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**Draft agreement between TF1 and UGC to co-invest
in film production and acquisition**

The TF1 and UGC groups have begun discussions on a project to unite their strengths in acquiring film co-production shares through co-investment and, by creating two joint ventures, to bring together their activities in movie-theatre distribution (in France) and international audiovisual rights negotiation.

Naturally, this agreement would not concern the films co-produced and distributed by TF1 through TF1 Films Production as part of its mandatory investment requirements.

This project would enable the TF1 and UGC groups to set up a competitive and attractive unit for financing and co-producing French-language, European and international films.

Bringing together two French players in cinema production and distribution could also strengthen the industry against the consequences of the downturn in international audiovisual rights markets and the fall in television channel investment.

This agreement would be concluded under the suspensive condition of the approval of the competition authorities to which it is referred.

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