated French-language channels to be included in the new group's satellite offerings. The current proportion of theme channels not controlled by Canal+ Group or one of the minority shareholders of the new entity (Lagardère, TF1, M6) in the group's offerings will be at least retained, including in the basic offering. This guarantee applies both to the number of channels and to revenues.

All these commitments have been made by Vivendi and Canal+ Group for a maximum period of six years, with the exception of the commitments on making channels available and on VOD, which may not exceed five years.

The transaction will also help to encourage diversity in film production in France and the rest of Europe. Canal+ Group has informed the Minister of the Economy and the Minister of Culture of guarantees provided to the French film industry, notably to ensure continuity in its policy of broad and diversified acquisitions, and the absence of any risk of discrimination in carry out this policy.

Based on all of the above, the Minister's decision will enable this industrial project to move forward and accelerate the pace of Canal+ Group's development while contributing to the growth of the media and pay-TV sector in France.