TF1 GROUP

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The consolidated financial statements of the TF1 group for the year ended December 31, 2013 should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012 and the year ended December 31, 2011, prepared in accordance with international financial reporting standards, as presented in the 2012 French-language *Document de référence* filed with the *Autorité des marchés financiers* (AMF) on March 13, 2013 as number D.13-0129, an English-language version of which (the 2012 Registration Document) is available on the TF1 corporate website via the link http://docs.groupe-tf1.fr/eng/finance/registration-document/2012/index.htm.

The financial statements have been audited, and an unqualified opinion has been issued by the auditors.

CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	*Notes*	**Dec. 31, 2013**	**Dec. 31, 2012**
Goodwill	*7*	**482.5**	**874.3**
Intangible assets		**108.8**	**129.8**
Audiovisual rights	*8.1*	48.0	55.2
Other intangible assets	*8.2*	60.8	74.6
Property, plant and equipment	*9*	**190.2**	**216.8**
Investments in associates	*10*	**81.9**	**161.1**
Non-current financial assets	*12.1*	**17.6**	**15.8**
Non-current tax assets	*27.2.2*	**-**	**10.6**
Total non-current assets		**881.0**	**1,408.4**
Inventories		**682.3**	**632.1**
Programmes and broadcasting rights	*11*	666.3	615.2
Other inventories		16.0	16.9
Trade and other debtors	*12.4*	**1,129.5**	**1,302.0**
Current tax assets		**31.9**	**14.5**
Other current financial assets	*12*	**-**	**2.1**
Cash and cash equivalents	*12.5*	**288.9**	**258.7**
Total current assets		**2,132.6**	**2,209.4**
Assets of held-for-sale operations	*4*	**645.6**	**-**
TOTAL ASSETS		**3,659.2**	**3,617.8**
Net surplus cash of continuing operations		***188.3***	***236.3***
Net surplus cash of held-for-sale operations		***67.2***	

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	*Note*	**Dec. 31, 2013**	**Dec. 31, 2012**
Share capital		42.2	42.1
Share premium and reserves		1,532.2	1,506.7
Net profit for the period attributable to the Group		137.0	136.0
Shareholders' equity attributable to the Group		**1,711.4**	**1,684.8**
Non-controlling interests		130.5	117.0
Total shareholders' equity	*13*	**1,841.9**	**1,801.8**
Non-current debt	*14 & 15*	**1.2**	**13.6**
Non-current provisions	*16.1*	**40.9**	**39.3**
Non-current tax liabilities	*27.2.2*	**8.9**	**9.8**
Total non-current liabilities		**51.0**	**62.7**
Current debt	*15*	**99.4**	**8.8**
Trade and other creditors	*14.3*	**1,450.8**	**1,687.2**
Current provisions	*16.2*	**30.4**	**53.5**
Current tax liabilities		**16.2**	**2.9**
Other current financial liabilities	*14*	**3.8**	**0.9**
Total current liabilities		**1,600.6**	**1,753.3**
Liabilities of held-for-sale operations	*4*	**165.7**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,659.2**	**3,617.8**

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	2013	2012 [(a)]
Advertising revenue		1,597.7	1,686.8
Other revenue		487.4	528.4
Revenue	17	**2,085.1**	**2,215.2**
Other income from operations		0.2	0.4
Purchases consumed and changes in inventory	18	(981.8)	(1,048.5)
Staff costs	19	(353.2)	(352.9)
External expenses	20	(373.0)	(396.0)
Taxes other than income taxes	21	(131.6)	(142.1)
Depreciation and amortisation, net		(61.6)	(65.6)
Provisions and impairment, net		(32.8)	(10.0)
Other current operating income	22	99.9	121.2
Other current operating expenses	22	(104.7)	(121.4)
Current operating profit/(loss)		**146.5**	**200.3**
Non-current operating income	23	-	-
Non-current operating expenses	23	-	(46.4)
Operating profit/(loss)		**146.5**	**153.9**
Income associated with net debt	24	0.6	3.1
Expenses associated with net debt	24	(0.2)	(0.6)
Cost of net debt		**0.4**	**2.5**
Other financial income	25	2.9	7.6
Other financial expenses	25	(2.1)	(1.7)
Income tax expense	27	(45.3)	(52.1)
Share of profits/(losses) of associates	10	0.8	(6.4)
Net profit/(loss) from continuing operations		**103.2**	**103.8**
Net profit/(loss) from discontinued or held-for-sale operations	4	**48.5**	**35.5**
Net profit/(loss)		**151.7**	**139.3**
attributable to the Group:		***137.0***	***136.0***
Net profit/(loss) from continuing operations		*98.2*	*100.5*
Net profit/(loss) from discontinued or held-for-sale operations		*38.8*	*35.5*
attributable to non-controlling interests:		**14.7**	**3.3**
Net profit/(loss) from continuing operations		*5.0*	*3.3*
Net profit/(loss) from discontinued or held-for-sale operations		*9.7*	-
Weighted average number of shares outstanding (in '000)		210,645	210,716
Basic earnings per share from continuing operations (€)	28	0.47	0.48
Diluted earnings per share from continuing operations (€)	28	0.47	0.47
Basic earnings per share from held-for-sale operations (€)	28	0.18	0.17
Diluted earnings per share from held-for-sale operations (€)	28	0.18	0.17

(a) In accordance with IFRS 5 (see Note 4), the presentation of the 2012 income statement as published in February 2013 has been changed in order to show results from discontinued or held-for-sale operations separately.

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	2013	2012
Consolidated net profit for the period	**151.7**	**139.3**
Items not reclassifiable to profit or loss		
Actuarial gains/losses on employee benefits	(3.0)	(7.2)
Net tax effect of equity items not reclassifiable to profit or loss	1.0	2.5
Share of non-reclassifiable income and expense of associates recognised in equity	-	-
Items reclassifiable to profit or loss		
Remeasurement of hedging instruments [(1)]	(5.7)	(3.8)
Remeasurement of available-for-sale financial assets	-	-
Change in cumulative translation adjustment of controlled entities	-	0.1
Net tax effect of equity items reclassifiable to profit or loss	2.1	1.4
Share of reclassifiable income and expense of associates recognised in equity	-	-
Income and expense recognised directly in equity [(2)]	**(5.6)**	**(7.0)**
Total recognised income and expense	**146.1**	**132.3**
attributable to the Group	131.4	129.0
attributable to non-controlling interests	14.7	3.3

(1) *Includes amounts reclassified to profit or loss: -€2.0 million in 2013, -€2.6 million in 2012*

(2) *Includes -€0.2 million relating to discontinued or held-for sale operations in both 2013 and 2012*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Share-holders' equity attributable to the Group**	Non-controlling interests	**Total share-holders' equity**
BALANCE AT DECEMBER 31, 2011	**42.2**	**-**	**(0.7)**	**1,526.8**	**6.8**	**1,575.1**	**12.1**	**1,587.2**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	0.7	-	**0.7**	-	**0.7**
Purchase of treasury shares	-	-	(2.3)	-	-	**(2.3)**	-	**(2.3)**
Cancellation of treasury shares	(0.1)	-	3.0	(3.0)	-	**(0.1)**	-	**(0.1)**
Dividends paid	-	-	-	(116.0)	-	**(116.0)**	**(1.0)**	**(117.0)**
Other transactions with shareholders	-	-	-	93.0	-	**93.0**	**102.6**	**195.6**
Total transactions with shareholders	**(0.1)**	**-**	**0.7**	**(25.3)**	**-**	**(24.7)**	**101.6**	**76.9**
Consolidated net profit for the period	**-**	**-**	**-**	**136.0**	**-**	**136.0**	**3.3**	**139.3**
Income & expense recognised directly in equity	**-**	**-**	**-**	**-**	**(7.0)**	**(7.0)**	**-**	**(7.0)**
Other movements (changes in accounting policy, changes in scope of consolidation, other changes)	-	-	-	5.4	-	**5.4**	**-**	**5.4**
BALANCE AT DECEMBER 31, 2012	**42.1**	**-**	**-**	**1,642.9**	**(0.2)**	**1,684.8**	**117.0**	**1,801.8**
Capital increase (share options exercised)	0.2	5.8	-	-	-	**6.0**	-	**6.0**
Share-based payment	-	-		0.6	-	**0.6**	-	**0.6**
Purchase of treasury shares	-	-	(3.3)	-	-	**(3.3)**	-	**(3.3)**
Cancellation of treasury shares	(0.1)	-	3.3	(3.3)	-	**(0.1)**	-	**(0.1)**
Dividends paid	-	-	-	(115.6)	-	**(115.6)**	(1.2)	**(116.8)**
Other transactions with shareholders	-	-	-	7.6	-	**7.6**		**7.6**
Total transactions with shareholders	**0.1**	**5.8**	**-**	**(110.7)**	**-**	**(104.8)**	**(1.2)**	**(106.0)**
Consolidated net profit for the period	**-**	**-**	**-**	**137.0**	**-**	**137.0**	**14.7**	**151.7**
Income & expense recognised directly in equity	**-**	**-**	**-**	**-**	**(5.6)**	**(5.6)**	**-**	**(5.6)**
Other movements (changes in accounting policy, changes in scope of consolidation, other changes)	-	-	-	-	-	**-**	**-**	**-**
BALANCE AT DECEMBER 31, 2013	**42.2**	**5.8**	**-**	**1,669.2**	**(5.8)**	**1,711.4**	**130.5**	**1,841.9**

See Note 13, "Consolidated shareholders' equity", for a breakdown of these changes.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Note	2013	2012 [(a)]
Consolidated net profit (including non-controlling interests)		103.2	103.8
Depreciation, amortisation, provisions and impairment (excluding current assets)		65.0	69.5
Intangible assets and goodwill		*39.0*	*44.7*
Property, plant and equipment		*23.9*	*24.7*
Financial assets		-	*(0.2)*
Non-current provisions		*2.1*	*0.3*
Other non-cash income and expenses		(14.2)	(9.2)
Effect of fair value remeasurement		(0.8)	(5.2)
Share-based payment		0.6	0.7
Net (gain)/loss on asset disposals		(18.3)	0.4
Share of (profits)/losses and dividends of associates		(0.8)	6.4
Dividend income from non-consolidated companies		(1.0)	(1.2)
Sub-total		**133.7**	**165.2**
Cost of net debt		(0.4)	(2.5)
Income tax expense (including deferred taxes)		45.3	52.1
Operating cash flow		**178.6**	**214.8**
Income taxes (paid)/reimbursed		(49.0)	(70.0)
Change in operating working capital needs		(70.3)	56.7
Net cash generated by/(used in) operating activities		**59.3**	**201.5**
Cash outflows on acquisitions of property, plant and equipment and intangible assets		(51.6)	(46.3)
Cash inflows from disposals of property, plant and equipment and intangible assets		2.0	1.0
Cash outflows on acquisitions of financial assets		(3.4)	(3.4)
Cash inflows from disposals of financial assets		1.8	0.1
Effect of changes in scope of consolidation	*29.3*	6.0	106.4
Purchase price of investments in consolidated activities		-	*(6.4)*
Proceeds from disposals of investments in consolidated activities		*6.0*	*112.8*
Net liabilities related to consolidated activities		-	-
Other cash effects of changes in scope of consolidation		-	-
Dividends received		1.0	4.3
Other cash flows relating to investing activities	*29.2*	53.3	(0.1)
Net cash generated by/(used in) investing activities		**9.1**	**62.0**
Cash received on exercise of share options		6.0	-
Purchases and sales of treasury shares		(3.3)	(2.3)
Other transactions between shareholders	*29.4*	-	79.5
Dividends paid during the year		(116.8)	(117.0)
Cash inflows from new debt contracted	*29.5*	0.2	101.4
Repayment of debt (including finance leases)	*29.5*	(4.6)	(4.7)
Net interest paid (including finance leases)		0.4	2.5
Net cash generated by/(used in) financing activities		**(118.1)**	**59.4**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS		**(49.7)**	**322.9**
Cash position at start of period	*29.1*	**240.5**	**(82.4)**
Change in cash position during the period		(49.7)	322.9
Cash position at end of period	*29.1*	**190.8**	**240.5**

(a) In accordance with IFRS 5 (see Note 4), the presentation of the 2012 cash flow statement as published in February 2013 has been changed in order to show cash flows from held-for-sale operations separately.

		2013	2012
Cash position at start of period – Discontinued or held-for-sale operations	*4*	**13.9**	**64.2**
Change in cash position – Discontinued or held-for-sale operations [(b)]	*4*	55.7	(50.3)
Cash position at end of period – Discontinued or held-for-sale operations	*4*	**69.6**	**13.9**

(b) The detail is presented in note 4 – held for sale operations

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Significant events of 2013

On January 21, 2014, Discovery Communications and the TF1 group signed an agreement whereby Discovery is to acquire a controlling interest in the Eurosport International group (the Eurosport group excluding Eurosport France) via a deepening of the broad strategic partnership between the two groups that began in December 2012. The deal, which will enable Discovery to increase its interest in the capital of Eurosport SAS (the parent company of the group) by raising its stake from 20% to 51%, is taking place nearly a year earlier than the date envisaged in the initial agreement. TF1 is to retain its 80% interest in Eurosport France at least until January 1, 2015.

Finalisation of the transaction will be contingent on clearance from the competition authorities, and is expected to occur within the coming months.

The Eurosport channel is broadcast in 20 languages and reaches 133 million households across 54 countries. Other Eurosport brands and platforms include: Eurosport 2, available in 69 million households across 51 countries; Eurosport HD, the live high-definition channel, available in 32 million households across 48 countries; Eurosport Asia-Pacific, broadcast in 16 countries; and Eurosportnews, a rolling news channel and online hub carrying sports news in real time, available in 48 countries.

The acquisition by Discovery of the additional 31% interest is based on an enterprise value of €902 million for the Eurosport group, from which the valuation of Eurosport France (€85 million) is to be deducted. These valuations will be increased by the amount of net surplus cash held by the entities at the transaction closing date. Based on figures as of December 31, 2013, the effective sale in 2014 of the 31% interest in Eurosport International by the TF1 group will generate a gain on deconsolidation (after taking into account the gain on the remeasurement of the retained 49% interest) of approximately €300 million, which will be reported in the line item "Net profit/(loss) from discontinued or held-for-sale operations" in the income statement.
In addition, TF1 retains the possibility of exercising its put option over its residual 49% stake, which could increase the interest held by Discovery to 100%.

This agreement does not affect the two other tranches of the initial agreement: the 20% equity interest acquired by Discovery in the TV Breizh, Histoire, Ushuaïa TV and Stylía channels, and the production alliance with the TF1 group.

Under IFRS 5, "Discontinued and Held-For-Sale Operations", this agreement means that the operations of Eurosport International must be reclassified as held-for-sale operations, and hence that the contributions of Eurosport International must be reported on a separate line in the TF1 group consolidated financial statements for the years ended December 31, 2013 and 2012, in both the income statement and the cash flow statement, in the interests of comparability.

Note 2.15 "Held-for-sale assets" and Note 4 "Held-for-sale operations" describe how IFRS 5 has been applied, and present the Eurosport International consolidated financial statements on a standalone basis.

Note 6 "Segment information" presents key indicators for the TF1 group as monitored by management during 2013, including Eurosport International's contribution to the revenue and operating profit of the TF1 group's Pay-TV segment.

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The consolidated financial statements of the TF1 group for the year ended December 31, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, as required under EC Regulation 1606/2002 of July 19, 2002.
They include the financial statements of TF1 SA and its subsidiaries and jointly controlled entities, and the TF1 group's interests in associated undertakings. They also reflect the recommendations issued by the ANC (the French national accounting standard-setter) on the presentation of financial statements (recommendation no. 2013-03).

The consolidated financial statements are presented in millions of euros.

They were adopted by the Board of Directors on February 18, 2014, and will be submitted for approval by the shareholders at the forthcoming Ordinary General Meeting to be held on April 17, 2014.

2-2. New and amended accounting standards and interpretations

2-2-1. New standards, amendments and interpretations endorsed by the European Union and mandatorily applicable or eligible for early adoption in periods beginning on or after January 1, 2013

In preparing its condensed financial statements for the year ended December 31, 2013, the TF1 group applied the same standards, interpretations and accounting policies as those used in the preparation of its consolidated financial statements for the year ended December 31, 2012, plus any new standards, amendments and interpretations applicable from January 1, 2013.
The principal new standards, amendments and interpretations endorsed by the European Union and mandatorily applicable or eligible for early adoption as of January 1, 2013 are:

- **Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income (OCI):** This amendment, although not endorsed by the European Union as of December 31, 2011, was early adopted by the TF1 group as of January 1, 2011 since it did not contradict any previously endorsed pronouncements. It came into force in the European Union on June 6, 2012, and is mandatorily applicable from January 1, 2013.
- **Amendment to IAS 19, "Employee Benefits":** This amendment is mandatorily applicable from January 1, 2013, with early adoption permitted from January 1, 2012. It was early adopted by the TF1 group in its 2012 consolidated financial statements, with an immaterial effect given that the Group already recognised actuarial gains and losses on defined-benefit employee benefit plans directly in equity.
- **Amendments to IAS 12,** "Income Taxes" – "Deferred Taxes: Recovery of Underlying Assets" **and to IFRS 1,** "First-Time Adoption of International Financial Reporting Standards" – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters, and **IFRS 13, "Fair Value Measurement"**: these texts, which were endorsed by the European Union on December 29, 2012 and are mandatorily applicable from January 1, 2013, have no impact on the TF1 financial statements.

The TF1 Group has decided not to early adopt any of the standards issued by the IASB and endorsed by the European Union that companies may elect to early adopt with effect from January 1, 2013.

2-2-2. New standards, amendments and interpretations endorsed by the European Union and applicable subsequent to December 31, 2013

- **IFRS 10**, "Consolidated Financial Statements" **IFRS 11**, "Joint Arrangements", **IFRS 12**, "Disclosure of Interests in Other Entities", **IAS 27**, "Separate Financial Statements" (as amended in 2011), and **IAS 28**, "Investments in Associates and Joint Ventures": these standards were endorsed by the European Union on December 29, 2012 and are mandatorily applicable from January 1, 2014, with retrospective effect for the comparative period. The main changes and effects are described below.

  - ✓ **IFRS 10** replaces those parts of IAS 27, "Consolidated and Separate Financial Statements" that dealt with consolidated financial statements and SIC 12, "Consolidation – Special Purpose Entities", and redefines the concept of control over an entity.
  - ✓ **IFRS 11** replaces IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". This new standard establishes how to account for joint arrangements. Under IFRS 11, joint arrangements over which two or more parties exercise joint control are accounted for on the basis of the rights and obligations of each of the parties to the arrangement, taking account of factors such as structure and legal form of the arrangement, the rights of each party under the terms of the arrangement and, when relevant, other facts and circumstances:
    - joint ventures, which give the parties rights to the net assets, must be accounted for by the equity method, with the proportionate consolidation method no longer permitted;
    - for joint operations, which give each of the parties direct rights to the assets and obligations for the liabilities, the assets and liabilities (and income and expenses) must be recognised in proportion to the interests held in the joint operation.
  - ✓ **IFRS 12** introduces fuller requirements about disclosures of interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

  Based on the analyses carried out to date, the main effects identified arise from the application of IFRS 11 to joint arrangements, and more specifically the change to the equity method in accounting for the joint ventures in which the TF1 group has an interest; until now, these have been accounted for using the proportionate consolidation method.

  For the TF1 group, this change applies to the three entities (TF6, Série Club and TF6 Gestion) managed under a joint arrangement with M6.

  Based on the situation of the entities that will be restated with effect from January 1, 2013 and in light of the retrospective nature of IFRS 11, the following impacts would have to be recognised in 2014, in the 2013 income statement presented for comparative purposes:

    - ➢ a reduction of €10.0 million in revenue;
    - ➢ an increase of €0.3 million in operating profit;
    - ➢ a reduction of €0.3 million in the share of profits/losses of associates.

  In addition, the change to the equity method for these entities means that it is no longer possible to include them in the overall impairment tests performed at the level of the cash generating unit (CGU) to which they belong. Based on the business plans prepared at the end of 2013, the value in use of the entities to which this change in consolidation method applies would be lower than their carrying amount by approximately €7 million.
  Consequently, this impairment loss will be recognised against the equity-accounted entities, as a deduction in consolidated shareholders' equity as of January 1, 2013.

- **Amendment to IAS 32** – Offsetting Financial Assets and Financial Liabilities: IASB application date January 1, 2014, no impact on the financial statements.

2-2-3. New standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union

Standard/Interpretation	IASB application date	Expected impact on TF1
IFRS 9: Financial Instruments: Classification and Measurement of Financial Assets	January 1, 2015	Not quantifiable at present (endorsement process suspended by the European Union)
Interpretation 21: Levies	January 1, 2014	This interpretation, which has not been early adopted by the TF1 group, covers taxes that fall outside the scope of IAS 12, such as the "C3S" tax in France. This interpretation will be applied by the TF1 group from January 1, 2014, once it has been endorsed by the European Union (expected in the first quarter of 2014). The estimated impact is an increase of €4.9 million in shareholders' equity as of January 1, 2013.

2-3. Changes in accounting policy

TF1 did not make any changes in accounting policy during 2013 other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2013, as shown in Note 2-2-1.

2-4. Selection of accounting treatments, exercise of judgment and use of estimates

Preparation of the consolidated financial statements requires TF1 management to exercise judgement in the selection of accounting treatments and to use estimates for the measurement of assets, liabilities, income and expenses, which may have a material impact on the amounts reported in the financial statements.

2-4-1. Accounting policies

The principal accounting treatments involving the exercise of judgment are listed below, along with a reference to the note that describes the main analytical methods used in applying each treatment:

- Goodwill and impairment testing (Notes 2-8 and 2-11)
- Recognition and measurement of audiovisual rights (Note 2-8-1)
- Recognition and measurement of programmes, broadcasting rights and sports transmission rights (Note 2-12)
- Classification of financial instruments (Notes 2-11 and 2-17)
- Revenue recognition (Note 2-20)

2-4-2. Use of estimates

Preparation of the consolidated financial statements requires the TF1 group to make various estimates and use various assumptions regarded as realistic and reasonable. Subsequent events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.

The principal accounting policies requiring the use of estimates are:

- Impairment of goodwill (Note 7): the carrying amount of goodwill in the TF1 consolidated financial statements is reviewed annually using the method described in Note 2-10-1. These impairment tests are sensitive to medium-term financial forecasts and to the discount rates used to estimate the value in use of cash-generating units (CGUs).
- Impairment of audiovisual rights (Note 8-1) impairment testing of audiovisual rights is based on an analysis of projected future revenues.
- Impairment of programmes and broadcasting rights (Note 12): impairment testing of programmes and broadcasting rights is based on the probability of transmission, assessed mainly on the basis of future programming schedules.
- Measurement of provisions for retirement benefit obligations (Note 16-1-2): these provisions are calculated by the TF1 group itself using the projected unit credit method, as described in Note 2-19-1. This calculation is sensitive to assumptions regarding the discount rate, the salary inflation rate and the staff turnover rate.
- Provisions (Note 16): provisions are established to cover probable outflows of resources to third parties with no corresponding inflow of resources for the Group. They include provisions for all kinds of litigation and claims, the amount of which is estimated based on assumptions regarding the most likely outcomes. In determining these assumptions, TF1 management may rely on the assessments of external advisors.
- Fair value of financial instruments (Notes 12 and 14): the fair value of financial instruments is determined by reference to market prices. In the case of derivatives, market prices are determined and supplied to the TF1 group by its bankers. Where no quoted market price is available, fair value is estimated using other valuation methods such as the discounted cash flow method.

2-5. Consolidation methods

Subsidiaries

Subsidiaries are companies over which TF1 exercises control. Control is presumed to exist where the parent company has the power directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are included in the consolidation from the date on which control is effectively transferred to the Group. Divested subsidiaries are excluded from the consolidation from the date on which the Group ceases to have control.

TF1 accounts for investees over which it exercises exclusive control using the full consolidation method. Under this method, all assets, liabilities, equity, income and expenses of each subsidiary are combined on a line-by-line basis in the consolidated financial statements. Non-controlling interests in equity and in net profit are identified separately under “Non-controlling interests” in the consolidated balance sheet and the consolidated income statement.

Jointly controlled entities

A jointly controlled entity is one in which the power to govern the financial and operating policies of the entity is contractually shared by TF1 with one or more other parties, none of which exercises control. TF1 accounts for interests in such entities using the proportionate consolidation method. Under this method, TF1 includes its own share of the subsidiary’s assets, liabilities, equity, income and expenses in the relevant lines of its own consolidated financial statements.

Associates

An associate is an enterprise in which TF1 exercises significant influence, which means that TF1 has the power to participate in the financial and operating policy decisions of the investee without exercising control. Significant influence is presumed to exist if the parent company holds, directly or indirectly, 20% or more of the voting power of the investee. This presumption is reviewed in light of the way in which the investee is effectively governed and managed.

TF1 accounts for investments in associates using the equity method. Under this method, the investment in the associate is initially recorded in the balance sheet at acquisition cost. The carrying amount is then increased or decreased by the Group’s share of the associate’s profits or losses and of other changes in the equity of the associate subsequent to the acquisition date.

2-6. Foreign currency translation

2-6-1. Translation of the financial statements of foreign entities

The financial statements of foreign operations are translated into euros, the reporting currency of the TF1 group. All assets and liabilities of foreign entities are translated at the closing exchange rate; income and expenses are translated at the average rate for the period. Translation differences arising from this treatment, and from retranslating the opening equity of foreign entities at the closing exchange rate, are taken to equity under “Share premium and reserves”. On disposal of a foreign entity, these differences are taken to profit or loss as part of the gain or loss on disposal.

- **Specific treatment on transition to IFRS**

The TF1 group applied the option allowed under IFRS 1, under which existing cumulative translation differences arising from the translation of the financial statements of foreign subsidiaries into euros were deemed to be zero. The balance as of January 1, 2004 under French generally accepted accounting principles (“French GAAP”) was reclassified to reserves, with no impact on shareholders’ equity attributable to the Group. Consequently, the gain or loss on a subsequent disposal of any consolidated entity or associate will exclude translation differences that arose before the date of transition to IFRS.

2-6-2. Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies carried out by subsidiaries and jointly controlled entities are initially translated into the functional currency of the subsidiary or entity using the exchange rate at the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. Any resulting translation differences are taken to profit or loss. Non-monetary assets and liabilities denominated in a foreign currency are recognised at historical cost and translated using the exchange rate at the transaction date.

2-7. Business combinations and goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. A revised version of IFRS 3 became effective on January 1, 2010 without retrospective effect. The main effects of the revision are a tightening of the “control” criterion in accounting for a business combination, and broader use of fair value accounting.

The treatment applied by TF1 to business combinations with effect from January 1, 2010 is as follows:

The cost of a business combination is the fair value, at the date of exchange, of the assets transferred, the liabilities incurred or assumed, and the equity instruments issued by the Group, in exchange for control over the acquiree.

The identifiable assets, liabilities and contingent liabilities of the acquiree that satisfy the IFRS recognition criteria are recognised at their fair value at the acquisition date, except for non-current assets held for sale which are recognised at fair value less costs to sell in accordance with IFRS 5.

Any excess of the cost of a business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date is recognised as goodwill. Non-controlling interests may also be measured at fair value (the “full goodwill” method), giving rise to additional goodwill; this option may be elected separately for each business combination.

Subsequent changes in percentage interest with no loss of control over the acquiree are accounted for as transactions between shareholders, with the difference between the purchase price (or sale price) and the carrying amount of the interest acquired (or sold) recognised in equity.

In the case of step acquisitions, equity interests held prior to acquisition of control are remeasured at fair value, with the effect of the remeasurement recognised in profit or loss. The same applies to equity interests retained after loss of control.

Costs directly incurred to effect a business combination are recognised in profit or loss.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, the TF1 group recognises any adjustments to these provisional values within twelve months following the acquisition date. If the adjustment between provisional and final fair value accounting materially affects the presentation of the financial statements, the comparative information for the period preceding the final accounting for the combination is restated as though the final accounting had been completed at the acquisition date.

If the share of the fair value of the identifiable assets and liabilities acquired exceeds the cost of the combination, the excess is recognised immediately in the income statement as negative goodwill.

Subsequent to initial recognition, goodwill is measured at cost less any impairment losses, determined using the method described in Note 2-10. Any impairment losses are charged as an operating item in the income statement, and may not be subsequently reversed.

In the event of a partial sale of the component operations, or if a CGU is split up, the TF1 group usually allocates the goodwill of the CGU in proportion to the relative values (as defined in the IFRS 7 hierarchy of valuation methods, see Note 12-2) of the divested, retained or split operations at the sale/split date, unless it can be demonstrated that another method better reflects the goodwill of the divested operation, in accordance with paragraph 86 of IAS 36.

✓ **Specific treatment on transition to IFRS**

In accordance with the option allowed under IFRS 1, the TF1 group elected not to remeasure goodwill arising on business combinations effected prior to January 1, 2004.

✓ **Accounting treatment of business combinations predating January 1, 2010:**

Because the revised IFRS 3 (Business Combinations) was not retrospectively applied, goodwill arising on business combinations predating January 1, 2010 has been maintained at its December 31, 2009 carrying amount. Goodwill on these transactions was determined using the accounting treatments applicable as of the date of the transactions. The main divergences in accounting treatment are as follows:

- In a step acquisition, the previously-held equity interest was not remeasured.
- Costs directly incurred to effect a business combination were included in the cost of the combination, and hence were included in the amount of goodwill recognised prior to January 1, 2010.
- The option to measure non-controlling interests at fair value was not available, which meant that the full goodwill method was not permitted.
- Changes in percentage interest with no change in control over the acquiree generated additional goodwill in the case of an acquisition, and a gain or loss in the event of a disposal.

2-8. Intangible assets

Separately acquired intangible assets are initially recognised at acquisition cost or (if acquired in a business combination) at fair value as of the acquisition date.

Subsequent to the acquisition date, intangible assets are measured at initial recognition cost less accumulated amortisation and impairment losses.

Intangible assets with finite useful lives are amortised over their expected useful lives.

Intangible assets with indefinite useful lives are not amortised.

2-8-1. Audiovisual rights

This item primarily includes shares in films and audiovisual programmes produced or co-produced by TF1 Films Production, TF1 Vidéo and TF1 Production; distribution and trading rights owned by TF1 DA and TF1 Entreprises; and music rights owned by Une Musique.

Audiovisual rights are recognised as an asset in the balance sheet at historical cost under "Audiovisual rights" on the following dates:

- date of end of shooting or censor's certificate for film co-productions;
- date of signature of contract for acquired audiovisual distribution and/or trading rights and music rights.

Amortisation periods for these categories of audiovisual rights are as follows:

- shares in film co-productions: amortised in line with revenues over 8 years;
- audiovisual distribution rights: amortised in line with revenues, with a minimum of 3 years straight-line;
- audiovisual trading rights: straight-line basis over 5 years;
- music rights: amortised over 2 years, 75% in the first year and the remaining 25% in the second year.
- Films co-produced by TF1 Films Production are amortised in line with revenues over a limited time-frame, taking account of the timing of revenue sources; this policy is consistent with industry practice.

A provision for impairment is recorded individually if estimated future revenues do not cover the net carrying amount.

2-8-2. Other intangible assets

Other acquired intangible assets are carried at acquisition cost less accumulated amortisation and impairment losses. These mainly comprise operating licences (other than broadcasting licences and audiovisual rights), trademarks and similar rights, and software.

These assets are amortised on a straight-line basis over their expected useful lives, except for certain commercial trademarks owned by the TF1 group and regarded as having an indefinite useful life, which are not amortised. These trademarks are tested for impairment (see Note 2-10-1).

2-9. Property, plant and equipment

2-9-1. Property, plant and equipment owned outright

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation is charged on a straight-line basis over the expected useful life of the asset, taking account of any residual value of the asset:

Buildings:	25 to 50 years
Technical installations:	3 to 7 years
Other property, plant and equipment:	2 to 10 years
Land is not depreciated.	

Where an asset is made up of components with different useful lives, these components are recorded as separate items within property, plant and equipment.

Gains or losses on disposals of property, plant and equipment represent the difference between the sale proceeds and the net carrying amount of the asset, and are included in "Other current operating income and expenses".

2-9-2. Property, plant and equipment acquired under finance leases

Property, plant and equipment held under leases which transfer substantially all the risks and rewards of ownership of the asset to the TF1 group is recognised as an asset in the balance sheet at the inception date of the lease, at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability; the finance charge is recognised in the income statement under "Expenses associated with net debt", a component of "Cost of net debt".
Assets held under finance leases are depreciated over the same periods as assets of the same type owned outright.

2-10. Impairment of non-current assets

At each balance sheet date, TF1 assesses whether there are internal or external events or circumstances which indicate that a non-current asset may have been impaired. If there is such an indication, or if the asset is required to be tested for impairment annually (goodwill, and intangible assets with indefinite useful lives), the recoverable amount of the asset is estimated.

2-10-1. Goodwill and indefinite-lived intangible assets

The recoverable amount of an asset is the higher of value in use or fair value less costs to sell. If fair value less costs to sell cannot be reliably measured, the recoverable amount of an asset is its value in use.

The value in use of assets to which independent cash flows can be directly allocated is determined individually. All other assets are grouped within cash-generating units (CGUs) to determine their value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The value in use of an asset or a CGU is measured using the discounted cash flow (DCF) method, based on 3-year cash flow projections approved by TF1 management and the Board of Directors plus a standard annual cash flow figure for the time horizon beyond the 3-year business plan. The cash flows used are determined on an after-tax basis.
These cash flow projections are discounted using an after-tax discount rate, determined on the basis of the weighted average cost of capital (calculated on the basis of market parameters, such as beta and capitalisation) of a sample of companies representative of the business sector to which the asset being tested belongs.

The fair value less costs to sell of an asset or CGU is measured, where possible, by reference to the price in a binding sale agreement in an arm's length transaction.

An impairment loss is recognised where the recoverable amount of an asset or CGU is less than its carrying amount. Impairment losses on finite-lived and indefinite-lived items of property, plant and equipment and intangible assets may be reversed subsequently if the recoverable amount of the asset becomes greater than its carrying amount again. The only impairment losses that may not be reversed are those relating to goodwill.

2-10-2. Investments in associates

Because goodwill included in the carrying amount of investments in associates is not presented separately, this goodwill is not tested individually for impairment, in accordance with IAS 36. The total carrying amount is tested for impairment by comparing its recoverable amount to its carrying amount if there is evidence that the investment is impaired.

2-10-3. Other non-current assets

The methods used to test other non-current assets (in particular, audiovisual rights) for impairment are described in the relevant sections.

2-11. Financial assets

Financial assets may be classified in one of four categories: available-for-sale financial assets, loans and receivables measured at amortised cost, held-to-maturity investments, and assets at fair value through profit or loss. In accordance with IAS 1, financial assets are classified as either current assets or non-current assets.
Financial assets are recognised at the settlement date.

2-11-1. Available-for-sale financial assets

These assets are initially recognised at fair value, which corresponds to acquisition cost plus transaction costs. At subsequent balance sheet dates, available-for-sale financial assets are remeasured at fair value. Changes in fair value are recognised in equity, and are not transferred to the income statement until the asset in question is sold.

The TF1 group classifies in this category equity interests in companies over which the Group exercises neither control nor significant influence. The fair value of listed securities is determined using the fair value measurement principles described in Note 12. Unlisted securities whose fair value cannot be measured reliably are carried at cost.

Available-for-sale financial assets are tested individually for impairment. Unrealised gains and losses are recognised in equity. If there is objective evidence of a significant or prolonged decline in value, an impairment loss is recognised in the income statement.

2-11-2. Loans and receivables

These financial assets are initially recognised at fair value plus directly attributable transaction costs. At each subsequent balance sheet date, they are measured at amortised cost using the effective interest method.
This category includes trade debtors, other debtors, loans receivable, deposits and caution money, loans and advances to non-consolidated equity investments, cash, and current account advances to associates and non-consolidated entities.

Loans and receivables are assessed individually for objective evidence of impairment. An asset is regarded as impaired if the carrying amount is greater than the estimated recoverable amount as determined in impairment tests.

Impairment losses are recognised in profit or loss, but may be reversed if the recoverable amount increases in subsequent periods.

2-11-3. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold until maturity. They are measured and carried at amortised cost calculated using the effective interest method.

Held-to-maturity investments are assessed individually for objective evidence of impairment, and regarded as impaired if the carrying amount is greater than the estimated recoverable amount as determined in impairment tests. Impairment losses are recognised in profit or loss.

2-11-4. Financial assets at fair value through profit or loss

These assets are measured at fair value, with changes in fair value recognised in profit or loss.

This category includes:

- assets classified as held for trading, which comprise assets acquired for the purpose of reselling them in the near term at a profit or which are part of a portfolio of financial instruments that are managed together and for which there is a pattern of short-term profit taking;
- assets designated by the Group on initial recognition as financial instruments at fair value through profit or loss.

2-12. Programmes and broadcasting rights

In order to secure programming schedules for future years, the TF1 group enters into binding contracts, sometimes for a period of several years, under which the Group acquires (and the other party agrees to deliver) programme rights and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory under “Programmes and broadcasting rights” when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions).

In the case of rights and programmes for which these two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), the Group takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet.

However, any advance payments made to acquire such rights are recognised as supplier prepayments.

The line “Programmes and broadcasting rights” in the balance sheet includes:

- in-house productions, made by TF1 group companies for TF1 channels;
- external productions, comprising broadcasting rights acquired by the TF1 group’s channels and co-production shares of broadcasts made for the TF1 group’s channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: at overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: at purchase cost, less consumption for the year calculated at each balance sheet date.

TF1 SA programmes (which account for most of the Group’s programme inventory) are deemed to have been consumed as transmitted. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below, unless otherwise specified in the acquisition contract:

Rules by type of programme			
	Dramas with a running time of at least 52 minutes	Films, TV movies, serials and cartoons	Other programmes and broadcasting rights
1st transmission	80%	50%	100%
2nd transmission	20%	50%	-

“Other programmes and broadcasting rights” in the table above refers to children’s programmes (other than cartoons), entertainment shows, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been broadcast and the rights to which have expired are written off as a component of current operating profit, and any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission (see above) are disclosed in Note 11, in the section relating to contracts entered into by TF1 to secure future programming schedules, and are priced at the contractual amount (or the estimated future cash outflow in the case of output deal contracts) less any advance payments made.

2-13. Financial assets used for treasury management purposes

Financial assets used for treasury management purposes are securities held for trading purposes which although they are monetary investments do not qualify as cash equivalents. They are classified as financial assets at fair value through profit or loss held for trading.

2-14. Cash and cash equivalents

The line “Cash and cash equivalents” in the balance sheet comprises cash, cash equivalents, and debit balances on treasury current accounts.

Cash consists of liquidity available in bank current accounts and sight deposits. Cash equivalents are assets held in order to meet short-term treasury needs. Investments qualify as cash equivalents if they are readily convertible into cash, are subject to an insignificant risk of changes in value, and have a maturity of less than three months. Treasury current accounts represent cash invested with non-consolidated equity investees or with associates, the uneliminated portion of treasury current accounts with companies consolidated by the proportionate consolidation method, and current accounts with other Bouygues group entities.

Cash and treasury current accounts are classified in the “Loans and receivables” category and carried at amortised cost.

2-15. Held-for-sale assets

A non-current asset or a group of assets and liabilities is classified as “held-for-sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is highly probable. If material, such assets and asset groups are reported separately from other assets or asset groups, and are measured at the lower of their carrying amount or fair value less costs to sell.

An operation is treated as discontinued or held-for-sale when it is a separate line of business that is material to the Group, and either (i) the criteria for classification as a held-for-sale asset are met or (ii) it has been sold by the TF1 group.

- the net profit (or loss) after tax of discontinued or held-for-sale operations until the date of disposal;
- any impairment of net assets held for sale, based on their carrying amount less costs to sell, at the time of initial classification of those net assets as held-for-sale;
- the net gain (or loss) after tax arising from the disposal

If material, cash flows relating to discontinued and held-for-sale operations are shown separately from the consolidated cash flow statement for all the periods reported; details are provided in Note 4, “Held-for-sale operations”.

2-16. Treasury shares

Treasury shares acquired by the TF1 group are deducted from consolidated equity. No gains or losses arising on the purchase, sale or cancellation of treasury shares are recognised in the income statement.

2-17. Financial liabilities

Financial liabilities are classified in one of two categories: financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprise:

- liabilities regarded as held for trading, comprising liabilities incurred principally with a view to repurchasing them in the near term;
- liabilities designated by the Group on initial recognition as financial instruments at fair value through profit or loss.

The TF1 group's non-derivative financial liabilities mainly comprise bond issues, borrowings (including credit facilities contracted with banks or with the Group), treasury current accounts with credit balances, bank overdrafts, and finance lease obligations.

These liabilities are measured at amortised cost.

Where a financial liability is wholly or partially hedged by an interest rate instrument, the hedged portion is accounted for under hedge accounting rules (see Note 2-18-1).

2-17-1. Bond issues

Bond issues are initially recognised at the amount of the issue proceeds net of issue costs.
Subsequently, bond issues are measured at amortised cost using the effective interest method. The effective interest rate takes account of issue costs and redemption premium, which are recognised in the balance sheet as a deduction from the nominal value of the bond issue and amortised using the effective interest method over the term of the bond issue. Amortisation and interest charges are recognised in the income statement under "Expenses associated with net debt". The portion of accrued interest falling due within less than one year is recorded in "Current debt".

2-17-2. Other financial liabilities

Other current and non-current financial liabilities comprise borrowings, treasury current accounts with credit balances, bank overdrafts and finance lease obligations, and are measured at amortised cost.

- **Commitments to buy out non-controlling interests**

Commitments to buy out non-controlling interests are recognised as a financial liability, in accordance with IAS 32.

Since January 1, 2010, the effective date of the amended IAS 27, TF1 has elected to recognise these financial liabilities by debiting equity, with no impact on the recognition of non-controlling interests. Apart from discounting effects (recognised in "Expenses associated with net debt"), the effects of subsequent changes in the liability are also recognised in equity.

For commitments to buy out non-controlling interests relating to a business combination completed prior to January 1, 2010, TF1 recognised the excess of the amount of the liability over the carrying amount of the related non-controlling interests, and subsequent changes in the fair value of the liability (other than discounting effects), as goodwill.

2-18. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value as of the inception date of the contract, and are subsequently measured at fair value in accordance with IAS 39.

The TF1 group uses derivative financial instruments such as swaps, interest rate options, forward currency purchases and currency options to hedge its exposure to fluctuations in interest rates and exchange rates. Group policy is to trade on the financial markets solely for hedging purposes related to its business activities, and not to trade for speculative purposes.

2-18-1. Derivative financial instruments designated as hedges

For hedge accounting purposes, a hedge may be classified into one of two categories:

- fair value hedges, which hedge the exposure to changes in fair value of a recognised asset or liability, or a firm commitment, such as a fixed-rate loan or borrowing or an asset or liability denominated in a foreign currency;
- cash flow hedges, which hedge the exposure to variability in cash flows attributable to:
    - an asset or liability such as a floating-rate loan or borrowing;
    - a highly probable forecast transaction; or
    - foreign exchange risk relating to a firm commitment.

At the inception of a hedge, TF1 formally designates the financial instrument to which hedge accounting will apply, and documents:

- the hedging relationship;
- the effectiveness of the hedging relationship, by conducting effectiveness tests both at inception and throughout all the financial reporting periods during which the hedge is designated.

Hedging instruments that qualify for hedge accounting are accounted for as follows:

- fair value hedges: changes in the fair value of the hedging instrument are recognised in profit or loss for the period symmetrically with changes in the fair value of the hedged item. The hedging instrument and the hedged item are both recognised in the balance sheet at fair value;
- cash flow hedges: the gain or loss (net of taxes) arising on the effective portion of the hedging instrument is recognised in equity, and the gain or loss on the ineffective portion is recognised in profit or loss. The amounts recognised in equity are taken to profit or loss in the period in which the hedged transaction affects the income statement.

2-18-2. Derivative financial instruments not designated as hedges

Gains and losses arising from changes in the fair value of derivatives not designated as hedges within the meaning of IAS 39 are recognised in the income statement.

2-19. Provisions and contingent liabilities

A provision is recorded when a legal or constructive obligation to a third party arising from a past event will certainly or probably result in an outflow of resources that can be measured reliably. Provisions are reviewed at each balance sheet date, and adjusted where necessary to reflect the best estimate of the obligation as of that date.

Contingent liabilities are obligations whose existence will be confirmed only by the occurrence of future events or for which the outflow of resources cannot be measured reliably. No provision is recorded for contingent liabilities.

2-19-1. Non-current provisions

The main types of non-current provisions are:

- **Provisions for retirement benefits**

  The Group’s employees are entitled to retirement benefits under defined-contribution and defined-benefit plans, which may be partially managed by the Group’s pension funds.

The employees of TF1 group subsidiaries belong to general and top-up French pension schemes. These are defined-contribution plans, under which the TF1 group's obligation is limited to the payment of a periodic contribution based on a specified percentage of staff costs. These contributions are expensed in profit or loss for the period under "Staff costs".

The pension cost recognised for defined-benefit plans is determined using the projected unit credit method at the expected retirement date, based on final salary, and taking account of:

- vested benefit entitlements under collective agreements for each category of employee based on length of service;
- staff turnover rate, calculated using historical average data for employees leaving the Group;
- salaries and wages, including a coefficient for employer's social security charges as currently payable;
- an annual salary inflation rate;
- life expectancy of employees, determined using statistical tables;
- a discount rate, applied to the obligation and reviewed annually.

The Group's obligation is partially covered by an insurance contract. The provision for retirement benefits recognised in the balance sheet represents the total obligation less the value of this contract.

Actuarial gains and losses arise on defined-benefit post-employment benefit plans as a result of changes in the actuarial assumptions used to measure the obligation and plan assets from one period to the next, and of differences between actual market conditions and the expected market conditions used in the assumptions. With effect from January 1, 2007, the TF1 group has recognised actuarial gains and loss directly in equity (net of deferred taxes) in the period in which they occur, in accordance with the option offered by the amendment to IAS 19.

- **Provisions for litigation, claims and risks**

  These provisions cover litigation, claims and non-recurring risks for which settlement occurs outside the normal operating cycle.

  They are measured as the probable outflow of resources resulting from ongoing litigation or claims arising from an event prior to the balance sheet date. Provisions for litigation and claims include the estimated amount payable to third parties in respect of litigation and claims. They also include provisions for charges relating to disputes with tax and social security authorities; in such cases, the amount shown on reassessment notices issued by the authorities is provided for unless the company concerned regards it as highly probable that it will successfully defend its position against the authorities.

2-19-2. Current provisions

Current provisions mainly comprise provisions for litigation and claims arising in the normal operating cycle and for which settlement will probably occur within twelve months. They are measured in the same way as non-current provisions (see above).

2-20. Revenue recognition

The TF1 group recognises revenue when:

- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the amount of revenue can be measured reliably;
- at the transaction date, it is probable that the amount of the sale will be recovered.

The specific revenue recognition policies applied to each business line are as follows:

- Sales of advertising airtime are recognised on transmission of the advertisement or commercial.
  - Sales of advertising airtime are recognised on transmission of the advertisement or commercial. For sales of advertising airtime on media not owned by the Group, TF1 recognises the agency commission as revenue unless it has offered the media owner a recovery guarantee for selling the airtime, in which case TF1 recognises as revenue the gross amount of airtime sales invoiced to the advertisers.

- The TF1 group makes marginal use of barter transactions involving advertising with media other than television, such as radio or print media. These transactions, which are exchanges of dissimilar services within the meaning of SIC 31, are reported on a non-netted basis, with matching amounts recognised as income in “Revenue” and as expenses in “External expenses”.

- Fees charged by theme channels to cable and satellite operators that broadcast them are calculated on a per subscriber basis or as a fixed annual fee invoiced to the operator. Subscriber-based fees are recognised monthly on the basis of statements received from the operator. Fixed annual fees are recognised as revenue on a straight-line basis over the course of the year.
- Sales of audiovisual rights under licence are recognised when the licensee has acknowledged that the programme conforms with the terms of the licence (technical acceptance).
- Revenue from sales of merchandise and products by the Group’s publishing and distribution activities is reported net of (i) provisions for expected goods returns and (ii) paybacks made in connection with some distribution contracts.
- In the case of services that require recourse to technical service-providers, the Group recognises as revenue the cost of the service borne by the end user if the Group bears the financial, after-sales and legal risks associated with the service. In other cases, where the Group regards itself as acting purely as agent, only the net fee collected is recognised as revenue.

Other operating revenues mainly comprise sales-based royalties invoiced under licence agreements.

The activities carried on by the TF1 group do not to any material extent include sales comprising separately identifiable components within the meaning of IAS 18.

2-21. Grants

Grants received by the TF1 group mainly comprise grants received by the Group’s production companies from funds set up to support the audiovisual industry (in particular grants awarded by the French National Centre for Cinematography)

Grants awarded by audiovisual industry support funds are initially recorded as deferred income in “Trade and other creditors” on the liabilities side of the balance sheet once the grant has been definitively awarded. They are taken to the income statement under “Other current operating income” in line with the amortisation of the productions to which they relate, starting from the date on which the production is completed or licensed for distribution.

2-22. Non-current operating income and expenses

These lines comprise a very limited number of income and expense items, which are unusual and occur infrequently but are material to the consolidated financial statements. TF1 reports these items separately in its income statement in order to give users of the financial statements a better understanding of the Group’s ongoing operational performance.

2-23. Cost of net debt

"Cost of net debt" represents "Expenses associated with net debt", net of "Income associated with net debt".

"Expenses associated with net debt" comprise:

- interest expense on current and non-current debt;
- amortisation of financial assets and liabilities measured at amortised cost;
- expenses arising from interest rate hedges;
- expenses arising from the remeasurement of financial assets and financial liabilities at fair value, such as changes in the fair value of interest rate derivatives and changes in the fair value of cash equivalents and financial assets used for treasury management purposes;
- expenses arising on the disposal of assets used for treasury management purposes.

Interest expense is recognised in the income statement in the period in which it is incurred.

"Income associated with net debt" comprises:

- interest income associated with cash and cash equivalents and with financial assets used for treasury management purposes;
- income arising from interest rate hedges;
- other revenues generated by cash equivalents and financial assets used for treasury management purposes;
- income arising from the remeasurement of financial assets and financial liabilities at fair value, such as changes in the fair value of interest rate derivatives and changes in the fair value of cash equivalents and financial assets used for treasury management purposes;
- income generated by the disposal of assets used for treasury management purposes.

2-24. Deferred taxation

Deferred taxation is recognised using the liability method on all temporary differences existing at the balance sheet date between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base, except in the specific cases mentioned in IAS 12 (primarily goodwill).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets arising on deductible temporary differences and on the carry-forward of unused tax losses are recognised only to the extent that it is probable that they can be offset against future taxable profits.

Taxes on items recognised directly in equity are taken to consolidated reserves.

Deferred taxes are presented in the balance sheet in non-current assets or liabilities, after offset of assets and liabilities in each tax jurisdiction.

2-25. Earnings per share

Basic earnings per share is obtained by dividing net profit for the period by the weighted average number of shares outstanding during the period.

All shares conferring unrestricted rights upon the shareholder are included. Shares in the parent company held by the company itself or by consolidated companies are excluded from the average number of shares outstanding.

Diluted earnings per share is calculated by including all financial instruments giving future access to the capital of the parent company, whether these instruments are issued by the parent company itself or by a subsidiary. The dilutive effect is calculated separately for each instrument, based on the conditions prevailing at the balance sheet date. Anti-dilutive instruments are excluded.

Non-dilutive share subscription option plans are excluded from this calculation.

2-26. Share-based payment

TF1 has awarded share subscription option plans and consideration-free share allotment plans to its employees (see Note 31).
In accordance with IFRS 2, the cost of these equity-settled share-based payment plans is recognised as an expense in “Staff costs”, with the credit entry recognised in equity.
The total expense relating to share subscription option plans is measured at the grant date of the options using the Black-Scholes-Merton model, and is recognised over the vesting period.
The total expense relating to consideration-free shares is measured at the allotment date (taking into account any specific terms and conditions liable to affect fair value), and recognised over the vesting period on a straight line basis.

2-27. Operating segments

With effect from January 1, 2013 the TF1 group changed the presentation of the internal reports used to manage and monitor the performance of its operating activities. The new presentation is a response to the competitive, economic and technological changes that the Group has faced in recent years, and gives a fairer representation of the strategy implemented by the Group to address those changes.
The segment information presented below has been updated to take account of this change in the Group’s internal management reporting. For details of how Group entities are allocated to these segments, refer to Note 38, “Scope of consolidation”.

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group’s operational decision-makers to monitor performance. The operating segments reported by the Group are those reviewed by the chief operational decision-maker; they are not aggregated for segment reporting purposes.

Management assesses performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm’s length basis.

The TF1 group reports the following operating segments:

Broadcasting and Content

The Broadcasting and Content segment includes all services that are accessible to consumers free of charge. These activities generate revenue primarily from the sale of advertising space on broadcast media, the internet, and print media.
This segment also includes activities that generate non-advertising revenue derived directly from programmes broadcast on the Group’s free-to-air channels, such as interactivity between viewers and programmes.
Finally, this segment includes content subsidiaries whose activities are primarily intended to produce content for another subsidiary that belongs to the Broadcasting and Content segment, such as the acquisition and exploitation of audiovisual rights, in-house production of programmes, or advertising airtime sales.

Consumer Products

The Consumer Products segment includes all paid-for products and services sold by the Group to consumers, either directly or via an intermediary.

- ✓ distance selling via internet or telephone and in-store sales by the Home Shopping business (Téléshopping group);
- ✓ the activities of the TF1 Entreprises business, including the sales of card/board games and exploitation of licences;
- ✓ the acquisition and distribution of video products on physical and digital media.

Pay-TV

This segment includes all paid-for services accessible via third-party operators. Revenues from these activities are generated mainly by the fees negotiated with and collected from cable, satellite and ADSL operators for access to the pay-TV channels produced by the TF1 group. The customer is an operator with whom the revenue is negotiated; the operator is responsible for relations with the end user, and in particular for collecting the price for the provision of the service to the end user.

Holding company and other

This segment contains entities with no operational activities and entities that carry the Group's property assets. It also includes entities whose activities do not match the business models of any of the other segments but which are insufficiently material to constitute a separate segment.

3 Significant changes in scope of consolidation

The consolidated financial statements of the TF1 group for the year ended December 31, 2013 include the financial statements of the companies listed in Note 37.

3-1. Significant changes in scope of consolidation in 2013

- ✓ Sale of Place des Tendances

On November 5, 2013, the TF1 group sold its entire equity interest in Place des Tendances (representing 80% of the capital), and the associated receivables, to Printemps Holding France SAS. The impact of this sale is recognised in current operating profit for the year ended December 31, 2013.

Place des Tendances generated revenue of €8.7 million and an operating profit of €0.3 million in the first 10 months of 2013 (versus revenue of €9.4 million and an operating loss of €1.6 million in the year ended December 31, 2012).

3-2. Significant changes in scope of consolidation in 2012

3-2-1. Change in percentage interest in the Eurosport group entities and theme channels

As a result of an agreement with the Discovery Communications group signed on December 21, 2012, the percentage interest held by the TF1 group in the Eurosport group entities, and in the Ushuaïa TV, Histoire, Stylía and TV Breizh pay-TV theme channels, was reduced to 80% with effect from that date. The 20% share of the net assets of these entities acquired by the Discovery Communications group, amounting to €102.6 million, is presented in consolidated shareholders' equity as a change in non-controlling interests. As the share of profits from December 22 to December 31, 2012 was not material, no profit was attributed to non-controlling interests for that period.

3-2-2. Inclusion of Groupe AB in the scope of consolidation as an associate by the equity method

On June 11, 2012, the call option granted to Claude Berda on June 10, 2010 over the 33.5% equity interest held by TF1 in Groupe AB expired without having been exercised. The option having expired, the TF1 group regained the significant influence that it used to exercise over Groupe AB. Consequently, this equity interest reverted to being accounted for as an associate by the equity method on June 11, 2012, at a value of €160.9 million. Because the option was not exercised, the associated financial liability was extinguished, generating a gain of €5.9 million (recognised in "Other financial income") in the financial statements for the six months ended June 30, 2012.

3-2-3. Direct Optic Participations

In accordance with the terms of the agreements signed on March 1, 2011, Téléshopping converted into share capital a €2.5 million current account balance owed to it by Direct Optic Participations. This transaction took place on December 28, 2012, and increased Téléshopping's equity interest in Direct Optic from 25.4% to 47.8%. This increased percentage has no impact on the role or power of TF1 in Direct Optic Participations, which continues to be accounted for as an associate by the equity method in the consolidated financial statements.

4 Held-for-sale operations

Based on a review of the IFRS 5 classification criteria, the TF1 group considers that the ongoing transaction involving the Eurosport group (apart from its subsidiary Eurosport France) falls within the scope of IFRS 5.
The materiality of Eurosport International to both the Pay-TV operating segment and to the TF1 group consolidated financial statements is such that its operations qualify as "held-for-sale" within the meaning of paragraphs 31 to 33 of IFRS 5.

The consolidated financial statements are presented in accordance with IFRS 5 and with the accounting policy described in Note 2-15:

- In the consolidated balance sheet as of December 31, 2013, the impact of the held-for-sale operation is presented on two separate lines: "Assets of held-for-sale operations" and "Liabilities of held-for-sale operations".
- In the consolidated income statement for the years ended December 31, 2012 and 2013, the impact of the held-for-sale operation is presented on a separate line, "Net profit from discontinued or held-for-sale operations".
- In the cash flow statement, only cash flows from continuing operations are presented; an analysis by type of cash flows from held-for-sale operations is presented below.

➢ **Balance sheet of Eurosport International, held for sale as of December 31, 2013:**

ASSETS (€ million)	**Dec. 31, 2013**
Goodwill	391.8
Intangible assets	15.3
Property, plant and equipment	14.3
Non-current financial assets	0.6
Non-current tax assets	5.0
Total non-current assets	**427.0**
Inventories	-
Trade and other debtors	115.5
Current tax assets	0.1
Other current financial assets	0.3
Cash and cash equivalents	102.7
Total current assets	**218.6**
TOTAL ASSETS	**645.6**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	**Dec. 31, 2012**
Share capital, share premium and reserves	431.4
Net profit for the period	48.5
Total shareholders' equity	**479.9**
Non-current debt	0.5
Non-current provisions	3.5
Non-current tax liabilities	0.1
Total non-current liabilities	**4.1**
Current debt	35.0
Trade and other creditors	118.2
Current provisions	5.4
Current tax liabilities	3.0
Other current financial liabilities	-
Total current liabilities	**161.6**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**645.6**
Net surplus cash (+) / Net debt (-)	**67.2**

➢ **Income statement of Eurosport International, held for sale as of December 31, 2013:**

(€ million)	**2013**	**2012**
Advertising revenue	81.2	88.8
Other revenue	327.1	337.3
Revenue	**408.3**	**426.1**
Current operating expenses	(331.7)	(368.3)
Current operating profit	**76.6**	**57.8**
Non-current operating income and expenses	-	(1.3)
Operating profit	**76.6**	**56.5**
Cost of net debt	**-**	**(2.5)**
Other financial income and expenses	-	(0.1)
Income tax expense	(28.1)	(18.4)
Share of profits/(losses) of associates	-	-
Net profit	**48.5**	**35.5**

➢ **Cash flows of Eurosport International, held for sale as of December 31, 2013:**

	2013	2012
Net cash generated by/(used in) operating activities – held-for-sale operations	59.7	61.0
Net cash generated by/(used in) investing activities – held-for-sale operations [(a)]	(2.7)	(117.5)
Net cash generated by/(used in) financing activities – held-for-sale operations	(1.3)	6.2
Total change in cash position of held-for-sale operations	**55.7**	**(50.3)**
MOVEMENT IN CASH POSITION OF DISCONTINUED OR HELD-FOR SALE OPERATIONS:		
Cash position at start of period - discontinued or held-for-sale operations	**13.9**	**64.2**
Change in cash position – discontinued or held-for-sale operations	55.7	(50.3)
Cash position at end of period - discontinued or held-for-sale operations	**69.6**	**13.9**

(a) In 2012, cash flows from investing activities include the acquisition of Eurosport France for €112.8 million.

5 Interests in jointly controlled entities

The TF1 group owns interests in jointly controlled entities, a list of which is provided in Note 37.

The table below shows the share of the assets, liabilities, revenue and operating profit of these entities as included in the consolidated financial statements:

TF1 share	**TF6 / Série Club**	
(€ million)	**2013**	**2012**
Non-current assets	23.3	23.1
Current assets	7.0	8.0
TOTAL ASSETS	**30.3**	**31.1**
Shareholders' equity	22.5	22.4
Non-current liabilities	-	-
Current liabilities	7.8	8.7
TOTAL LIABILITIES & EQUITY	**30.3**	**31.1**
Revenue	**12.9**	**14.4**
Current operating profit/(loss)	**(0.3)**	**-**

When IFRS 11 begins to be applied from January 1, 2014, these entities will be accounted for by the equity method with effect from January 1, 2013 (see Note 2-2-2 on new accounting standards).

6 Segment information

6-1. Information by operating segment

As mentioned in note 2.27 – Operating segments, the TF1 group changed the presentation of the internal reports used to manage and monitor the performance of its operating activities as of January 1, 2013. The 2012 information presented below has been updated to take account of this change in the Group's internal management reporting.

The table below shows the financial information (including Eurosport International data) monitored by Group management during 2013, and a reconciliation with the consolidated income statement and with the balance sheet data presented.

(€ million)	**BROADCASTING AND CONTENT**		**CONSUMER PRODUCTS**		**PAY-TV**		**HOLDING COMPANY & OTHER**		**TOTAL: TF1 GROUP**		***Reclassification of held-for-sale operations [6]***		**TOTAL TF1 GROUP continuing operations**		***of which: Pay-TV segment continuing operations***	
SEGMENTAL INCOME STATEMENT	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	***2013***	***2012***	**2013**	**2012**	***2013***	***2012***
Segment revenue	1,775.9	1,846.6	206.6	241.7	544.5	599.9	35.6	32.6	2,562.6	2,720.8	*(385.2)*	*(405.4)*	2,177.4	2,315.4	*158.7*	*193.9*
Elimination of inter-segment transactions	(50.3)	(37.3)	(1.5)	(1.4)	(13.8)	(37.2)	(26.7)	(24.3)	(92,3)	(100.2)	-	-	(92.3)	(100.2)	*(13.8)*	*(37.2)*
GROUP REVENUE CONTRIBUTION	**1,725.6**	**1,809.3**	**205.1**	**240.3**	**530.7**	**562.7**	**8.9**	**8.3**	**2,470.3**	**2,620.6**	***(385.2)***	***(405.4)***	**2,085.1**	**2,215.2**	***144.9***	***156.7***
of which Advertising revenue	*1,571.3*	*1,649.7*	*0.0*	*0.0*	*107.7*	*125.8*	*0.0*	*0.0*	*1,679.0*	*1,775.6*	*(81.3)*	*(88.7)*	*1,597.7*	*1,686.8*	*26.4*	*37.0*
of which Other revenue	*154.9*	*159.6*	*205.1*	*240.3*	*423.0*	*436.9*	*8.9*	*8.3*	*791.9*	*845.1*	*(303.9)*	*(316.7)*	*487.4*	*528.4*	*118.5*	*119.7*
OPERATING PROFIT/(LOSS) (1)	**101.6**	**124.6**	**25.3**	**11.4**	**79.5**	**58.7**	**16.7**	**15.7**	**223.1**	**210.4**	***(76.6)***	***(56.5)***	**146.5**	**153.9**	***2.9***	***2.2***
% Group margin contribution	*5.9%*	*6.9%*	*12.3%*	*4.7%*	*15.0%*	*10.4%*	*N/S*	*N/S*	*9.0%*	*8.0%*	*19.9%*	*13.9%*	*7.0%*	*6.9%*	*2.0%*	*1.4%*
Share of profits/(losses) of associates (2)	(0.3)	(0.1)	-	(2.2)	-	-	1.1	(4.1)	0.8	(6.4)	-	-	0.8	(6.4)	-	-
Net profit from discontinued or held-for-sale operations													48.5	35.5	*48.5*	*35.5*
BALANCE SHEET DATA																
Segmental assets (3)	546.4	560.1	11.4	10.9	496.0	498.0	149.1	151.9	1,202.9	1,220.9	*(421.4)*	*N/A*	781.5	1,220.9	*74.6*	*498.0*
Segmental liabilities (4)	47.8	55.2	7.9	12.8	13.2	13.6	11.3	11.2	80.2	92.8	*(8.9)*	*N/A*	71.3	92.8	*4.3*	*13.6*
Investments in associates	0.2	0.1	1.5	1.6	-	-	80.2	159.4	81.9	161.1	-	*N/A*	81.9	161.1	-	-
Capital expenditure (5)	43.9	46.2	3.6	2.6	2.7	6.0	1.6	1.8	51.8	56.6	*(2.2)*	*(5.0)*	49.6	51.6	*0.5*	*1.0*

(1) *In 2012, operating profit included a non-current expense of €47.7 million relating to non-recurring exceptional costs incurred in connection with phase II of the optimisation plan.*

(2) *The share of profits/(losses) of associates by segment breaks down as follows:*

- Broadcasting & Content: the share of losses (€0.3 million in 2013, €0.1 million in 2012) is attributable to the investments in UGC Distribution and La Place Médias;

- Consumer Products: the share of losses relates to Direct Optic Participations (for details see Note 10, "Investments in associates") ;

- Holding Company & Other: the 2013 figure relates to Groupe AB, and the 2012 figure primarily to Groupe AB and WBTV (divested in the first quarter of 2013).

(3) *Segmental assets include audiovisual rights, other intangible assets, goodwill, and property, plant and equipment.*

(4) *Segmental liablilitiesinclude current and non-current provisions.*

(5) *A reconciliation between capital expenditure and the cash flow statement is provided under "Capital expenditure" below.*

(6) *Eurosport International contribution in the consolidated financial statements (after eliminating intragroup transactions with other TF1 operations)*

Capital expenditure

Reconciliation with the consolidated cash flow statement:

(€ million)	2013	2012
Capital expenditure	49.6	51.6
Investment grants received	(11.4)	(11.2)
Change in liabilities relating to acquisition of intangible assets	9.9	8.9
Change in liabilities relating to acquisition of property, plant and equipment	3.5	(3.0)
Cash outflows on acquisitions of property, plant and equipment and intangible assets	**51.6**	**46.3**

Income statement by function

	Broadcasting & Content		Consumer Products		Pay-TV		Holding company & other		Total TF1	
(€ million)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	1,725.6	1,809.9	205.1	240.3	144.9	156.7	8.9	8.3	2,085.1	2,215.2
Cost of sales	(1,320.6)	(1,327.2)	(113.5)	(126.3)	(130.2)	(134.3)	12.7	14.5	(1,551.6)	(1,573.3)
Research & development expenses	(7.6)	(5.4)	(0.9)	-	-	-	-	-	(8.5)	(5.4)
Selling expenses	(89.9)	(70.2)	(28.5)	(62.3)	(3.0)	(2.0)	-	-	(121.4)	(134.5)
Administrative expenses	(206.5)	(247.0)	(36.9)	(33.7)	(8.8)	(13.9)	(4.9)	(7.1)	(257.1)	(301.7)
Current operating profit	**101.6**	**160.1**	**25.3**	**18.0**	**2.9**	**6.5**	**16.7**	**15.7**	**146.5**	**200.3**

6-2. Information by geographical segment

For geographical segment reporting purposes, segmental revenue is allocated according to the location of the customer, while segmental assets and capital expenditure are allocated according to the location of the asset.

	France		Continental Europe		Other countries		Total TF1	
(€ million)	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	2,035.3	2,162.0	41.3	44.4	8.5	8.8	2,085.1	2,215.2
Segmental assets	781.5	1,217.8	-	3.0	-	0.1	781.5	1,220.9
Capital expenditure	49.3	51.0	0.2	0.6	0.1	-	49.6	51.6

7 Goodwill

Goodwill is allocated to cash generating units (CGUs) as follows:

(€ million)	**Broadcasting & Content**	**Consumer Products**	**Pay-TV**	**Holding company & other**	**Total**
Goodwill at January 1, 2013	**409.0**	**-**	**465.3**	**-**	**874.3**
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications					
Impairment	-	-	-	-	-
Held-for-sale operations [(1)]	-	-	(391.8)	-	(391.8)
Goodwill at December 31, 2013	**409.0**	**-**	**73.5**	**-**	**482.5**
Gross value	*409.0*	-	*73.5*	*10.3*	*492.8*
Accumulated impairment	*0.0*	-	-	*(10.3)*	*(10.3)*

[(1)] *Due to the presentation of Eurosport International as "held-for-sale" (see Note 4 – Held-for-sale operations), the portion of goodwill allocated to this business (€391.8 million) has been reclassified to the line "Assets of held-for-sale operations" in accordance with the policy described in Note 2.7.*

(€ million)	**Broadcasting & Content**	**Consumer Products**	**Pay-TV**	**Holding company & other**	**Total**
Goodwill at January 1, 2012	**409.0**		**465.3**	**-**	**874.3**
Acquisitions					-
Disposals					-
Reclassifications					-
Impairment					-
Other movements					-
Goodwill at December 31, 2012	**409.0**	**-**	**465.3**	**-**	**874.3**
Gross value	*409.0*	-	*465.3*	*10.3*	*884.6*
Accumulated impairment	-	-	-	*(10.3)*	*(10.3)*

Based on impairment tests conducted using the method described in Note 2-10, no material impairment of goodwill was identified as of December 31, 2013.

Impairment testing of goodwill

The recoverable amounts of each CGU were determined by calculating the value in use using the discounted cash flow (DCF) method, based on three-year cash flow projections compiled from plans and budgets approved by the TF1 Board of Directors. Cash flows beyond the projection time-frame were extrapolated at a perpetual growth rate that reflects past experience and incorporates prudent assumptions about the growth potential of the markets in which each CGU operates, and their competitive positions in those markets.

The business plans used in these tests were prepared on the basis of revenue growth rates and operating margins consistent with actual performances over the previous five years. These business plans take account of factors including:

- the impacts of the economic situation on advertising spend, in the particularly difficult current environment;
- the effects of the adaptation of the TF1 channel business model, in particular those obtained through the optimisation plans implemented since 2007;
- future major sporting events;
- the expansion of the freeview offer across all free-to-air media, in particular free-to-air DTT channels and digital activities (MYTF1) driven by new technologies;
- improved availability of resources, enabling the Group to envisage new development opportunities.

Following the application of IFRS 5 and the reclassification of Eurosport International as held-for-sale, impairment testing of the Pay-TV CGU was performed after eliminating Eurosport International. Consequently, the carrying amount and recoverable amount of the Pay-TV CGU tested for impairment as of December 31, 2013 relate solely to the theme channels and Eurosport France.

The perpetual growth rate used for impairment testing as of December 31, 2013 is 2% for all CGUs. The after-tax discount rate used as of December 31, 2012 is 8.57%, and was determined on the basis of external data sources using the method described in Note 2-10-1.

For each CGU, an analysis was performed of the sensitivity of these calculations to changes in the discount rate, perpetual revenue growth rate and normative current operating margin, individually and in combination. The scenarios used in this analysis include the impact on perpetual cash flows of a decline of up to 1 point in the perpetual growth rate and in current operating margin, and a rise up to 0.5 of a point in the discount rate.

These analyses identified no probable scenario in which the recoverable amount of the CGU would fall below its carrying amount, and hence would require an impairment loss to be recognised against the CGU.

8 Intangible assets

8-1. Audiovisual rights

Movements during the year ended December 31, 2013 were as follows:

2013 *(€ million)*	**January 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**December 31**
Gross value	1,137.7	32.7	(1.6)	(14.6)	1,154.2
Amortisation	(1,040.7)	(36.9)	1.1	(1.1)	(1,077.6)
Impairment	(41.8)	(15.2)	13.3	15.1	(28.6)
Audiovisual rights	**55.2**	**(19.4)**	**12.8**	**(0.6)**	**48.0**

Movements during the year ended December 31, 2012 were as follows:

2012 *(€ million)*	**January 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**December 31**
Gross value	1,112.9	31.1	(0.8)	(5.5)	1,137.7
Amortisation	(1,000.8)	(40.1)	0.5	(0.3)	(1,040.7)
Impairment	(41.3)	(14.2)	13.7	-	(41.8)
Audiovisual rights	**70.8**	**(23.2)**	**13.4**	**(5.8)**	**55.2**

The table below shows the maturities of audiovisual rights acquisition contracts entered into by TF1 to secure future programming schedules.

Audiovisual rights *(€ million)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2013	**19.0**	**1.0**	**-**	**20.0**
2012	19.6	0.2	-	19.8

8-2. Other intangible assets

2013 *(€ million)*	January 1	Increases	Decreases	Changes in scope of consolidation, reclassifications	Held-for-sale operations	December 31
Indefinite-lived trademarks	52.0	-	-	-	(16.0)	36.0
Concessions, patents & similar rights	44.8	2.6	(1.7)	8.6	-	54.3
Other	17.3	3.7	(0.6)	(8.6)	(0.9)	10.9
Gross value	**114.1**	**6.3**	**(2.3)**	**-**	**(16.9)**	**101.2**
Impairment of indefinite-lived trademarks	(0.6)	-	-	-	1.6	1.0
Amortisation	(37.5)	(4.3)	2.1	0.5	-	(39.2)
Impairment	(1.4)	(0.1)	-	(0.7)	-	(2.2)
Amortisation and impairment	**(39.5)**	**(4.4)**	**2.1**	**(0.2)**	**1.6**	**(40.4)**
Other intangible assets	**74.6**	**1.9**	**(0.2)**	**(0.2)**	**(15.3)**	**60.8**

2012 *(€ million)*	January 1	Increases	Decreases	Changes in scope of consolidation, reclassifications	December 31
Indefinite-lived trademarks	52.0	-	-	-	52.0
Concessions, patents & similar rights	40.4	2.5	(1.0)	2.9	44.8
Other	14.6	6.1 (1)	(0.7)	(2.7)	17.3
Gross value	**107.0**	**8.6**	**(1.7)**	**0.2**	**114.1**
Impairment of indefinite-lived trademarks	-	(0.6)	-	-	(0.6)
Amortisation	(34.3)	(3.6)	0.4	-	(37.5)
Impairment	(1.5)	-	0.1	-	(1.4)
Amortisation and impairment	**(35.8)**	**(4.2)**	**0.5**	**-**	**(39.5)**
Other intangible assets	**71.2**	**4.4**	**(1.2)**	**0.2**	**74.6**

(1) The increase in the gross value of other intangible assets was mainly due to expenditure on internal IT projects (SAP).

Based on impairment tests conducted using the method described in Note 2-10, no material impairment of indefinite-lived trademarks was identified as of December 31, 2013.

9 Property, plant and equipment

The table below shows movements in property, plant and equipment, and in depreciation and impairment, during the year ended December 31, 2013:

2013 *(€ million)*	**January 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**December 31**
Land	60.9	-	-	-	-	60.9
Buildings	101.3	-	(0.1)	-	-	101.2
Technical facilities	189.5	7.7	(8.2)	0.5	(25.2)	164.3
Technical facilities held under finance leases	30.4	-	(9.0)	-	(7.2)	14.2
Other property, plant and equipment	114.7	4.1	(4.2)	2.2	(21.5)	95.3
Property, plant & equipment under construction	1.2	1.1	-	(1.2)	(0.1)	1.0
Gross value	**498.0**	**12.9**	**(21.5)**	**1.5**	**(54.0)**	**436.9**
Buildings	(17.5)	(2.4)	0.2	-	-	(19.7)
Technical facilities	(158.1)	(11.8)	8.2	0.2	18.3	(143.2)
Technical facilities held under finance leases	(23.7)	(2.9)	8.7	0.1	6.8	(11.0)
Other property, plant and equipment	(81.9)	(9.5)	4.0	-	14.6	(72.8)
Depreciation and impairment	**(281.2)**	**(26.6)**	**21.1**	**0.3**	**39.7**	**(246.7)**
Property, plant and equipment	**216.8**	**(13.7)**	**(0.4)**	**1.8**	**(14.3)**	**190.2**

The table below shows movements in property, plant and equipment, and in depreciation and impairment, during the year ended December 31, 2012:

2012 *(€ million)*	**January 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**December 31**
Land	60.9	-	-	-	60.9
Buildings	101.3	-	-	-	101.3
Technical facilities	192.0	9.5	(4.5)	(7.5)	189.5
Technical facilities held under finance leases	20.0	-	(0.2)	10.6	30.4
Other property, plant and equipment	112.2	6.2	(2.5)	(1.2)	114.7
Property, plant & equipment under construction	2.0	1.2	-	(2.0)	1.2
Gross value	**488.4**	**16.9**	**(7.2)**	**(0.1)**	**498.0**
Buildings	(15.2)	(2.4)	0.1	-	(17.5)
Technical facilities	(155.2)	(14.0)	4.6	6.5	(158.1)
Technical facilities held under finance leases	(10.9)	(5.8)	0.1	(7.1)	(23.7)
Other property, plant and equipment	(76.3)	(10.0)	3.8	0.6	(81.9)
Depreciation and impairment	**(257.6)**	**(32.2)**	**8.6**	**-**	**(281.2)**
Property, plant and equipment	**230.8**	**(15.3)**	**1.4**	**(0.1)**	**216.8**

10 Investments in associates

The table below gives a breakdown of investments in associates:

(€ million)	Groupe AB [1]	WBTV [2]	Other [3]	Total
Country	**France**	**Belgium**	**France**	
January 1, 2012	-	-	1.3	**1.3**
Share of profit/(loss), net of dividends received	(1.4)	(0.7)	(0.7)	**(2.8)**
Impairment losses	-	(2.0)	(1.6)	**(3.6)**
Changes in scope of consolidation and reclassifications	160.9	3.7	2.6	**167.2**
Provision for risks	-	(1.0)	-	**(1.0)**
December 31, 2012	**159.5**	**-**	**1.6**	**161.1**
Share of profit/(loss), net of dividends received	1.1	-	(0.3)	**0.8**
Impairment losses	-	-	-	**-**
Changes in scope of consolidation and reclassifications	(80.4)	-	-	**(80.4)**
Provision for risks	-	-	0.4	**0.4**
December 31, 2013	**80.2**	**-**	**1.7**	**81.9**

(1) *In June 2012, the call option granted to Claude Berda on June 10, 2010 over the 33.5% equity interest held by TF1 in Groupe AB expired without having been exercised, as a result of which the TF1 group regained the significant influence that it used to exercise over Groupe AB and resumed accounting for this investment as an associate by the equity method.*

In 2013, Groupe AB carried out a €240 million reduction in share capital. This transaction led to the €80.4 million partial redemption of the value of the shares held by TF1, of which €53.6 million was in cash and €26.8 million was converted into a current account receivable but had no impact on the percentage interest held by the TF1 group in Groupe AB, which remains at 33.5%.

(2) *Under the terms of an agreement with Claude Berda and Groupe AB signed in November 2012, the TF1 group subscribed €3.7 million to a share issue carried out by WBTV. On completion of this transaction, the TF1 group also agreed to sell its 49% equity interest in WBTV to Claude Berda before March 31, 2013 for a consideration of €1, generating an additional impairment loss of €2 million as of December 31, 2012. This interest was sold on March 29, 2013.*

(3) *Primarily a 47.8% equity interest in Direct Optic Participations (€1.5 million in 2013, €1.6 million in 2012). As of December 31, 2013, this investment was fully written down (impairment loss of €1.6 million recognised in 2012).*

The table below gives summary information about material investments in associates:

TF1 group share	**Groupe AB [1] [2]**		**WBTV [2] [3]**	
(€ million)	**2013**	**2012**	**2013**	**2012**
Non-current assets	113.5	126.2	-	1.1
Current assets	96.5	86.0	-	0.9
TOTAL ASSETS	**210.0**	**212.2**	**-**	**2.0**
Shareholders' equity	160.8	159.9	-	(11.7)
Non-current liabilities	15.0	20.3	-	6.2
Current liabilities	34.2	32.0	-	7.5
TOTAL LIABILITIES AND EQUITY	**210.0**	**212.2**	**-**	**2.0**
Revenue	**41.9**	**41.7**	**-**	**2.2**
Current operating profit/(loss)	**11.5**	**12.8**	**-**	**(0.9)**

(1) *Consolidated with effect from June 11, 2012*

(2) *2012 and 2013 figures are based on accounts to end September (the most recently available), and on an equity interest of 33.5% for Groupe AB and 49% for WBTV (2012 only).*

(3) *The interest in WBTV was sold on March 29, 2013.*

Figures relating to other associates are not material for the years ended December 31, 2013 and 2012.

11 Programmes and broadcasting rights

The table below shows the movement in programme and broadcasting rights inventory, valued in accordance with the accounting policy described in Note 2-12.

(€ million)	**January 1, 2012**	Net movements	Changes in scope of consolidation, reclassifications	**December 31, 2012**	Net movements	Changes in scope of consolidation, reclassifications	**December 31, 2013**
Gross value	**777.5**	(30.0)	(1.0)	**746.5**	49.5	(0.0)	**796.0**
Impairment	**(141.9)**	10.1 [1]	0.5	**(131.3)**	1.6 [2]	-	**(129.7)**
Inventories	**635.6**	(19.9)	(0.5)	**615.2**	51.1	(0.0)	**666.3**

[1] Includes €56.5 million of impairment losses charged, €66.6 million of impairment losses reversed

[2] Includes €60.4 million of impairment losses charged, €62 million of impairment losses reversed

The programme and broadcasting rights inventory reported above is owned primarily by TF1 SA and the TF1 Acquisition de Droits economic interest grouping.

The table below shows the maturity of broadcasting and sports transmission rights acquisition contracts entered into by TF1 to secure future programming schedules.

2013 *(€ million)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Programmes and broadcasting rights [1]	602,6	613,1	69.0	**1,284.7**
Sports transmission rights [1] [2]	242.5	394.9	64.6	**702.0**
TOTAL	**845.1**	**1,008.0**	**133.6**	**1,986.7**

[1] Some contracts were expressed in foreign currencies: €8.0 million in Swiss francs, €6.2 million in pounds sterling, and €282.9 million in U.S. dollars.

[2] Includes €407.9 million relating to held-for-sale operations, of which €91.6 million matures within less than 1 year and €64.6 million after more than 5 years.

2012 *(€ million)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Programmes and broadcasting rights [1]	589.3	640.9	38.1	**1,268.3**
Sports transmission rights [1] [2]	188.5	349.0	-	**537.5**
TOTAL	**777.8**	**989.9**	**38.1**	**1,805.8**

[1] Some contracts were expressed in foreign currencies: €14.3 million in Swiss francs, €1.4 million in pounds sterling, and €360.9 million in U.S. dollars.

[2] Includes €321.6 million relating to held-for-sale operations, of which €96.4 million matured within less than 1 year.

In 2013, programmes and broadcasting rights related mainly to TF1 SA (€352.3 million, versus €468.0 in 2012) and to the Acquisition de Droits economic interest grouping (€819.3 million, versus €728.2 million in 2012).

Sports transmission rights commitments related mainly to TF1 SA and TF1 DS (€274.7 million in 2013, €187.4 million in 2012).

12 Financial assets

12-1. Categories of financial assets

The table below shows financial assets by category:

2013 (€ million)	Financial assets at fair value through profit or loss			Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
	Designated at fair value on initial recognition	Held for trading	Level (1)				
Other non-current financial assets	-	-		15.1	2.5	-	17.6
Trade and other debtors	-	-		-	1,129.5	-	1,129.5
Other current financial assets	-	-		-	-	-	-
Currency derivatives	-	-		-	-	-	-
Interest rate derivatives	-	-		-	-	-	-
Financial assets used for treasury management purposes	-	-		-	-	-	-
Cash and cash equivalents	-	-		-	288.9	-	288.9

(1) *See the section on "Fair value measurement methods for financial assets" below*

2012 (€ million)	Financial assets at fair value through profit or loss			Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
	Designated at fair value on initial recognition	Held for trading	Level (1)				
Other non-current financial assets	-	-		13.2	2.7	-	15.9
Trade and other debtors	-	-		-	1,302.0	-	1,302.0
Other current financial assets	-	2.1		-	-	-	2.1
Currency derivatives	-	*2.1*	II	-	-	-	*2.1*
Interest rate derivatives	-	-		-	-	-	-
Financial assets used for treasury management purposes	-	-		-	-	-	-
Cash and cash equivalents	-	-		-	258.7	-	258.7

(1) *See the section on "Fair value measurement methods for financial assets" below*

12-2. Fair value measurement methods for financial assets

The amended IFRS 7 establishes a three-level hierarchy of fair value measurement methods for financial instruments:

Level I: measurement based on quoted prices in active markets

Level II: measurement based on observable market parameters

Level III: measurement based on non-observable market parameters

No transfers between these levels were made in either 2013 or 2012.

The fair value of financial instruments is where possible measured by reference to the market price derived from trading on a national stock exchange or over-the-counter market. Where no listed market price is available, fair value is estimated using alternative measurement methods, such as the discounted cash flow method, based on either observable (level II) or non-observable (level III) parameters.

The methods used by the TF1 group are as follows:

- Equity investments in non-consolidated companies are classified as available-for-sale financial assets and measured at acquisition cost, since their fair value cannot be measured reliably.
- Derivatives: the fair value of interest rate derivatives and currency derivatives is estimated using valuations obtained from bank counterparties or from financial models generally used in the financial markets, on the basis of market data as of the balance sheet date (level II method).
- Because of their short maturities, the carrying amount of trade and other debtors, cash, and treasury current accounts is regarded as the best approximation of their fair value.

12-3. Other non-current financial assets

Other non-current financial assets break down as follows:

(€ million)	2013	2012
Equity investments in non-consolidated companies	15.1	13.1
Loans and advances to non-consolidated companies	0.7	0.7
Loans	-	-
Deposits and caution money	1.8	2.0
Other non-current financial assets	**17.6**	**15.8**

12-3-1. Equity investments in non-consolidated companies

The main equity investments in non-consolidated companies break down as follows::

(€ million)	% interest at year-end	Gross value 2013	Gross value 2012	Impairment 2013	Impairment 2012	Carrying amount 2013	Carrying amount 2012
A1 International	50.0%	**12.8**	12.8	**(12.8)**	(12.8)	**-**	-
En Direct Avec	13.3%	**4.0**	4.0	**(4.0)**	(4.0)	**-**	-
Wikio	9.1%	**3.5**	3.5	**-**	-	**3.5**	3.5
Prima TV	5.0%	**-**	1.4	**-**	-	**-**	1.4
SHIP	27.4%	**0.8**	0.8	**(0.8)**	(0.8)	**-**	-
Sofica valor 7	40.1%	**6.8**	3.4	**-**	-	**6.8**	3.4
Soread	11.6%	**1.6**	1.6	**(1.6)**	(1.6)	**-**	-
Sylver	49.0%	**3.7**	3.7	**-**	-	**3.7**	3.7
TF1 Publications	99.9%	**0.5**	0.5	**(0.5)**	(0.5)	**0.5**	-
Other		**3.2**	3.3	**(2.1)**	(2.1)	**0.6**	1.2
Equity investments in non-consolidated companies		**36.9**	**35.0**	**(21.8)**	**(21.8)**	**15.1**	**13.2**

Impairment tests were performed on all these investments, and indicated no evidence of impairment in 2013 or 2012.

12-4. Trade and other debtors

(€ million)	Gross value 2013	Impairment 2013	Carrying amount 2013	Carrying amount 2012
Trade debtors	648.1	(15.1)	633.0	782.2
Supplier prepayments [(1)]	243.6	(25.5)	218.1	211.9
Other operating debtors [(2)]	188.5	-	188.5	239.6
Other debtors	188.3	(108.6)	79.7	52.9
Prepayments	10.2	-	10.2	15.4
Trade and other debtors – continuing operations	**1,278.7**	**(149.2)**	**1,129.5**	**1,302.0**
Trade and other debtors – held-for-sale operations	**123.8**	**(8.3)**	**115.5**	**-**

[(1)] This line includes advance payments in respect of acquisitions of programmes and sports transmission rights.

[(2)] Primarily amounts due to the government, local authorities, employees and social security authorities.

(€ million)	2013	2012
Impairment as of January 1	**(130.7)**	**(126.8)**
Additional provisions booked during the year	(48.5)	(24.4)
Reversals for debtors written off during the year	18.4	13.2
Recovered during the year	3.1	7.3
Held-for-sale operations	8.3	
Changes in scope of consolidation and reclassifications	0.2	-
Impairment as of December 31	**(149.2)**	**(130.7)**

12-5. Cash and cash equivalents

Cash and cash equivalents consists of the following items:

(€ million)	2013	2012
Cash	10.7	35.6
Treasury current accounts [(1)]	278.2	223.1
Cash and cash equivalents of continuing operations	**288.9**	**258.7**

[(1)] These accounts are with associates, jointly controlled entities, non-consolidated companies, and Bouygues group companies (including €243 million with Bouygues Relais). As a result of the application of IFRS 5, treasury current accounts as of December 31, 2013 also include Eurosport France's treasury current account with Eurosport SAS, amounting to €34.6 million.

13 Consolidated shareholders' equity

13-1. Share capital

As of December 31, 2013, the share capital of TF1 SA consisted of 211,260,013 fully paid ordinary shares. Movements in share capital during 2013 were as follows:

Number of shares	Number of shares outstanding	Number of treasury shares	Total number of shares
January 1, 2012	**210,933,003**	**100,000**	**211,033,003**
Capital increases	3,000	-	3,000
Purchases of treasury shares	(311,682)	311,682	-
Cancellation of treasury shares	-	(411,682)	(411,682)
January 1, 2013	**210,624,321**	**-**	**210,624,321**
Capital increases	1,004,376	-	1,004,376
Purchases of treasury shares (1)	(368,684)	368,684	-
Cancellation of treasury shares	-	(368,684)	(368,684)
December 31, 2013	**211,260,013**	**-**	**211,260,013**
Par value	*€0.20*	*€0.20*	*€0.20*

(1) Treasury shares: see Note 13-2-3 on share buybacks below

13-2. Changes in equity not affecting the income statement

13-2-1. Dividends

The table below shows the amount of dividend paid by the TF1 group in respect of previous years, and the amount of dividend in respect of the year ended December 31, 2013 that will be submitted by the Board of Directors for approval by the Ordinary General Meeting of shareholders to be held on April 17, 2014.

	To be paid in 2014*	Paid in 2013	Paid in 2012	Paid in 2011
Total dividend (€ million)	116.2	115.6	116.0	117.4
Dividend per ordinary share (en euro)	0.55	0.55	0.55	0.55

** Proposed dividend.*

Because the 2013 dividend is subject to approval by the shareholders, it has not been recognised as a liability in the consolidated financial statements as at December 31, 2013.

13-2-2. Share-based payment

The matching entry for the movement in this reserve during the period is charged to “Staff costs” in the income statement (see Note 19).

13-2-3. Share buybacks

Under the authorisations granted by the shareholders at the Annual General Meeting of April 19, 2012 and renewed on April 18, 2013, the TF1 group repurchased 368,684 of its own shares for €3.3 million during the period, with a view to their cancellation. The Group also cancelled 368,864 treasury shares repurchased during the period for €3.3 million.

13-2-4. Put options granted to non-controlling interests

As part of the renegotiation during 2011 of the shareholders’ agreement between the TF1 group and the founders of Place des Tendances, the founders were granted a put option over their 20% interest in the company..

In 2013, following the sale of Place des Tendances, the commitment to buy out the 20% of the capital held by the non-controlling shareholders of Place des Tendances was extinguished. The corresponding liability was reversed out via shareholders' equity attributable to the Group as of December 31, 2013, in accordance with TF1 accounting policy as described in Note 2.17.2.

13-3. Cash flow hedge reserve

(€ million)	2013	2012
Reserve as of January 1	**2.1**	**5.9**
Cash flow hedges reclassified to profit or loss during the period [(1)]	(2.0)	(2.6)
Change in fair value of new cash flow hedges contracted during the period	(2.7)	(0.6)
Change in fair value of existing portfolio of cash flow hedges during the period	(1.0)	(0.6)
Pre-hedging balancing payment reclassified to profit or loss for the period	-	-
Reserve as of December 31	**(3.6)**	**2.1**

[(1)] *Amounts reclassified from equity to profit or loss are recognised as a component of operating profit..*

14 Financial liabilities

14-1. Categories of financial liabilities

The table below shows financial liabilities by category:

	Financial liabilities at fair value through profit or loss				
2013 *(€ million)*	**Designated at fair value on initial recognition**	**Held for trading**	**Level (1)**	**Financial liabilities at amortised cost**	**Total**
Non-current debt	-	-		1.2	**1.2**
Current debt	-	-		99.4	**99.4**
Trade and other creditors	-			1,450.8	**1,450.8**
Other current financial liabilities	-	3.8		-	**3.8**
Currency derivatives	-	*3.8*	**II**	-	*3.8*
Interest rate derivatives	-	-	**II**	-	-

(1) See Note 12.2, "Fair value measurement methods for financial assets"

	Financial liabilities at fair value through profit or loss				
2012 *(€ million)*	**Designated at fair value on initial recognition**	**Held for trading**	**Level (1)**	**Financial liabilities at amortised cost**	**Total**
Non-current debt	-	-		13.6	**13.6**
Current debt	-	-		8.8	**8.8**
Trade and other creditors	-	-		1,687.2	**1,687.2**
Other current financial liabilities	-	0.9		-	**0.9**
Currency derivatives	-	0.9	**II**	-	*0.9*
Interest rate derivatives	-	-	**II**	-	-

(a) See Note 12.2, "Fair value measurement methods for financial assets"

14-2. Fair value of financial liabilities

Because of their short maturities, the carrying amount of bank overdrafts, trade and other creditors and current debt is regarded as an approximation of their fair value.

The fair value of derivatives is estimated using valuations obtained from bank counterparties or from financial models generally used in the financial markets on the basis of market data as of the balance sheet date (level II method), except for the transactions described below which are measured using Level III criteria as defined in Note 12.2, "Fair value measurement methods for financial assets".

- Liabilities relating to commitments to buy out non-controlling interests:
  In 2011, the TF1 group recognised as a non-current financial liability the put option granted to the founders of Place des Tendances in respect of their 20% equity interest in that entity. The fair value of this option was measured at €7.2 million. On November 5, 2013, the TF1 group sold its interest in Place des Tendances to Printemps Holding France SAS. This commitment having been extinguished, the corresponding liability was reversed out via shareholders' equity attributable to the Group as of December 31, 2013, in accordance with TF1 accounting policy.

14-3. Breakdown of trade and other creditors

(€ million)	2013	2012
Trade creditors	772.2	827.6
Advance payments received	3.8	5.6
Tax and employee-related liabilities [1]	324.4	390.9
Creditors related to acquisitions of non-current assets	16.3	30.1
Other creditors	313.4	408.3
Audiovisual industry support fund grants [2]	7.9	9.2
Current accounts with credit balances	-	-
Deferred and prepaid income and similar items [3]	12.8	15.5
Trade and other creditors – continuing operations	**1,450.8**	**1,687.2**
Trade and other creditors – held-for-sale operations	**118.2**	

(1) *Mainly comprises VAT payable, and amounts owed to employees and social security bodies.*

(2) *Audiovisual industry support fund grants included in creditors mainly comprise grants awarded by the French National Centre for Cinematography (CNC) to TF1 Films Production, TF1 Production, and TF1 Droits Audiovisuels.*

(3) *Mainly comprises prepaid income.*

15 Net debt

Net debt as reported by the TF1 group comprises the following items:

(€ million)	2013	2012
Cash and cash equivalents	288.9	258.7
Financial assets used for treasury management purposes	-	-
Total cash and cash equivalents	**288.9**	**258.7**
Interest rate derivatives – assets	-	-
Interest rate derivatives – liabilities	-	-
Fair value of interest rate derivatives	**-**	**-**
Non-current debt [1]	(1.2)	(13.6)
Current debt [2]	(99.4)	(8.8)
Total debt	**(100.6)**	**(22.4)**
Net surplus cash (+) / Net debt (-) – continuing operations	**188.3**	**236.3**
Net surplus cash (+) / Net debt (-) – held-for-sale operations	**67.2**	

(1) *Includes a reduction of €7.6 million due to the extinguishment of the financial liability for the put option granted to the non-controlling shareholders in Place des Tendances, which lapsed on November 5, 2013 when the TF1 group sold its equity interest to Printemps Holding France SAS.*

(2) *In 2013, includes €94.4 million of debt owed to the Group's continuing and held-for-sale operations.*

16 Provisions

16-1. Non-current provisions

16-1-1. Breakdown of non-current provisions

The table below shows movements in non-current provisions during 2013 and 2012:

2013 *(€ million)*	**Jan. 1**	**Charges**	**Reversals: used**	**Reversals: unused**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**Dec. 31**
Provisions for:							
Retirement benefit obligations	27.3	3.0	-	(1.7)	2.7	(2.9)	28.4
Long service leave	-	-	-	-	-	-	-
Commitments	11.5	1.2	(0.2)	-	-	(0.1)	12.4
Other	0.5	0.1	-	-	-	(0.5)	0.1
TOTAL NON-CURRENT PROVISIONS	**39.3**	**4.3**	**(0.2)**	**(1.7)**	**2.7**	**(3.5)**	**40.9**

2012 *(€ million)*	**January 1**	**Charges**	**Reversals: used**	**Reversals: unused**	**Changes in scope of consolidation, reclassifications**	**Dec. 31**
Provisions for:						
Retirement benefit obligations	20.9	3.7	(0.2)	(4.3)	7.2	27.3
Long service leave	8.3	-	-	-	(8.3)	-
Commitments	10.4	2.0	(0.9)	-	-	11.5
Other	0.4	0.1	-	-	-	0.5
TOTAL NON-CURRENT PROVISIONS	**40.0**	**5.8**	**(1.1)**	**(4.3)**	**(1.1)**	**39.3**

In 2012, following a review of the impact of the amendments to IAS 19, "Employee Benefits", the TF1 group decided to change the accounting classification of long service leave entitlement, which from January 1, 2012 is accounted for as a short-term benefit and hence no longer requires a non-current provision. The existing provision as of January 1, 2012 (amounting to €8.3 million) and the related deferred tax asset (amounting to €2.1 million) were reversed via equity.

Provisions for commitments relate to the risk of loss on audiovisual assets that the Group has committed to acquire.

Other movements in provisions for retirement benefit obligations mainly comprise actuarial gains and losses on these obligations, which are recognised directly in equity. The amount recognised directly in equity during 2013 was a net loss of €3.0 million (2012: €7.2 million).

16-1-2. Provisions for retirement benefit obligations

Main actuarial assumptions

	2013	2012	2011	2010	2009
Discount rate (Iboxx A10)	3.2%	3.3%	5.5%	4.6%	4.9%
Expected rate of return on plan assets	3.2%	3.1%	3.4%	3.7%	4.0%
Expected salary inflation rate	2.0%	2.0%	2.0%	2.0%	2.0%
Life table	INSEE	INSEE	INSEE	INSEE	INSEE

The staff turnover rate used in calculating the provision at December 31, 2013 was 6.6%, unchanged from 2012.

A reduction of 50 basis points in the discount rate applied would increase the obligation by €1.9 million. Under the accounting policies applied by the TF1 group, the resulting actuarial losses would be recognised directly in equity.

Expense recognised in the income statement for retirement benefit obligations

(€ million)	**2013**	**2012**
Current service cost	(2.1)	(2.7)
Interest expense on the obligation	(1.1)	(1.1)
Expected return on plan assets	0.2	0.2
Past service cost	-	-
Expense recognised	**(3.0)**	**(3.6)**
comprising: net change in provisions	*(1.3)*	*0.8*
amount recognised in "Staff costs"	*(1.7)*	*(4.4)*
Actual return on plan assets	**0.2**	**0.2**

Amounts recognised in the balance sheet for retirement benefit obligations

The amount recognised in the balance sheet for the TF1 group's retirement benefit obligations breaks down as follows:

(€ million)	**2013**	**2012**	**2011**	**2010**	**2009**
Present value of obligation	34.3	33.0	26.4	27.9	27.5
Fair value of plan assets	(5.9)	(5.7)	(5.5)	(5.2)	(5.0)
Unfunded obligation provided for	**28.4**	**27.3**	**20.9**	**22.7**	**22.5**

Changes in the present value of the retirement benefit obligation

(€ million)	2013	2012
Defined-benefit plan obligation at start of period	**33.0**	**26.4**
Current service cost for the period	2.1	2.7
Interest cost (unwinding of discount)	1.1	1.1
Benefits paid	(1.7)	(4.4)
Actuarial (gains)/losses	3.0	7.2
Changes in scope of consolidation and reclassifications	(0.3)	-
Held-for-sale operations	(2.9)	-
Defined-benefit plan obligation at end of period	**34.3**	**33.0**

Changes in the fair value of plan assets

(€ million)	2013	2012
Fair value of insurance policy assets at start of period	**5.7**	**5.5**
Employer's contributions	-	-
Benefits paid	-	-
Expected return on plan assets	0.2	0.2
Actuarial gains/(losses)	-	-
Fair value of insurance policy assets at end of period	**5.9**	**5.7**

Plan assets are in the form of contributions paid into "Fonds Club no.1", a mutual fund denominated in euros and managed by an independent financial institution. Based on financial information supplied by the fund manager, the gross return was 3.2% in 2013. As of December 31, 2013, the fund had an estimated fair value of €5.9 million.

16-2. Current provisions

The table below shows movements in current provisions during 2013:

2013 (€ million)	Jan. 1	Charges	Reversals: used	Reversals: unused	Changes in scope of consolidation, reclassifications	Held-for-sale operations	Dec. 31
Provisions for:							
Litigation and claims: governmental & public bodies	8.3	-	(6.9)	(1.1)	-	-	0.3
Litigation and claims: employees	12.7	0.3	(2.4)	(2.1)	(5.8)	(0.1)	2.6
Litigation and claims: commercial	16.9	2.7	(1.0)	(3.1)	-	(3.2)	12.3
Contractual litigation, claims, and risks	11.7	0.5	(0.4)	-	-	-	11.8
Restructuring	-	-	-	-	-	-	-
Other	3.9	1.4	(1.3)	(1.0)	2.5	(2.1)	3.4
TOTAL CURRENT PROVISIONS	**53.5**	**4.9**	**(12.0)**	**(7.3)**	**(3.3)**	**(5.4)**	**30.4**

No material contingent liabilities had been identified as of the date of preparation of the financial statements.

Provisions for commercial litigation and claims mainly relate to ongoing disputes with customers, producers and rights-holders. Provisions for contractual litigation, claims and risks are intended to cover risks of claims from other third parties with contractual relations with TF1, including guarantees given by TF1 in connection with divestments of equity interests.

Competition law risks:

On January 12, 2009, the investigative department of the French Competition Authority notified TF1 of complaints relating to practices in the pay-TV sector. One complaint against TF1 was retained, alleging anti-competitive practices in respect of the exclusive distribution of some of its pay-TV theme channels.

In a ruling of November 16, 2010 the authority rejected the complaint of anti-competitive practices on the grounds that the decision to authorise the CERES deal, under which TF1 had granted these exclusivity clauses, gave the parties rights which could not be challenged retrospectively.

However, the authority decided to refer some issues back to its investigative department:

- the definition of the relevant fibre optic and catch-up TV markets;
- whether or not the cumulative effect of these exclusive arrangements was to block access to the pay-TV market.

In a ruling of September 20, 2011, the French competition authority withdrew its authorisation for the 2006 takeover of TPS by Vivendi and the Canal Plus group due to failure of the Canal Plus group to fulfil a number of the commitments made at the time of the takeover. Following renotification of this transaction, the authority authorised the merger of CanalSat and TPS on July 23, 2012, subject to compliance with various injunctions.

The Canal Plus group has appealed this decision to the Conseil d'Etat. Reversal of this decision, and of the obligations that it imposes on the Canal Plus group (especially as regards broadcasters of independent theme channels, such as the TF1 group, could pose a risk to the business model of these channels when their distribution contracts are renewed.

These risks are not at present covered by any provision in the TF1 consolidated financial statements.

17 Operating revenues

Operating revenues comprise:

(€ million)	**2013**	**2012**
Advertising revenue	1,597.7	1,686.8
Distribution of consumer products	205.0	240.2
Cable and satellite revenue	130.0	128.3
Production/distribution of audiovisual rights	70.7	71.7
Revenue from other activities	81.7	88.2
Revenue	**2,085.1**	**2,215.2**
Royalty income	0.2	0.4
Operating revenues	**2,085.3**	**2,215.6**

18 Other purchases consumed and changes in inventory

This item breaks down as follows:

(€ million)	2013	2012
External production consumed [(a)]	(768.2)	(772.5)
Purchases of services	(138.9)	(204.0)
Purchases of broadcasting rights	(11.2)	(12.9)
Purchases of goods	(35.0)	(38.3)
Other items	(28.5)	(20.8)
Other purchases consumed and changes in inventory	**(981.8)**	**(1,048.5)**

(a) "External production consumed" relates to programmes acquired from third parties and broadcast by TF1, TMC, NT1 and HD1, and by the theme channels (TV Breizh, TF6, Série Club, Stylía, Histoire and Ushuaïa TV).

19 Staff costs

Staff costs break down as follows:

(€ million)	2013	2012
Staff remuneration	(244.2)	(243.4)
Social security charges	(103.8)	(101.1)
Other staff costs	-	(0.3)
Statutory employee profit-sharing	(4.6)	(7.4)
Share-based payment expense	(0.6)	(0.7)
Staff costs	**(353.2)**	**(352.9)**

Defined-contribution plan expenses are included in "Social security charges", and totalled €33 million in 2013 (2012: €34 million).

Expenses relating to lump-sum retirement benefits and long-service leave under the collective agreements applicable to TF1 group companies are recognised as part of the net change in non-current provisions (see Note 16-1). Lump-sum retirement benefits paid during the period are recorded in "Staff remuneration".

Share-based payment expense includes the cost of share option plans and consideration-free share allotment plans, calculated in accordance with IFRS 2.

19-1. Cost of TF1 share option plans

The cost of share option plans recognised in "Staff costs" breaks down as follows:

(€ million)	Date of grant	Lock-up period	*Total fair value*	Staff costs	
				2013	2012
Plan no. 10	March 20, 2008	3 years	2.8	-	-
Plan no. 11	March 20, 2009	3 years	1.6	-	0.1
Plan no. 12	June 10, 2011	4 years	1.8	0.5	0.5
Plan no. 13	June 12, 2012	4 years	1.0	0.1	0.1
Total				**0.6**	**0.7**

The cost of share option plans was computed using the Black-Scholes model and the following assumptions:

	Reference share price	**Exercise price**	***Expected volatility***	**Average maturity**	**Risk-free rate**	***Payout ratio***	**Liquidity discount**	**Fair value per option**
Plan no. 10	€13.60	€15.35	31%	5.0 years	3.67%	6.25%	-15%	€1.49
Plan no. 11	€5.71	€5.98	49%	5.2 years	2.75%	8.98%	-15%	€0.86
Plan no. 12	€12.40	€12.47	31%	5.25 years	2.61%	4.64%	-15%	€1.18
Plan no. 13	€5.72	€6.17	40%	5.18 years	1.63%	7.65%	-15%	€0.70

The average maturity used is less than the contractual life of the option in order to take account of exercises by grantees ahead of the contractual expiry date. The volatility assumptions used are consistent with the implied volatility reflected in the price offered at the date of grant by leading banks for TF1 share options with the same maturity.

19-2. Cost of employee benefit plans awarded by the Bouygues group

The cost of plans awarded by the Bouygues group to TF1 employees was not material for 2013.

20 External expenses

External expenses break down as follows:

(€ million)	2013	2012
Subcontracting	(143.6)	(143.2)
Rent and associated charges	(34.3)	(35.4)
Agents' fees and professional fees	(70.9)	(80.1)
Advertising, promotion and public relations	(54.9)	(63.6)
Other external expenses	(69.3)	(73.7)
External expenses	**(373.0)**	**(396.0)**

21 Taxes other than income taxes

Taxes other than income taxes break down as follows:

(rounded to the nearest €m)	**2013**	**2012**
Audiovisual taxes	(85.1)	(92.4)
- CNC (French National Centre for Cinematography) taxes	*(77.2)*	*(84.2)*
- Other	*(7.9)*	*(8.2)*
Other taxes	(46.5)	(49.7)
- Local business taxes	*(12.5)*	*(13.0)*
- Payroll-based taxes	*(12.8)*	*(13.3)*
- Other taxes	*(21.2)*	*(23.4)*
Taxes other than income taxes	**(131.6)**	**(142.1)**

22 Other current operating income and expenses

Other current operating income and expenses consist of the following items:

(€ million)	2013	2012
Reversals of unused provisions	15.5	22.7
In-house production capitalised, and cost transfers	23.2	21.4
Operating grants	2.3	0.1
Investment grants	12.7	9.2
Foreign exchange gains	22.1	35.2
Other income	24.1	32.6
Other current operating income	**99.9**	**121.2**
Royalties and paybacks to rights-holders	(77.9)	(80.4)
Bad debts written off	(4.9)	(2.3)
Foreign exchange losses	(23.3)	(33.5)
Other expenses	1.4	(5.2)
Other current operating expenses	**(104.7)**	**(121.4)**

Other current operating income and expenses for the year ended December 31, 2013 include the gain arising on the sale of Place des Tendances, part of which consists of the consolidated carrying amount of the investment in Place des Tendances (including the reversal of accumulated prior-period losses).

Other current operating income and expenses for the year ended December 31, 2012 include a €27.1 million gain on the reimbursement of taxes on television services, all avenues for appeal having been exhausted in February 2012.

23 Non-current operating income and expenses

Non-current operating expenses for the year ended December 31, 2012 amounted to €46.4 million, corresponding to exceptional and non-recurring adaptation costs arising under Phase II of the optimisation plan.

24 Cost of net debt

Cost of net debt breaks down as follows:

(€ million)	2013	2012
Interest income	0.5	0.5
Change in fair value of the hedged portion of the bond issue	-	-
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	0.1	2.6
Income associated with net debt	**0.6**	**3.1**
Interest expense on debt	(0.2)	(0.6)
Change in fair value of interest rate derivatives	-	-
Expenses associated with net debt	**(0.2)**	**(0.6)**
Cost of net debt	**0.4**	**2.5**

25 Other financial income and expenses

Other financial income and expenses break down as follows:

(€ million)	2013	2012
Dividend income	1.0	1.2
Gains on financial assets	1.8	0.2
Gains arising from changes in value of forward currency purchase contracts	-	0.1
Other income	0.1	6.1
Other financial income	**2.9**	**7.6**
Losses on financial assets	(1.8)	(0.1)
Losses arising from changes in value of forward currency purchase contracts	(0.1)	(1.3)
Other expenses	(0.2)	(0.3)
Other financial expenses	**(2.1)**	**(1.7)**

In 2012, "other income" included €5.9 million for the effects of the fair value remeasurement of the equity interest in Groupe AB.

26 Net income and expense on financial assets and financial liabilities

The table below shows income, expenses, gains and losses arising on financial assets and liabilities by category, split between items affecting financial income/expense and items affecting operating profit:

(€ million)	Financial 2013	Financial 2012	Operating 2013	Operating 2012
Net income/(expense) on loans and receivables at amortised cost	0.3	3.2	(34.9)	(10.4)
Net income/(expense) on financial assets at fair value	-	6.1	-	-
financial assets designated at fair value through profit or loss	-	*5.9*	-	-
financial assets held for trading	-	*0.2*	-	-
Net income/(expense) on available-for-sale financial assets	1.3	1.2	-	-
Net income/(expense) on financial liabilities at amortised cost	(0.4)	(0.8)	-	-
Net income/(expense) on derivatives	-	(1.3)	0.8	0.6
Net income/(expense) on financial assets and financial liabilities	**1.2**	**8.4**	**(34.1)**	**(9.8)**

27 Income taxes

27-1. Current and deferred taxes

27-1-1. Income statement

(€ million)	2013	2012
Current taxes	(36.6)	(54.8)
Deferred taxes	(8.7)	2.7
Income tax expense	**(45.3)**	**(52.1)**

The current tax rates used were 38.00% for the year ended December 31, 2013 and 36.10% for the year ended December 31, 2012.

The tax rate used to measure deferred tax assets and liabilities was 36.10% for temporary differences expected to reverse before 2014, and 34.43% for temporary differences expected to reverse subsequently. The effect of changing the tax rate used to calculate deferred taxes on temporary differences from 36.10% to 38.00% was immaterial as of December 31, 2013.

27-1-2. Tax proof

(€ million)	2013	2012
Net profit attributable to the Group	**137.0**	**136.0**
Income tax expense	45.3	52.1
Net profit from discontinued operations	(48.5)	(35.5)
Non-controlling interests	14.7	3.3
Net profit from continuing operations before tax and non-controlling interests	**148.5**	**155.9**
Standard tax rate in France	**38.0%**	**36.1%**
Impact of fair value adjustments not recognised for tax purposes	0.0%	(1.4%)
Impairment of goodwill	0.0%	0.0%
Impact of tax losses	(0.6%)	(0.6%)
Offset of tax credits	(1.0%)	(0.8%)
Share of profits and losses of associates	(0.2%)	1.5%
Reduced-rate taxes on securities transactions	(3.9%)	(0.4%)
Tax rate differential (change in tax rate, and rates applicable to foreign subsidiaries)	(0.2%)	(0.5%)
Other differences, net	(1.6%)	(0.5%)
Effective tax rate	**30.5%**	**33.4%**

TF1 made a group tax election on January 1, 1989, and has renewed this election regularly since that date.

27-2. Deferred tax assets and liabilities

27-2-1. Change in net deferred tax position

(€ million)	2013	2012
Net deferred tax asset/(liability) at January 1	**0.8**	**(4.1)**
Recognised in equity	3.1	3.9
Recognised in profit or loss [2]	(8.7)	3.1
Held-for-sale operations	(4.8)	-
Changes in scope of consolidation and other items (1)	0.7	(2.1)
Net deferred tax asset/(liability) at December 31	**(8.9)**	**0.8**

[1] In 2012, includes the reversal of €2 million in deferred tax assets on long-service leave entitlement, reclassified to equity (see Note 16-1, "Non-current provisions").

[2] In 2012, includes €0.4 million for entities classified as held-for-sale operations

27-2-2. Principal sources of deferred taxation

The main sources of deferred taxation are as follows:

(€ million)	2013	2012
Provisions:		
Provisions for programmes	3.4	3.0
Provisions for retirement benefit obligations	8.9	8.7
Provisions for impairment of audiovisual rights	0.3	0.3
Provisions for trade debtors	1.4	2.7
Other provisions	15.8	19.6
Statutory employee profit-sharing scheme	2.0	3.9
Tax losses available for carry-forward	0.9	3.7
Other deferred tax assets	3.6	4.3
Offset of deferred tax assets and liabilities	(36.3)	(35.6)
Deferred tax assets	**-**	**10.6**
Accelerated tax depreciation	(20.1)	(18.5)
Depreciation of head office building	(8.6)	(8.5)
Remeasurement of assets	(13.2)	(13.5)
Other deferred tax liabilities	(3.3)	(4.9)
Offset of deferred tax assets and liabilities	36.3	35.6
Deferred tax liabilities	**(8.9)**	**(9.8)**
Net deferred tax asset/(liability) at December 31	**(8.9)**	**0.8**

Unrecognised deferred tax assets totalled €20.0 million (versus €23.3 million as of December 31, 2012), and comprised tax losses and deferred tax depreciation available for indefinite carry-forward, the recovery of which is not sufficiently probable to justify recognition.

27-2-3. Period to recovery of deferred tax assets

(€ million)	Less than 2 years	2 to 5 years	More than 5 years	Offset of deferred tax assets and liabilities	Total
Deferred tax assets	**26.7**	**-**	**9.6**	**(36.3)**	**-**

Deferred tax assets recoverable after more than five years mainly relate to temporary differences on provisions for retirement benefit obligations.

28 Earnings per share

Basic earnings per share is calculated on the basis of net profit for the year attributable to ordinary shareholders and of the weighted average number of ordinary shares outstanding during the year.

Because potentially dilutive ordinary shares have no adjusting effect on net profit for the year, diluted earnings per share is calculated on the basis of net profit for the year attributable to ordinary shareholders and of the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all potentially dilutive ordinary shares. Diluted earnings per share takes account of the dilutive effect of consideration-free share allotment plans, and of share subscription option plans where the exercise price is lower than the average quoted market price of TF1 shares over the period.

	2013	2012
Net profit for the year (€m)		
Net profit from continuing operations (attributable to the Group)	98.2	100.5
Net profit from discontinued/held-for-sale operations	38.8	35.5
Net profit attributable to the Group	137.0	136.0
Weighted average number of ordinary shares	**210,645,472**	**210,715,775**
Basic earnings per share (in euros)		
Basic earnings per share from continuing operations	0.47	0.48
Basic earnings per share from discontinued/held-for-sale operations	0.18	0.17
Basic earnings per share	0.65	0.65
Average number of ordinary shares after dilution	**211,837,361**	**211,199,188**
Diluted earnings per share (in euros)		
Diluted earnings per share from continuing operations	0.47	0.47
Diluted earnings per share from discontinued/held-for-sale operations	0.18	0.17
Diluted earnings per share	0.65	0.64

The average number of ordinary shares after dilution is obtained by taking account of the following dilutive effects:

(Number of shares)	2013	2012
Weighted average number of ordinary shares for the period	210,645,472	210,715,775
Dilutive effect of share subscription option plans	1,191,889	483,413
Dilutive effect of consideration-free share allotment plan	-	-
Average number of ordinary shares after dilution	211,837,361	211,199,188

In 2013, share subscription option plans no. 11 (awarded March 20, 2009), no.12 (awarded June 10, 2011) and no. 13 (awarded June 12, 2012) had an adjusted exercise price lower than the average quoted market price over the period.

In 2012, only share subscription option plans no. 11 (awarded March 20, 2009) and no. 13 (awarded June 12, 2012) had an adjusted exercise price lower than the average quoted market price over the period.

29 Notes to the consolidated cash flow statement

29-1. Definition of cash position

The cash flow statement analyses changes in the cash position of continuing operations only. Changes in the cash position of discontinued and held-for-sale operations are presented in Note 4, "Held-for-sale operations".

The cash position analysed in the cash flow statement comprises cash and cash equivalents, treasury current accounts (debit and credit balances), and bank overdrafts. A reconciliation between the cash position in the cash flow statement and the "Cash and cash equivalents" line in the balance sheet is presented below:

(€ million)	2013	2012
Cash and cash equivalents in the balance sheet	288.9	258.7
Cash relating to held-for-sale assets	-	(13.9)
Treasury current account credit balances [1]	(98.1)	(2.5)
Bank overdrafts	-	(1.8)
Closing cash position per the cash flow statement	**190.8**	**240.5**

[1] As of December 31, 2013, due to the application of IFRS 5 (see Note 4) treasury current account credit balances include the balance on the account between TF1 SA and Eurosport SAS for €94.4 million, given that the corresponding cash is classified as a held-for-sale asset.

29-2. Other cash flows relating to investing activities:

Loans and advances for the year ended December 31, 2013 include the €53.6 million cash payment received in connection with the Groupe AB share redemption (see Note 10, “Investments in associates”).

29-3. Effect of changes in scope of consolidation

The “effect of changes in scope of consolidation” line consists of the following items:

(€ million)	2013	2012
Net cash outflows on acquisitions	-	(6.4)
Net cash inflows from disposals	6.0	112.8
Effect of changes in scope of consolidation	**6.0**	**106.4**

The cash flow effects of acquisitions are shown below:

(€ million)	2013	2012
Cash and cash equivalents acquired	-	-
Financial assets acquired	-	6.4
Other assets acquired	-	-
Non-controlling interests acquired	-	-
Other liabilities acquired	-	-
Net assets acquired (A)	-	6.4
Goodwill (B)	-	-
Cash outflow (A) + (B)	**-**	**6.4**
Cash acquired	-	-
Cash of companies joining the consolidation during the period without being acquired	-	-
Net cash outflow	**-**	**6.4**

In 2012, the cash flow mainly related to the investments made in WBTV and Direct Optic Participations.

The table below shows the cash flow effects of disposals of subsidiaries:

(€ million)	2013	2012
Cash received	6.0	112.8
Cash divested	-	-
Subscriptions to capital increases carried out by subsidiaries	-	-
Net cash inflow	**6.0**	**112.8**

The 2013 figure of €6 million relates to the receipt of part of the proceeds from the disposal of Place des Tendances; the balance will be received in 2014.

The 2012 figure includes receipt of the proceeds from the sale by TF1 of Eurosport France to Eurosport SAS, which has been reclassified to held-for-sale operations. This cash inflow is matched by an equivalent outflow in investing cash flows from held-for-sale operations.

29-4. Other transactions between shareholders

The €79.5 million cash inflow in 2012 relates to the additional purchase consideration arising on the transaction with the Discovery Communications group. As a result of the application of IFRS 5 (see Note 4), the portion relating to the acquisition of Eurosport France by the Eurosport group (€112.8 million) is included in financing cash flows from held-for-sale operations (see above).

29-5. Change in debt

The impact of changes in debt on the TF1 group's cash position is shown below:

(€ million)	2013	2012
Finance lease payments made during the period	(4.6)	(4.7)
Net change in borrowings [(1)]	0.2	101.0
Loans received from associates		
Other movements		0.4
Net change in the period	**(4.4)**	**96.7**

(1) In 2012, repayment of borrowings between held-for-sale operations and continuing operations.

30 Risk management

30-1. Capital management strategy

The TF1 group has a policy of maintaining a stable capital base and has no plans for any specific corporate actions, other than share buybacks (see the present Annual Financial Report and Registration Document).

In terms of equity capital, TF1 uses various indicators, including gearing (defined as the ratio of net debt to equity). Gearing provides investors with an indication of the Group's level of indebtedness relative to the level of equity capital. It is calculated on the basis of net debt as defined in Note 15 and of shareholders' equity as shown in the balance sheet, including reserves used to recognise changes in the fair value of cash flow hedges and of available-for-sale financial assets. As of December 31, 2013 and 2012, the Group had net surplus cash of €255.5 million d'euros (including net surplus cash of continuing operations and net surplus cash of held-for-sale operations) and €236.3 million respectively, so gearing was zero.

30-2. Financial risk management strategy

Liquidity risk and market risk (interest rate risk, foreign exchange risk and own equity risk) are managed centrally by the TF1 group's Financing, Treasury and Investor Relations department. The Group also has policies in place to limit the risk of dependence on counterparties.

30-2-1. Liquidity risk

The Banking Operations Unit and the Financing, Treasury and Investor Relations Department are responsible for ensuring that the TF1 group has access to adequate and sustainable sources of financing. This involves:

- daily multi-currency pooling of surplus cash held by all Group entities, to minimise the need for external funding;
- analysis and periodic updating of cash flow projections for all Group entities;
- negotiating and maintaining an adequate cushion of credit facilities, with phased maturities.

The Group assesses liquidity risk by reference to the global drawdown on its confirmed credit facilities, net of available cash.

The net surplus cash position in the balance sheet as of December 31 is shown below:

(€ million)	**2013**	**2012**
Cash and cash equivalents	288.9	258.7
Financial liabilities	(100.6)	(22.4)
Net surplus cash (+) / Net debt (-) - continuing operations	**188.3**	**236.3**
Net surplus cash (+) / Net debt (-) - held-for-sale operations	**67.2**	

Financing risk:

The new constraints imposed on banks by the Basel III capital adequacy rules by European banks, combined with the difficult economic climate, mean that French companies are having to adapt their long-term financing strategies in light of the reduced accessibility to bank credit on reasonable terms.

The TF1 group's financing strategy is based on its ability to cope with market fluctuations and a deteriorating economy while retaining its financial autonomy vis-à-vis the financial and banking markets. The strategy is devised so as to retain the possibility of capitalising on opportunities for organic growth or acquisitions. The Group's credit facilities are spread among a significant number of French and international banks. They are bilateral facilities and are not subject to covenants regarding financial ratios.

As of December 31, 2013, TF1 had:

- Bilateral bank facilities of €1,025.0 million. These confirmed bank facilities are supplemented by a cash pooling agreement with the Bouygues group. As of December 31, 2013, nothing was drawn down under this cash pooling agreement.
- A finance lease obligation of €5.1 million relating to technical installations.

2013	**Authorised facilities**			**Drawdowns**			**Available facilities**
(€ million)	Less than 1 year	1 to 5 years	**Total**	Less than 1 year	1 to 5 years	**Total**	
Confirmed bilateral facilities	200.0	825.0	**1,025.0**	-	-	**-**	**1,025.0**
Finance leases (1)	3.6	1.5	**5.1**	3.6	1.5	**5.1**	**-**
Bouygues cash pooling agreement	-	-	**-**	-	-	**-**	**-**
TOTAL	**203.6**	**826.5**	**1,030.1**	**3.6**	**1.5**	**5.1**	**1,025.0**

(1) of which €1.3 million for held-for-sale activities

2012	**Authorised facilities**			**Drawdowns**			**Available facilities**
(€ million)	Less than 1 year	1 to 5 years	**Total**	Less than 1 year	1 to 5 years	**Total**	
Confirmed bilateral facilities	205.0	835.0	**1,040.0**	-	-	**-**	**1,040.0**
Finance leases	4.4	6.2	**10.6**	4.4	6.2	**10.6**	**-**
Bouygues cash pooling agreement	-	-	**-**	-	-	**-**	**-**
TOTAL	**209.4**	**841.2**	**1,050.6**	**4.4**	**6.2**	**10.6**	**1,040.0**

Credit rating:

The TF1 group has a credit rating from Standard & Poor's, which currently stands at BBB+/stable/A-2.

Maturity of non-derivative financial liabilities

The table below provides a schedule of undiscounted future repayments (principal and interest) of financial liabilities, based on residual contractual maturities:

2013 (€ million)	Carrying amount	Residual contractual amount		
		Less than 1 year	1 to 5 years	Total
Finance leases	3.8	2.6	1.2	3.8
Trade and other creditors	1,450.8	1,450.8	-	1,450.8
Other financial liabilities	96.8	96.8	-	96.8
TOTAL - continuing operations	**1,551.4**	**1,550.2**	**1.2**	**1,551.4**
TOTAL - held-for-sale operations	**153.7**	**153.2**	**0.5**	**153.7**

2012 (€ million)	Carrying amount	Residual contractual amount		
		Less than 1 year		Less than 1 year
Finance leases	10.6	4.4	6.2	10.6
Trade and other creditors	1,687.2	1,687.2	-	1,687.2
Other financial liabilities	11.8	4.4	7.4	11.8
TOTAL	**1,709.6**	**1,696.0**	**13.6**	**1,709.6**

Investment of surplus cash

The TF1 group exercises great care in choosing the vehicles in which it invests temporary or structural cash surpluses. Group policy requires such investment vehicles to be:

- liquid, i.e. immediately accessible (current accounts, interest-bearing sight deposit accounts, etc), with a maturity of no more than 3 months;
- paid interest on the basis of money-market indices, with no capital risk other than counterparty risk;
- contracted with high-grade counterparties.

As of December 31, 2013, €243.0 million out of the €288.9 million of net surplus cash was invested with Bouygues Relais under the terms of the cash pooling arrangement between the two entities.

(€ million)	2013	2012
Interest-bearing bank account	1.2	0.3
Bouygues Relais cash pooling agreement	243.0	222.0
Money-market mutual funds	-	-
Negotiable certificates of deposit	-	-
Other treasury current accounts	44.7	36.4
TOTAL - continuing operations	**288.9**	**258.7**
TOTAL - held-for-sale operations	**102.7**	**-**

These cash balances are determined before elimination of reciprocal balances on current accounts between continuing operations and held-for-sale operations. The aggregate amount without adjusting for reciprocal balances is not meaningful (see Note 15, “Net debt” and Note 4, “Held-for-sale operations”).

30-2-2. Market risk

The TF1 group manages its exposure to interest rate and exchange rate risk by using hedging instruments such as swap contracts, forward purchases and sales, and interest rate and currency options. Derivatives are used solely for hedging purposes and are never used for speculative purposes.
The Financing, Treasury and Investor Relations Department manages interest rate and currency hedges centrally for the Group. It tracks the financial markets on a daily basis, and periodically updates the positions to be hedged after netting similar types of exposures between Group entities. It submits hedging scenarios to the Purchasing/Finance directorate for approval; once they have been approved, it executes and administers the relevant market transactions.

30-2-2-1. Interest rate risk

The TF1 group is exposed to interest rate risk as a result of its financing needs. The objective of the interest rate risk management strategy is to lock in a fixed rate, or to a guarantee at a maximum rate for cost of net debt over the short and medium term..

Exposure and sensitivity to interest rate risk

No interest rate hedges were in place as of December 31, 2013 or 2012. The schedule below breaks down financial assets and financial liabilities, and the net exposure, by interest rate type and maturity.

	Financial assets		Financial liabilities		Net pre-hedging exposure		Hedging instruments		Net post-hedging exposure	
2013 *(€ million)*	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**
Less than 1 year	1.2	(287.7)	(2.6)	(96.8)	(1.4)	190.9	-	-	(1.4)	190.9
1 to 5 years	-	-	(1.2)	-	(1.2)	-	-	-	(1.2)	-
TOTAL - continuing operations	**1.2**	**287.7**	**(3.8)**	**(96.8)**	**(2.6)**	**190.9**	**-**	**-**	**(2.6)**	**190.9**
TOTAL - held-for-sale operations	**-**	**102.7**	**(1.3)**	**(34.2)**	**(1.3)**	**68.5**	**-**	**-**	**(1.3)**	**68.5**

	Financial assets		Financial liabilities		Net pre-hedging exposure		Hedging instruments		Net post-hedging exposure	
2012 *(€ million)*	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**
Less than 1 year	0.3	258.4	(4.4)	(4.4)	(4.1)	254.0	-	-	(4.1)	254.0
1 to 5 years	-	-	(13.6)	-	(13.6)	-	-	-	(13.6)	-
TOTAL	**0.3**	**258.4**	**(18.0)**	**(4.4)**	**(17.7)**	**254.0**	**-**	**-**	**(17.7)**	**254.0**

As of December 31, 2013, the net post-hedging exposure for continuing operations represents a fixed-rate financial liability of €2.6 million and a floating-rate financial asset of €190.9 million.

The sensitivity shown below measures the theoretical impact on cost of net debt of an immediate and constant movement of 1% (100 basis points) across the entire yield curve for 2012 and 2013.

It is defined as the impact of applying this 1% movement to the net floating-rate exposure (this exposure being assumed to be constant over one year).

	2013		2012	
(€ million)	**Pre-tax impact on profit or loss**	**Pre-tax impact on equity**	**Pre-tax impact on profit or loss**	**Pre-tax impact on equity**
Impact of a movement of +1% in interest rates	2.6	-	2.5	-
Impact of a movement of -1% in interest rates	ns (1)	-	ns (1)	-

(1) As of December 31, 2013 and 2012, the level of short-term interest rates is such that TF1 has no material exposure as a result of its positive net cash position.

Interest rate derivatives:

The TF1 group has not held any interest rate derivatives since 2011.

30-2-2-2. Foreign exchange risk

The TF1 group's exposure to foreign exchange risk is of an operational nature, and derives from (i) recurring cash flows under long-term broadcasting and sports transmission rights acquisition contracts (primarily in the U.S. dollar and pound sterling) and (ii) foreign-currency cash flows from sales of subscriptions to the Eurosport channel from countries outside the euro zone.

During 2012, over 95% of the Group's cash inflows were in euros, 1% were in U.S. dollars, and 1% in sterling.

Over 94% of cash outflows (including acquisitions of audiovisual rights) were in euros, 3% in U.S. dollars, and 1% in sterling.

After eliminating held-for-sale operations, in 2013 over 99% of cash inflows were in euros, while 97% of cash outflows (including acquisitions of audiovisual rights) were in euros and 3% in U.S. dollars.

The objective of the Group's foreign exchange risk management strategy is to lock in or guarantee a minimum exchange rate on its net long position and a maximum exchange rate on its net short position in each of the currencies used, over a rolling 12-to-18-month period.

Exposure and sensitivity to foreign exchange risk

The table below shows the Group's exposure to foreign exchange risk at December 31, 2013:

Equivalent value in euros, at 2013 closing exchange rates (€million)	**USD (1)**	**GBP (2)**	**CHF (3)**	**Other currencies (4)**	**Total (5)**
Assets	3.3	1.1	2.8	0.4	7.6
Liabilities	(45.1)	(0.2)	(2.7)	-	(48.0)
Off balance sheet commitments	(134.5)	-	-	0.1	(134.4)
Pre-hedging exposure	**(176.3)**	**0.9**	**0.1**	**0.5**	**174.8**
Forwards and futures	101.2	-	-	0.1	101.1
Currency	0.9	14.6	5.7	-	21.1
Net post-hedging exposure – continuing operations	**(74.2)**	**15.5**	**5.8**	**0.4**	**(52.5)**
Net post-hedging exposure – held-for-sale operations	**(67.2)**	**(21.0)**	**(12.3)**	**11.7**	**(88.8)**

The table below shows the Group's exposure to foreign exchange risk at December 31, 2012:

Equivalent value in euros, at 2013 closing exchange rates (€million)	USD (1)	GBP (2)	CHF (3)	Other currencies (4)	Total
Assets	25.4	6.5	4.0	17.9	53.8
Liabilities	(43.7)	(11.0)	(5.2)	(9.0)	(68.9)
Off balance sheet commitments	(299.3)	(1.4)	(14.3)	0.3	(314.7)
Pre-hedging position	**(317.6)**	**(5.9)**	**(15.5)**	**9.2**	**(329.8)**
Forwards and futures	70.0	-	-	(22.9)	47.1
Currency	-	3.1	1.7	6.8	11.6
Net post-hedging position	**(247.6)**	**(2.8)**	**(13.8)**	**(6.9)**	**(271.1)**

(1) Net exposure in USD: Some Group entities (TF1, Eurosport, TF1 Droits Audiovisuels) enter into long-term rights acquisition contracts in the course of their ordinary activities that give rise to off balance sheet commitments, which are partially matched against future recurring USD revenue streams.

(2) Net exposure in GBP: This mainly relates to the ordinary activities of Eurosport in the United Kingdom.

(3) Net exposure in CHF: This mainly relates to the ordinary activities of Eurosport France and TF1.

(4) The main currencies involved are the Norwegian krone (NOK), the Swedish krona (SEK), the Danish krone (DKK) and the Australian dollar (AUD). The net post-hedging position is matched by future revenue streams in the currency.

The consolidated net post-hedging currency exposure for the TF1 group (translated into euros at the closing exchange rate) as of December 31, 2013 was +€52.5 million for continuing operations, compared with -€271.1 million as of December 31, 2012.

The sensitivity analysis shown below measures the impact on profit or loss and equity of an immediate unfavourable uniform movement of 1% in the rate of the euro against all the other currencies involved, and represents the sum total of:

- the impact of applying this 1% movement to the net pre-hedging positions presented above;
- the change in the fair value of the portfolio of foreign exchange instruments in place at the balance sheet date, applying the accounting treatments specified in IAS 39.

	2013				2012			
(€ million)	Pre-tax impact on profit or loss		Pre-tax impact on equity		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
USD	0.7	(0.7)	(1.0)	1.0	2.5	(2.5)	(0.7)	0.7
GBP	(0.1)	0.1	-	-	-	-	-	-
CHF	-	-	-	-	0.2	(0.2)	-	-
Other	-	-	-	-	-	-	0.2	(0.3)
TOTAL – continuing operations	**0.6**	**(0.6)**	**(1.0)**	**1.0**	**2.7**	**(2.7)**	**(0.5)**	**0.4**
TOTAL – held-for-sale operations (1)	**0.9**	**(0.9)**	**0.1**	**(0.1)**				

(1) Mainly USD variation

As of December 31, 2013, the sensitivity of the TF1 group's equity for continuing operations (including net profit for the period) to changes in the net accounting position in currencies other than the euro arising from a uniform unfavourable movement of 1% in the rate of the euro against all the currencies would be +€0.4 million, before taking account of the effects of such a movement on the Group's future foreign-currency cash flows. The comparable figure at end 2012 was -€2.3 million. It would be -€1.0 million for held-for-sale operations.

Analysis of currency derivatives by currency

The tables below give a breakdown of currency hedging derivatives by currency:

December 31, 2013 *(in millions)*	Currency	Notional amount of hedges				Market value (in euros)	
		Total foreign-currency amount	In euros				
			Total	Less than 1 year	1 to 5 years	Total amount	Of which designated as cash flow hedges
Currency swaps	USD	1.3	0.9	0.9	-	-	-
	GBP	12.2	14.6	14.6	-	-	-
	CHF	7.0	5.7	5.7	-	-	-
	NOK, SEK, DKK, AUD		-	-	-	-	-
Forward purchases	USD	139.5	101.2	80.7	20.5	(3.7)	(3.7)
Forward sales	NOK, SEK, DKK, AUD		-	-	-	-	-
TOTAL - continuing operations			**122.3**	**101.9**	**20.5**	**(3.7)**	**(3.7)**
TOTAL – held-for-sale operations (1)			**18.7**	**18.7**	**-**	**0.3**	**0.2**

(1) mainly attributable to fluctuations in the NOK, SEK and DKK

December 31, 2012 *(in millions)*	Currency	Notional amount of hedges				Market value (in euros)	
		Total foreign-currency amount	In euros				
			Total	Less than 1 year	1 to 5 years	Total amount	Of which designated as cash flow hedges
Currency swaps	USD	-	-	-	-	-	-
	GBP	2.6	3.1	3.1	-	-	-
	CHF	2.1	1.7	1.7		-	-
	NOK, SEK, DKK, AUD		6.8	6.8	-	-	-
Forward purchases	USD	92.3	70.0	47.4	22.6	1.1	1.1
Forward sales	NOK, SEK, DKK, AUD		22.9	22.9	-	0.1	0.1
TOTAL			**104.5**	**81.9**	**22.6**	**1.2**	**1.2**

The notional amount represents the amount sold or purchased forward in the currency.

The market value is the difference between (i) the notional amount translated into euros at a forward rate recalibrated to reflect closing exchange rates and (ii) the notional amount translated into euros at closing exchange rates.

Accounting classification and treatment

All foreign exchange instruments used by the TF1 group are contracted to hedge its exposure to financial risks. In accordance with IAS 39, these derivatives are classified as fair value hedges or cash flow hedges depending on the strategy applied. However, some instruments are ineligible for hedge accounting because they do not meet the IAS 39 criteria, in particular where there has been a reversal of the initial strategy.

Transactions designated as cash flow hedges are used by TF1 SA to hedge sport transmission rights and audiovisual rights acquisition contracts, on which the amount and timing of payments are precisely agreed on a contractual basis; and by Eurosport to hedge future foreign-currency revenue streams. Other transactions are allocated to other broadcasting rights acquisition contracts, but do not meet all the criteria required to establish the existence of a hedging relationship under IAS 39.

(€ million)	Ineligible for hedge accounting	Designated as fair value hedges	Designated as cash flow hedges	TOTAL Fair value of financial instruments
2013				
Currency derivatives – assets	-	-	-	**-**
Currency derivatives – liabilities	-	-	(3.8)	**(3.8)**
TOTAL – continuing operations	**-**	**-**	**(3.8)**	**(3.8)**
TOTAL – held-for-sale operations	**0.1**	**-**	**0.2**	**0.3**
2012				
Currency derivatives – assets	-	-	2.1	**2.1**
Currency derivatives – liabilities	-	-	(0.9)	**(0.9)**
TOTAL	**-**	**-**	**1.2**	**1.2**

Change in fair value of foreign exchange instruments

The change in the fair value of instruments not eligible for hedge accounting as of December 31, 2013 was +€0.1 million for continuing operations, compared with -€1.2 million a year earlier.

The change in the fair value of instruments eligible for hedge accounting as of December 31, 2013 was -€5.0 million, compared with -€3.2 million a year earlier. This comprises a change of -€5.7 million in the fair value of the effective portion of hedging (i.e. the portion closely correlated to changes in the fair value of the hedged items) recognised in remeasurement reserves as a component of equity (compared with a change of -€3.8 million as of December 31, 2012), and a change of +€0.7 million in the fair value of the ineffective portion (compared with +€0.6 million as of December 31, 2012).

The change in the fair value of foreign exchange instruments as of December 31, 2013 for held-for-sale operations is not material.

Counterparty risk

The TF1 group applies policies designed to limit its exposure to counterparty risk, and in particular (i) the risk of non-recovery of trade debtors in connection with its ordinary activities, (ii) the risk of being unable to recover assets held by financial counterparties and (iii) the risk that financial counterparties will default on their commitments to the Group.

The TF1 group believes that its exposure is limited, given that the cost of such risks has historically been immaterial both in overall terms and for each business segment.

In 2013, no single customer of the TF1 group represented more than 5% of consolidated revenue.
The five largest customers represented no more than 12% of consolidated revenue.
The ten largest customers represented no more than 18% of consolidated revenue.

In 2013, no single supplier of the TF1 group represented more than 5% of consolidated revenue.
The five largest suppliers represented no more than 20% of consolidated revenue.
The ten largest suppliers represented no more than 25% of consolidated revenue; this figure reflects the specialised nature of some suppliers within the audiovisual industry, such as copyright-holder organisations and production studios.

These data remain valid after elimination of held-for-sale operations.

Risk of non-recovery of debtors

2013 *(€ million)*	Carrying amount	Not past due	Past due			
			Total	< 6 months	6-12 months	> 12 months
Trade debtors	648.1	546.4	101.7	67.5	12.6	21.6
Provisions for impairment of trade debtors	(15.1)	(0.8)	(14.3)	(1.1)	(4.8)	(8.4)
TRADE DEBTORS, NET – CONTINUING OPERATIONS	**633.0**	**545.6**	**87.4**	**66.4**	**7.8**	**13.2**
TRADE DEBTORS, NET – HELD-FOR-SALE OPERATIONS	**97.0**	**56.3**	**40.7**	**33.1**	**5.0**	**2.6**

2012	Carrying amount	Not past due	Past due			
(€ million)			Total	< 6 months	6-12 months	> 12 months
Trade debtors	800.1	657.4	142.7	106.4	17.9	18.4
Provisions for impairment of trade debtors	(18.0)	(1.3)	(16.7)	(3.4)	(4.7)	(8.6)
TRADE DEBTORS, NET	**782.1**	**656.1**	**126.0**	**103.0**	**13.2**	**9.8**

Advertising airtime sales

TF1 Publicité sells advertising airtime on media for which it acts as agent (TV channels, radio stations and websites) to advertisers who over the years have become regular airtime buyers, developing well-established partnerships. TF1 Publicité applies risk management policies adapted to the profile of its customer base.

The policy used to manage the underlying counterparty risk relies on the operating terms of TF1 Publicité, of which its customers are perfectly aware. These include:

- Upfront payment in full, in advance of broadcast, for airtime orders placed by a new advertiser.
- Upfront payment for new advertising campaigns from any advertiser with a track record of payment incidents. If these payment terms are rejected, TF1 Publicité may reuse to sell airtime to the defaulting buyer.
- Payment of annual rebates in the form of “end-of-order” credit notes issued at the start of the following year, the final amount of which is contingent on the buyer paying its invoices on time.

On top of these procedures, TF1 Publicité has a Credit Management department which performs regular financial health checks on advertisers, issues preventive payment reminders to agencies and advertisers, and (in the event of late payment) systematically issues graded reminders, charges late payment interest, and prepares legal recovery proceedings.

These procedures have helped TF1 Publicité keep the risk of non-payment by advertisers to less than 0.15% of total annual billings (inclusive of VAT).

Subscriptions to Pay-TV segment channels

There is no significant risk of non-recovery as regards revenues payable by cable operators present in France. As regards sales outside France, Eurosport has effective cash collection procedures for debts owed by cable and satellite operators. The risk of non-payment by these operators is historically low thanks to the use of financial health checks on customers and the fragmentation of these markets, which gives an inherently very high level of risk diversification.

Consumer Products activities

TF1 Entreprises uses credit insurance to protect against the risk of non-payment by customers.

The home shopping business is not exposed to major non-payment risks, given that payment is usually required prior to the delivery of goods or services.

There are no other significant exposures to individual customers in other Group subsidiaries that might have a lasting adverse impact on the Group's profitability.

Financial counterparties

In investing surplus cash, the TF1 group applies a policy of selecting only high-grade banks and financial institutions that meet minimum rating criteria and with which the Group has well-established relationships, including the provision of credit facilities to the Group (see Note 30-2-1 on liquidity risk).

31 Share option plans

31-1. Details of share option plans

	Plan no. 10	Plan n. 11	Plan n. 12	Plan no. 13
Date of Shareholders' Meeting	April 17, 2007	April 17, 2007	April 14, 2011	April 14, 2011
Date of Board meeting	February 20, 2008	February 18, 2009	May 12, 2011 and July 25, 2011	May 14, 2012
Date of grant	March 20, 2008	March 20, 2009	June 10, 2011	June 12, 2012
Type of plan	subscription	subscription	subscription	subscription
Total number of options granted	2,000,000	2,000,000	1,500,000	1,437,200
- to corporate officers	*56,000*	*56,000*	*7,200*	*7,200*
- to the 10 employees granted the most options	*340,000*	*340,000*	*272,000*	*302,000*
Total number of options granted subject to performance conditions	0	50,000	1,500,000	1,437,200
Start date of exercise period	March 20, 2011	March 20, 2012	June 10, 2015	June 12, 2016
Expiration date	March 20, 2015	March 20, 2016	June 10, 2018	June 12, 2019
Subscription price	€15.35	€5.98	€12.47	€6.17
Terms of exercise	May be exercised from 3rd anniversary of date of grant and sold from 4th anniversary of date of grant		May be exercised and sold from 4th anniversary of date of grant	
Number of shares subscribed at December 31, 2013	-	1,018,487	-	-
Cumulative number of options cancelled, not awarded, or forfeited	289,500	275,000	125,600	71,600
Number of options outstanding at the end of the period	1,710,500	706,513	1,374,400	1,365,600

31-2. Movement in number of options outstanding

	2013		2012	
	Number of options	Weighted average subscription/ purchase price (in euros)	Number of options	Weighted average subscription/ purchase price (in euros)
Options outstanding at January 1	**6,349,089**	**10.09**	**5,042,986**	**11.22**
Options granted	-	-	1,437,200	6.17
Options cancelled, not awarded, or forfeited	(187,700)	10.62	(128,097)	10.89
Options exercised	(1,004,376)	5.98	(3,000)	5.98
Options expired	-	-	-	-
Options outstanding at December 31	**5,157,013**	**10.87**	**6,349,089**	**10.09**
Options exercisable at December 31	*2,417,013*	*12.61*	*3,487,889*	*10.71*

A total of 1,004,376 options were exercised during the year ended December 31, 2013. The average residual life of options outstanding as of December 31, 2013 was 41 months, compared with 51 months as of December 31, 2012.

32 Off balance sheet commitments

The off balance sheet commitments reported below comprise guarantee commitments given and received by the Group; reciprocal commitments not associated with the Group's operating cycles; and operating and finance lease commitments.
A commitment is reciprocal if the future commitment given by the TF1 group is inseparable from the commitment given by the other party or parties to the contract. Reciprocal commitments given and received in connection with the Group's operating cycles are reported in the Note relating to the relevant balance sheet item: Note 11 ("Programmes and broadcasting rights") for purchase contracts designed to secure future programming schedules, and Note 30-2-1 ("Liquidity risk") for confirmed bank credit facilities.

Off balance sheet commitments are stated at the amount of the outflow or inflow of resources specified in the contract. In the case of renewable contracts, the commitment is measured on the basis of the period until the next renewal date.
In the case of reciprocal commitments, the commitment given and the commitment received are measured on the basis of the net cash outflow or inflow for the TF1 group.

The various types of commitments given and received by the TF1 group are described below:

- Guarantee commitments:
This item comprises guarantees provided in connection with commercial contracts or leases.
None of the non-current assets held by TF1 (intangible assets, property, plant and equipment or financial assets) is subject to any pledge or mortgage.

- Reciprocal contractual commitments:

Image transmission:
Image transmission commitments relate to the supply of television broadcasting services (Télédiffusion de France), and to the leasing of satellite capacity and transponders from private-sector companies.

Commitments relating to equity interests:
This item comprises firm or optional commitments to deliver or receive securities.

- ❖ As a result of the partnership agreement signed in December 2012 and the further agreements signed on January 21, 2014 with the Discovery Communications group, the TF1 group entered into the following commitments:

  - Eurosport group:
    a. The Discovery Communications group committed to acquiring, once clearance is obtained from the competition authorities, a 31% interest in Eurosport SAS (the parent company of the Eurosport group), thereby taking its equity interest in that company to 51%;
    b. Before the above commitment is effectively fulfilled, TF1 SA or any of its subsidiaries is committed to acquiring an 80% equity interest in Eurosport France, and to granting Eurosport SAS a right to buy out the investment in Eurosport France exercisable between January 1, 2015 and December 31, 2017.
    c. After the commitment described in (a) has been fulfilled, TF1 has the possibility of selling its remaining 49% equity interest in Eurosport SAS to Discovery Communications during specified periods between July 1, 2015 and September 30, 2016.

- Pay-TV theme channels:
  d. The Discovery Communications group has an option to acquire, during a one-year period commencing on December 21, 2014, a 29% equity interest in the pay-TV theme channels, thereby raising its interest to 49%.
  e. If after the acquisition by the Discovery Communications group of 31% of Eurosport SAS (see a. above), Discovery Communications were not to acquire the 29% interest in the pay-TV theme channels, TF1 would be able to sell to Discovery Communications a 15% equity interest in those channels, raising the percentage interest held by Discovery Communications to 35%.
  f. In the event that TF1 withdraws completely from the Eurosport group, Discovery Communications can sell its entire equity interest in the theme channels to TF1 during a one-year period commencing on December 21, 2018.

The amounts presented in the table *reciprocal contractual commitments* below (note 32-2) correspond to commitments a), b) and d), the value of which is made based on entreprise values at 31 December 2013. Other commitments, which are submitted to conditions that are not fulfilled today, are not presented in the table.

Other reciprocal contractual commitments:

This comprises commitments given or received under various contracts not associated with the recurring operations of Group companies.

Operating leases:

This item shows (in both commitments given and commitments received) the minimum future lease payments under non-cancellable operating leases in place at the balance sheet date. Only leases that are material to the consolidated financial statements are included. Most of the leases included relate to property, in particular the premises occupied by TF1 subsidiaries and by the French companies of the Eurosport group.

Finance leases:

This item shows the minimum future lease payments under finance leases in progress at the balance sheet date.

No material off balance sheet commitments, as defined in the applicable accounting standards, are omitted from the disclosures below.

32-1. Guarantee commitments

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	Total 2013	Total 2012
Guarantee commitments					
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements given	3.1	1.3	-	4.4	7.1
Guarantee commitments given [1]	**3.1**	**1.3**	**-**	**4.4**	**7.1**
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements received	1.9	-	-	1.9	1.9
Guarantee commitments received [2]	**1.9**	**-**	**-**	**1.9**	**1.9**
Guarantee commitments, net	**1.2**	**1.3**	**-**	**2.5**	**5.2**

[1] *Includes €1.2 million relating to held-for-sale operations*
[2] *Includes €1.9 million relating to held-for-sale operations*

32-2. Reciprocal contractual commitments

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	**Total 2013**	**Total 2012**
Miscellaneous contractual commitments					
Image transmission	56.7	82.0	8.1	146.8	165.1
Commitments relating to equity interests	344.6	103.2	-	447.8	299.1
Other commitments	12.4	3.6	-	16.0	13.7
Miscellaneous contractual commitments given [(1)]	**413.7**	**188.8**	**8.1**	**610.6**	**477.9**
Image transmission	56.7	82.0	8.1	146.8	165.1
Commitments relating to equity interests	344.6	103.2	-	447.8	299.1
Other commitments	12.4	3.6	-	16.0	13.7
Miscellaneous contractual commitments received [(1)]	**413.7**	**188.8**	**8.1**	**610.6**	**477.9**
Miscellaneous contractual commitments, net		**-**	**-**	**-**	**-**

[(1)] *Includes €21.9 million relating to held-for-sale operations*

32-3. Operating leases

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	**Total 2013**	**Total 2012**
Operating leases					
Operating lease commitments given [(1)]	19.0	68.5	16.6	104.1	94.9
Operating lease commitments received [(1)]	19.0	68.5	16.6	104.1	94.9
Operating lease commitments, net	**-**	**-**	**-**	**-**	**-**

[(1)] *Includes €58.3 million relating to held-for-sale operations*

32-4. Finance leases

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	**Total 2013**	**Total 2012**
Finance leases (already recognised in the balance sheet) [(1)]	**3.6**	**1.5**	**-**	**5.1**	**10.6**

[(1)] *Includes €1.3 million relating to held-for-sale operations*

33 Related party information

33-1. Executive compensation

Total compensation paid during 2013 to key executives of the Group (i.e. the 15 members of the TF1 Management Committee mentioned in the Registration Document) was €8.3 million, comprising:

(€ million)	**2013**	**2012**
Fixed compensation	**6.3**	7.2
Variable compensation	**2.0**	2.7
Benefits in kind	**N/S**	N/S

Additional information:

- The portion of total share option expense and consideration-free share expense for the year relating to these key executives was €0.1 million.

- The portion of the total obligation in respect of retirement and other post-employment benefits relating to these key executives was €2.7 million.

The Bouygues Group offers the members of its Executive Committee, who include Nonce Paolini, a top-up pension of 0.92% of the reference salary for each year of service in the scheme, which represents a post-employment benefit. The expense (invoiced to TF1 by Bouygues) relating to the contribution paid in 2013 to the investment fund of the insurance company which manages the scheme was €0.6 million.

Apart from loans of shares made to key executives who are also members of the Board of Directors in connection with their duties, no material loans or guarantees were extended to key executives or members of the Board of Directors.

33-2. Transactions with other related parties

Transactions with other related parties are summarised in the table below:

	Income		Expenses		Debtors		Creditors	
(€m)	2013	2012	2013	2012	2013	2012	2013	2012
Parties with an ownership interest	53.3	45.6	(12.7)	(14.7)	262.1 [(1)]	252.2 [(1)]	7.8	37.7
Jointly controlled entities	1.3	1.2	(3.1)	(2.9)	1.0	1.9	1.7	1.8
Associates	5.6	12.0	(11.5)	(10.3)	32.4 [(2)]	7.3	9.0	7.1
Other related parties	0.9	1.2	-	-	-	-	-	-
TOTAL	**61.1**	**60.0**	**(27.3)**	**(37.9)**	**295.5**	**261.4**	**18.5**	**46.6**

[(1)] *Primarily the Bouygues Relais cash pooling agreement (see Note 30-2-1).*

[(2)] *Includes €26.8 million for the current account with Groupe AB (see Note 10).*

Agreements entered into with jointly controlled entities and with associates relate primarily to operational transactions in the course of ordinary business in the audiovisual sector, recharges of head office administrative expenses, and income and expenses arising from short-term cash pooling transactions.

Agreements executed with other related parties relate mainly to transactions with fellow-subsidiaries of Bouygues SA under agreements entered into in the course of ordinary business of a commercial nature, with the exception of transactions with Bouygues Relais under the short-term cash pooling agreement.

The off balance sheet commitments reported in Note 32 do not include any material commitments to related parties.

34 Auditors' fees

The table below shows fees paid by the TF1 group to its auditors:

	Mazars				KPMG				Other audit firms			
	Amount		%		Amount		%		Amount		%	
(in € '000)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Audit of consolidated and individual company financial statements	**(826)**	**(845)**	**100%**	**96%**	**(880)**	**(885)**	**96%**	**91%**	**(64)**	**(81)**	**71%**	**77%**
- TF1 SA	*(224)*	*(216)*			*(224)*	*(216)*			-	-		
- Subsidiaries	*(602)*	*(629)*			*(656)*	*(669)*			*(64)*	*(81)*		
directly related to the audit engagement	**-**	**(31)**	**0%**	**4%**	**-**	**(68)**	**0%**	**7%**	**-**	**-**	**-**	**-**
- TF1 SA	-	*(25)*			-	*(68)*			-	-		
- Subsidiaries	-	*(6)*			-	-			-	-		
Audit-related fees	**(826)**	**(876)**	**100%**	**100%**	**(880)**	**(953)**	**96%**	**98%**	**(64)**	**(81)**	**71%**	**77%**
Other services provided by audit firms to fully consolidated subsidiaries												
Company law, tax and employment law	-	-	-	-	(33)	(17)	4%	2%	(26)	(24)	29%	23%
Other (if > 10% of audit-related fees)	-	-	-	-	(30)	-	0%	-	-	-	-	-
Other fees	**-**	**-**	**-**	**-**	**(33)**	**(17)**	**4%**	**2%**	**(26)**	**(24)**	**29%**	**23%**
TOTAL AUDITORS' FEES	**(826)**	**(876)**	**100%**	**100%**	**(913)**	**(970)**	**100%**	**100%**	**(90)**	**(105)**	**100%**	**100%**

35 Dependence on licences

TF1 requires a licence to carry on its activities as a broadcaster.

The law of September 30, 1986, as amended by Law 2007-309 of March 5, 2007, stipulates that subject to certain conditions, a company's broadcasting licence may be automatically renewed. TF1 has signed the necessary agreements and provided the necessary undertakings to retain its broadcasting licence until 2022.

The following subsidiaries or jointly-controlled entities held digital terrestrial television licences, awarded on June 10, 2003 for a ten-year period: LCI, Eurosport France, TMC, NT1 and TF6. This period has been extended for five years following an undertaking by these channels to extend their DTT coverage to more than 95% of the population, in accordance with Article 97 of the law of September 30, 1986.

36 Post balance sheet events

Further to the agreements signed on January 21, 2014, Discovery Communications is shortly to acquire an additional 31% equity interest in Eurosport SAS (see Note 1).

37 Detailed list of companies included in the consolidation

COMPANY	COUNTRY	ACTIVITY	December 2013 % CONTROL (1)	December 2013 METHOD	December 2012 % CONTROL (1)	December 2012 METHOD
Broadcasting and Content						
TF1 SA	***France***	***Broadcasting***	***Parent company***		***Parent company***	
TELE MONTE CARLO	Monaco	Theme channel	80.00%	Full	80.00%	Full
NT1	France	Theme channel	100.00%	Full	100.00%	Full
HD1	France	Theme channel	100.00%	Full	100.00%	Full
e-TF1	France	Internet/TV content & broadcasting	100.00%	Full	100.00%	Full
WAT	France	Internet content & services	100.00%	Full	100.00%	Full
METRO FRANCE PUBLICATIONS	France	Print media publishing	100.00%	Full	100.00%	Full
TMC REGIE	France	TMC advertising airtime sales	80.00%	Full	80.00%	Full
TF1 PUBLICITE	France	TF1 advertising airtime sales	100.00%	Full	100.00%	Full
LA PLACE MEDIA	France	Advertising airtime sales	24.70%	Equity	26.00%	Equity
OUEST INFO	France	TV news images agency	100.00%	Full	100.00%	Full
TF1 FILMS PRODUCTION	France	Movie co-production	100.00%	Full	100.00%	Full
TF1 PRODUCTION	France	Programme production	100.00%	Full	100.00%	Full
GIE TF1 Acquisitions de droits	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
TF1 DS	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
CIBY 2000	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
TF1 DROITS AUDIOVISUELS	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
TF1 INTERNATIONAL	France	Exploitation of audiovisual rights	66.00%	Full	66.00%	Full
UGC DISTRIBUTION	France	Exploitation of audiovisual rights	34.00%	Equity	34.00%	Equity
SOFICA VALOR 6 (2)	France	Exploitation of audiovisual rights	-	-	100.00%	Full
Consumer Products						
TELESHOPPING	France	Home shopping	100.00%	Full	100.00%	Full
TOP SHOPPING	France	Retail distribution	100.00%	Full	100.00%	Full
DIRECT OPTIC PARTICIPATIONS	France	e-Commerce	47.85%	Equity	47.85%	Equity
TF1 VIDEO	France	Exploitation of video rights	100.00%	Full	100.00%	Full
TF1 ENTREPRISES	France	Telematics, spin-off rights	100.00%	Full	100.00%	Full
DUJARDIN	France	Producer of games	100.00%	Full	100.00%	Full
SF2J	France	Producer of games	100.00%	Full	100.00%	Full
UNE MUSIQUE	France	Music publishing	100.00%	Full	100.00%	Full
SKY ART MEDIA	United States	Print media publishing	27.54%	Equity	27.54%	Equity
GIE SONY TF1 VIDEO	France	Exploitation of video rights	-	-	50.00%	Proportionate
PLACE DES TENDANCES	France	e-Commerce	-	-	80.00%	Full

COMPANY	COUNTRY	ACTIVITY	December 2013 % CONTROL (1)	December 2013 METHOD	December 2012 % CONTROL (1)	December 2012 METHOD
Pay-TV						
EUROSPORT France SA	France	Theme channel	80.00%	Full	80.00%	Full
EUROSPORT SAS	France	Marketing of Eurosport channel outside France	80.00%	Full	80.00%	Full
EUROSPORT BV	Netherlands	Marketing of Eurosport channel in the Netherlands	80.00%	Full	80.00%	Full
EUROSPORT TELEVISION LTD	United Kingdom	Marketing of Eurosport channel in the UK	80.00%	Full	80.00%	Full
EUROSPORT TV AB	Sweden	Marketing of the Eurosport channel in Sweden	80.00%	Full	80.00%	Full
EUROSPORT MEDIA GMBH	Germany	Marketing of the Eurosport channel in Germany	80.00%	Full	80.00%	Full
EUROSPORT EVENT LTD	United Kingdom	Motor race organiser	80.00%	Full	80.00%	Full
EUROSPORT ITALIA	Italy	Marketing of Eurosport channel in Italy	80.00%	Full	80.00%	Full
EUROSPORT ASIA-PACIFIC	Hong Kong	Marketing of Eurosport channel in Asia	80.00%	Full	80.00%	Full
EUROSPORT MEDIA SA	Switzerland	Marketing of Eurosport channel in Switzerland	80.00%	Full	80.00%	Full
EUROSPORT SA SPAIN	Spain	Marketing of Eurosport channel in Spain	80.00%	Full	80.00%	Full
EUROSPORT FINLAND	Finland	Marketing of Eurosport channel in Finland	80.00%	Full	80.00%	Full
EUROSPORTNEWS DISTRIBUTION LTD	Hong Kong	Marketing of Eurosport channel in Asia	80.00%	Full	80.00%	Full
EUROSPORT NORVEGE AS	Norway	Marketing of Eurosport channel in Norway	80.00%	Full	80.00%	Full
EUROSPORT POLSKA	Poland	Marketing of Eurosport channel in Poland	80.00%	Full	80.00%	Full
EUROSPORT DANMARK APS	Denmark	Marketing of Eurosport channel in Denmark	80.00%	Full	80.00%	Full
EUROSPORT ARABIA FZ LLC	United Arab Emirates	Marketing of Eurosport channel in the Middle East	80.00%	Full	80.00%	Full
EUROSPORT MEDIA DISTRIBUTION Portugal	Portugal	Marketing of Eurosport channel in Portugal	80.00%	Full	80.00%	Full
TV BREIZH	France	Theme channel	80.00%	Full	80.00%	Full
TF6	France	Theme channel	50.00%	Proportionate	50.00%	Proportionate
LA CHAINE INFO	France	Theme channel	100.00%	Full	100.00%	Full
TF6 GESTION	France	TF6 management company	50.00%	Proportionate	50.00%	Proportionate
SERIE CLUB	France	Theme channel	50.00%	Proportionate	50.00%	Proportionate
STYLIA	France	Theme channel	80.00%	Full	80.00%	Full
HISTOIRE	France	Theme channel	80.00%	Full	80.00%	Full
USHUAIA TV	France	Theme channel	80.00%	Full	80.00%	Full
TF1 DISTRIBUTION	France	Distribution of TV channels	100.00%	Full	100.00%	Full
Holding company & other						
TF1 THEMATIQUES	France	Theme channels holding company	100.00%	Full	100.00%	Full
MONTE CARLO PARTICIPATIONS	France	TMC holding company	100.00%	Full	100.00%	Full
HOLDING OMEGA PARTICIPATIONS	France	Holding company	100.00%	Full	100.00%	Full
PREFAS 18	France	Holding company	80.00%	Full	80.00%	Full
TF1 EXPANSION	France	Holding company	100.00%	Full	100.00%	Full
APHELIE	France	Real estate company	100.00%	Full	100.00%	Full
FIRELIE	France	Real estate company	100.00%	Full	100.00%	Full
PERELIE	France	Real estate company	100.00%	Full	100.00%	Full
ONE CAST	France	Audiovisual broadcasting/ transmission service	100.00%	Full	100.00%	Full
GROUPE AB	France	Audiovisual production, scheduling & broadcasting	33.50%	Equity	33.50%	Equity
WB TELEVISION	Belgium	Broadcasting	-	-	49.00%	Equity

(1) *There is no difference between the percentage control as shown here and percentage interest for any entity included in the consolidation.*

(2) *Merged into TF1 Droits Audiovisuels on June 30, 2013.*