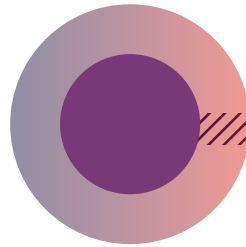
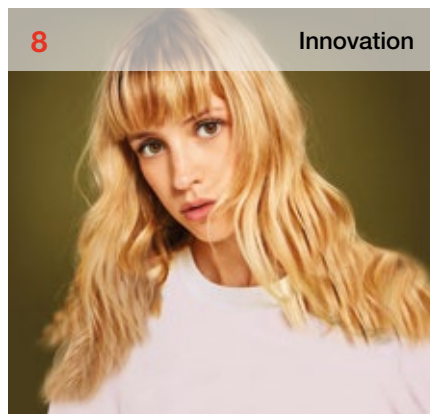


# Your Sacem

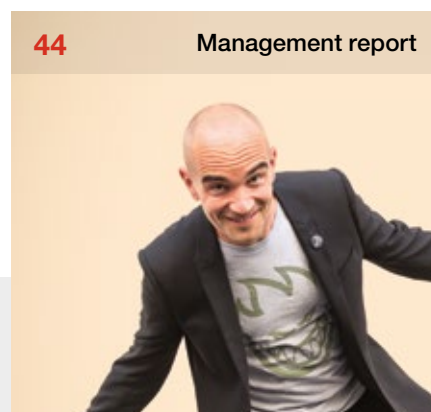
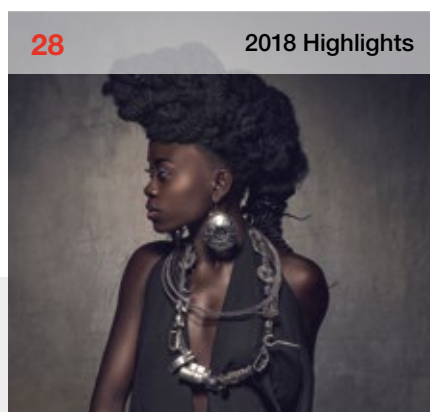


# Contents



**24** Business model

<b>General rights</b>		
	2018	€319.2m
	2017	€305.8m
<b>TV/Radio (including TV Operators)</b>		
	2018	€313.0m
	2017	€319.8m
<b>Online (music and VoD/SVoD)</b>		
	2018	€177.8m
	2017	€83.8m



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# | Sacem at a glance

Sacem is the most international of all the authors' societies in the world. We are proud to be at the forefront of our increasingly global industry – maximising the value of authors' rights, investing in technology, driving strategic partnerships and ensuring that royalties are distributed efficiently, accurately and fairly.

## | What we do

We collect royalties and distribute them to our members and mandates.

## | Where we operate

Throughout France and around the world, with more than 763,500 client contracts.

## | Who we work for

Authors, composers and publishers of music, dubbers and subtitlers, poets, comedians, and author-directors.

## | How it works







"After receiving the Sacem Grand Prize for World Music, I'm so proud to work with Sacem through my compositions."

**Calypso Rose**, Songwriter, performer

Sacem is one  
of the world's  
leading  
authors' rights  
organisations...



Membership of more than

169,400

More than 20,550  
foreign members

20,550

Distributing royalties on  
more than 2.7 million works

2.7 million

Distributing royalties to more  
than 330,000 creators worldwide

330,000

Over 11.2 trillion  
streams processed

11.2 trillion

167 nationalities represented

167

## Key drivers

### To collect and distribute royalties

For authors, composers  
and publishers of music;  
dubbers and subtitlers;  
poets; comedians, and  
author-directors.

### To protect and defend

Our members, their rights,  
their interests and our  
repertoire.

### To offer our members individual support

For everything related  
to social protection and  
professional training.

### To dedicate ourselves to sustainable creation

Through cultural activity in  
France and across the globe.





Toofan,  
Songwriters, performers

...with a  
mission  
to protect  
and enhance  
the value of  
members' rights...

#### **| Our strengths**

An expanding global repertoire  
that shines in all its diversity.

#### **| Our assets**

Tools, services and a commitment  
to all creators and publishers.

#### **| Our commitment**

To anticipate, innovate, share...  
to maximise the value of all creators'  
and publishers' rights, wherever  
they are.



## I Global actions

Sacem operates outside France either directly, through the creation of a dedicated CMO (Luxembourg, Monaco, Lebanon, French Polynesia), via a dedicated correspondent (United States), or by signing a representation agreement with a local society. Sacem is also present on the international scene via its members living abroad, the export of its repertoire, as well as the many mandates entrusted to it. In addition, Sacem participates in the governance of various global authors' rights organisations (Cisac, Biem, Towge, DDEX, etc.).

We provide worldwide coverage thanks to our recognised expertise in rights collection.

167

agreements signed with.

116

foreign societies.

240

contracts signed with online music services, including 51 with international digital service providers (DSPs).

## I Regional network

We are constantly improving the performance of our regional network, increasing collections for general rights (background music, concerts, shows, cinemas, festivals, nightclubs).

763,555

Contracts in 2018 with 506,000 highly diverse clients.

67

Local offices throughout France.





“The advent of the Charabia Festival is a bit like a joyful birth at a hospital. I first conceived this festival ten years ago; I wanted to thrill lovers of words and satisfy curious ears. Today, it unites people more than I could ever have hoped. When inspiration sings, the journey is beautiful.”

**Barcella**, Songwriter, performer,  
co-founder of the Charabia Festival in Reims

...and to  
inspire a  
strong and  
sustainable future  
for our industry.





## Our cultural involvement in 2018

2,347

cultural projects supported throughout France and worldwide.

€29.8m

invested in cultural programmes and aid.

4,770

primary and secondary school students took part in Music Factories, an educational and artistic programme launched by Sacem.

## Cultural dynamism across territories

737 venues and festivals throughout France received our help. This support helps regions deliver cultural activities and improves overall access to culture.

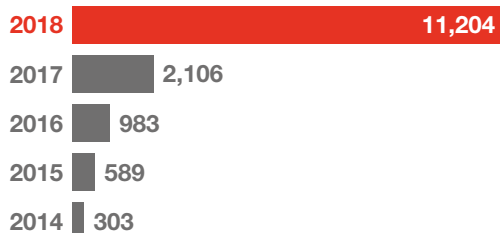
## Supporting publishers

Sacem is involved in the early stages of career development, supporting publishers in their goal of nurturing new artists through a dedicated programme. This programme has helped 438 projects from authors and composers in all types of popular music.



## Downloads and streams processed by Sacem IT

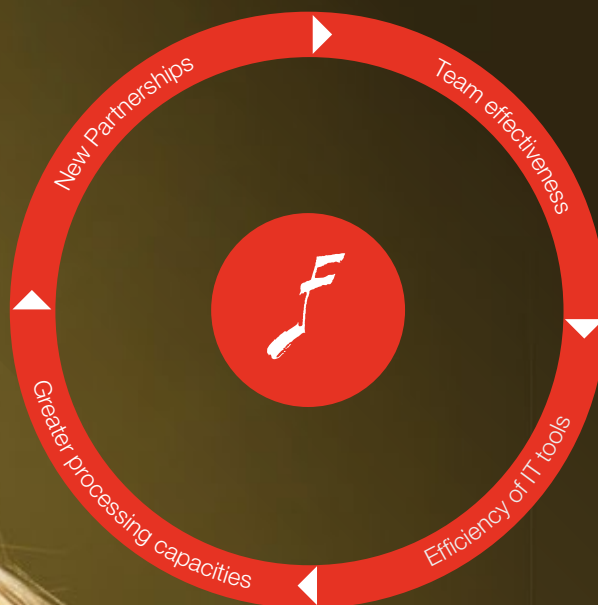
Number of streams or downloads (billion)



////// We focus  
on delivering  
fairness  
and value for  
creators...//////////



# ...by driving innovation and investing in our future...



## Partner of choice

In 2018, new mandates for the administration of online rights with Impel, PEN music and Music Sales were added to pre-existing mandates with Universal Music Publishing, Socan, Wixen, Warner Chappell and The Music Goes Round. Sacem represents, through its own repertoire and those of its partners, one of the largest catalogues in the world.

## Technological tools

The URights data processing platform is up and running and is enabling the distribution of authors' rights from major DSPs, including Spotify, Apple Music, Deezer, as well as less well-known players such as Beatport, a major online electronic music store aimed at DJs, and Cellfish, a French mobile content distribution specialist that assists in the creation and monetisation of digital audiences. Google will be processed from 2019.



## Multi-territorial deals

Following the first-ever deal in the world signed with Facebook on behalf of Universal Music Publishing Group (UMPG), Sacem signed three deals with Facebook in 2018, covering the use of Sacem's repertoire, Wixen Music Publishing's repertoire and the repertoire of the Canadian society Socan. The multi-year licensing agreements will cover more than 180 territories across Facebook, Instagram, Messenger and Oculus, and will enable users to create and share videos that include music from Sacem and the repertoires we represent.



◀ **Angèle,**  
Songwriter, performer



...resulting in  
a record year  
for royalty  
collections and  
distributions.





“2018 certainly reflects the strong attraction of streaming in France and throughout the world, from which we can directly collect royalties, which has driven growth in our online revenues by more than 100%.”

Jean-Noël Tronc, CEO of Sacem

## I Maximising royalties

Royalties from Sacem's repertoire (Sacem members), as well as from the repertoires of foreign collective management organisations with a reciprocity mandate.

### Revenue

€1,066.5m

+10%

2018	€1,066.5m
------	-----------

2017	€969.8m
------	---------

Collections showed exceptional growth last year (+10%; +€97 million vs 2017) reaching the record amount of €1,066.5 million.

### Funds for distribution

€933.2m

+9.6%

2018	€933.2m
------	---------

2017	€851.6m
------	---------



## | Sacem campaigns

More than 40 members of Sacem are involved in managing social organisations (Agessa, Ircec, Raap, Racl, Afdas) and actively work to protect the interests of creators. In the context of major social and tax reforms in France, (Generalised Social Contribution (CSG), income tax deducted at source, social security for authors, pensions, vocational training, etc.), Sacem consults with public authorities to encourage them to take into account the specific nature of the creative professions – and to ensure that the status and social rights of authors and artists are protected.



▲  
**Agoria,**  
Composer, producer and DJ

////// **We are deeply  
committed to a  
sustainable and  
vibrant cultural  
environment...** //////////////////////////////////////



# ...supporting creativity across all ages, activities and communities.

## I Provident fund

The purpose of the Sacem Mutual Assistance Allowance Scheme (RAES) is to make the end-of-career period more secure for authors, composers and publishers. Since 2018, it has been open to all members, starting from the first Euro earned in royalties.

## I Preventive health care

Sacem members have their own health care mutual fund (the Smacem). In 2018, Sacem also set up health insurance assistance for its members who live in the United States. Sacem has set up programmes for its members with a social and solidarity dimension that only collective management allows. Sacem has been committed since its inception to creating and developing a model that cares for its members at every stage of their careers. It has set up specific social programmes for its members.



“Will 2019 mean the beginning of the end for the creators? Pension reform brings with it enormous challenges that the community of authors and composers must be aware of. Our social model and our purchasing power are under threat, with the risk of owing more contributions for fewer rights. It is more necessary than ever to defend the social model built by authors and public authorities over the decades, and championed by our society since its inception.”

**Patrick Lemaître**, Composer, member of the Board of Directors of Sacem, President of Racl, Vice-President of Ircec

## €32.5m

dedicated to social welfare projects.

## 117

relief actions and 175,000 Euros paid in individual aid and associated support (Sacem Relief Fund and the Comité du Cœur association).

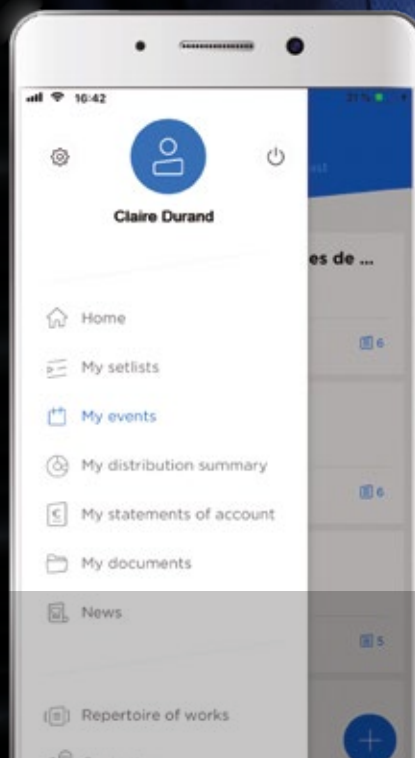


Laurent De Wilde,  
Jazz pianist, composer

## Developing long-term solutions to new challenges in our market...

### The Sacem app

Sacem's brand new mobile application makes life easier for authors and composers. It enables them to announce setlists and event dates instantly. Today, it is the best guarantee of receiving royalties quickly and with real traceability.



In total

6,853

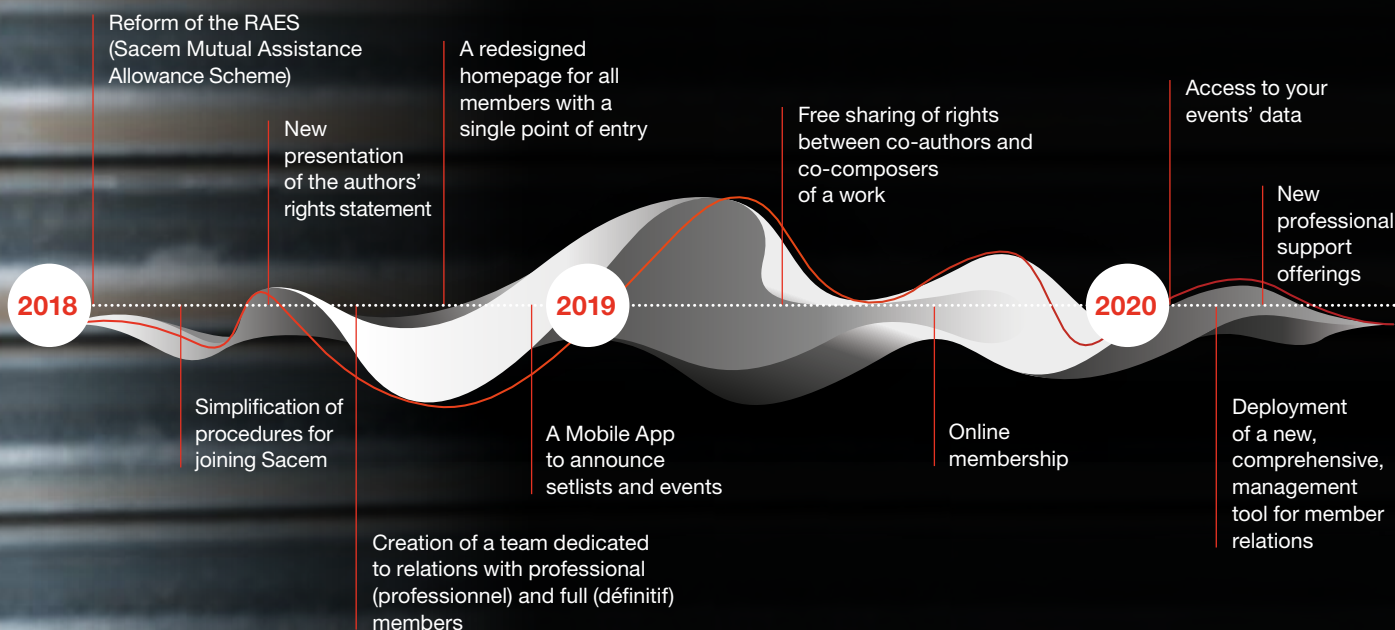
members downloaded the app

More than

10,000

events registered via the app since January





...through more  
efficient and  
accessible services  
for our members...





## A historic vote

Over the course of 2018, Sacem helped lead the campaign to fight for fair legislation of authors' rights in the European Parliament. In association with GESAC and other European partners, Sacem actively campaigned to ensure that creators get a fairer share of the revenue their works generate on User-Generated Content (UGC) platforms. The European copyright directive was finally adopted in March 2019, with article 17 (ex-article 13) applying a specific liability regime to UGC platforms.

...and a strong programme of advocacy dedicated to protecting the rights of creators...



# ...ensuring that authors, composers and publishers receive fair value for the long term.

## I Transfer of value

Digital technologies have disrupted the music industry's economic model, leading to a break in the supply chain as well as uneven distribution of the value music generates online, to the extent that creators barely benefit from it. This difference in economic benefit between creators and platforms is called the Value Gap.

### Delivering fair value for works

Sacem and its allies supported the European Copyright directive because it seeks to reduce this financial gap and to put an end to Safe Harbour, a privileged legal status created by the e-commerce directive of 2000 that favours for-profit platforms. This unadaptable status is no longer valid, given the fact that such UGC platforms profit from giving access to a large amount of copyright protected contents uploaded by users. Sacem remains strongly committed to working to eradicate this value gap, which is the most significant challenge to achieving sustainability for authors, creators and publishers.

## I Key figures

48.58%

YouTube's share of total streams.

6.99%

Share of streaming copyright revenues generated by YouTube's Content ID.

Source: Music & Copyright, 2018

## | President's statement

**Authors' rights – how many times have these words echoed around the walls of collective management organisations and parliaments across Europe and the world? More importantly, and this is the real question, how many times will it echo in the future?**

It was under extremely difficult conditions, having battled against a campaign of lies and misinformation conducted by the Internet giants, that the European Copyright Directive was finally adopted in the 2018/2019 financial year. A tremendous victory for authors' rights, and a success for European culture and diversity in general. Authors, writers, composers, journalists, directors and screenwriters all joined in the battle.

But why shouldn't the rights of an author be established once and for all? Why should they be constantly submitted to the opprobrium of some supposedly libertarian lobby?

It doesn't matter, you'll say, because the author's rights are vindicated every time, and even reinforced. We're hopeful that this will continue for decades to come, but while we're hoping, we must not relax our vigilance. Each victory must be savoured without allowing it to weaken our resolve.



“Sacem must submit to the history and DNA of Europe in perpetuity, while adapting to the demands of a world in turmoil. This is the challenge that Sacem must meet.”

**Jean-Marie Moreau**, President of the Board of Directors  
2018-2019



However, we should be grateful to those players who have won this hard-fought success. As well as the MEPS who have added all their efforts and ingenuity to the balance – especially French MEPS, Jean-Marie Cavada ranking highly amongst them – we must pay tribute to our own CEO Jean-Noël Tronc whose actions have been instrumental, and the Sacem teams who have worked tirelessly on some extremely hot days. And of course, the professional organisations of authors, composers and publishers who joined forces with the same goal, who also deserve a mention.

So what's next? To transpose the Directive into French law. This is the final step, and not necessarily the easiest one. Again, we must submit to Europe for a decision on the right *time* for this transposition to take place.

Sacem must submit to the history and DNA of Europe in perpetuity, while adapting to the demands of a world in turmoil. This is the challenge that Sacem must meet.

By embracing the principle of a computer platform anchored in the Cloud, Sacem has chosen to enter the digital world of today and of the future. By developing *Blockchain* skills, it has shown its willingness to look ahead to things that can improve collective management and its willingness to respond to the increasingly alarming international competition.

Nevertheless, we must not overlook the issues related to hot topics of the moment. Here too, there are plenty of issues to be tackled. Topics such as the audiovisual law that's in the pipeline and the uncertainties around its funding, etc. Also, the ongoing threat to quotas for French songs played on the radio. Also on the horizon is the social reform that could put the distinctive nature of members' pensions in peril.

Sacem strives to improve its services to members in all circumstances. I'm referring in particular to the new help-desk with its dedicated telephone line for the members, the multi-channel reception, the Sacem app with its many practical functions. I'm also referring the introduction of free sharing of performance rights, a process that falls in with new ways of creating and facilitates collaboration between Sacem members and members of other collective management organisations around the world.

Music is the language of emotions, as Kant said, but in some cases it can also be the language of numbers... Can't numbers also provoke a little excitement if they're the right ones? You'll find the results that appear in this annual report are excellent in terms of Sacem's achievements this year for collection and distribution.

This past year is testimony to Sacem's ongoing evolution in the interests of justice and equity, key words in our lexicon.

#### **Jean-Marie Moreau**

Songwriter,  
President of the Board of Directors 2018-2019

# Q&A with Jean-Noël Tronc

## CEO of Sacem

### How do you think 2018 went?

2018 was a particularly remarkable year, during which we led an unprecedented and collective battle to defend the future of authors' rights in Europe. It was essential to assert the rights and interests of creative artists, publishers, and producers in the face of the legal impunity enjoyed by the internet giants. This campaign bore fruit – it ended with victory in March 2019, with the adoption of the Copyright Directive by the European Parliament. This directive will be seen as one of the most important pieces of European legislation to be passed in the last five years. It is also a perfect example of the power of collective action.

### How have Sacem's finances evolved in 2018?

2018 was a record year for Sacem, with the direct collection of royalties growing by 10%, compared to an average growth for other European collective management organisations of 5.7%. In addition, we successfully kept our expenses under control. Excluding IT investments, we reduced all expenditure resulting in our net expense ratio dropping from 15.6% in 2017 to 15.1%. This enabled us to redistribute nearly 85% of collections. We also improved our operating cash flow (net of funding reserves from the mutual assistance scheme, RAES, and cultural support programmes) from being equivalent to 8.5 months of collections in 2012 to 6.7 months of collections in 2018 – a 21% reduction. Our workforce has been reduced, despite the strong growth of our business. Our collection ratio per employee has increased by 4% year-on-year, a 27% growth over the last six years.

### Is collective rights management still relevant in 2018?

Collective rights management is the best way to maximise the value of musical works and authors' rights. But our business model has another important feature: we are a non-profit organisation, which promotes solidarity among its members, gets involved in social projects, and has an ambitious cultural support policy. Even at a time when many business models are suffering disruption, collective rights management gives creative artists a unique bargaining power. I am thinking in particular of all the agreements we have signed with audio-visual media or SVoD/VoD platforms, which provide the main source of revenue for our members today.



“One of our challenges relates to the new ways in which music can now be created and distributed. We are constantly anticipating these developments to guarantee that our authors, composers and publishers receive the highest possible remuneration for their work.”

Jean-Noël Tronc, CEO of Sacem



## Principles and priorities



### Approachable and proactive

Committed, transparent and available for everybody.



### Digital

Innovating and evolving for our members.



### 360° perspective

Reinforcing our position, at the heart of collective management in France.



### International

Being increasingly competitive and attractive.



### Figurehead

Protecting the French authors' rights and collective management model.

## And what about internet services?

On the internet, where Sacem licences are to some extent global, the volume of data to be processed is increasing exponentially. In 2018, we processed more than 11.2 trillion streams and downloads, as well as all other data connected to the use of our repertoire. Investment in technology and innovation is essential to meet the challenges presented by this data volume in order to continue our development.

In the online sector, we negotiate agreements that ensure creators and publishers receive the best remuneration for the use of their work. We currently have 167 agreements with 51 platforms, covering 208 territories. We were the first CMO in the world to sign an agreement with Facebook as part of our mandate with Universal Music Publishing International in December 2017, and then another three agreements early in 2018, covering social networking activities as well as Messenger, Instagram and Oculus, across more than 180 territories. In the subscription video sector, we renewed our agreement with Netflix at an improved rate and have signed a new agreement with Amazon for their Prime Video service in France.

This negotiating power allows us to attract high-quality partners, to obtain mandates from companies that matter, to represent one of the largest repertoires in the world. In 2018, Impel, PEN music group, and Music Sales, independent, world-renowned publishers, all joined us. Among the major agreements signed in 2018, I would like to highlight the one with the Association des Maires de France (Association of French Mayors), which reinforces our partnership with the venues or public services that use music and our commitment to local authorities, especially in small towns.

## How is Sacem represented at local level?

Sacem has an extensive regional network. With 67 branches, our network makes it possible for us to be closer to the locations where our repertoire is being used and to our members and cultural partners. More than 506,000 clients use the music in our repertoire, and our regional network continues to be a major source of revenue. This territorial network generates a high degree of granularity for our collections, which differentiates us at the global level and allows us to maximise income from authors' rights. This also benefits performers and producers,

as the Sacem network collects most of the revenue for SPRE, the company responsible for collecting fair remuneration for musical works used by broadcasters, and specific venues or individual events.

## What is your priority for the next few years?

To ensure the growing satisfaction of our members. Authors, composers, and publishers are our *raison d'être* and we are committed to the continuous improvement of our services for them. We have reorganised our teams to respond more effectively to their demands and expectations, and to answer any questions they may have. In 2018, we also completed important projects for the benefit of our members, including the redrafting of distribution documentation. This has been completely redesigned to be more informative, clearer, and transparent regarding royalties and the nature and number of any deductions. To simplify the professional life of our creative artists, we have also developed a mobile application with which they can now register their set lists and performance dates, and view their account documents. Simplification is the guiding principle for many of our reforms, such as the relaxation of the conditions for joining Sacem and the open sharing of rights between co-authors and co-composers. Our commitment to social security has been strengthened by, among other things, the extension of RAES to all our members, from the very first Euro of royalties they receive, and the negotiation of health insurance for our members resident in the United States. Our members are the very heart of our concerns and our actions.

## What are the biggest challenges still facing Sacem? Are there any major projects planned for the coming year?

The continued development of our IT projects is a primary challenge. A further challenge relates to the new ways in which music can now be created and distributed. We are constantly anticipating these new uses to be able to guarantee our authors, composers and publishers receive the highest possible remuneration for their work. Corporate projects in the coming months include setting up the National Music Centre, the new audio-visual law, and the transposition of the Copyright Directive, all focusing on promoting the interests of creative artists and publishers.

# Focus on streaming: a global growth story

## Streaming behind digital growth

**In 2018, the global recorded music market grew by almost 10%, the fourth consecutive year of global growth.**


Driven by streaming, digital revenues now account for almost 60% of the global recorded music market. Within this, streaming revenues increased by more than 30% and for the first time became the single largest revenue source, with 255 million users of paid subscription accounts globally.

In Europe, digital grew by 17.5% during the year and accounted for 43% of the market. The growth of streaming in Europe was more than 30%, and in France more than 24%.

## Increasing digital collections

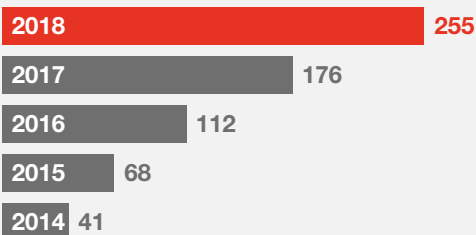
The increase in digital consumption across all creative repertoires has been the strongest feature in global collections for more than a decade. In 2017, digital collections passed the €1bn mark for the first time having increased by over 23% during the year and by 164% over the last five years. Streaming has developed into the dominant music format, and in 2017 was for the first time the single largest contributor to industry revenues.



 **Fishbach,**  
Songwriter, performer

### Paid streaming services

Millions of users



Average annual growth rate

**+58%**

Additional users over 4 years

**+214 million**

Sources: Sacem, CISAC Global Collections Report 2018,  
IFPI Global Music Report 2019



## Consumers' appetite and engagement

Consumers' increasing appetite for streaming has been the major contributor in returning the global music sector to sustained growth since 2014. Revenues have increased by an average of more than 47%, with a consequent explosion in new opportunities for licensing and clear challenges for collective management organisations.

Streaming continues to drive the whole creative sector, as it provides access not only to music but across the creative spectrum. Figures covering 2018 from key markets including the US, the UK and France show that digital consumption is increasing consistently at a rate of around 20%.

## The challenge for CMOs

As pointed out by CISAC, The International Confederation of Societies of Authors and Composers, in this new digital environment the management of data has become a primary source of focus for CMOs, who are now managing and driving value from billions of micro-transactions with Sacem alone processing 11.2 trillion uses of music in 2018.

The proliferation of platforms and channels that enable consumers to access content has not only fuelled growth and opportunity for creators, but has also created an environment in which returning value to creators has become more important and more complex.

Sacem continues to be determined and committed in developing technologies that will ensure fair returns for its members.

Sources: Sacem, CISAC Global Collections Report 2018, IFPI Global Music Report 2019

## Global key figures

Global music revenue growth

**+8.1%**

Physical revenue

**-5.4%**

Growth in streaming revenue

**+41.1%**

Digital share of global revenue

**+54%**

Download revenue

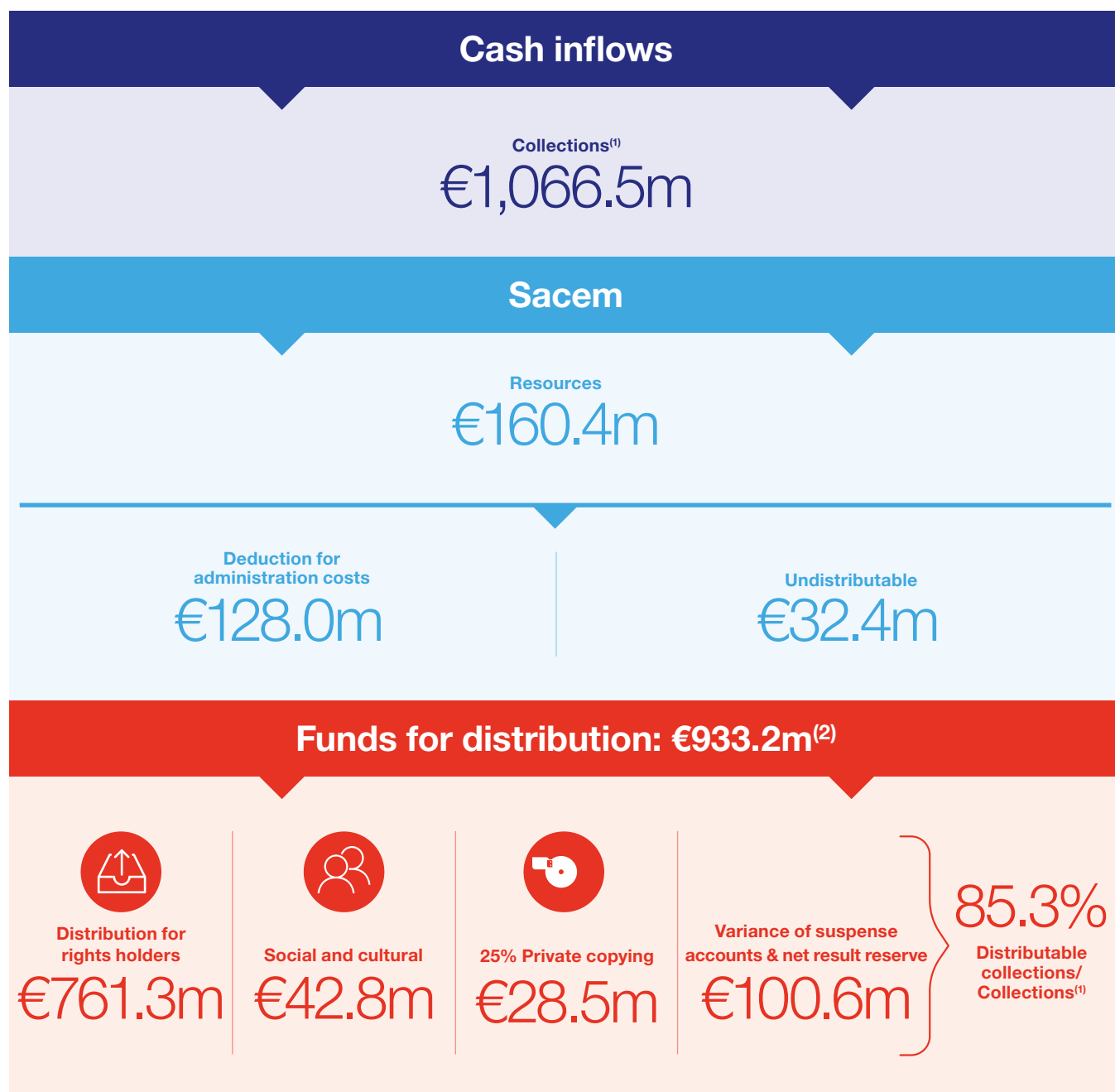
**-20.5%**

Growth in paid subscription streaming

**+45.5%**

Source: IFPI Global music report 2019

## Focus on Sacem's business model



1 Non-recurrent impact linked to the simplification of flows between SDRM and Sacem for DRM (transfer of suspense accounts from SDRM to Sacem): €28.0m.

2 €832.6 million already distributed.



## Our business model explained

The graph opposite shows how the cash in-flows (collections) balance with cash out-flows (attribution to rights holders from distribution and Social and cultural services, in addition to the legal resources to 25% (Private Copying). The necessary processes carried out by Sacem to deal with distribution calculations generate suspense accounts in Sacem's financial statements.

When a line from the programmes transferred by the clients can not be matched to a registered work from the works database, the distribution IT systems generate suspense accounts to keep on hold the money due for these lines. Over three years the calculations are processed again to pay the rights holders as soon as the programme is updated, manually corrected, or as the work is registered late... But after three years, the remaining amounts in suspense accounts are accounted for as resources to finance costs, in conformity to Sacem's statutes. These amounts called undistributables do not include undistributables linked to Private Copying rights as stated by the French law (Intellectual Property Code). These amounts are transferred as resources to Cultural Aid through the legal 25% Private Copying.

In addition to these undistributable amounts, the net expenses are also financed through deductions for administrative costs. These deductions are calculated as a rate on amounts input to distribution calculations. The rates chart is validated by the Board of Directors and depends on the type of uses. For instance, the different rates used for the General Rights collected by Sacem's regional network show four levels based upon the actual costs for collection and distribution; while the rate used for BIEM/IFPI record producers' contracts reflects the Cannes agreements signed by many European CMOs. These rates can be updated as needed by decision of the Board in their assignment to check the statutes rule to keep a cumulated net result around 0 (+/-5% of actual expenses of the year) as for a non profit company like Sacem.

Collections<sup>(1)</sup>

€1,066.5m

Funds for distribution

€933.2m<sup>(2)</sup>

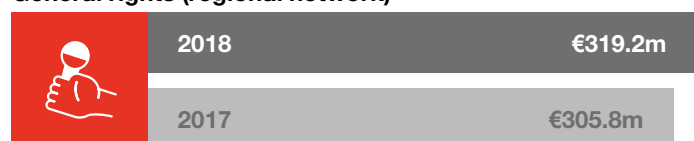
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2 €832.6 million already distributed.

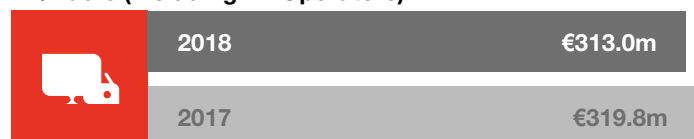
# Collections

We are fully focused on maximising the value of royalties for all our members. Our strong network and innovative systems, combined with a commitment to technological development, mean that we are well placed to maintain our leading position. Our revenues reached the historic amount of €1,066 million (+10% vs 2017). Including mandates, we collected more than €1.5 billion.

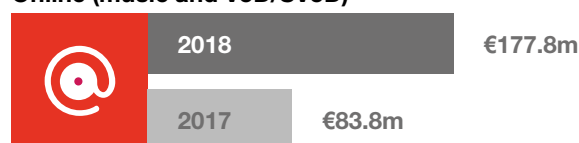
## General rights (regional network)



## TV/Radio (including TV Operators)



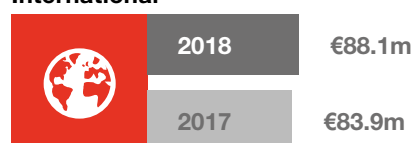
## Online (music and VoD/SVoD)



## Private copying



## International



## CD/DVD/BR



## Other mandates



4.4%

-2.1%

112.3%

2.9%

5%

-13.5%

-2.3%

Sacem  
authors' rights  
collections

2018  
**€1,066.5m**  
2017  
€969.8m

Total Sacem  
collections  
(inc. mandates)

2018  
**€1,501.6m**  
2017  
€1,415.3m

2017 figures were impacted by a contractual amendment resulting in an increase in revenues.



# Distribution and operations

The strength of our collection processes and systems enables us to distribute fully and invest heavily in order to support and energise the full cycle of sustainable value creation. We nurture talent and creativity within and outside Sacem and are committed to delivering the best for everyone that we have a relationship with.

## Funds for distribution

	2018	€933.2m
	2017	€851.6m

+9.6%

	2018	2017
Sacem members	541.2	553.6
Mandators (managed by Sacem)/other collecting societies	220	214.6
Social & cultural programmes	42.8	47.9
Cultural projects (25% PC)	28.5	27.8
Variance of suspense accounts & net result reserve	100.6	7.7
Sub-total	933.2	851.6
Accounting One-Off impact on distribution	0	40.1
Variance of suspense accounts on mandates	3.8	-85.4
Other mandators/other collective societies and mandators	396.4	449.1
<b>Total distributable including mandates</b>	<b>1333.5</b>	<b>1255.3</b>


We distribute to our members amongst the highest proportion of collected authors' rights in our industry. Our members are our lifeblood, and we are dedicated to ensuring that each one receives the best possible return for their creativity.

## Other mandates

	2018	€396.4m
	2017	€449.1m

-11.7%

## Operations

	2018	€168.1m
	2017	€160.0m

+5.1%

	2018	2017
Personnel expenses	137.0	137.7
Other operating expenses	46.6	45.5
Net amortisation and provision	17.1	15.2
Other income	-32.6	-38.4
<b>Total operating costs</b>	<b>168.1</b>	<b>160.0</b>

Most of our expenses relate to our staff and systems. Sacem has some of the most knowledgeable and experienced people in our industry, supported by advanced technology and cutting edge processes.

2017 figures were impacted by a contractual amendment resulting in an increase in revenues.

Total Sacem distributable funds (inc. mandates)

2018

€1,333.5m

2017

€1,255.3m

# 2018 Highlights

## |Europe

### The European Copyright Directive, a historic mobilisation

March 26, 2019, marked a historic step in the future of culture and creation in Europe. In a plenary session, the European Parliament adopted the Directive on Copyright in the Digital Single market. This vote marked the success of a long and difficult battle creators across Europe waged against an intense campaign of misinformation from digital giants.



Emily Loizeau reading "The Palais Royal appeal" 6th September 2018



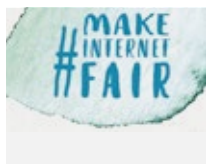
#### March 2018: Launch of a petition

More than twenty thousand creators from countries across Europe sign a petition, initiated by GESAC. It is delivered to Brussels by a delegation of European artists led by Jean-Michel Jarre, president of CISAC, and published online on [makeinternetfair.eu](http://makeinternetfair.eu). The petition goes on to collect over 30,000 signatures in just a few months.



#### April 2018: French artists at the European Parliament

Jean-Noël Tronc, Chief Executive Officer of Sacem, expresses his defence of the rights of European creators in a column published in *Le Monde*. A delegation of French artists goes to the European Parliament on the day of President Emmanuel Macron's speech in front of MEPs.



#### Make Internet Fair

At the heart of this movement is the issue of transfer of value: On the internet, 80% of advertising revenue is collected by platforms (YouTube, Facebook, etc.). The cultural content on these platforms makes them attractive enough to generate significant income, but creators receive only a tiny share.

 [makeinternetfair.eu](http://makeinternetfair.eu)



#### 20th June 2018: A first victory for creators

MEPs from the Legal Affairs Committee adopt the report on the proposal of a directive on copyright in the Digital Single Market. A victory for creators.





Professional music unions gathering in Strasbourg during the vote on the copyright directive.



“We have to be involved in this essential struggle: the defense of artists, creators, their identity, their status and their rights.”

**Pierre-André Athané,**  
National Union of Authors and Composers



### July 2018: The voice of creators

“If we cannot make a living from our work, we creators are doomed to disappear.” More than seventy artists, including Jean-Jacques Goldman, Julien Doré, Abd al Malik, Françoise Hardy, sign a column published online by the daily newspaper Le Monde.



### July 2018: A setback

MEPs reject the negotiating mandate for the authors' rights directive. This vote is the result of an aggressive campaign by digital giants to manipulate the opinion of a large number of MEPs.



### August 2018: Europe For Creators

Sacem participates in the launch of #EuropeForCreators, a coalition of citizens brought together to convince MEPs to support the proposed directive on copyright and urge citizens to put pressure on their European representatives.



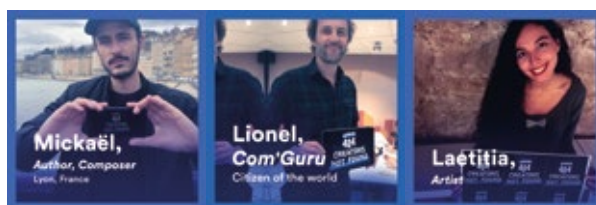
### 6th September 2018: A call to action at the Palais Royal in Paris

“We creators are nothing on our own, but with you – you who read us, watch us, listen to us – we’re stronger.” – Emily Loizeau, author, composer and singer. Hundreds of European artists and writers, along with ordinary citizens, united for ‘l’Appel du Palais Royal’ in support of the copyright directive. Françoise Nyssen, French Minister of Culture, was present in support of the event.



### 12th September 2018: First parliamentary vote

The European Parliament votes to adopt its version of the copyright directive.



### January-February 2019: Trialogue and Article 13 Campaign

On the initiative of Unac and Upad, all the professional music unions (CSDEM, Gam, Snac, UCMF, CEMF, Ataa, Eifel, ULM) provoked a European mobilization of creators and publishers under the form of a photo campaign called “Error 404”.



### March 2019: The final vote!

The European Parliament adopts the Directive on Copyright in the Digital Single Market, by a vote of 348 in favor, 274 against and 36 abstentions.

### 15th April 2019: Formal approval by the European Council



# 2018 Highlights

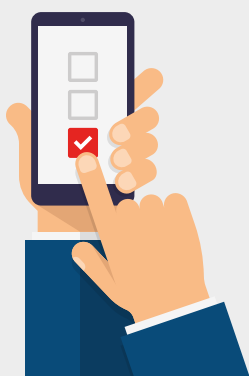
## Anticipate, evolve and adapt

### Governance

#### Ordinary General Assembly

The General Assembly held on Tuesday 19th June 2018 elected its new Board of Directors for one year. For the first time, members of Sacem voted exclusively online to elect their representatives, and decide on proposals for statutory and regulatory changes.

► <https://societe.sacem.fr/en/governance>



#### Extraordinary General Assembly

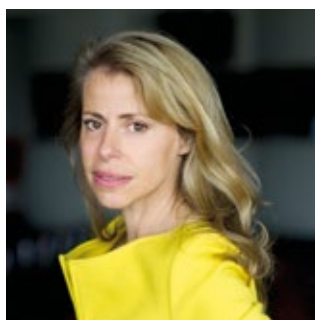
During the Extraordinary General Assembly held on the same day of the Ordinary General Assembly, members of Sacem expressed their views on proposals for the evolution of their organisation and amendments to the statutes and general regulations. The proposals that were voted on concerned the simplification of the deposit of works and, the terms and conditions for Sacem membership. They also dealt with the possibility of contractual sharing of public performance rights (DEP) in the sections relating to author and composer categories.

To sum up, Sacem continues its transformation, aiming for even more simplicity, transparency and services.



#### Internal reorganisation

On 1st January 2019, Sacem was reorganised internally in a bid to become ever more efficient in serving our members' needs and managing the royalty distribution process. Thibaud Fouet leads the Membership Services Division and has also been appointed a member of the Sacem Executive Board. This Division controls Sacem's relations with its members. The Admission, Documentation and Distribution Division has been merged with the Licensing, International and Operations Division under the management of Cécile Rap-Weber. This new structure offers an overarching and unified vision, from the negotiation of licensing agreements, to the distribution of relevant royalty payments, regardless of the geographic area concerned. The Cultural Aid Division has also been restructured in order to strengthen its cultural development work, both in France and internationally.



Cécile Rap-Weber



Thibaud Fouet



Pascal Roche

#### Award

Pascal Roche, Chief Information and Technology Officer at Sacem, won the award in the category "Most Forward-Thinking Chief Digital Officer" at the Chief Digital Officer Night in February 2018.



## Online access 2018

# 87,740

members have an account online

## Distribution

- download the distribution documents
- dynamic view of the detailed distribution

## Works

About 10,000 new works registered online per month

## Events & Setlists

90% of events and setlists are registered online (only 10% with paper form)

## Catalogue

Download and consult the catalogue of the works

## Sacem PLUS

About 50 offers and advantages

# Services

## Memberships

The conditions for becoming a member have been relaxed. Authors and composers now only need to prove the exploitation of one work, and publishers must provide proof for four.

## New leaflet

Satisfaction survey, working groups... For three years, Sacem has held numerous conversations with its members to better understand their expectations and needs. Among the priorities identified was the improvement of documents sent during the four annual royalty distributions. After several months of work and consultation with the Board of Directors, the versions of these documents were unveiled on 5 October 2018. On this day, all authors' royalty beneficiaries had access to a simplified and more readable version of their royalty distribution documents.

## Mobile app

The new Sacem mobile app was created to make life easier for music creators. It allows everyone to declare their performances – setlists and events – with just a few clicks. Today, it is the best guarantee of receiving royalties quickly and with real traceability. It is available on Google Play and App Store.

## Welcoming members

The teams in charge of welcoming members of Sacem have been reorganised to better meet the needs and expectations of authors, composers and publishers. Each call, email or visit to a member is handled by a dedicated team, who answer questions and direct members to professional services as and when necessary. A dedicated five-person unit has been set up to answer the questions of the professional (professionnel) and full (définitif) members.

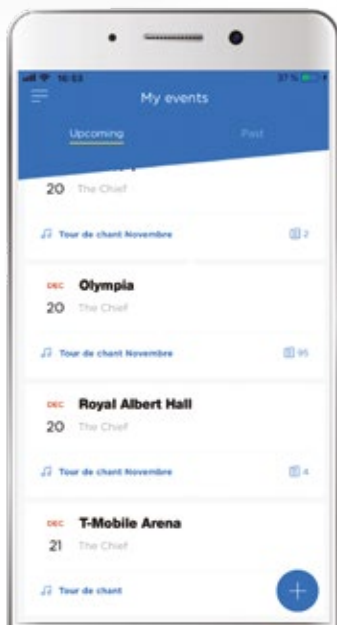
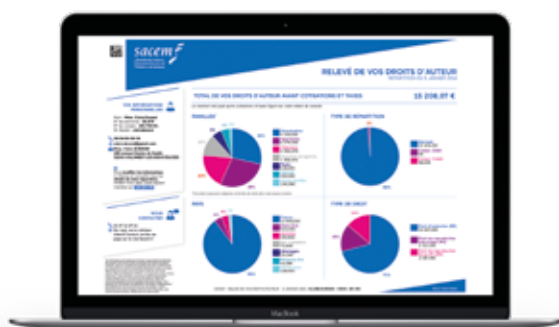


## Contractual sharing of rights

The sharing “by thirds” rule (one third for the author, one third for the composer, and one third for the publisher) remains the foundation on which Public Performance Rights (PR) are allocated. However, within the third reserved for authors or the one reserved for composers, sharing between the various co-authors or co-composers was until now egalitarian, i.e. each received the same amount. This rule was no longer adapted to all situations and did not faithfully reflect the creative contribution of each party. Authors and composers can now choose to apply the sharing ratio they have already defined contractually for the distribution of Mechanical Reproduction Rights.

## Member offer

A historical social arrangement, Sacem's Mutual Assistance Allowance Scheme (RAES) pays an allowance to its members who meet certain conditions of age and seniority. It aims to ensure financial security at the end of creators' careers. Since 1st January 2018, following a statutory reform voted on at the General Assembly in 2017, the RAES is open to all, from the first Euro of royalties received.



# 2018 Highlights

## Agreements

### Partnership with the AMF – Association of Mayors of France and inter-municipality presidents



“The elected representatives are aware of the need to pay the creators in accordance with the value of their work insofar as they participate in vitality and artistic renewal.”

**François Baroin**, Mayor of Troyes, President of the AMF  
(extract MagSacem n° 102)



Jean-Noël Tronc, CEO of Sacem, François Baroin, Mayor of Troyes and President of the AMF, Jean-Marie Moreau, Songwriter, President of the Board of Directors (2018-2019).

A historic agreement was reached with the AMF in November 2018. It guarantees authors, composers and publishers fairer remuneration, while offering municipalities simplified online procedures and adapted packages, especially for municipalities with less than five thousand inhabitants. A special package for the use of music in schools has been created.



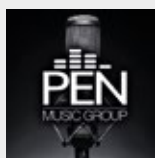
### Facebook

Three new agreements were signed with Facebook for the use of repertoire belonging to Sacem, Socan, Wixen Music Publishing and Universal Music Publishing via an extended multi-territorial management mandate. These licensing agreements cover the activities of Facebook, Instagram, Messenger and Oculus in more than 180 territories.



### Amazon Prime Video

A new agreement has been signed with Amazon for the use of the Sacem repertoire as well as the additional repertoires Sacem represents on Amazon's on-demand video service, which is available for Prime customers in France.



### PEN Music Group and Mother's Finest Songs

Earlier this year Sacem entered into a partnership with the American independent music publisher PEN Music Group. The latter has entrusted Sacem with a multi-territorial online licensing mandate for one of its most important catalogues, entitled “Mother's Finest Songs”, which was recently acquired by Mothership Music Publishing and is administered worldwide by PEN.



### Music Sales

A mandate was agreed upon with global independent music publisher Music Sales, an international group of wholly-owned subsidiaries, for the licensing and administration of its Anglo-US catalogues (representing nearly 120,000 works), on a multi-territorial basis for digital licensing.



### Impel

After many months of considering alternatives (to PRS for Music) and considering presentations and tools on offer from all the major players, Impel chose Sacem to license and administer the online rights of dozens of independent UK publishers. This success can primarily be attributed to our widely recognised expertise in online licensing, as well as our continued focus on and investment in the most innovative technology (such as URights), not to mention our strong knowledge and expertise in the area of streaming. This mandate covers 130 territories.

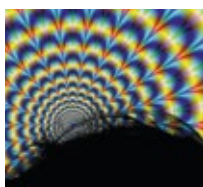


## Innovation



### URights

The fruit of a technological partnership between Sacem and IBM, the URights platform manages the exponential volume of online music data exchanges and improves the identification of rights related to online works. The online music process and operational management tools became operational in July 2018. The processing of video-on-demand (VoD), SVoD (subscription-based video-on-demand) and pricing simulation are under development.



### Blockchain My Heart

Sacem is a partner of Blockchain My Heart, a cashless application that transparently displays the use of the sums paid by festival-goers: artists' fees, material rental, team remuneration, royalties, etc.



### Elixir, a collective R&D project

Sacem has teamed up with American (Ascap) and British (PRS for Music) collective management organisations to develop the Elixir blockchain project, which brings together links between works and recordings, notably through international recording codes for works (ISWC, ISRC). The blockchain ensures information traceability in order to display an exhaustive and common overview of each organisation's data with the aim of improving the identification of works.

While a prototype is being finalised, the next step will be to build an operational tool for the music industry.



### GDPR

In May 2018, Sacem became compliant with the GDPR, the General Data Protection Regulation, the regulatory regime that governs data processing throughout the European Union. This applies to all data that serves to identify a person. Sacem processes a large amount of personal data (customers, members, and teams). Compliance with the GDPR was a priority for us – putting a high value on personal data is in line with our mission of protecting authors' rights.



# 2018 Highlights

## Honouring our members and their works

### Sacem Museum: Shared Treasures

Sacem has documented the works it protects since its creation in 1851. Over the years, we have collected millions of documents as part of our while documenting works, members, and the collection and distribution of their royalties. Today, these archives represent a rich, previously unseen section of the history of music and our cultural heritage. The Sacem Museum – which opened its (online) doors in June 2018 – brings attention to these archives.

#### Key figures

160

years of the history of musical creation

300,000

visitors in six months

7,000

archives published online



#### Exclusive archive collections

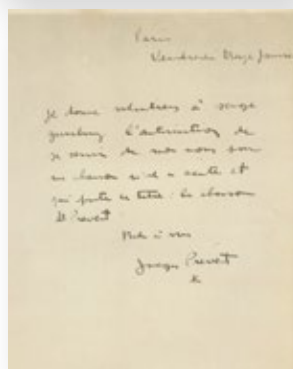
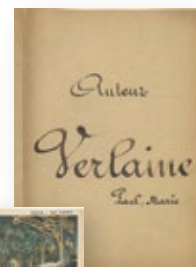
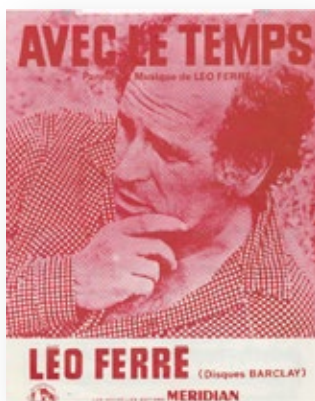
Barbara's Sacem entrance examination, the score to "*Mon manège à moi*" as performed by Edith Piaf, a Giuseppe Verdi telegram, a sheet of stamps for the film "*Les Tontons flingueurs*", passport photos of Jean-Paul Sartre, Jacques Offenbach and Antoine de St-Exupéry. The online Sacem Museum provides access to a hugely diverse selection of unique, previously unpublished archives.

#### Exhibitions

May 68 in music, women in the history of musical creation, the history of authors' rights. The museum offers many virtual exhibitions which value creators and their repertoire in all their diversity.

#### Columns and podcasts

Secrets of songwriting, unpublished secrets of a composer, the international adventure of a smash-hit. The Sacem museum is a hotbed of anecdotes about our musical heritage.





## Sacem Grand Prix

On 10 December 2018, Sacem presented its Grand Prix at an exceptional ceremony in the Salle Pleyel, hosted by comedian Vincent Dedienne. The winning authors, composers and publishers reflected the vitality and diversity of our music scene. This year, the Bondy choir of singing schoolchildren opened the ceremony.

### Award winners 2018

#### Angèle

Francis Lemarque Prize for New Artists

#### Basique – ORELSAN

Rolf Marbot Prize for the song of the year

Author: Orelsan – Composer: Skread – Publishers: 7th Magnitude, Warner Chappell Music France

#### Pierre-Dominique BURGAUD

Grand Prize for French Song, (author)

#### “Chocolat” – LARTISTE

SDRM Grand Prize

Authors: Lartiste, Awa Imani – Composers: Joe Rafea, Samuel Rafalimanana, Yannick Rafalimanana – Publishers: Zayn Corp, Eclipse Time Ltd, Jizamo, Art 57, Awa Imani, Hr Prod aka Purple Money. Clip Director: Cédric Cayla

#### Jérôme COMMANDEUR

Grand Prize for Comedy

#### Etienne de CRÉCY

Grand Prize for electronic music

#### Michel DUVAL – BECAUSE ÉDITIONS

Grand Prize for Music Publishing

#### Michel GONDROY

Grand Prize for audiovisual director

#### IMANY

Grand Prize for Sacem repertoire abroad

#### MC SOLAAR

Grand Prize Urban Music

#### Pascal PARISOT

Grand Prize for Works for Young Audiences

#### RENAUD

Sacem Special Prize

#### Colin ROCHE

Grand Prize for Symphonic Music (young composer)

#### Philippe ROMBI

Grand Prize for original film score

#### Calypso ROSE

Grand Prize for World Music

#### “Shape Of You” – Ed SHEERAN

Grand Prize for the best new international work of the year – Shape Of You, performer: Ed Sheeran

– songwriters: Steve Mac, Johnny McDaid, Ed Sheeran

– publishers: Rokstone Music, Spirit B-Unique Polar Patrol, Sony ATV Music Publishing Limited UK – sub-publishers for France: Universal Music Publishing, Sony ATV Music Publishing France, Kobalt. Also contains a sample of No Scrubs/performers: TLC

– songwriters: Kevin Briggs, Kandi Burruss, Tameka D Cottle

– publishers: Shak Em Down Music, Hitco Music, Pepper Drive Music, Tony Mercedes Music, EMI April Music Inc, Air Control Music, Kandacy Music, Tiny Tam Music – sub-publishers for France: BMG Rights Management France, Warner Chappell Music France, EMI Music Publishing France.

#### Philippe SCHOELLER

Grand Prize for Symphony Music (career)

#### Nicola SIRKIS – INDOCHINE

Grand Prize for French Song (songwriter-performer)

#### Laurent de WILDE

Grand Prize for jazz



## Artistic awards



### Alexandre Desplat

In 2018, Alexandre Desplat was awarded the Oscar for Best Original Music for Guillermo Del Toro's "The Shape of Water", after receiving a Golden Globe and a Bafta for the same score. In 2019, for the 10th time in his career, he was nominated for an Oscar for the score of Wes Anderson's "Isle of Dogs", previously awarded an International Emmy Award. Alexandre Desplat was awarded the Sacem-France Music Prize for original film score at Radio France on 11 January 2019.



### Lalo Schifrin

The legendary film score composer Lalo Schifrin was awarded a Sacem medal in recognition of his contributions to music in the film and TV industry, during a special ceremony in Los Angeles, hosted by Sacem.

# 2018 Highlights

## Honouring our members and their works

### Events

#### Electronic music

During the Techno Parade in September, under the banner “here we love the beat”, Sacem, Rex Club, BPM Contest and Trax Magazine paraded together through the streets of Paris on a float created for the occasion by the artist Matthieu Dagorn. The float celebrated the 20th anniversary of the Techno Parade and the 30 years of the Rex Club. Many electronic music artists, members of Sacem were welcomed aboard the float: Sama, Sara Zinger, Arnaud Rebotini, Onyvaa, Electric Rescue, etc.

Sacem was also present at the international electronic music festivals: Sonar, ADE, International Music Summit, etc.

▶ [electronicmusicfactory.com](http://electronicmusicfactory.com)



#### Cannes

On Monday, 14 May, Sacem, partner of the Cannes Film Festival, highlighted film music and its composers with a new “A life in Soundtrack” event. Producer and director Pascale Cuenot was celebrated before screening her unpublished documentary dedicated to Alexandre Desplat. A master class on music and cinema by composer Amine Bouhafra was also organised.



#### Music in space

On September 25, 2018, Sacem was a partner at the Grand Rex premiere of “Into the Infinite”, the first film to offer 360° virtual reality images from space, and the first sound track to include music from the International Space Station (ISS). The music, composed by Guillaume Perret and interpreted by the astronaut Thomas Pesquet, included sounds of planets and of the ISS environment.



#### Colcoa

Organised by the Franco-American Cultural Fund, of which Sacem is a cofounder, Colcoa (City of Lights City of Angels) is currently the largest event dedicated to French fiction and television films in the world. More than 25,000 spectators gathered at the 22nd edition in April, where more than 80 films were presented.



## Arrangers

30 years of research and 200 meetings allowed Serge Elhaïk to produce his book, “Les Arrangeurs de la Chanson Française”, published in November 2018. Throughout this book, which counted Sacem among its partners, the author highlights these hidden creators, whose part is often important in the success of a song.



## Tribute ceremony

41 members were honoured for their 50 years of shared history with Sacem. Special tribute was paid to Arlette Tabart, author, Chairwoman of the Comité du coeur, and member of the Memory and Heritage Commission.



## French VIP

For eight years, French VIP has highlighted the work of young independent publishers. This operation was born from a partnership with Midem, the French Bureau Export, the CSDM and the FCM, and from this year with Yacast. Since its creation, 28 publishers have benefited from this programme. In 2018, French VIP put the spotlight on three publishers: Nicolas Rabaud (Kaa Production), David Bossan (District6), Olivier Linglet (Grand Blanc).



Yvan Cassar, composer and conductor, Serge Elhaïk, the writer of “Les Arrangeurs de la chanson française” and Jean-Claude Petit, composer and conductor.



“Arrangers write for and direct the musicians. They are creators, directors and orchestrators all at once. They conceive how a song should be presented, taking into account the ways that music, art and society have evolved.”

**Jean-Claude Petit, Songwriter, conductor**

# 2018 Highlights

## |Defence of authors' rights

### Institutional



#### Europe

##### Audiovisual regulation

The European Parliament and the European Council reached an agreement on 26th April 2018 for the revision of the Audiovisual Media Services (ADM) Directive. Among its flagship measures: the introduction of a minimum exhibition quota of 30% of European works on audiovisual media services on demand.



Sacem welcomes this provision, as well as those preserving the investment obligations in the European production of these services. Sacem asked the French public authorities to follow this European cultural policy by implementing appropriate measures to preserve cultural diversity on online music services on demand.

##### Satellite and cable

The Satellite and Cable Directive provides a balanced and copyright-friendly legal solution by clarifying the principle of respective liability of channels and distributors in the case of direct injection, and will allow creators to be compensated for advertising and subscription revenues generated through the use of their works. On 13th December 2018, the European Parliament and the European Council agreed on a common text. The directive was passed by the European Parliament on 28th March 2019.



#### France

##### The National Music Centre

Announced in April 2018 at the Printemps de Bourges Festival by the Minister of Culture, the creation of a National Music Centre was entrusted to MPs Emilie Cariou and Pascal Bois. Their parliamentary report was submitted in January 2019. The future public institution should be ready by January 2020.



Franck Riester, French Minister of Culture

##### Sound Decree

Agi-Son, Prodiss and Sacem launched a campaign to mobilize professionals and the public against the consequences of the decree on sound of 7th August 2017 and applicable since October 2018. Professionals are asking

for the reopening of consultations and the introduction of a transitional period to allow for the development of the appropriate tools and the equipping of venues. The objective is to prevent hearing risks without turning live music into silence.





## International

### Sacem Polynesia

The creation of Sacem Polynesia, in Papeete, marked a new milestone for the rights of Polynesian creators and publishers. Sacem Polynesia, a non-profit organisation headed by Virginie Bruant, ensures the fair remuneration of local creators and publishers and bolsters the influence of Polynesian culture beyond the shores of the Pacific.

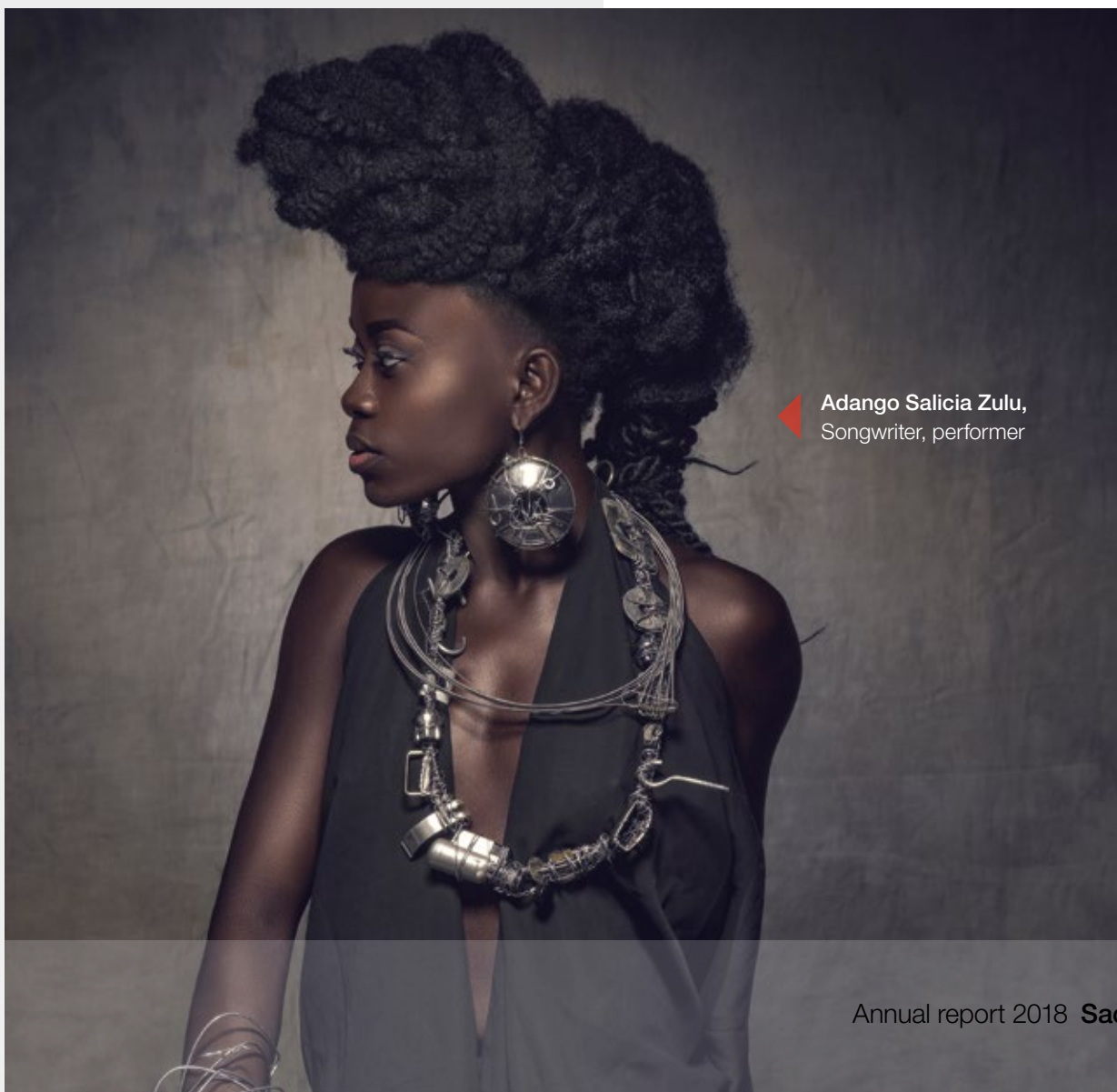
▶ [www.sacem-polynesie.com](http://www.sacem-polynesie.com)



### Midem

From Johannesburg to Lagos, from Abidjan to Brazzaville, the African continent and its creators were honoured during the 2018 edition of Midem.

Midem African Forum was organised in partnership with Sacem and Trace, the leading panafrican music network and a leader in the media sector on the continent. This African tour brought together politicians, publishers and creators from the region around issues such as copyright and the rise of African music both locally and internationally.



◀ Adango Salicia Zulu,  
Songwriter, performer

# 2018 Highlights

## Debates, ideas and pedagogy

### Encounters, conversations

#### Creation Days: Let's invent the future

Reflection, prospective exercises, discussion of ideas... "Creation Days" which took place in Lyon at the end of June were conceived as a summer university where creators can discuss, reflect upon and collectively prepare to face future challenges from an optimistic standpoint. The 2nd edition was part of the Nuits de Fourvière Festival, and brought together 200 creators, researchers and cultural business leaders. On the agenda were topics like cultural diversity online in the age of recommendation algorithms, artistic and cultural education, and the phenomenon of the uberisation of culture. Influential experts shared their ideas and discussed new ways of working.

Back in pictures and video:

▶ [societe.sacem.fr/universite](https://societe.sacem.fr/universite)



#### 60 years on: The 1957 Law

Sacem University organised a symposium to celebrate the 60th anniversary of the 1957 Law on literary and artistic property.



#### Nuit du droit

On 4th October 2018, as part of the Nuit du droit, Sacem University and the High Authority for the Dissemination of Works and the Protection of Rights on the Internet (Hadopi) joined forces to organise a round table on the theme: "Are robots just other creators? Everything you wanted to know about artificial intelligence, creation and authors' rights."

#### Women in music

Sacem's Board of Directors has created a working group on women's role in music creation. Objective: to increase women's visibility and influence in the music industry.



From left to right: Imany, Juliette Armanet, Maya Kamaty, Anne Sylvestre, Christine Salem



## Education

### MOOC: The fundamentals of authors' rights

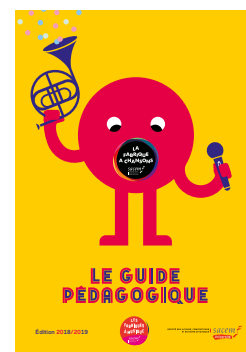
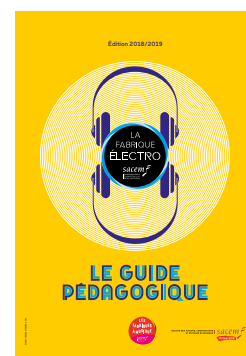
11,600 people registered for the MOOC on the fundamentals of authors' rights, the first online course on this topic. Launched by Sacem University and University Paris – Sud/Paris-Saclay, it offers nine weeks of classes to master the fundamentals of authors' rights. The course is free and leads to a completion certificate.

► [fun-mooc.fr/](https://fun-mooc.fr/)



### Teaching tools

Throughout the year, Sacem University provides educational kits that allow people of all ages to explore the professions in the music industry and the economics of culture, and to gain a better understanding of authors' rights.



# 2018 Highlights

## Supporting creativity

### Cultural aid

#### Music factories

After the launch of the Fabriques à Chansons (song factories) in 2015 and the Electro Fabrique in 2017, jazz, contemporary classical music and film scores took the spotlight in 2018. Grouped under the label “Les Fabriques à Musique” (music factories), in partnership with the Ministry of National Education and Youth, the Ministry of Culture, and Canopé network, this educational programme expands and opens up new musical aesthetics. 160 projects were deployed in France and overseas during the 2018-2019 school year.



#### Reeperbahn Festival Hamburg

Reeperbahn is a European music platform for international and transcultural exchange. At the heart of these cultural exchanges is the idea that European artists can gain access to international cultural markets. In 2018, France was the partner country of the Reeperbahn Festival. The multifaceted and exciting German music scene and industry gave special attention to French bands supported by Sacem, artists, music businesses and media.



#### La Scala Paris

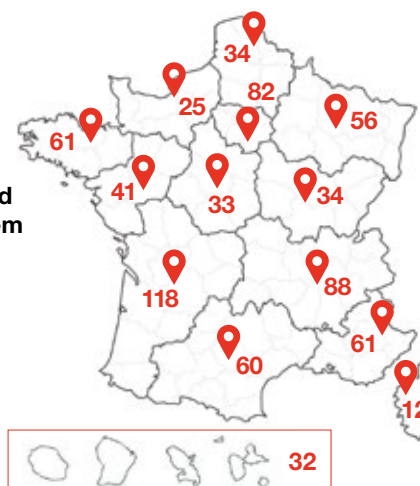
Built in 1873, Le Concert de La Scala was one of the most famous café-concert venues in Paris during the Belle Époque. Closed since 1999, La Scala has finally returned to its former glory and aims to support creativity and emerging artists, bring culture to as many people as possible, make culture accessible for the youngest, and root itself in the economic and associative dynamics of its neighbourhood.

Shortly after this opening, Sacem and La Scala proposed that this becomes a new rendez-vous for contemporary music lovers: “To Arms, Contemporaries!”. This partnership aims to enable the public to discover a wide range of works, aesthetics and composers.

#### Mouv' Booster Sacem Concert

In the continuation of the Top Mouv' Booster radio programme which enables the discovery of young French rappers, Mouv' and Sacem joined forces to reveal the urban scene of tomorrow. Mono (Montpellier), Simia (Paris), Odor (Angers), Akapera (Annecy) and Fanny Polly (Nice) have performed at Bellevilloise.

737 projects  
(festivals and  
theatres)  
throughout  
France received  
help from Sacem





# Working for Sacem

**Sacem's HR strategy pursues its active CSR (Corporate Social Responsibility) policy, and provides for new initiatives to promote professional equality and diversity. Improving the quality of life at work is also one of the objectives of Sacem's HR policy.**



## Diversity

As part of its policy to promote diversity, Sacem has entered into partnership with the Mozaïk RH association. This includes the implementation of an action plan, particularly through assisting in the recruitment of young people under professional training contracts.

## Gender equality

Sacem's Gender Equality Index score for 2018 is 88/100. This index is calculated and published each year by all companies with at least 1,000 employees.

For over 10 years, Sacem has been committed to a proactive policy of professional equality for men and women.

This commitment has resulted in the successive signing every three years of a corporate agreement, which provides for the implementation of targeted action plans, based on priorities defined together with the representative trade union organisations.

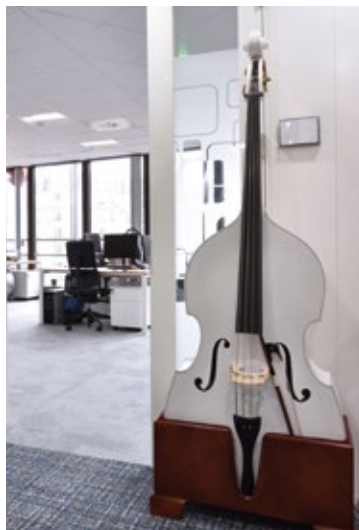
An index score of 88 points for 2018 illustrates the result of this progress, especially with regards to equal pay, which had a score of 38 out of 40.

## Quality of life at work

A social barometer was set up following a survey, and resulted in a four-point action plan:

- Adaptation of premises and quality of life at work
- Stronger communication of the company's strategy
- Equity, justice, and recognition
- Support for employees in contact with our clients and our members

In addition, the right to disconnect from e-mail, the development of working from home, and the renovation and modernisation of certain workspaces have contributed to positive results, as measured by the survey.



# Management report

## | We are managed by our members

### | Our operations

Established in 1851, Sacem is a private non-profit non-trading entity managed by its members – mainly creators and music publishers.

Our role is to negotiate with users, and collect and accurately distribute authors' rights to our members when their work is available publicly. For example, through audiovisual media, concerts, festivals, the internet, cinemas, nightclubs and shops, or reproduced through, for example, digital files, CDs, DVDs or video games. We also manage the collection and distribution of royalties to members of other similar French and international organisations that have given Sacem a mandate to represent them. .

### | Support, protect and defend

Our business operations involve supporting creative people, protecting their repertoire and defending their interests both nationally and internationally. Sacem is a member of various international organisations working for the rights of creative people and the protection of copyright, including the International Confederation of Societies of Authors and Composers (Cisac), the International Office of Mechanical Publishing (Biem), and the European Consortium of Societies of Authors and Composers (Gesac). In France we work alongside other industry groups lobbying for similar rights, and strive to deliver the best quality of services and support for our members.

We also play a crucial role in the sustainability of musical and cultural creativity. For over fifty years we have been implementing a range of cultural development programmes, encompassing all the richness and diversity of cultural creativity. Our activities include supporting creative careers, encouraging the renewal of repertoires, facilitating the distribution of creative output and helping young professionals get a start in the business. Since 1985 these cultural activities have been funded by revenues from royalties on Private Copying in addition to voluntary aid from Sacem, created in the 60s – enabling us to support 2,347 projects across a range of cultural genres in 2018.



#### **Board of Directors for 2019-2020**

##### **First row, left to right:**

Serge Perathoner/Gilles Amado/Dominique Pankratoff/Nicolas Galibert/Frédéric Zeitoun

##### **Second row, left to right:**

Frédéric Doll/David Séchan/Rodolphe Dardalhon/Thierry Communal/Elisabeth Anaïs/Bruno Lion/Christine Lidon/Arnold Turboust/Marion Sarraut/Jean-Marie Salhani/Laurent Petitgirard/Patrick Lemaître/Patrick Sigwalt/Richard Seff/Vanessa Bertran



## Governance

**Founded and managed by its members – songwriters, composers and publishers of music, authors of dubbing and subtitles, poets, stand-up comedians and author-directors – Sacem operates as a cooperative.**

Elected by the Sacem General Assembly, the Board of Directors is made up of six songwriters, six composers and six music publishers (one-third renewable each year in June), as well as an author-director as a permanent member and an author-director as a substitute. The Board of Directors makes all decisions essential for the life of Sacem. It appoints the CEO, who manages the Society and is responsible for implementing the policies defined by the Board.

Since 2017, Sacem has put in place these following arrangements:

- Authors, composers and publishers have a greater involvement in the decision-making process with a reinforcement of the powers of the General Assembly;
- The Supervisory Board, made up of Sacem members, oversees the Board of Directors and the CEO's activities.
- The Ethics Committee, chaired by an independent third party, aims to prevent and manage conflicts of interest;
- Finally, Sacem reinforces the measures intended to provide more transparency and better information for its members.

**Our members ensure that Sacem is run to high standards of governance and transparency.**

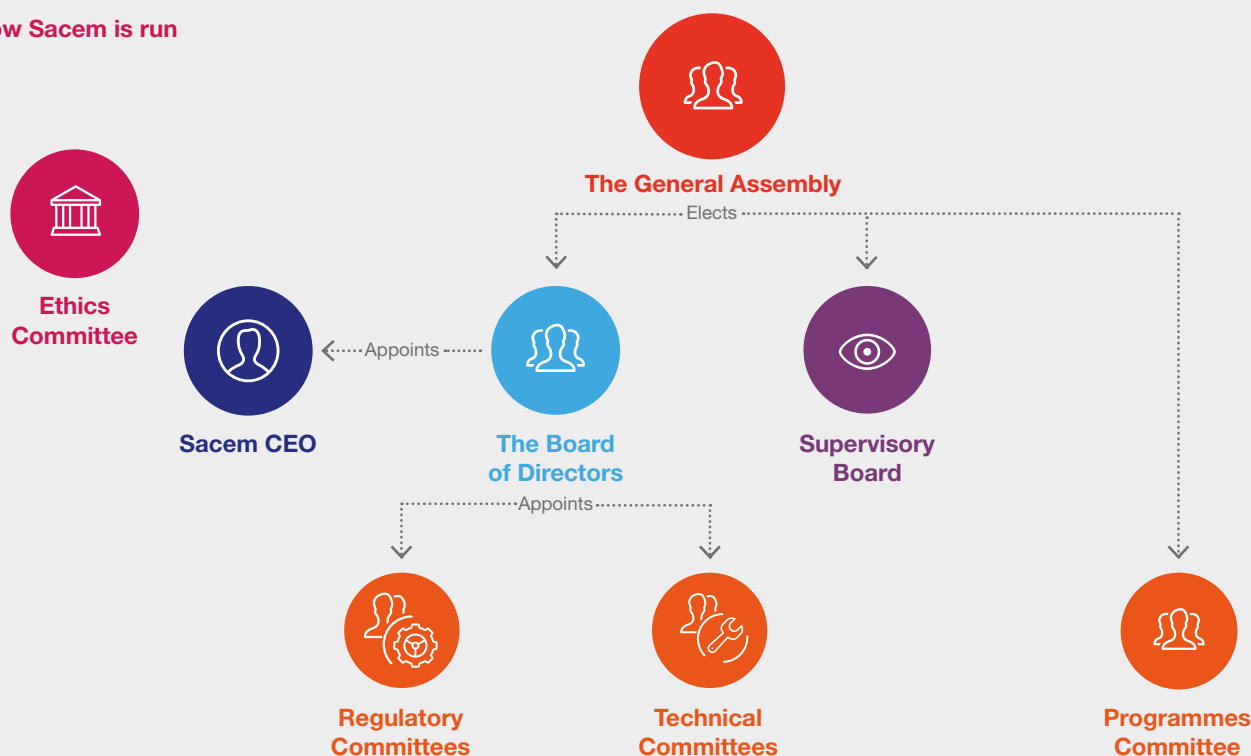
# 1st

Sacem is the first French collective management organisation to have implemented the European Directive on collective management

# 160

members representing 169,385 creators and publishers across our various boards and committees

### How Sacem is run



## I Supervision

**Few private companies undergo such regular, detailed review. Multiple examinations of Sacem management operations guarantee efficiency and transparency.**

### Yearly external controls:

- Auditor
- Permanent Auditing Committee for Collective Management Societies
- Ministry of Culture
- Detailed report on the sums from the private copy levy used for Cultural Action

### Internal controls:

- Board of Directors
- Supervisory Board
- Ethics Committee
- Transparency Report
- Auditing and Internal Control Department
- Committees

## I Members

**Sacem currently has 169,385 members in France and throughout the world – up from 164,840 in 2017. Membership comprises 163,175 creators and 6,210 publishers.**

Its members include songwriters, composers and publishers; author – directors; poets; dubbing and subtitle authors; and comedians and comedy writers, among others. An indication of our appeal is that 4,365 new members joined in 2018.

With 20,554 foreign members from 167 different nationalities, Sacem is the world's most internationally diverse authors' society.

### Members' online services

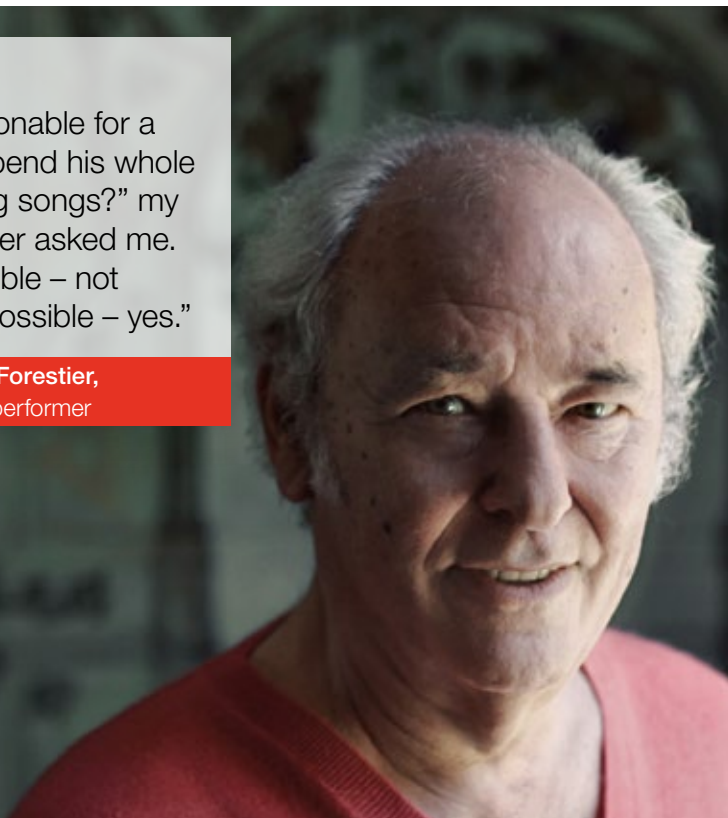
Over 87,740 Sacem members have their own space on the [sacem.fr](http://sacem.fr) website and use the various online services.

- 'History of my distributions' with graphic visualisation of royalty payments over several years
- 'Summary of my distributions': dynamic overall presentation of royalty payments
- 'My detailed distributions': presentation of royalty payments work-by-work with an unprecedented level of detail: more than 158,530 connections this year
- Consulting account statements
- Consulting broadcast data on works with the context in which they are exploited: 20,000 connections per month
- Tool for claiming works that have been unidentified during the process of distribution
- Registering works online: over 10,000 each month (+18% in 1 year). 412,000 works have been registered online since the launch of the service in 2014
- Registering events and setlists/playlists (works performed in concert): 90% are now registered online
- Catalogue: in this service, members have access to all the works they registered.
- Access to Sacem PLUS: a service of exclusive offers and advantages to all members. 50 offers and advantages are proposed in the fields of music and creation.



“Is it reasonable for a man to spend his whole life singing songs?” my Uncle Peter asked me. “Reasonable – not entirely; possible – yes.”

**Maxime Le Forestier,**  
Songwriter, performer





# 169,385

Sacem members.

# 4,365

new members joined Sacem in 2018. Among them were 476 foreign members, with 77 nationalities represented.

# +140 million

works represented by Sacem throughout the world.

## Collections

### International

Collections from outside France reached record levels in 2018, thanks to the performance of our catalogue and our international development efforts (e.g. the tracking of our works' usage abroad). Sacem collects royalties for its members worldwide through 167 agreements signed with 116 foreign societies. Moreover, in some territories, such as Luxembourg, Lebanon and Monaco, Sacem signs contracts either directly or via its local structure with music broadcasters, from whom rights are collected and then distributed to members. In countries with which Sacem has agreements, it is that country's authors' society that agrees on contracts and collects royalties on Sacem's behalf, before subsequently transferring the relevant royalties to Sacem for the repertoire that it represents. Sacem, in turn, distributes to its members. This type of agreement is often reciprocal, with both societies taking responsibility for the other's rights within their respective jurisdictions. This is still the dominant and prevailing model except in the specific case of multi-territory Digital Service Providers for which each CMO (Collective Management Organisation) collects only the rights linked to the exploitation of its own repertoire. Sacem has also established a subsidiary in French Polynesia, which has signed its first contracts.

### Our clients

Our clients have free and legal access to more than 140 million works across all genres in Sacem's worldwide repertoire. By paying authors' rights, clients keep musical creation alive and contribute to the industry's sustainability.

### Sacem Pro: a customer service offering

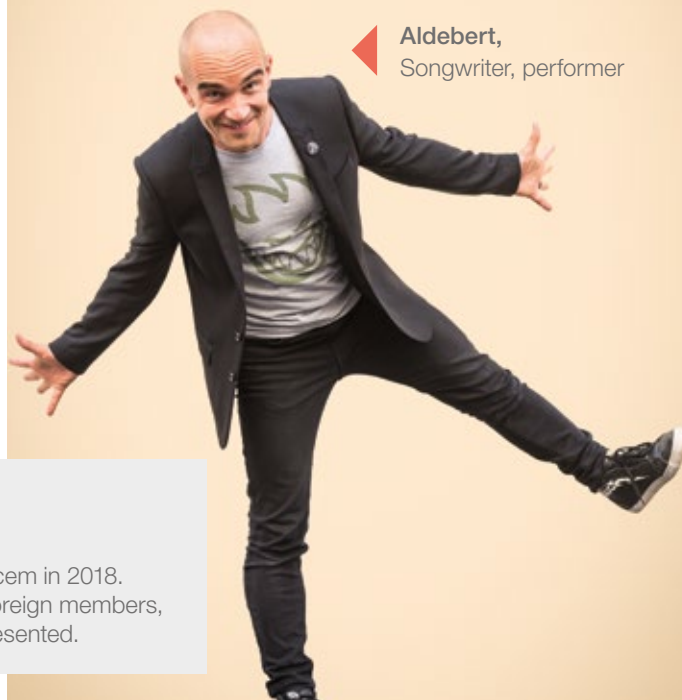
In April 2016, Sacem successfully launched Sacem Pro, an offering for Sacem customers that includes:

- **Advice:** Three guidebooks available in digital form or hard copy to assist customers in using the repertoire.

Focusing on music, their purpose is to help non-professional customers organise concerts and other musical events or set up a sound system on professional premises.

- **Discounts:** 77 partners offer customers help in areas such as setting up background music on their professional premises, renting or buying equipment, soundproofing an establishment, finding musicians or technicians, promoting their events and setting up a ticket office.

Aldebert,  
Songwriter, performer



Clara Ianotta,  
Composer



### Licences

Audiovisual – TV, radio, cable, satellite, broadband, and SVoD – remains Sacem's main source of revenue. This year undoubtedly reflected streaming's dominance in France, as well as in a large and growing part of the world. Sacem collects royalties directly from streaming services, resulting in growth of more than 100% of its online income. Numerous agreements with the media and video-on-demand (VoD) platforms, as well as new legislation for private copying, have made it possible to reach high collection levels. In the online sector, Sacem has

attracted prestigious new contracts such as Impel and Music Sales, which have joined Universal Music Publishing, Wixen, PEN Music, Socan and Warner Chappell. Through its own repertoire and those of its partners, Sacem represents one of the largest catalogues in the world, an essential position for promoting the best interests of its members. Many contracts were renewed in 2018 with digital music and audiovisual platforms. Sacem is the first authors' society in the world to have signed an agreement with Facebook.



“The exponential rise of American SVOD platforms will ultimately lead to a global challenge, confronting European CMOs with an attempt by some of these platforms to introduce the US buy-out model, as opposed to our commitment to defending creators' rights and the principle of proportional remuneration for them.”

**Cécile Rap-Veber**, Executive Director of Licensing, International and Operations at Sacem



**Orelsan**,  
Songwriter, performer  
and director



### Our regional network

Our extensive regional network is one of our most valuable assets in terms of delivering the very best for our members. We have teams on the ground throughout France and overseas – comprising six regional offices and more than 60 local offices. This allows us to maintain close relationships with our regional customers and members and ensures accurate and efficient collection. By being in close touch with the people who are playing music and thus driving sustainable creativity, we are able to feel the pulse of the music business, sense the direction the economy is heading, and anticipate the issues that music creators and publishers will be faced with. This prepares us to best serve the interests of our members by adapting quickly to changing markets and circumstances.

### Private Copying

Since it was adopted in France in 1985, the private copying levy has made it possible to compensate for the loss of revenue suffered by creators as a result of the legal exception that allows private copies to be made of their works. The Private Copying Commission, of which Sacem is a member, has voted for an impressive number of new tariffs, applicable as of 1st October 2018, for phones, tablets, external hard drives, TV/multimedia boxes and cloud-based NPVRs. The private copying levy is of crucial importance – it helps guarantee cultural diversity and our country's artistic vitality.

The cultural aid payments are broken down among four legal categories: aid for creation and production, aid for the realisation of live performances, aid for the training of artists (authors, composers and performers) and aid for artistic and cultural education.

# 94

countries from which Sacem has a presence through 167 agreements signed with 116 foreign societies.



"I had the pleasure of crafting a melody and lyrics with some schoolchildren from Auvergne as part of the Song Factory scheme. Music schools should take inspiration from this system. Children have an unexpectedly bold creativity."

**Jean-François Chalaffre**, Songwriter, performer



"I love working with artists of all kinds and I'm passionate about the art and history of music videos."

**Marc Klasfeld**, Music video director

# A varied repertoire

## Repertoire

**We represent, manage and protect more than 140 million works throughout the world and across the range of creative genres. This repertoire is expanding every day – in 2018, more than 1.9 million new works were added, 223,120 by Sacem members.**

### Audiovisual

- Music for video
- Musical illustrations of programmes
- Musical documentaries
- Advertising music
- Musical videos
- Music for the moving image

### Content

- Editorials
- Poems
- Humour
- Dubbing
- Subtitles
- Sketches

### Music

- Electro-music
- Contemporary classical music
- Jazz
- Song
- Rap
- Reggae
- RnB
- Traditional music
- World music
- Zouk
- Instrumental
- Techno



## Mandates

We also collect royalties for:

- Performers and producers of music, audiovisual works, visual arts and writing via Copie France (Private Copying).
- Performers (members of the Adami and Spedidam collective management organisations) and record producers (SCPP and SPPF) for the broadcasting of their works in public places such as shops, hotels and restaurants.
- Authors of the performing arts, audiovisual works (members of SACD), multimedia works (members of Scam) and graphic and plastic arts (members of ADAGP) for part of media broadcasting of the works concerned (especially audiovisual).
- International music publishers (Universal Music Publishing, Warner/Chappell, Wixen Music Publishing, Inc. Sharandall Music, The Music Goes Round Publishing, PEN Music Group and Impel) for part of the digital use of their international repertoires.
- Canadian creators in Europe – since 2016, Sacem has been representing the repertoire of Socan exploited by DSPs in Europe.
- Phono-mechanical rights on physical products (CDs, DVDs, BRs) distributed by European Universal Music subsidiaries.



**Laurent Perez del Mar,**  
Composer

## Distribution

79% of authors' rights are distributed work-by-work in order to reflect, as much as possible, the detail of music broadcasting programmes. This accuracy is the result of the considerable technological innovation and expertise needed to process large volumes of data, while at the same time providing reliable documentation.



“I’ve always wanted to be a composer. I’m fortunate now to be doing it for my job and making a living from the thing I’m passionate about. Writing music is as vital to me as playing live to an audience.”



**Arnaud Rebotini,**  
Songwriter, director



**Work-by-work****Audiovisual**

Authors' rights relating to TV or radio stations are recorded in statements, and are based on how many seconds the broadcast lasts for.

**Concerts and shows**

All authors' rights collected for shows and concerts are distributed based on the duration of the works performed. If this information is not available, rights are divided according to the duration of the works indicated by its creators.

**Cinemas**

Authors' rights collected for films are allocated to each musical work based on the duration of use in the film.

**CD or DVD**

The number of units produced and their wholesale price allow us to determine the level of authors' rights to be allocated.

**Internet**

Identifying the source of each work downloaded or listened to by platform, by territory and allocating the rights attributable to it, is based on the number of downloads or plays<sup>1</sup> and on the total number of downloaded, listened-to or visualized works.

**International**

Royalties for works played abroad are collected and distributed according to the rules of the rights societies in each country. The procedure for distribution of data exchange between societies is agreed in contracts between them and follow international standards set by Ciscac, the International Confederation of Authors and Composers. The royalties are then paid by Sacem to its members on the basis of such information provided by foreign societies.

**Surveys****Nightclubs**

Rights collected from nightclubs are distributed on the basis of a sample survey conducted every week by an expert company with a panel of 110 clubs.

Data collected is used to establish detailed statistical statements of the music being played.

**Musical ball**

For musical balls, rights collected are distributed on the basis of repertoires provided by member conductors every half year.

Distribution rates are calculated on the basis of 150 half-yearly listening reports, which are converted into statistical statements of the music played.

**Private Copying**

Surveys are carried out by Audience measurement companies.

**Private Copying – audio**

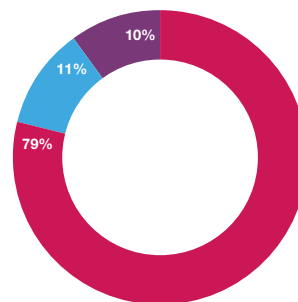
Audience measurement companies provide us with information on the sources from which copies have been made, such as radio, CDs and downloads. Sacem holds the resulting royalties for distribution.

**Private Copying – audiovisual**

Surveys made by audience measurement companies have shown that most copies are still made from television, and Sacem collects the authors' rights from TV channels for distribution.

**Consumer usages****Background music**

Any works reproduced on CD and selling 500 copies are registered for a period of 10 years in a specific file. To participate in authors' rights distribution in this area, the works of this file need to have been played in concerts, musical balls or broadcast on radio.

**Accuracy and efficiency**

● Work-by-work  
● By surveys  
● By taking into account consumer habits

<sup>1</sup> On condition the amount of rights is above a threshold taking into account the cost and complexity of the necessary operations.

Clara Luciani,  
Songwriter, performer



# Global repertoire

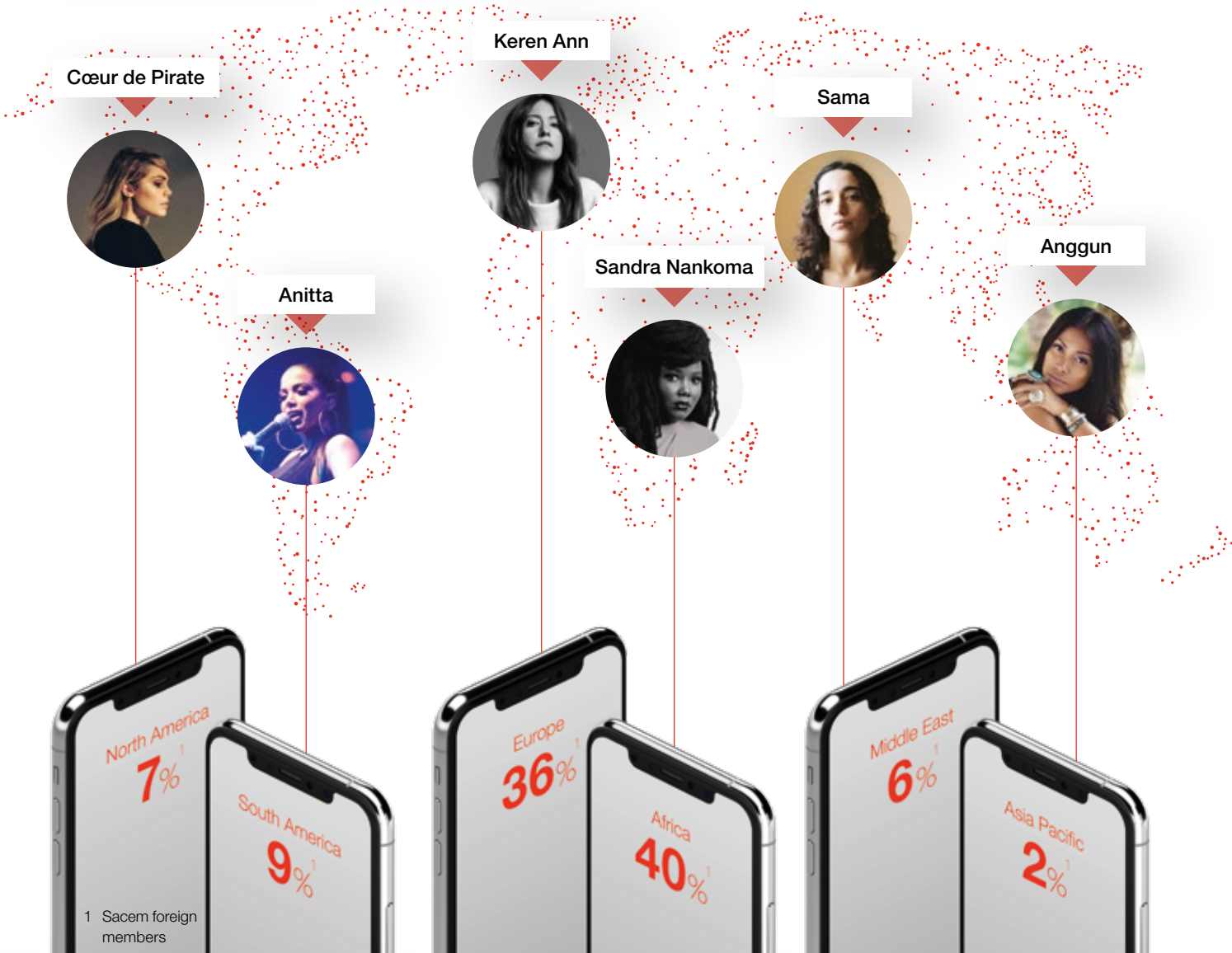
## Global figures 2018

2nd

largest repertoire in the world.

8%

of collections come from our overseas repertoire.





## Maximisation of rights

Sacem network  
is made up of

6

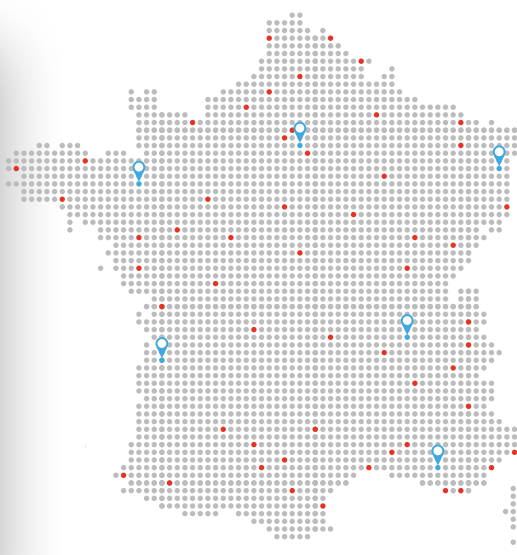
regional offices

60+

local offices in mainland France  
and overseas

625+

co-workers



Regional office



Local office



## Our clients



Hair Salons



Shops



Fitness clubs



Pubs



Restaurants



Doctors /  
dentists



Airports



Railway stations



Hotels

We licensed around

506,000

highly diverse clients

A more digital relationship

150,000

client accounts on [sacem.fr](http://sacem.fr)

136,000

contracts signed online

## Cultural aid

In addition to its rights collection and distribution activities, Sacem provides strong cultural support for musical creation, live performances, and the training and professionalisation of creators, both in France and internationally.

Through its expertise, networking and financial support, it assists authors, composers, and publishers, as well as the venues, festivals or producers who programme these artists, and therefore ensure the dissemination of their works.

Sacem's financial aid covers all the stages of a career or a project, from assistance to self-production. Budgets have been significantly increased this year to support the rise of dematerialisation, to residences, festivals, venues, ensembles and musical groups, among so many others. Publishing development aid offers a whole range of financing to support the publishers in their efforts to develop artists and to enhance heritage.

Urban music, electro, contemporary classical music, creative jazz, young audience, pop, rock, world music, poetry, comedy, etc. This cultural action covers all the repertoires managed by Sacem, with particular attention paid to genres suffering from underexposure in the media, or evolving in a structurally deficient economic model, such as contemporary classical music, creative jazz or works dedicated to young audiences.

This action is managed both nationally and also through a decentralised budget, closer to the territories and actors in the field, handled by Sacem's regional network.

As a major player in the audiovisual sector, Sacem also plays a decisive role in the field of music for motion pictures, through aid for the creation of original music, in all formats, from short films to features. Encouraging new writing, Sacem supports innovative and transmedia projects while paying particular attention to initiatives to enhance heritage through its support for musical documentaries and new channels of dissemination. Finally, the training and professionalisation of composers is an important part of Sacem's role, through the funding



"Composing is how I express myself, and I couldn't live without it. The fact that this reason for living is supported and protected by Sacem is invaluable. In this sense, the prize I was awarded in 2015 gave me real encouragement to push on with my work. For contemporary classical music and young creators, it's priceless!"

**Camille Pépin, Composer**

of residencies, master classes, and professional meetings organised with a network of leading audiovisual festivals.

In the field of humour, Sacem carries out specific support activities, aiming in particular at musical humour and support for the projects of comedians in the early stages of their careers, especially through close work with festivals, where the mission of identification and professionalisation is decisive at the beginning of their careers.

Lastly, artistic and cultural education is an essential part of Sacem's cultural action, with the aim of placing creators at the centre of activities, in all times and places of daily life.

In 2018, Sacem committed 29.8 million Euros to supporting 2,347 cultural and artistic projects directly. This number rises to more than 3,100 taking into account aid provided through programmes that Sacem co-finances with other bodies of collective management, or with local authorities. This amount also includes a number of initiatives to promote and defend authors' rights and the professionalisation of creators.

This investment comes from both private copying (27.6 million Euros) and equity (2.2 million Euros).



To strengthen its cultural activities, Sacem works closely with other cultural funders, including local authorities and business foundations, as well as alternative financing stakeholders, to continue to support the financial risks taken by the sector's artists and actors, covering ambitious projects of creation, programming, development, innovation or artistic writing, and thereby solidify the ecosystem of creation.

**FRANCO-AMERICAN CULTURAL FUND**  
DGA/MPA/SACEM/WGA/W

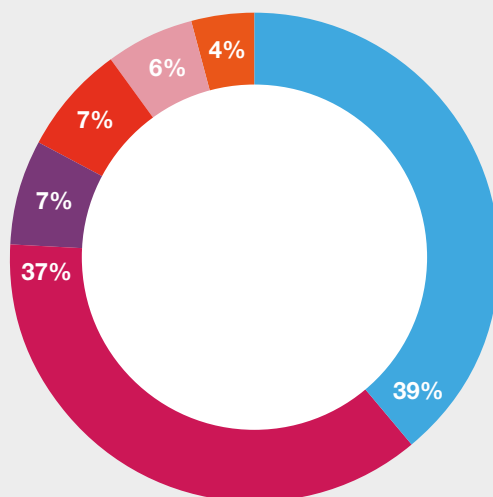
### Two countries, one passion

The Franco-American Cultural Fund is a unique collaborative effort between Sacem and American Guilds (DGA, WGA, MPAA) to promote French cinema, develop ties with American distributors, facilitate access to the North American market for many French filmmakers and producers and support a restoration programme for great films from France and the US. The work of the fund is supported by a portion of the authors' share of French private copy levy funds dedicated by French law for the support of creativity, the promotion of performance and for the training of new talent.



**Cultural Aid in 2018**

- Live performance
- Creation and production
- Optimisation activities and other voluntary aid
- Operating costs
- Artist training
- Cultural and artistic education



# €29.8m

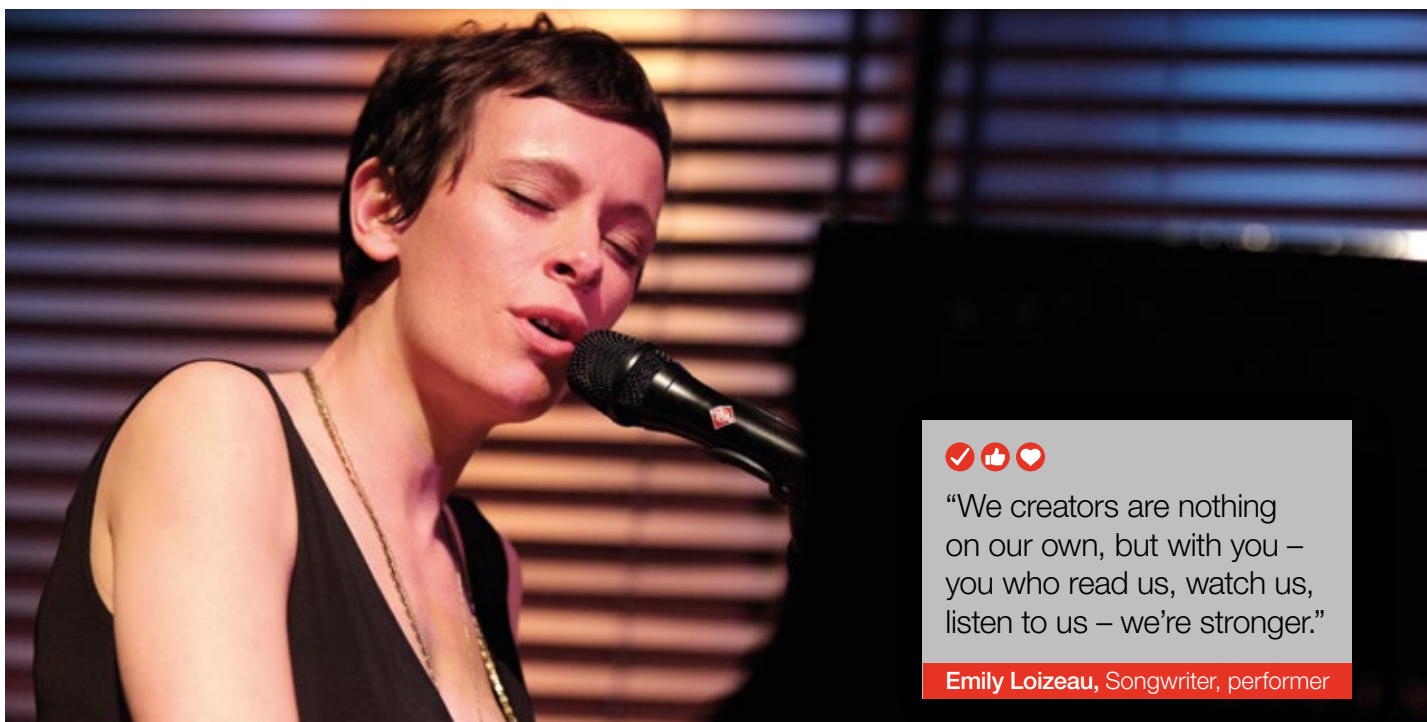
to support cultural activities (€27.6 million 25% Private Copying and €2.2 million voluntary aid).



“Whether my works were created with electricity in Shanghai (China) or on the peaks of Maurienne (Savoie, France), I have been carving out a unique path as an artist since I was 18, and the royalties I now collect mean I can live off my passion.”



**Christophe Hisquin AKA Dantès Dai Liang**, Songwriter, performer



“We creators are nothing on our own, but with you – you who read us, watch us, listen to us – we’re stronger.”

**Emily Loizeau**, Songwriter, performer



### Social responsibility

Choosing music or writing as a career means opting for passion. But making a living through words and notes can be a challenge – and while the precariousness and volatility of any career has grown in recent years, the profession of author or composer by its very nature has always had its share of uncertainty.

That's why Sacem's members have throughout its history instilled within society a strong sense of social responsibility, and have worked hard to create and strengthen a model that takes care of creators at every age of their lives.

Unwavering commitment and dedication to the protection of its members are anchored at the heart of Sacem's identity. We have always been committed to working to develop greater professionalism and recognition for creators, to promote and defend their status and to guarantee the highest quality and most complete social protection.

Sacem works for its members in all areas of social activity:

- Through its own internal initiatives:
  - Provident Fund (with the Mutual aid allowance scheme – RAES)
  - Solidarity Fund (mutual assistance, emergency aid, death benefits)
  - Comité du Cœur, an association created and supported by the members of Sacem, which helps authors and composers in distress
- By ensuring a close relationship with external social organisations, even participating in their governance:
  - Agessa (Authors' Social Security Management Association)
  - IRCEC Pension Fund (with the two supplementary pension plans, RAAP and RACL)
  - Afdas, which manages authors' training funds

The initiatives and activities it has set up and developed demonstrate Sacem's strong commitment to supporting its members. They are a very concrete reflection of the spirit of solidarity of songwriters, composers and music publishers.

It is the members themselves who actively contribute to supporting and sustaining creators and their work, through the statutory deductions for social and cultural services (€62.3 million in 2018), and through their contributions to social organisations and their donations to the Comité du Cœur.

Sacem is constantly working to develop and strengthen its social and professional activities. Accordingly, in 2017, it embarked on a major reform of its old-age security scheme (RAES), with a view to extending its benefits to as many of its members as possible. It has also defined and launched a new programme to support professional development. This programme aims to enable creators who do not have access to the legal right to funding to take training courses selected for their quality and professional interest. Sacem also launched a health coverage support programme in 2018 for its American resident members.

Sacem's objective is to better support its members by meeting their specific needs at each stage of their professional development.



“The true expression of music is in sharing. Fraternity, though inscribed on our pediments, too often gives way to individualism and withdrawal. We must, more than ever, gather together around our common values. Only together will we safeguard the dignity of our professions.”

**Arlette Tabart**, Author, Chairwoman of the Comité du cœur



### Information systems

Sacem continues to overhaul its IT systems in order to improve its competitiveness and provide more efficient tools for members and clients. It is working on service optimisation for both the process component and the user experience. We are adapting our digital tools (internet, mobile apps, social networks, etc.) to the needs of our audiences.

URights enables the management of the exponential volume of online music and video data exchanges, and improves the identification of the rights associated with these operations.



### Key figures

# 40

projects delivered every quarter, on average

## Global IT expenses included investments in €m

2018	€48.6
2017	€47.3
2016	€42.5
2015	€38.0
2014	€35.1

Sacem's research & development policy is designed to enhance the value of works in the repertoire and maximise authors' rights. It is particularly focussed on blockchain and artificial intelligence. Sacem also is helping develop schools and start-ups in partnership with other CMOs (Collective Management Organisations).

Major IT projects reinforce Sacem's strategic axes, and revolve around the following topics:

- Continuation of the overhaul of computerised processing of rights and distribution channels.
- Finalisation of the online processing chain with the "URights" solution, with pricing simulation capabilities, and the upcoming integration of VoD (video on demand) and SVoD (subscription video on demand).
- Implementation of advanced solutions for management of the relationship between members and clients.
- Transformation of the information system into a cloud platform, open to the outside, capable of instantaneously orchestrating flows and interactions with its ecosystem.
- Construction of a new operational model in order to deliver projects faster, bringing more value.



"Being established in the US has allowed us to investigate the various performing rights organisations, a bit like pioneers wanting to keep control of their music rights!

We can confirm that France's social model is the country's driving force! Sacem is the only society that offers its members social and support benefits."

**Marian Buswell and François Hasdenteufel,**  
Publishers





### Human resources

With 1,308 employees at the end of 2018, Sacem's teams are organised around its "core business" activities: management of members (admission, deposit of works, distribution, etc.), collection of dues (regional network, licences, international, etc.), and support

services (legal, IT, finance, HR, communication, cultural action, etc.). The teams are spread over 67 locations in France (mainland France and Overseas territories). The human resources policy supports Sacem's strategy, concentrating its efforts on the organisation of work (development of trades and organisations, etc.), professional training, and relying on a sustained social dialogue.

In 2018, a major company agreement was signed with all the unions on the development and reconfiguration of the annual and monthly remuneration structure. In particular, it aimed to improve support for the implementation of France's new pay-as-you-go income tax on 1st January 2019.



### Key figures

1,308

permanent employees

58% women

77

young students  
joined Sacem on  
professionalisation  
contracts (pictures  
opposite)

90

trainees welcomed

88/100

Gender Equality Index

150+

employees telecommuting



Young students working for Sacem in 2018

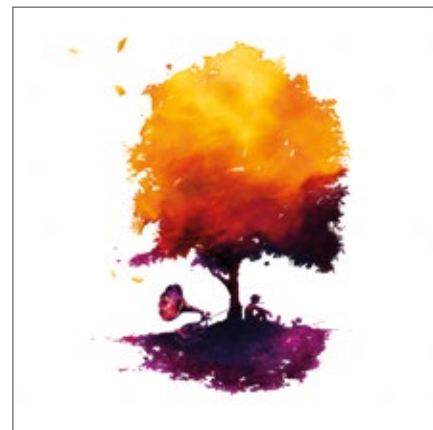


### Legal framework

Sacem's operations are subject to the Code of Intellectual Property and to a range of internal and external controls. At European level, a 2005 recommendation on copyright management led to a fragmentation of repertoires forcing online music platforms to multiply requests for authorisation of their activities. The increased complexity of the market is partly responsible for the Directive on Collective Management adopted in 2014 and transposed into French law by the Act of 22 December 2016. This directive reflects primarily a desire to improve the governance and transparency of national and other European rights management organisations by strengthening disclosure requirements and control of their activities by the rights holders. These provisions – already widely adopted in France – will enable greater harmonisation of the rules across all the European rights societies.

For collective management organisations in the music industry, and therefore for Sacem, the Directive also aims to facilitate the delivery of multi-repertoire and pan-European licenses for the use of online music works. Through various specific initiatives, Sacem has campaigned for many years to improve the market for online music, be it through national licenses to operate online rights, multi-territory licenses to use entire repertoires, management mandates for international publisher accounts or through the Armonia platform developed in partnership with other European authors' rights organisations.

Finally, the HR strategy is continuing with its active CSR (Corporate Social Responsibility) policy and is planning new key actions in terms of professional equality and diversity.



▲  
Mantra album, Jarring Effects  
Independent Record Label Catalogue



"Sacem has been looking after my songs for over 30 years, and sometimes gets hold of them before anyone knows they exist. This shows how close we are. Sacem is like a benevolent, musical big sister."

**Pascal Parisot,**  
Songwriter, performer



"By keeping our [audio] system going we can continue to clear the way for new talent and work towards diversity and therefore creation, and frustrate the seductive algorithms at the same time."

All this [audio] activism is still possible with the support of Sacem, which protects the talent and impact of our writers!"

**David Morel,**  
Label Manager, Jarring Effects

# Financial performance (combined figures)

Consolidated collections show a remarkable growth of more than 6.1% over 2018, exceeding the figure of €1.5 billion collected. This performance is mainly due to Sacem's own collections, which grew by nearly €97 million in 1 year. Essentially due to the extremely strong growth of the online segment (see 1.2).

Net expenses, on the other hand, showed slower growth than collections, going from €160 million in 2017 to €168.1 million in 2018, (+€8.1 million), which has the result of two main effects:

- Remain competitive in term of net expenses/combined collections ratio, we are now at 11.2%,
- The substantial growth of the amount of rights to be distributed, +€78.2 million in 1 year, which represents an historic achievement.

However, this very strong growth in collections, particularly in the Online segment, generates a cyclical increase of suspense account. Therefore, because of scheduling in the distribution process, a significant part of volumes collected in the Online segment in 2018 will be redistributed during 2019.

Besides, the combined effect of the strong decrease in suspense accounts in 2017 and the seasonal effect in the increase in the variation of the 2018 suspense accounts, led to a slight cyclical decrease in the amounts distributed to Sacem's members (-1%), while amounts distributed by Sacem to mandators grew by 2.5%. Distribution to other mandators decreased by 11% because of Private Copying non Sacem's repertoire.

We want to ensure that Sacem always endeavours to distribute rights following the most accurate method, usually based upon work-by-work programmes transmitted by clients. The aim is to attribute the fairest way collected money to the used works and their rightsholders, whether big or small. As a counterpart of such an accurate process, we put on hold money in suspense accounts to keep the rights linked to unmatched lines between programmes and works database (low-quality programmes, unregistered works...). Sacem invests through IT and human means to clean these unmatched lines during the following quarters enhancing programmes, manually identifying works...

## 1.1. Key consolidated figures

### Financial pipeline from collections to distribution

M€	2018	% of collections	2017	% of collections	Var	Var%
<b>Collections</b>	<b>1,501.6</b>	<b>100.0%</b>	<b>1,415.3</b>	<b>100.0%</b>	<b>86.4</b>	<b>6.1%</b>
Sacem	1,066.5	71.0%	969.8	68.5%	96.7	10.0%
Mandates & Other	435.1	29.0%	445.4	31.5%	-10.3	-2.3%
<b>Net expenses to be financed through deductions</b>	<b>-168.1</b>		<b>-160.0</b>		<b>-8.1</b>	<b>5.1%</b>
Operating expenses	-200.7	13.4%	-198.4	14.0%	-2.4	1.2%
Other operating income	4.6	-0.3%	3.7	-0.3%	1.0	26.3%
Interest and other income	27.8	-1.9%	33.9	-2.4%	-6.1	-18.0%
Net non recurring income	0.2	0.0%	0.8	-0.1%	-0.7	-80.2%
<b>Distributable royalties</b>	<b>1,333.5</b>	<b>88.8%</b>	<b>1,255.3</b>	<b>88.7%</b>	<b>78.2</b>	<b>6.2%</b>
<b>Variation in distribution reserves</b>	<b>-104.5</b>	<b>-7.0%</b>	<b>77.7</b>	<b>5.5%</b>	<b>-182.1</b>	<b>-234.5%</b>
Variance on the reserve of net result	0.2		-2.4		2.6	-107.2%
Variance on the suspense accounts	-104.7		80.1		-184.7	-230.7%
<b>Distribution</b>	<b>-1,229.0</b>	<b>81.8%</b>	<b>-1,333.0</b>	<b>94.2%</b>	<b>104.0</b>	<b>-7.8%</b>
<b>In favour of Sacem members</b>	<b>-584.1</b>	<b>38.9%</b>	<b>-641.6</b>	<b>45.3%</b>	<b>57.5</b>	<b>-9.0%</b>
– Distribution to Sacem members	-541.2		-553.6		12.4	-2.2%
– Accounting One-Off impact on distribution	0.0		-40.1			
– Social and cultural programmes	-42.8		-47.9		5.1	-10.5%
<b>In favour of other collecting societies or mandators</b>	<b>-616.4</b>	<b>41.1%</b>	<b>-663.6</b>	<b>46.9%</b>	<b>47.2</b>	<b>-7.1%</b>
– Mandators (by Sacem) incl. other CMOs	-220.0		-214.6		-5.5	2.6%
– Mandators (by SDRM) incl. other CMOs	-3.5		-4.9		1.3	-27.0%
– Other Mandators	-392.9		-444.2		51.3	-11.6%
<b>In favour of cultural aid projects (25% Private copying levy)</b>	<b>-28.5</b>	<b>1.9%</b>	<b>-27.8</b>	<b>2.0%</b>	<b>-0.7</b>	<b>2.4%</b>
<b>Surplus/Deficit</b>	<b>0</b>		<b>0</b>			



## 1.2. Consolidated and statutory collections

M€	2018	2017	Var	Var%
<b>Sacem</b>	<b>1,066.5</b>	<b>969.8</b>	<b>96.7</b>	<b>10.0%</b>
TV/Radio (including TV Operators)	313.0	319.8	-6.9	-2.1%
General rights (regional network)	319.2	305.8	13.4	4.4%
Online (music and VoD/SVoD)	177.8	83.8	94.1	112.3%
Private Copying Sacem repertoire	98.5	95.8	2.7	2.9%
International	88.1	83.9	4.2	5.0%
CD/DVD/BR	69.9	80.8	-10.9	-13.5%
<b>Mandates and others</b>	<b>435.1</b>	<b>445.4</b>	<b>-10.3</b>	<b>-2.3%</b>
Private Copying non-Sacem repertoire	213.6	220.7	-7.1	-3.2%
Other mandates & miscellaneous	221.5	224.7	-3.2	-1.4%
<b>TOTAL</b>	<b>1,501.6</b>	<b>1 415.3</b>	<b>86.4</b>	<b>6.1%</b>

The collecting operations managed by Sacem and its employees can be divided into two categories:

### (1) Sacem collections

Royalties relating to Sacem's repertoire (contribution of Sacem members), to the repertoires of foreign collective management organisations with a reciprocity mandate, or to some mandates as described above. These collections show an exceptional dynamic growth this year (+10%; €96.4 million vs 2017).

The extremely strong growth registered on the Online collections (music and VoD/SVoD), that have more than doubled from year to year (+112.3%, +€94.1 million vs 2017), totally validates Sacem's massive investments policy in this market segment, particularly regarding the URights project. That confirms Online business as an essential driver of growth for the next few years.

General rights collections, shows a 4.4% growth (+€13.4 million vs 2017), which makes a quite a remarkable performance. The energy spent on the operation field and the good exploitation of all our detection channels have enabled an increase of 3.2% of clients, reaching the historic number of 506,000 costumers billed.

Concerning Private copying Sacem repertoire, most of pending litigations have ended with a favourable outcome. This effect, combined to an always good amount of sales in the smartphones and external hard disks, allowed this line to maintain their revenues over €95 million.

### (2) Mandates

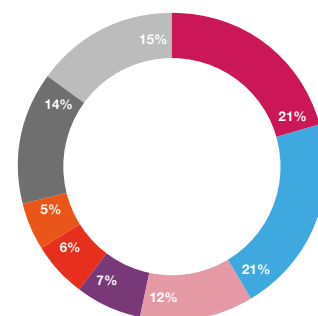
Royalties relating to mandates granted to Sacem by the following:

- French collective organisations benefiting from Private Copying (both authors' and neighbouring rights)
- French collective organisations commissioning Sacem with the collection of a part of their neighbouring royalties
- French collective organisations commissioning Sacem with the collection of a part of their TV/Radio royalties.

Collections from mandates and others decreased by – €10.3 million, or – 2.3%, mostly due to private Copying non-Sacem repertoire – €7.1 million.

### Revenue breakdown

These figures show the growing importance of the Online segment in Sacem's portfolio. It represents 17% of the revenues in 2018, vs 9% in 2017. This growth is expected to continue in the future.

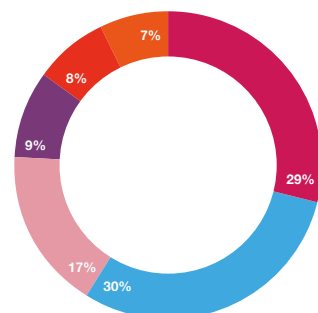


### Combined figures – Sacem

- TV/Radio (including TV Operators) (2017: 23%)
- General rights (regional network) (2017: 22%)
- Online (music and VoD/SVoD) (2017: 6%)
- Private Copying Sacem repertoire (2017: 7%)
- International (2017: 6%)
- CD/DVD/BR (2017: 6%)

### Combined figures – Mandates and others

- Private Copying non-Sacem repertoire (2017: 16%)
- Other mandates & miscellaneous (2017: 16%)



### Statutory figures – Sacem

- TV/Radio (including TV Operators) (2017: 33%)
- General rights (regional network) (2017: 32%)
- Online (music and VoD/SVoD) (2017: 9%)
- Private Copying Sacem repertoire (2017: 10%)
- International (2017: 9%)
- CD/DVD/BR (2017: 8%)

### 1.3. Net expenses

M€	2018	2017	Var	Var%
Personnel expenses	-137.0	-137.7	0.6	-0.5%
Other operating expenses	-46.6	-45.5	-1.1	2.5%
Depreciation and amortization	-17.1	-15.2	-1.9	12.2%
<b>Operating expenses</b>	<b>-200.7</b>	<b>-198.4</b>	<b>-2.4</b>	<b>1.2%</b>
Other operating income	4.6	3.7	1.0	26.3%
Net financial income	27.8	33.9	-6.1	-18.0%
Net non recurring income	0.2	0.8	-0.7	-80.2%
<b>Net expenses</b>	<b>-168.1</b>	<b>-160.0</b>	<b>-8.1</b>	<b>5.1%</b>
<b>Net expenses ratio</b>	<b>-11.2%</b>	<b>-11.3%</b>		

Operating costs are controlled, and investments strongly focused.

First of all and in order to face our current challenges of competition, of globalization of our ecosystem, we had the need to maintain our organisation technologically updated, and increase our processing capacities and gain in efficiency (URights for the online market). Moreover, IT investments have increased by half since 2013.

Our cost structure is as follows:

- 70% of the expenses are personnel costs that are always very stable over time
- 20% are other recurring operating expenses (mission costs + overheads, etc.) and they also very stable over time.

- The main variation comes from the expenses related to our IT investments and the transformation of the company (on its processes + on the evolution of its model (its strategy) they represent 10% of our expenses today, +25% vs 2017.

### 1.4 Amounts for the purposes of social and cultural services (excluding 25% Private Copying resources)

Sources of income and uses of funds (for social and cultural aid)

M€	2018	2017	Var	Var%
Collection of royalties attributed to social and cultural aid (1)	42.8	47.9	-5.1	-10.5%
Collection of royalties attributed to Optimisation Funds (2)	1.9	1.5	0.4	22.8%
Other sources of income (accruals)	2.0	9.5	-7.6	-79.3%
<b>Total revenues</b>	<b>46.7</b>	<b>59.0</b>	<b>-12.3</b>	<b>-20.8%</b>
Contingency Funds	30.7	30.6	0.1	0.3%
Solidarity Funds	1.8	1.7	0.0	0.5%
Voluntary Cultural Aid – Optimisation Funds (2)	1.9	1.5	0.4	22.8%
Voluntary Cultural Aid – Non-Optimisation Funds (3)	0.3	0.7	-0.4	-53.7%
<b>Total expenses</b>	<b>34.7</b>	<b>34.6</b>	<b>0.1</b>	<b>0.2%</b>
<b>Surplus of the fiscal year</b>	<b>12.0</b>	<b>24.4</b>	<b>-12.3</b>	<b>-50.7%</b>

Sacem's Articles of Association provide for the possibility of contingency, solidarity and assistance action in favour of its members and the payment of services in the framework of social aid. The financing of social and cultural aids is mainly done via:

- (1) The collection of certain royalties as highlighted in 2.2.1. – calculated as a percentage of the collections net of deductions withheld from royalties to finance operating expenses; this percentage cannot statutorily exceed 10%. The average deduction rate as a percentage of collections is around 5.8%.

- (2) The collection of royalties intended for Optimisation Funds, i.e. direct aid given to certain members via the mark-up of royalties which they have been paid. These Optimisation Funds support:

- Jazz improvisers,
- Young pop authors and composers,
- The royalties generated by public performances or the recent recording of symphonic music, electroacoustic music, poetry, etc.
- Composers and publishers of soundtracks for audiovisual documentaries.

In addition to the Optimisation Funds, there are other 'voluntary' cultural aid resources, i.e. outside the scope of the legal 25% Private Copying levy (see 1.5).

- (3) Non-Optimisation Funds voluntary cultural aid payments are mainly comprised of promotions for the broadcasting of music in French regions, support for artists wishing to self-produce their music, endowments to the winners of certain awards such as the Sacem Grands Prix, etc.

## 1.5 Amounts for the purposes of cultural services so-called 25% Private Copying resources

Sources of income and use funds (25% Private Copying levy for cultural aid)

M€	2018	2017	Var	Var%
Collection of royalties attributed to cultural aid projects (1)	28.5	27.8	0.7	2.4%
Financial sources of income	0.5	0.5	0.0	7.3%
<b>Total revenues</b>	<b>29.0</b>	<b>28.3</b>	<b>0.7</b>	<b>2.5%</b>
Aid for creation and production (2)	9.4	8.4	0.9	11.0%
Aid for the realisation of live performances (2)	11.1	9.1	2.0	22.0%
Aid for the training of artists (2)	1.6	1.5	0.0	2.0%
Aid for artistic and cultural education	1.1	0.7	0.4	55.6%
Fund for the Creation of Music (FCM) (3)	1.6	1.6	0.0	0.0%
Franco-American Cultural Fund (FACF) (4)	0.6	0.8	-0.2	-22.2%
Overhead expenses	2.2	2.2	0.1	2.6%
<b>Total expenses</b>	<b>27.6</b>	<b>24.3</b>	<b>3.3</b>	<b>13.4%</b>
<b>Surplus of the financial year</b>	<b>1.4</b>	<b>4.0</b>	<b>-2.5</b>	<b>-64.3%</b>

The cultural aid paid by Sacem is financed partly by the budgets allocated to voluntary aid (see 2.3.8.) and partly by the sources of income provided for by Article L. 324-17 of the Intellectual Property Code. The latter amounts are legally allocated to so-called "Private Copying" cultural aids.

- (1) These collections correspond to the royalties legally attributed to cultural aid.
- (2) The cultural aid payments are broken down between four legal categories as defined in Article R. 321-6 of the Intellectual Property Code, i.e. aid for creation and production, aid for the realisation of live performances and aid for the training of artists (authors, composers and singers) and as defined in Article L. 324-17 of the Intellectual Property Code, i.e. aid for artistic and cultural education.

- (3) The subsidy paid to the Fund for the Creation of Music (FCM), an initiative financed by all the collective societies active in the musical field, can also be added to these spends.

- (4) The Franco-American Cultural Fund (FCFA) was created in 1996 with the aim of promoting the art of cinema on both sides of the Atlantic and to encourage dialogue between professionals in both countries. FCFA is financed via the 25% Private Copying levy, in agreement with the American professional guilds representing audiovisual creators (DGA, WGA and MPA).

The Cultural Action department has had increased sources of income for the past years, with funds used for cultural aid increasing from €24.3 million in 2017 to €27.6 million in 2018. The main fields which benefited from these additional sources were:

- Funding in favour of young audiences or community actions;
- Funding for editorial pre-production;
- Activities in defence of authors' rights (for example, the fight against piracy);
- Funding for live performances in music festivals;
- Funding for developing French music around the world (touring abroad...).



# Transparency report

The transparency report was prepared in accordance with Article R321-14 (established by Decree No. 2017-924 of 6 May 2017 – art. 3) of the Intellectual Property Code.

## 2.1. Accounts for the 2018 financial year

Sacem accounts for the year ending 31/12/2018 and auditor's report on the year's accounts.

## 2.2. Report on the year's activities

Report from the manager of the 2018 financial year.

## 2.3. Number of refusals to grant operating licences in accordance with the provisions of paragraph 3 of article L. 324-7 and main categories of reason for refusal

No refusals.

## 2.4. Description of the collective management organisation's legal and governance structure

A non-trading company governed by articles 1832 et seq. of the Civil Code and the provisions of Title II, Book III of the French Intellectual Property Code (CPI).

The Society is governed by a Board of Directors, the 19 members and substitute member of which are elected by the General Assembly.

The Board of Directors appoints a Chief Administrative Office who is the manager of Sacem.

The activities of the Board of Directors and the Chief Executive Officer are supervised by the Supervisory Board, the 6 members of which are also elected by the General Assembly.

## 2.5. List of legal entities controlled by the organisation in accordance with article L. 233-16 of the French commercial code, including total capital, proportion of capital held, year-end results for the last financial year, and net and gross carrying amount of shares held

SUBSIDIARIES AND PARTICIPATIONS	CAPITAL in Euros	Share of capital held	Result of the last period in Euros
SDRM	61	59/61	0
Sacem Luxembourg	10,000	75%	0
Sacem Polynesia	209	75%	-15,730
SCI DES 225-227 AVENUE CHARLES DE GAULLE	914,700	75%	4,904,625
SCI CHATEAUDUN	304,900	75%	359,289
SCI VILLETTE	2,286,735	2/3	457,131

## 2.6. Total amount of remuneration paid during the previous year to (a) the persons mentioned in paragraph 1 of article L. 323-13 and (b) members of the Supervisory Board, along with other benefits granted to them

The total amount paid in 2018 to:

- the Board of Directors and Chief Executive Officer is €1,263,000
- the Supervisory Board is €122,000

## 2.7. Amount of revenue from the exploitation of rights, broken down by category of rights managed and type of use, and amount of income from investing this revenue with details on how this income is used

Collections (M€)	2018	2018	2018
	Current activity	Non-recurrent impact*	TOTAL
<b>Voluntary collective management</b>	<b>968.0</b>	<b>28.0</b>	<b>996.0</b>
TV/Radio (including TV Operators)	313.0		313.0
General rights (Regional network)	319.2		319.2
International	88.1		88.1
Online (music and VoD/SVoD)	177.8	28.0	205.9
CD/DVD/BR	69.9		69.9
<b>Mandatory collective management</b>	<b>98.5</b>	<b>0.0</b>	<b>98.5</b>
Private copying	98.5		98.5
<b>Sacem</b>	<b>1,066.5</b>	<b>28.0</b>	<b>1,094.5</b>

\* Non-recurrent impact linked to the simplification of flows between SDRM and Sacem for DRM (transfer of suspense accounts from SDRM to Sacem).

Categories of rights and types of use<sup>1</sup>.  
Sacem manages two categories of rights:

- Rights managed legally by collective management
- Rights managed voluntarily by collective management

Types of use depend on sector of activity.

The amount of financial revenue (€25.6 million) is deducted from management fees.

## 2.8. Financial information on the cost of managing rights and other services that the organisation provides to rights holders:

**a) Total amount of operating and financial costs broken down by category of rights managed; where costs are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate them is also given;**

Costs (M€)	
Net operating and personnel expenses	174.7
Charges for provisions and depreciation	17.0
Other income	-4.6
Financial result	-25.6
Extraordinary result	-0.2
<b>Net costs</b>	<b>161.3</b>

The breakdown of costs by category of rights consists of separating the costs of voluntary collective management from the costs of compulsory collective management. For the second category, Sacem essentially manages their distribution. The cost of distributing compulsory collective management is marginal compared to the cost of voluntary collective management.

**b) Amount of operating costs and financial expenses corresponding solely to the management of rights, broken down by category of rights managed, highlighting the amount of management fees deducted or offset from revenue from the exploitation of rights or income from investing this revenue; where the costs are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate them is also given;**

Cf. a)

**c) Amount of operating and financial costs relating to services other than rights management, including social, cultural and educational services;**

The amount of operating costs relating to cultural and educational services as provided for in article L 324-17 of the CPI is €2.2 million.

**d) Type of resources used to cover the amounts;**

Operating costs for rights management are funded as follows:

Resources (M€)	
Deductions on rights	114.9
Variation of deductions on rights pending allocation	13.1
Non-apportionables	32.4
<b>Net resources</b>	<b>160.3</b>

**Surplus/Deficit -1.0**

The total surplus (€9.5 million, including the carry forward surplus from the previous year of €10.5 million) is shown as the first resource in the management account for the following year, unless the General Assembly decides to allocate it following a proposal by the Board of Directors; a decision that can only be taken if the management account balance and Sacem's continued activity are guaranteed.

The amount of operating costs relating to cultural and educational services (cf. c) is financed by the amounts under article L 324-17 CPI.

**e) Amount of deductions made from revenue from the exploitation of rights, broken down by category of rights managed and type of use, and purpose of the deductions;**

Financing of costs (M€)	
Usage type	Deductions on rights
	<b>Current activity</b>
<b>Voluntary collective management</b>	<b>108.8</b>
TV/Radio (including TV Operators)	49.7
General rights (Regional network)	43.5
International	3.1
Online (music and VoD/SVoD)	9.3
CD/DVD/BR	1.9
Other	1.2
<b>Legal collective management</b>	<b>6.1</b>
Private copying	6.1
<b>Sacem</b>	<b>114.9</b>

These deductions cover costs incurred by collection and distribution activities.

**f) Percentage of the cost of rights management and other services provided by the organisation to rights holders relating to revenue from the exploitation of rights for the relevant financial year, by category of rights managed; where the costs are indirect and cannot be attributed to one or more categories of rights, an explanation of the method used to allocate them is also given;**

The average percentage is 14.76%, calculated according to the method that appears in annex 17-2 of the Sacem accounts.

Providing a breakdown of the rights by category is not economically viable due to the marginal cost of mandatory collective management.

The full transparency report will be available on [sacem.fr](http://sacem.fr) after the Sacem General Assembly.

<sup>1</sup> Definitions according to rule no. 2017-07 of 01/12/2017 issued by the French accounting standards authority on the harmonisation of accounting standards and presentation of collective management associations' summary documents of authors' rights and other related rights.

# Statutory auditor's report on the transparency report

## For the year ended December 31, 2018

### Statutory auditor's certificate on the information provided for in 1°, 7° to 10° of II and III of Article R. 321-14 of the Intellectual Property Code communicated in the annual transparency report provided for in Article L. 326-1 of the aforementioned code

#### To the Annual General Meeting of Sacem,

In our capacity as the statutory auditor of your company Sacem and in application of Articles L. 326-8 and R. 321-14-IV of the Intellectual Property Code, we drew up this certificate on the information provided for in 1°, 7° to 10° of II and III of Article R. 321-14 of the Intellectual Property Code communicated in the annual transparency report provided for in Article L. 326-1 of the aforementioned code for the financial year ending December 31, 2018.

This information has been established under the responsibility of your Manager from the accounting books used in the preparation of the annual accounts of your company for the year ended December 31, 2018 and the internal management data of Sacem related to the accounts. It is our role to certify this information.

The transparency report have been approved by your Board of Directors.

As part of our statutory audit mission, we audited the annual accounts of your company for the financial year ended December 31, 2018.

Our audit, carried out in accordance with the professional standards applicable in France, was intended to express an opinion on the annual financial statements taken as a whole, and not on specific items of these accounts used for the determination of this information. Therefore, we have not performed our audit tests and our samplings for this purpose and we express no opinion on these items taken alone.

We performed all of the procedures that we considered necessary in accordance with professional guidance issued by the French Association of Independent Auditors (Compagnie nationale des commissaires aux comptes) relating to this assignment. This work, which constitutes neither an audit nor a limited examination, consisted, on a test basis or through the use of any other selection methods, in:

- verifying the consistency of this information with the internal management data of Sacem related to the accounts;
  - checking the arithmetic accuracy of the information produced;
  - assessing whether this information achieves fair representation.
- On the basis of the work that we performed, we have no comment to make on the information provided for in 1°, 7° to 10° of II and III of Article R. 321-14 of the Intellectual Property Code communicated in the annual transparency report provided for in Article L. 326-1 of the aforementioned code.
- This certificate serves as a special report within the meaning of Articles L. 326-8 and R. 321-14 IV of the Intellectual Property Code.
- Paris, April 18, 2019  
French original signed by
- Didier KLING**  
The Statutory auditor CRCC of Paris
- obtaining an understanding of procedures put in place by Sacem to produce the information provided for in 1°, 7° to 10° of II and III of Article R. 321-14 of the Intellectual Property Code communicated in the annual transparency report provided for in Article L. 326-1 of the aforementioned code;
  - carrying out the necessary reconciliations between this information and the accounting from which it derives and checking that they are consistent with the elements used as basis for the preparation of the annual financial statements of Sacem for the year ended December 31, 2018;

*This is a free translation into English of the Statutory Auditors' certificate on the information provided for in 1°, 7° to 10° of II and III of Article R. 321-14 of the French Intellectual Property Code communicated in the annual transparency report provided for in Article L. 326-1 of the aforementioned code, issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Sacem**  
225, Avenue Charles de Gaulle  
92521 NEUILLY SUR SEINE



## Statutory financial statements

# Income and expenses statement

## at 31 December 2018

	2018 €000	2017 €000
<b>Operating income</b>		
Other operating income	12,907	13,985
Deductions	175,428	164,507
Reversal of provisions	244	2,218
Transfer of expenses	1,820	1,836
Total I – operating income	<b>190,400</b>	<b>182,545</b>
<b>Operating expenses</b>		
Purchases and other external expenses	47,409	44,501
Taxes and duties	6,529	6,360
Personnel expenses	136,453	137,228
Amortisation and depreciation	17,080	16,776
Net provisions	195	612
Other operating expenses	3,256	3,619
Total II – Operating expenses	<b>210,922</b>	<b>209,097</b>
Operating result (I – II)	<b>-20,523</b>	<b>-26,551</b>
<b>Financial income</b>		
From shareholdings	4,256	4,740
Interest and related receivables	25,550	31,465
Total III – Financial income	<b>29,807</b>	<b>36,205</b>
<b>Financial expenses</b>		
Interest and related receivables	0	0
Total IV – Financial expenses	<b>0</b>	<b>0</b>
Financial result (III – IV)	<b>29,807</b>	<b>36,205</b>
Net income from ordinary activities (I – II + III – IV)	<b>9,284</b>	<b>9,653</b>
<b>Non recurring income</b>		
Non recurring income	4,595	1,268
Write-back of amortisation in the field	3,715	
Total V – Non recurring income	<b>4,595</b>	<b>1,268</b>
<b>Non recurring expenses</b>		
Non recurring expenses	4,378	449
Total VI – Non recurring expenses	<b>4,378</b>	<b>449</b>
Non recurring result (V – VI)	<b>218</b>	<b>819</b>
Total income (I + III + V)	<b>224,802</b>	<b>220,018</b>
Total expenses (II + IV + VI)	<b>215,300</b>	<b>209,546</b>
Excess of management levies at 31 December	<b>9,502</b>	<b>10,472</b>

## Balance sheet

at 31 December 2018

Assets	Gross €000	Amortisation and depreciation (to be deducted)	2018 Net €000	2017 Net €000
<b>Fixed assets</b>				
Intangible assets:	160,530	100,338	60,193	57,462
Concessions, patents, licences, brands, processes, software	142,923	100,338	42,586	29,894
Advance payments and instalments	17,607	0	17,607	27,568
Tangible assets:	134,141	91,408	42,733	38,578
Land	14,057	0	14,057	557
Buildings	52,422	35,558	16,864	27,512
Other tangible assets	67,308	55,850	11,458	9,916
Advance payments and instalments	355	0	355	593
Investments:	32,858	0	32,858	31,484
Shareholdings	10,645	0	10,645	10,645
Long term receivables from investments	14,969	0	14,969	14,290
Loans	6,642	0	6,642	5,950
Other financial assets	602	0	602	599
<b>Total I – fixed assets</b>	<b>327,530</b>	<b>191,746</b>	<b>135,784</b>	<b>127,524</b>
<b>Current assets</b>				
Receivables:	395,579	2,161	393,418	386,308
Clients and related accounts receivables	235,592	0	235,592	220,301
Other receivables:				
Members	33,993	2,161	31,832	32,517
Other operating receivables	4,348	0	4,348	4,007
Miscellaneous receivables	121,647	0	121,647	129,482
Transferable security investments	907,572	0	907,572	864,859
Available funds	158,191	0	158,191	140,933
<b>Total II – current assets</b>	<b>1.461,342</b>	<b>2,161</b>	<b>1.459,181</b>	<b>1.392,100</b>
<b>Accruals and deferred income</b>				
Miscellaneous advance expenses	5,089	0	5,089	3,218
Insufficiency of levies	0	0	0	0
<b>Total III – accruals and deferred income</b>	<b>5,089</b>	<b>0</b>	<b>5,089</b>	<b>3,218</b>
<b>Total assets (I + II + III)</b>	<b>1.793,962</b>	<b>193,907</b>	<b>1.600,054</b>	<b>1.522,842</b>

## Balance sheet continued

### at 31 December 2018

Liabilities	2018 €000	2017 €000
<b>Equity</b>		
Capital	13,156	13,118
Total I – Equity	<b>13,156</b>	<b>13,118</b>
<b>Provisions</b>		
Provisions for contingencies and expenses	2,971	2,893
Total II – Provisions	<b>2,971</b>	<b>2,893</b>
<b>Debt</b>		
Bank loans and debts	110	227
Sundry debts	1.139,960	1.068,084
Deposits received (gifts and bequests)	3,641	3,548
Collections to be distributed	896,483	839,573
Users – foreign societies	5,545	5,742
Non-paid notified rights	194,768	182,101
Members	39,523	37,120
Trade payables and related accounts	15,174	12,450
Tax and social security debts	69,338	72,364
Other debt	12,266	19,082
Excess of the social aid of members' fund	305,575	293,560
Cultural aid (25% Private Copying levy)	32,002	30,592
Total III – Debt	<b>1.574,425</b>	<b>1.496,359</b>
<b>Accruals</b>		
Excess of management levies at 31 December	9,502	10,472
Total IV – Accruals	<b>9,502</b>	<b>10,472</b>
<b>Total liabilities (I + II + III + IV)</b>	<b>1.600,054</b>	<b>1.522,842</b>



# Notes to the statutory financial statements

## Accounting rules and principles

The Sacem annual accounts are drawn up according to the standards defined by ANC French accounting standards authority regulation no. 2014-03 of 05/06/2014, modified by ANC regulation no. 2016-07 of 26 December 2016 relating to the general chart of accounts, as well as to the provisions prescribed by the ANC Regulation no. 2017-07 of 1 December 2017 on the harmonisation of accounting rules and presentation of summary documents of collective management organisations of authors' rights and neighbouring rights which shall apply from 1 January 2018.

## Change in accounting methods

Article 140-1 repeals Regulation no. 2008-09 of 3 April 2008 of the Accounting Regulatory Committee on the harmonisation of accounting rules and the presentation of summary documents of the royalty collection and distribution societies.

For the financial statements for the 2018 financial year, Sacem implemented the new ANC regulation no. 2017-07 of 1 December 2017 on the harmonisation of accounting rules and the presentation of summary documents of collective management organisations of authors' rights and neighbouring rights (regulation approved by decree of 26 December 2017 published in the Official State Gazette of 30 December 2017).

According to Article 140-2, the first application of this Regulation constitutes a change in accounting method.

In addition to the information provided for in the ANC regulation no. 2014-03 relating to the general chart of accounts, the annex of the annual accounts includes the new information mentioned in articles 131-2 to 131-8 of the new regulations.

## Principal accounting rules and principles

### a) Intangible assets

Software is recorded at its purchase value, or, where developed internally, at a conservative estimate of the cost of production.

Depreciation is calculated using the linear method over 2 and 9 years depending on the probable period of use.

### b) Tangible assets

Tangible assets are valued at acquisition cost (purchase price plus ancillary costs).

Since the 2013 financial year, costs related to the acquisition of tangible assets have been recorded on the assets side of the balance sheet and written off over the life of the corresponding asset.

Depreciation is calculated according to the linear method based on the expected useful life of the asset:

- buildings – 30 years
- fixtures and fittings – 3, 5, 10 or 20 years
- transportation equipment – 5 years
- office furniture and equipment – 3, 5 or 10 years
- computer hardware – 3 or 5 years

Equipment with a unit value of less than €500 (excl. tax), is recognised as an expense for the year.

### c) Investments

Financial assets are shown in the balance sheet at acquisition cost. Where their present value is lower than this, a depreciation is recorded.

### d) "User" receivables

User receivables are recorded at nominal value. These correspond to invoices for rights that are issued to users. Receivables that carry a risk of not being recovered are not recorded as depreciation, since rights are only paid to rights holders after they are received.

Thus, where rights fail to be recovered, a reduction in receivables is recorded as an asset and offset in liabilities by a reduction in the item "fees notified to users but not paid", without having any impact on the management account.

### e) Other receivables

User receivables are recorded at nominal value. Depreciations are accounted for on the basis of estimated risk. These mostly involve accounts receivable from members who no longer receive rights.

### f) Marketable securities

The portfolio consists mainly of bonds and negotiable debt securities that can be easily converted into a known gross amount excluding VAT.

Marketable securities are recorded in the balance sheet at their original value.

The general investment policy of Sacem has always been based on the principle of security of invested capital. Thus, in this approach to security and quality of its investments, Sacem has always prohibited arbitration, keeping the securities until maturity to always be eligible for the guarantee of capital.

This portfolio is therefore recorded as cash and no depreciation is established on the basis of closing market prices.

For information, the potential capital losses on investments amounted to €29,160,567 as of 31 December 2018 and capital gains to €30,494,438.

## Principal accounting rules and principles continued

### g) Provisions

Sacem records the following provisions on the liabilities side of the balance sheet:

- Long service awards: these are given in recognition of long-term service with Sacem. Presentation of an award is accompanied by payment of a bonus for 20 and 30 years of service. The provision is determined using the "projected credit unit" method.
- The other provisions relate to individually-identified risks and charges.

### h) Non-recurring result

Income and charges which do not form part of Sacem's ongoing activities by their nature, circumstances or significance are recorded as non-recurring items.

### i) Non-balance sheet commitments

The commitment to retirement benefits is calculated using the projected unit credit method.

## Highlights of the Accounting year

### a) Commissioning of the URights platform

In 2016, Sacem and the IT company IBM signed a ten-year strategic agreement to develop a global authors' rights management platform for online music.

This tool is intended to improve the identification of rights related to online works and to optimise data analysis and recognition of authors' works.

This application makes it possible to follow the contractual relations, pricing and invoicing, monitor receipts allowing distribution to be accelerated in a growing context of managed contracts and data to be treated.

Commissioning started in the second half of the year for a fixed value of €16.2 million, with the gradual transfer of contracts managed on this new platform. Deployment continues in the 2019 fiscal year.

### b) Private Copy Collections

The Private Copy collections for the year 2018 resulted both from activity and resolution of litigation (€12 million) in favour of Copie France against licence payers who refused to pay compensation on the grounds of professional use of media.

In addition, following the recommendations of the supervisory commission for authors' rights and neighbouring rights, the rights resulting from private copying, collected and paid by Copie France, are now recorded in gross in Sacem's collections.

As a result, all collection and distribution costs are now handled by Sacem.

### c) Online Collections

The growth of online collections is the result of several factors:

- signing of several new contracts for €63 million,
- fee payments of €8 million,
- the positive market impact of €6 million related to the growth of streaming subscriptions.

### d) Valuation per component of the building on rue de l'église in Neuilly

A specialist firm was commissioned as part of the valuation and decomposition of this building acquired in 2009 between land and construction.

The analysis made it possible to retain a share of 75% for the land and 25% for the construction.

This breakdown by component was thus applied to the net book value as of 31 December 2017, ie €13.05 million.

This led to a €3.7 million write-back of amortisation in the field, recorded as exceptional income in the financial statements for the year.

A reclassification of €13.500,000 was made between the buildings and land.

The construction remains depreciated according to the straight line method over 30 years. Future depreciation will be calculated on the value of the construction, i.e. €4.5 million.

This error correction is accounted for prospectively.

The accounts impacted by this correction are land, buildings, depreciation of buildings, provisions for the depreciation of buildings, reversal of exceptional depreciation.

## I Notes to the statutory financial statements continued

### e) Work done on the building of the Head Office in Neuilly

The head office at 225 Avenue Charles De Gaulle in Neuilly has been undergoing restructuring and redevelopment work on a number of floors since 2015, and this will continue for several more years.

Acting on its own behalf and that of SCI Neuilly, Sacem has entered into a project management agreement with an architectural firm, and an agreement with companies for completing the corresponding sections of work.

Depending on the structure and layout of the building, the execution work is divided between SCI Neuilly and Sacem.

Started in 2017, renovation work (2nd floor) for part of the headquarters was completed in mid-2018. In the accounts as of 31 December 2018, in accordance with the distribution agreement signed on 15 June 2017, the respective portion represents €1,562,696 for SCI Neuilly and €2,115,101 for Sacem.

In addition, SCI Neuilly has granted a rent reduction of €915,000 in 2018 for rental of the head office in respect of the renovation work being carried out and the additional costs incurred by Sacem due to the premises being unavailable.

### f) Company agreements

In the context of the introduction of “withholding tax” on 1 January 2019, in November 2018 Sacem and the trade unions signed an amendment to the agreement of 27 February 2013 on classification and career paths, to change the pay system.

This agreement makes it possible to rebalance the remuneration structure, by spreading part of the non-monthly bonuses over the year. The implementation of these changes occurring on 1 January 2019, an exceptional payment of the balance of premiums not carried forward in 2019 was made in December 2018 to adapt to the new periodicity of premiums.

In addition, Sacem has decided to join the system put in place by the law of 24 December 2018 “on measures of economic and social emergencies”.

An exceptional bonus of “purchasing power”, set at €500 for a full year of full-time for the employees who received a gross remuneration of less than twice the minimum wage in 2018, was paid to the beneficiaries.

Its total amount is €127,429.

### g) Creation of Sacem Polynesia

Through a constitutive General Assembly on 5 March 2018, Sacem and the SDRM created a civil society in Polynesia named “Sacem Polynesia”, of which they are the two partners (with 75 shares for Sacem and 25 shares for SDRM).

The purpose of Sacem Polynesia is the exercise and administration, of all authors’ rights relating to public performance or reproduction of protected works in the repertoire of its associates and societies that gave the partners the mandate to collect in French Polynesia.



# Appendices

## Ratio between net costs and collections

% in relation to all collected rights (performing, Mechanical Reproduction/Common User and Mechanical Reproduction)

2017 €1.043,217

2018 €1.094,531

	2018		2018/2017		2017	
	€000	%	%		%	€000
<b>Gross costs for the accounting year</b>	215,300					209,546
to be deducted:						
– Transfer of costs	-1,820					-1,836
– Re-invoicing	-12,891					-13,958
– Other operational revenue	-17					-27
– Provision write-backs	-244					-2,218
– Non-recurrent costs	-4,378					-449
<b>Net costs</b>	195,950					191,058
– Financial revenue	-29,807					-36,205
– Member subscriptions, unclaimed fees, sundry	-4,627					-2,508
<b>Total net costs</b>	161,517	14.76	0.16	14.60		152,345
Extraordinary income	218					819
<b>Net cost of extraordinary income</b>	<b>161,299</b>					<b>151,527</b>
<b>Deductions from rights (withheld and undistributable)</b>	160,330					153,093
<b>Surplus (insufficiency) for the accounting year</b>	-970					1,566

# Appendices continued

## Statement of fixed assets

	Gross values at 1 January 2018 €000	Acquisitions, value creations, accruals and increases by transfers between line items, new loans, increases of accrued interests €000	Decreases by transfers between line item €000	Disposals, spin-offs, deactivations, repayments of loans, reductions of accrued interests €000	Gross values at 31 December 2018 €000
<b>Intangible assets</b>					
Concessions, patents, licenses, brands, processes <sup>1</sup>	124,079	25,632	–	6,787	142,923
Advance payments and instalments <sup>1</sup>	27,568	19,790	25,511	4,240	17,607
	151,646	45,422	25,511	11,027	160,530
<b>Tangible assets</b>					
Land	557	13,500	–	–	14,057
Buildings <sup>2</sup>	66,072	566	13,500	716	52,422
Other tangible assets <sup>3</sup>	65,212	4,226	–	2,131	67,308
Advances and instalments (tangible assets)	593	2,967	3,205	–	355
	132,434	21,260	16,705	2,847	134,141
<b>Investments</b>					
Shareholdings <sup>4</sup>	10,645	–	–	–	10,645
Investment-related receivables <sup>5</sup>	14,290	4,628	–	3,949	14,969
Loans	5,950	704	–	12	6,642
Other financial assets	599	3	–	–	602
	31,484	5,335	–	3,961	32,858
<b>Grand total</b>	<b>315,564</b>	<b>72,017</b>	<b>42,216</b>	<b>17,836</b>	<b>327,530</b>

1 The main movements come from the creation of software and implementation of several applications including URights for €16.2 million as well as ongoing projects. The outflows of intangible assets correspond to the scrapping of fully amortised software and the expense of IT projects (DA management, phono-video) for a total of €11.027,000.

2 Real estate investments for the year relate to the acquisition of Amiens for €108,000, as well as work in the Toulouse, Marseille, Clermont-Ferrand, Strasbourg and Reims delegations for €346,000 and €112,000 in construction work on elevators for the rue de l'Église headquarters. The transfer of property for the financial year relate to the sale of Lyon le galaxie and Le Puy en Velay premises, as well as the scrapping of developments concerning the Toulouse and Strasbourg delegations and the leasing of 176 avenue Charles de Gaulle in Neuilly. The breakdown of the building on Rue de l'Église in Neuilly by land and construction components over the financial year resulted in a reclassification of the property value for €13.500,000.

3 The main investments were the acquisition of computer equipment for €754,000, office equipment for €28,000, office furniture for €307,000, various technical equipment for the head office for €249,000, and equipment for the self for €21,000. The works represent €2.866,000, including €2.115,000 for the Head Office (2nd floor), €82,000 for the self, €80,000 for the terrace works, and €354,000 for security work at the Neuilly as well as miscellaneous work at the Headquarters for €235,000.

The outflows correspond to sale of Sacem art at auction for €35,000, the disposal developments for €379,000, the disposal of automotive equipment for €88,000, and the scrapping of office equipment for €8,000, office furniture for €123,000, miscellaneous equipment for €134,000, and computer equipment for €1.364,000.

4 Transactions in equity securities concern subscriptions to the capital of Sacem Polynesia.

5 Movement on debts related to shares are the results, calls for capital and reimbursements of SCI Neuilly, Châteaudun and Villette.

## Amortisation statement

	Amortisation at 1 January 2018 €000	Increases Allocations during the fiscal year €000	Amortisation relating to assets removed from the balance sheet and reversals €000	Amortisation at 31 December 2018 €000
<b>Intangible assets</b>				
Concessions, patents, licenses, brands, processes	93,642	13,009	6,787	99,864
	93,642	13,009	6,787	99,864
<b>Tangible assets</b>				
Buildings <sup>1</sup>	38,560	1,402	4,404	35,558
Technical facilities, industrial plant and equipment				
Other tangible assets	54,717	2,669	2,084	55,301
	93,277	4,070	6,488	90,859
<b>Total amortisation of fixed assets</b>	<b>186,919</b>	<b>17,080</b>	<b>13,275</b>	<b>190,724</b>

<sup>1</sup> The breakdown by components between land and construction of the rue de l'Église building in Neuilly was applied to the net book value as of 31 December 2017, being €13.05 million. This led to a €3.715,000 write-back of amortisation in the field, recorded as exceptional income in the financial statements for the fiscal year.



# Appendices continued

## Provisions and depreciation statement

Sections and items	Amount at 1 January 2018 €000	Increases/ allocations during the fiscal year €000	Decreases reversals during the fiscal year €000		Amount at 31 December 2018 €000
			used	not used	
<b>Provisions</b>					
<b>Contingency provisions</b>					
Provisions for contingencies <sup>1</sup>	400	47	–	–	448
<b>Cost provisions</b>					
Employee's length of service award	2,332	3	–	–	2,335
Others	160	28	–	–	188
	<b>2,893</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>2,971</b>
<b>Depreciation</b>					
On intangible assets <sup>2</sup>	543	–	–	69	473
On tangible fixed assets <sup>3</sup>	579	–	30	–	549
On members' debt accounts	2,189	117	–	145	2,161
	<b>3,311</b>	<b>117</b>	<b>30</b>	<b>214</b>	<b>3,183</b>
<b>Grand total</b>	<b>6,204</b>	<b>195</b>	<b>30</b>	<b>214</b>	<b>6,155</b>
Of which additions and reversals – financial					
– operating	6,204	148	30	214	6,155
– financial	–	0	0	0	–
– non recurring	–	47	0	0	–

**1 Provision for disputes:**

This provision covers risks relating to current industrial tribunal files.

**2 Provision for depreciation of assets:**

The launch of the URights project with IBM in 2016 should replace the current SELOL application in 2018 and 2019 which is responsible for monitoring Online rights.

A revaluation of the provision was made in the financial statements for the 2018 financial year, taking as a value the net book value calculated at the end of December 2019 of all SELOL's expenses in order to take account of its shortened usage compared to the initially planned duration, and taking into account the progress of the deployment of the new application.

**3 The provision for depreciation of artworks intended for sale is adjusted to the market value following expert valuation. Recovery for the year corresponds to the loss of value recorded on sales carried out in 2018.**

## Statement of receivables and debts by maturity

Receivables	Gross amount €000	Due within one year €000	Due beyond one year €000
<b>Fixed assets:</b>			
Investment-related receivables	14,969	–	14,969
Loans	6,642	–	6,642
Other financial assets	602	258	344
<b>Current assets:</b>			
Receivables from users and related accounts	235,592	235,592	–
Other receivables	159,988	159,709	279
Prepaid expenses	5,089	3,160	1,929
<b>Total</b>	<b>422,882</b>	<b>398,719</b>	<b>24,163</b>
Loans due within one year	704		
Loans due beyond one year	12		

Debts	Gross amount €000	Due within one year €000	Due beyond one year €000
Bank loans and debts	110	110	
Miscellaneous loans and financial liabilities	–	–	
Trade payables and related accounts	9,316	9,316	
Tax and social security debts	69,338	69,338	
Debts on fixed assets and related accounts	5,858	5,858	
Other debts:			
– Collections to be distributed	896,483	896,483	
– Users	5,545	5,545	
– Non-paid notified royalties	194,768	194,768	
– Members	39,523	39,523	
– Sundry debt <sup>1</sup>	353,484	43,295	310,189
Deferred income	9,502	9,502	
<b>Total</b>	<b>1,583,927</b>	<b>1,273,738</b>	<b>310,189</b>

<sup>1</sup> Miscellaneous payables = €353,484,000 of which €305,575,000 of collateral surplus for members' charitable works.

Regarding the mutual assistance allowance scheme of Sacem (RAES), who have acquired rights based on number of points may, under certain conditions, benefit from income support in the form of quarterly allocations.

Each year, the Board of Directors reviews the points service value for the current year. Consequently, Sacem can provide no guarantee as to the value of future benefits that may be paid under the income support scheme.

As a consequence, given the non-binding nature of this scheme, Sacem's commitment is limited to the resources available in respect of "charitable works".

## Appendices continued

### Accrued income

Amount of accrued income included in the following balance sheet items

	Amount €000
Accrued interest on obligations, vouchers and related stocks	21,517
Accrued interests on interest-bearing bank accounts	2
Other receivables: Social organisations, state and sundry debtors	4,154
<b>Total</b>	<b>25,673</b>

### Expenses to be paid

Amount of expenses to be paid included in the following balance sheet items

	Amount €000
Trade payables	2,920
Tax and social security debts	27,390
Debts on fixed assets	1,843
Other debts	1,305
<b>Total</b>	<b>33,459</b>

### Prepaid expenses and deferred income

	Expenses €000	Income €000
Operating expenses/income		
Prepaid expenses	4,849	
Inventory	240	
Excess of management levies at 31 December	–	9,502
<b>Total</b>	<b>5,089</b>	<b>9,502</b>

### Composition of share capital

The share capital is variable.

It is made up of members' admission fees at their original value. 5,434 admissions were registered in 2018.

Sacem has over 169,385 members as of 31 December 2018.

The admission fee was set at €144 then raised by €10 following a decision by the Sacem Board of Directors (on 24/01/2017), with collection of an admission fees of €144 for creators and €522 for publishers.

### Transfer of costs

Since 2004, Sacem's Board of Directors has reintroduced a withholding for the costs of administration relating to the management of "25% private copying" fund.

This reallocation appears as a transfer of costs.



## Extraordinary income

Extraordinary income represents €685,000 of revenue from the disposal of property assets of premises in Lyon le galaxie and Le Puy-en-Velay, as well as proceeds from the sale of furniture and works of art.

Exceptional income also includes the write-back of depreciation on the land for €3,714,658, following the breakdown by components between land and construction of the rue de l'Église building in Neuilly.

Other extraordinary income amounted to €186,088 and corresponded to reimbursements for claims, bad debt representatives' settlements, various accruals and currency/euro conversion differences.

Extraordinary costs consists of the following elements:

- €665 corresponding to the net book value of the real estate assets sold, €37,677 corresponding to the net book value of the transferred assets and €34,895 corresponding to the sold works of art.
- €4,240,467 related to the outflow of IT projects.
- €41,858 attributable to currency/euro conversion differences.
- €22,168 linked to various payments.

## Elements concerning related and associated companies

Items	Amounts relating to	
	Affiliates items companies €000	Companies in which the society has a shareholding €000
Shareholdings	10,640	5
Investment-related receivables	14,768	
Other receivables	54,869	518
Sundry debts	0	
Income from investment in subsidiaries and associates	4,253	

## Financial commitments

Commitments given	Amounts €000	
	2018	2017
Bank guarantees for members	—	—
Lump sum retirement benefits <sup>1</sup>	13,662	14,048
Financial support commitment <sup>2</sup>	—	—

<sup>1</sup> Retirement benefits are dependent on company agreements. Assessment of the amount is based on the following assumptions:

- Sacem employees do not work beyond the age of 67,
- there is a likelihood of employees retiring voluntarily between the ages of 62 and 64,
- there is a likelihood of employees not retiring voluntarily between the ages of 65 and 67,
- a discount rate of 1,57% (Iboxx AA + rate) and a social security contribution rate of 48,48%,
- the turnover rate by age group as reviewed in 2018,
- taking into account the TH0002 TF0002 male/female mortality table.

<sup>2</sup> As the majority shareholder of SDRM, Sacem undertakes to implement the necessary measures to prevent the early sale of marketable securities intended to be held until maturity in the event of cash-flow difficulties, thus preventing capital losses for SDRM which would have a negative impact on the accounts for this category of assets.

<sup>3</sup> As the majority partner of Sacem Polynesia, Sacem is committed to ensuring the continuity of its subsidiary.

## I Appendices continued

### Total amount of compensation paid to members of the Administrative. Management and Supervisory bodies

Supervisory Board and the Chief Executive Officer: €1,263,000

Supervisory Board: €122,000

### Average headcount

Indicator 114 of social sheet

Indicator 123 of the human resources report, temporary workers

	Salaried employees	Employees made available to the company
Managers	348	–
Supervisors	220	24.00
Employees	862	–
<b>Total</b>	<b>1,430</b>	<b>24.00</b>

### List of subsidiaries and associated companies

Subsidiaries and associates	Capital in euros	"Share of outstanding capital"	Result of the last fiscal year in euros
<b>A – Detailed information regarding the subsidiaries and associated companies</b>			
1. Subsidiaries (more than 50% of the outstanding capital )			
SDRM	61	59/61	0
Sacem Luxembourg	10,000	75%	0
Sacem Polynesia	209	75%	-15,730
SCI 225-227 AVENUE CHARLES DE GAULLE	914,700	75%	4.904,625
SCI CHATEAUDUN	304,900	75%	359,289
SCI VILLETTE	2.286,735	2/3	457,131
2. Associates (10 to 50% of the outstanding capital)			
F.T. "The Digital Copyright Network"	37,000	14.40%	526,000
<b>B – General information concerning other subsidiaries and associates</b>			
1. Subsidiaries not referred to in A:	NONE	NONE	NONE
a) French			
b) Foreign			
2. Associates not referred to in A:			
a) French BIEM	412	1/27	Not provided
b) Foreign	NONE	NONE	NONE

### Total amount of auditors' fees

The total amount of the auditors' fees on the Sacem's aggregated accounts amounts to € 389,183 for the tasks related to the certification of the accounts and € 62,335 for other services.

## Attribution of rights at the fiscal year end

Nature of payment	Outstanding rights on 31 December of the previous year €000	Collections to be distributed (Online)	Collections of the fiscal year €000	Management levy (see profit and loss statement) €000	Amounts attributed to the aid for creation (Article L.324-17) €000	Amounts attributed to social, or cultural aid €000	Amounts attributed to rights holders <sup>1</sup> €000	Outstanding rights on 31 December of the current year €000
<b>1) Payments for which management is entrusted by rights holders:</b>								
Public Performance Rights and Normal Users	657,537	-28,018	995,981	141,169	–	40,253	704,151	739,926
Mechanical Reproduction Rights	522,154	-28,018	732,894	112,790	–	37,891	518,785	557,564
	135,383	–	263,087	28,379	–	2,362	185,366	182,363
<b>2) Payments for which management is entrusted according to the law/CPI</b>								
Article L.311-1 (for private copying of audio works)	33,075	0	98,550	6,087	28,504	2,573	57,122	37,340
Article L.311-1 (for private copying of audiovisual works)	24,778	–	80,402	4,882	23,408	2,238	45,397	29,615
	8,297	–	18,148	1,205	5,455	335	11,725	7,724
<b>3) Financial income allocated to rights holders</b>	–	–	–	–	–	–	–	–
<b>Total</b>	<b>690,612</b>	<b>-28,018</b>	<b>1.094,531</b>	<b>147,256</b>	<b>28,504</b>	<b>42,826</b>	<b>761,273</b>	<b>777,266<sup>2</sup></b>
Notes	(Cf. balance sheet liabilities n-1)			(Cf. income statement)				(Cf. balance sheet liabilities n)

1 "Allocated amounts" refers to amounts recorded in right holders' personal accounts.

2 Of which provisional amounts deducted for expenses (€52,157,000) and social services (€35,376,000).



## Appendices continued

### Amounts collected but not yet distributed

	Amount €000	Years of collection	
		2018 €000	2017 and before €000
Supplementary distribution, the management of which is entrusted by the rights holders			
TV/Radio	231,763	179,779	51,983
General Rights	230,999	205,895	25,104
International	84,750	77,543	7,207
Online	149,810	108,848	40,962
Phono/Video	34,379	26,576	7,803
Other	127,371	127,335	36
TOTAL A	859,070	725,976	133,095
Remuneration, management of which is awarded in accordance with the law			
In application of Article L.311-1 (for private copying of audio works)	29,634	14,574	15,060
Subtotal 1	29,634	14,574	15,060
In application of Article L.311-1 (for private copying of audiovisual works)	7,779	2,567	5,212
Subtotal 2	7,779	2,567	5,212
TOTAL B	37,413	17,141	20,272
TOTAL A + B	896,483	743,116	153,367

### Allocation of financial products

According to article 8B3 of the company's articles of association, the interest on cash investments originating from amounts collected in the process of distribution, or payment to the rights holders, are allocated to management account resources to finance professional rights fees.

A portion of the financial income is reallocated to the 25% Private copying management account, calculated on the corresponding surplus of resources released.

### Amounts distributed but not yet paid\*

	Amount €000
Remuneration, management of which is entrusted by the beneficiaries and in application of the law	40,242

\* At this stage of distribution processing, the accounting tool is not designed to perform the re-aggregation by nature of remuneration and by year of collection.

### Amounts paid\*

	Amount €000
Remuneration, management of which is entrusted by the beneficiaries and in application of the law	759,067

\* At this stage of distribution processing, the accounting tool is not designed to perform the re-aggregation by nature of the remuneration.

### Amounts collected that cannot be distributed

	Amounts as of 31 December of year N-1 €000 (1)	Amounts transferred from distributable amounts to non-distributable amounts during the fiscal year €000 (2)	Amounts used for cultural actions €000 (3)	Amounts used in accordance with the general policy approved by the General Assembly €000 (4)	Amounts transferred from non-distributable amounts to distributable amounts during the fiscal year €000 (5)	Amounts proposed to the General Assembly for use in accordance with general policy €000 (6)	Amounts as of 31 December of year N €000 (7) = (1) + (2) - (3) - (4) - (5) + (6) (7)
Non-distributable amounts	228,402	127,908	5,810	32,376	86,046	0	232,078

## Table of cash flows

Items	2018 €000	2017 €000
<b>Cash flow related to activity</b>		
<b>Exceeding tax deduction at source</b>	<b>-970</b>	1,566
<i>Elimination of expenses and income not affecting cash or not related to activity</i>		
+ Allocations for amortisation and provisions net of reversals (excluding provisions on current assets)	13,344	16,592
– Capital gains from transfer net of tax	-621	2
<b>= Excess of corrected tax deduction at source</b>	<b>11,754</b>	18,161
<i>Working capital requirement variation linked to activity</i>		
– Variation in entitlement claims		
Corporate debts	685	-6,507
Other claims related to members and rights	-15,290	-7,946
Debts to other related organisations	7,682	-110,426
– Variation in operating receivables	-2,059	-265
+ Variation in debt-related liabilities		
Rights collected to reverse	56,910	81,394
Users – notified outstanding royalties	12,667	16,342
Users – foreign companies	-198	-4,009
Members	2,403	985
Excess of guarantee of social works	12,015	24,360
Creative help (25% Private Copy)	1,409	3,953
Deposits received	93	263
Debts owed to other related organisations	-2,985	793
+ Change in operational liabilities	-3,889	17,518
<b>Net cash flow provided by activities (A)</b>	<b>81,199</b>	<b>34,617</b>
<b>Cash flows related to investment</b>		
– Capital asset acquisitions	-20,226	-25,498
+ Transfer of fixed assets, net of tax	695	275
+ Change in financial assets	-1,374	-1,663
– Change in accounts receivable related to fixed assets	–	–
+ Change in fixed asset liabilities	-244	-10,068
<b>Net cash flow from investment activities (B)</b>	<b>-21,149</b>	<b>-36,954</b>
<b>Cash flow related to financing</b>		
+ Share capital increase in cash	37	164
– Reduction of capital in cash	–	–
+ Proceeds from borrowings	–	–
– Repayment of loans	–	–
<b>Cash flows from financing activities (C)</b>	<b>37</b>	<b>164</b>
<b>Change in cash flow (A + B + C)</b>	<b>60,087</b>	<b>-2,174</b>
Cash flow at the start of year	1,005,565	1,007,739
Cash flow at the end of year	1,065,653	1,005,565

## I Appendices continued

### Amounts invoiced

	Amounts Invoiced Amount ex. tax €000
<b>Supplementary distribution, the management of which is entrusted by the rights holders</b>	
TV/Radio	336,867
General Rights	327,216
International	95,426
Online	217,082
Phono/Video	28,927
Other	968
<b>TOTAL A</b>	<b>1,006,487</b>
<b>Remuneration, management of which is awarded in accordance with the law</b>	
In application of Article L.311-1 (for private copying of audio works)	
Subtotal 1	47,238
In application of Article L.311-1 (for private copying of audiovisual works)	
Subtotal 2	9,825
<b>TOTAL B</b>	<b>57,063</b>
<b>TOTAL A + B</b>	<b>1,063,549</b>



# Statutory auditor's report on the financial statements

## For the year ended December 31, 2018

### To the Annual General Meeting of Sacem,

#### 1. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Société des Auteurs Compositeurs et Editeurs de Musique (Sacem) for the year ended December 31, 2018 as enclosed to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of Sacem as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### 2. Basis for opinion

##### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's responsibilities for the audit of the financial statements* section of this report.

##### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French code of ethics (*Code de déontologie*) for statutory auditors.

##### Observations

Without qualifying the opinion expressed above, we draw your attention to the points set out above:

- In the note “Element 1 – Accounting rules and principles” in section “changes in accounting methods” of the notes to the statutory financial statements relating to the mandatory application as from January 1, 2018 of the provisions for the harmonisation of accounting rules and presentation of

summary documents of collective management of authors' rights and related rights – CMO in accordance with ANC regulation N° 2017-07.

- In the note “Element 1 – Accounting rules and principles” in section “Highlights of the Accounting year” in paragraph “D” of the statutory financial statements regarding correction of errors in decomposition of a real property between land and building.

#### 3. Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the following assessments which, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These assessments were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

- In the note “Element 1 – Rules and accounting principles”, in section “Highlights of the Accounting year” in paragraph “D” of the notes describes the impact of the correction of errors in accounting treatments on a real property previously acquired. We obtained the valuation report for each component performed by an expert, reviewed the modalities of the restart of depreciation, and verified the appropriate characteristics of the accounting treatment applied, as well as the information provided in this note.
- Your company, a collective management organisation of authors' rights, manages these rights as part of the compulsory and the voluntary management.

As such, it collects from users the rights relating to the exploitation of works belonging to rightsholders, notably its members, and to other collective management organisations, to which it

applies deductions to cover its costs relating to management fees and to social, cultural and educational services.

As part of our assessment of the accounting treatment of these flows, we verified the appropriateness of the accounting principles applied, in particular with reference to Article 621-11 of the General chart of accounts relating to the accounting of these flows in accordance with Article L.324-9 of the French intellectual property code, and we assured ourselves as to their correct application.

- Section “Financial commitments (note 8)” of the notes to the financial statements mentions the lump-sum retirement benefits which corresponds on December 31, 2018 to M€ 13,7 and specifies the procedures for evaluation of this commitment.

Our work consisted in examining the data used, assessing the assumptions used and verifying that the above mentioned note of the notes to the financial statements provides appropriate information. Generally, we verified the reasonableness of these estimates.

#### 4. Verification of the management report and other documents provided to the shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Manager's report and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

It should be noted that our verifications relating to the transparency report set forth in Article L. 326-1 of the French intellectual property code and provided to the Shareholders are the subject of a certificate established in application of the provisions of articles L. 326-8 and R. 321-14 IV of the aforementioned code, distinct from this report.

# Statutory auditor's report on the financial statements

## For the year ended December 31, 2018 continued

### 5. Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

### 6. Statutory auditors' responsibilities for the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French commercial code (Code du commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatements of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris, April 18, 2019  
French original signed by

**Didier KLING**

**The Statutory auditor CRCC of Paris**

*This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required by French law, such as information relating to the specific verification of the management's report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Sacem**

**225, Avenue Charles de Gaulle  
92521 NEUILLY SUR SEINE**

# Glossary

	Definition
ADAGP	French Society of Authors of Visual Arts
ADAMI	French Collective Management Society for Performing Artists and Musicians
ADE	Amsterdam Dance Event Music Festival
AFDAS	Training organisation for songwriters and performers
AGESSA	Authors' Social Security Management Association
ANC	French Accounting Standards Board
Armonia	First pan-European hub for licensing online services
ASCAP	American Society of Composers, Authors and Publishers
BIEM	International organisation representing mechanical rights societies
BMI	Broadcast Music Incorporated
BR	Blu-ray
CISAC	International Confederation of Societies of Authors and Composers
CMO	Collective Management Organisation
CPI	French Intellectual Property Code
Copie France	Collective management society that collects private copying levy
CSDEM	French association of publishers
CSG	French Generalised Social Contribution
DDEX	Digital Data Exchange
DEP	Public performance rights
DGA	Directors Guild of America
DRM	Mechanical rights
DSP	Digital Service Provider
FACF	Franco-American Cultural Fund
FCM	Musical Creation Fund
General Rights	Authors' rights collected by the regional network (concerts, shows, background music, nightclubs, cinemas, etc)
GESAC	European Grouping of Societies of Authors and Composers
GDPR	General Data Protection Regulation
IFPI	International Federation of the Phonographic Industry
IRCEC	Supplementary pension institution for education and creation



## Glossary continued

	Definition
MIDEM	Music event in France
MPAA	Motion Picture Association of America
MPA	Motion Picture Association
NPVR	Network personal video recorder
Private Copying	Private Copying is a system which allows private individuals to copy works for their own private use, while remunerating creators
RAAP	Regime for professional artists and authors
RAES	Sacem Mutual Assistance Allowance Scheme
RACL	Regime for lyrical authors and composers
SACD	French Society of Dramatic Authors and Composers
SCAM	French Civil Society of Multimedia Authors
SCI	French Property Investment Company
SCPP	Society for the collection and distribution of recorded-music producers
SDRM	French Collecting Society for Mechanical Reproduction Rights for Authors, Composers and Publishers
SMACEM	Mutual Insurance for Authors Composers and Publishers of Music
SPEDIDAM	Society for the collection and distribution of artists' and performers' rights
SPPF	Society for the collection and distribution of independent recorded-music producers
SVoD	Subscription video on demand (SVoD) refers to a service that gives users unlimited access to a wide range of programmes for a monthly flat rate
SESAC	Society of European Stage Authors and Composers
Towge	Technical Online Working Group Europe
VoD	Video-On-Demand, which allows consumers to select and watch the video content they want, when and where they want
WGA	Writers Guild of America
WGAW	Writers Guild of America West

# Credits

Front cover: Anne Sylvestre: David Desreumaux, Adango Salicia Zulu: DR, Agoria: Charlotte Abramow, Arnaud Rebotini: Caffier, Angèle: Charlotte Abramow, Barcella: Lisa Roze, Juliette Armanet: Flavien Prioreau, Toofan: Eben Scar, Laurent De Wilde: Marie Planeille

Inside front cover: Calypso Rose: Julot Bandit, Angèle: Charlotte Abramow, Anonymous music players: Henri Vogt, Adango Salicia Zulu: DR, Aldebert: Christophe Roué

Page 2-3: Calypso Rose: Julot Bandit

Page 4-5: Toofan: Eben Scar

Page 6-7: Barcella: Lisa Roze

Page 8-9: Angèle: Charlotte Abramow

Page 10-11: Anonymous guitar player: Lionel Pages

Page 12-13: Agoria: Charlotte Abramow, Concert crowd: Hitmanphoto

Page 14-15: Laurent De Wilde: Marie Planeille

Page 16-17: Anonymous music players: Henri Vogt

Page 18: Jean-Marie Moreau: François Jaglin

Page 20: Jean-Noël Tronc: Jean-Baptiste Millot

Page 22: Fishbach: Yann Morisson

Page 28: Emily Loizeau: Lionel Pages, Delegation of European artists: DR, Delegation of French artists: Margot L'hermite

Page 29: Professional music unions: Jean-Jacques Pron, Palais Royal: Lionel Pages, Parliamentary vote: Gregory Delattre, Error 404: DR, Final vote: DR

Page 30: Cécile Rap-Weber: Jean-Baptiste Millot, Thibaud Fouet: Christophe Crénel, Pascal Roche: Marc Chesneau

Page 31: Welcoming members: Marc Chesneau

Page 32: François Barouin, Jean-Noël Tronc and Jean-Marie Moreau: Nicolas Krief

Page 33: Bulb: Marjorie Lafon, Planisphere: monsitj, Blockchain: Siestes électroniques

Page 34: Archives: Sacem Museum

Page 35: Alexandre Desplat: Brigitte Lacombe, Lalo Schifrin: DR

Page 36: Technoparade: David Boschet, Cannes: Lionel Pages

Page 37: Arlette Tabart and Jean Davoust: Thomas Bartel, French VIP: Christophe Crénel, Yvan Cassar, Serge Elhaik, Jean-Claude Petit: Vincent Gramain

Page 38: Cable & Satellite: Lionel Pages, Franck Riester: Abaca Press, Loudspeaker: DR

Page 39: Adango Salicia Zulu: DR

Page 40: Creation days: Cécile Cellier, Piano robot: Serge, Imany: Barron Claiborne, Juliette Armanet: Flavien Prioreau, Christine Salem: Jean Noël Enilorac, Maya Kamaty: Marc Chesneau, Anne Sylvestre: David Desreumaux

Page 41: Christophe Lavergne

Page 42: Classroom: Marcel Langer

Page 43: Post Facebook: Foc, Work office: Matthieu Suprin

Page 44: Board of Directors: Lionel Pages

Page 46: Maxime Le Forestier: Magda Lates

Page 47: Aldebert: Christophe Roué, Clara Ianotta: Manu Theobald

Page 48: Orelsan: Jean Counet

Page 49: Jean-François Chalaffre: Jean-François Chalaffre (self-portrait), Marc Klasfeld: Lei Deng

Page 50: Laurent Perez Del Mar: Jacques Boumendil, Arnaud Rebotini: Caffier

Page 51: Clara Luciani: Manuel Obadia-Wills

Page 52: Cœur de Pirate: Etienne Denis, Anitta: Isaac Brekken, Keren Ann: Amit Israël, Sandra Nankoma: Guilio Molfase, Benoit Peverelli, Sama: Renaud Bouchez, Anggun: Darius Salimi

Page 54: Camille Pépin: Natacha Colmez-Collard

Page 55: Christophe Hisquin: Dailiang, Emily Loizeau: Lionel Pages

Page 56: Arlette Tabart: Lionel Pages

Page 57: Marian Buswell and François Hasdenteufel: Marc Chesneau

Page 58: Young students: Thomas Bartel

Page 59: Pascal Parisot: Kika Tisba





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SOCIETY OF AUTHORS, COMPOSERS  
AND PUBLISHERS OF MUSIC

**sacem**