Financial Information

First 9 months of 2012

Contents

Results

Financial indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2012 9 months	2011 9 months	2011 Full year
Revenue	**1,852.9**	**1,838.8**	**2,619.7**
TF1 channel advertising revenue	*979.5*	*1,054.4*	*1,504.1*
Revenue from other activities	*873.4*	*784.4*	*1,115.6*
Current operating profit	**154.2**	**195.5**	**282.9**
Operating profit	**129.4**	**195.5**	**282.9**
Net profit attributable to the Group	**87.6**	**125.2**	**182.7**
Operating cash flow*	**168.9**	**241.9**	**346.4**
Shareholders' equity attributable to the Group	**1,540.8**	**1,522.6**	**1,575.1**
Net surplus cash (+)/Net debt (-)	**(17.7)**	**87.3**	**(40.6)**
Basic earnings per share (€)	**0.42**	**0.59**	**0.86**
Diluted earnings per share (€)	**0.41**	**0.58**	**0.86**

** Before cost of net debt and income taxes*

	2012 9 months	2011 9 months	2011 full year
Weighted average number of shares outstanding ('000)	**210,747**	212,917	**212,436**
Closing share price at end of period (€)	**6.5**	9.4	**7.5**
Market capitalisation at end of period (€bn)	**1.4**	2.0	**1.6**

Consolidated income statement in management accounting format

€m	2012 9 months	2011 9 months	2011 full year
TF1 channel			
Advertising revenue	979.5	1,054.4	1,504.1
Advertising costs	(50.5)	(51.7)	(75.2)
NET BROADCASTING REVENUE	**929.0**	**1,002.7**	**1,428.9**
Royalties and levies			
- Royalties	(39.5)	(42.5)	(60.6)
- CNC (National Centre for Cinematography)	(57.5)	(57.2)	(82.0)
- Tax on broadcast advertising	(4.2)	(4.5)	(6.4)
Broadcasting costs			
- TDF, satellites, transmission costs	(13.4)	(21.1)	(25.7)
Programming costs (excluding exceptional sporting events)	**(661.9)**	**(626.1)**	**(881.4)**
Exceptional sporting events	**(24.3)**	**(13.3)**	**(24.1)**
GROSS PROFIT	**128.2**	**238.0**	**348.7**
Diversification revenue and other revenue from operations	871.5	783.5	1,114.7
Other operating expenses	(781.9)	(764.4)	(1,072.2)
Depreciation, amortisation and provisions, net	(63.6)	(61.6)	(108.3)
CURRENT OPERATING PROFIT	**154.2**	**195.5**	**282.9**
Non-current operating income and expenses	(24.8)	-	-
OPERATING PROFIT	**129.4**	**195.5**	**282.9**
Cost of net debt	**-**	**0.4**	**0.5**
Other financial income and expenses	**5.0**	**2.1**	**5.1**
Income tax expense	(42.2)	(57.7)	(88.7)
Share of profits/(losses) of associates	(2.7)	(12.7)	(13.7)
NET PROFIT	**89.5**	**127.6**	**186.1**
ATTRIBUTABLE TO THE GROUP	**87.6**	**125.2**	**182.7**
Attributable to minority interests	1.9	2.4	3.4

Income statement contributions by segment

€m	Revenue 2012 9 months	Revenue 2011 9 months	Revenue 2011 Full year	Current operating profit 2012 9 months	Current operating profit 2011 9 months	Current operating profit 2011 Full year
BROADCASTING FRANCE	**1,453.6**	**1,494.5**	**2,134.8**	**103.9**	**187.6**	**266.5**
TF1 SA [a]	986.7	1,059.1	1,511.0	51.3	127.7	177.8
Home Shopping	74.8	75.5	100.4	6.4	1.8	2.9
Theme Channels – France [b]	232.2	225.6	308.8	20.7	31.1	38.9
TF1 Entreprises	30.7	26.6	49.4	4.7	3.3	5.7
Production [c]	12.3	15.6	26.4	(0.1)	3.1	4.4
e-TF1	73.1	58.6	85.0	14.0	5.4	9.2
Other [d]	43.8	33.5	53.8	6.9	15.2	27.6
AUDIOVISUAL RIGHTS	**89.5**	**73.1**	**115.5**	**6.7**	**(25.6)**	**(40.1)**
Catalogue [e]	27.7	22.2	37.2	4.3	(21.8)	(28.4)
TF1 Vidéo	61.8	50.9	78.3	2.4	(3.8)	(11.7)
BROADCASTING INTERNATIONAL	**309.8**	**269.7**	**367.9**	**43.6**	**44.5**	**65.2**
MISCELLANEOUS ACTIVITIES	**-**	**1.5**	**1.5**	**-**	**(11.0)**	**(8.7)**
SPS [f]	-	1.5	1.5	-	(11.0)	(8.7)
TOTAL CONTINUING OPERATIONS	**1,852.9**	**1,838.8**	**2,619.7**	**154.2**	**195.5**	**282.9**

[a] Includes property companies.
[b] Includes Eurosport France, LCI, TV Breizh, TMC, NT1, TF6, Série Club, Stylía, Histoire, Ushuaïa TV, TF1 Distribution and TF1 Thématiques (formerly TF1 Digital).
[c] TV and movie production entities.
[d] Mainly comprises TF1 Publicité and Metro France.
[e] Mainly comprises TF1 Droits Audiovisuels, TF1 International, and TCM (divested on April 19, 2011).
[f] SPS was divested on May 2, 2011.

Key events of the first nine months of 2012

January

January 10, 2012: TF1 files three bids with the CSA (French audiovisual regulator) in response to the call for tenders relating to the award of six new frequencies.

January 10, 2012: The TF1 Group signs the "Good Practices Charter" governing the quality of customer/supplier relations. A total of 235 large French companies have now signed up to the Charter, demonstrating a commitment to ethical purchasing and to fair dealing with suppliers.

January 17, 2012: Metro France unveils the new foundations for expansion: a fresh layout, broader geographical reach, new applications, and news reorganisation.

January 18, 2012: TFou.fr launches its new website.

January 25, 2012: TF1 Publicité takes the Best Digital Strategy prize at the 2012 E-Marketing awards, organised by E-Business.

January 31, 2012: Record viewing figures for the Eurosport channel as an average of 370,000 subscribers watch the final of the Australian Open, the highest rating for a tennis match since Jo-Wilfried Tsonga reached the final of the Australian Open in 2008.

February

February 9, 2012: At the 14th QualiWeb Trophies, organised by the Cocedal Conseil market research institute, TF1 is awarded first place in the Information and Media category for the quality of its relations with viewers and web users via the "TF1&vous" platform".

February 14, 2012: TMC attracts record audience figures for the screening of *Bodyguard*, with over 2 million viewers (7.5% audience share of people aged 4 and over).

February 20, 2012: TF1 collects two awards ("Grand Reporter" and "Kids") at the 17th annual "Lauriers de la radio et de la télévision" ceremony, which rewards programmes for their contribution to culture.

February 21, 2012: TF1 implements a Group-wide agreement to ensure equality of treatment among all employees.

February 24, 2012: Films co-produced by TF1 group subsidiaries receive 9 awards at the 37th annual César ceremony.

February 25, 2012: 9.3 million people watch the launch of *The Voice*, TF1's new music show.

March

March 13, 2012: TV Breizh attracts its biggest audience share among people aged 4 and over since it launch[1] and confirms its status as the no.1 pay-TV channel among "women aged under 50 purchasing decision-makers"[2] with 1.5% and 1.7% audience shares respectively.

March 14, 2012: The TF1 employees elect their representatives on the TF1 SA Board of Directors, with a turnout of 71%.

March 16, 2012: TF1 screens *Les Enfoirés* and attracts 13.3 million viewers, an all-time high for this show.

March 26, 2012: Two teams from TF1 receive "Reporters d'Espoirs" awards, which recognise news stories that "offer solutions" in various fields: the economy, the environment, society, solidarity, peace, and humanitarian efforts.

March 27, 2012: HD1, a new TF1 channel dedicated to creativity in all forms, is one of six free-to-view channels selected by the CSA for high-definition digital terrestrial television (DTT).

March 28, 2012: TF1 launches the TF1 challenge, offering students the opportunity to devise the TV programmes of tomorrow, across all genres.

March 30, 2012: The advertising space-selling agencies TF1 Publicité, Amaury Médias, Figaro Médias and Lagardère Publicité get together to set up France's first-ever dedicated private media market place, creating a platform where unsold space on their websites will be auctioned off in real time (subject to approval from the competent authorities).

[1] Since the Médiamat'Thématik/MédiaCabSat ratings started (2001)
[2] Source: Médiamat'Thématik – wave 22 – pay-TV universe (August 29, 2011 to February 12, 2012)

April

April 4, 2012: *Sur la piste du Marsupilami*, a TF1 Films Production co-production, is released.

April 11, 2012: Ecoprod, an initiative co-founded by TF1, is a partner of the first international festival of corporate films on ecology and sustainable development, held in Deauville.

April 12, 2012: TF1 Publicité is chosen to act as advertising airtime sales agent for beIN SPORT 1, beIN SPORT 2, and their digital offshoots. This move is part of a commercial strategy that aims to strengthen TF1 Publicité's sport offering.

May

May 5, 2012[1]: Eurosport remains the best-known sport channel in France with 75% overall brand recognition, representing an increase of 3 points over 12 months and 9 points over 24 months.

May 12, 2012: TF1 Entreprises is joint operator of the Tutankhamen Tomb and Treasures exhibition in Paris.

May 19, 2012: TF1 Publicité launches "Oz!", a new visual recognition technology which allows smartphone or tablet users to tag an advert being screened on TF1 and simultaneously view extra content about the advertiser on their device.

TF1 Entreprises launches Recycler.fr, a mobile phone recycling service, in line with the Group's commitment to ecological issues.

May 23, 2012: Eurosport confirms its status as the leading pan-European multimedia platform[2], thanks to a dynamic mobile application and solid audience ratings in Eastern Europe.

June

June 1, 2012: Launch of *The Voice Tour 2012,* bringing together the top 8 performers from *The Voice* for a series of 17 unmissable concerts, co-produced by the Shows division of TF1 Musique.

June 3, 2012: TF1 Publicité pioneers the world's first real-time interactive advertising experience. By simply clicking on their remote, viewers with an HBBTV-compatible connected TV set were able to access a minisite dedicated to the advertiser.

[1] Source: Theme channel brand recognition survey conducted by the Institut CSA on a nationwide representative sample of 2,002 individuals aged 15 and over
[2] Source: 2012 EMS Summer Survey

June 4, 2012: Gilles Bouleau takes over as weekday presenter of the flagship evening news bulletin, *Journal de 20H*.

TF1 launches *Nos chers voisins,* a daily sitcom.

June 9, 2012: TF1 screens Germany vs. Portugal, its first match in the Euro 2012 football tournament. In all, TF1 broadcasts nine matches (including the final on July 1, 2012), attracting an average of 8.3 million viewers, a 34% audience share on Individuals aged 4 and over.

July

July 5, 2012: The TF1 group signs an agreement with the CSA relating to the HD1 channel, another step towards the launch of the new channel on December 12.

July 12, 2012: TF1 Vidéo and Paramount Home Media Distribution France announce the signature of an agreement on the commercial distribution of DVDs and Blu-ray™ products in France. From September 1, 2012, Paramount Home Media Distribution France will distribute TF1 Vidéo content on DVD and Blu-ray™ via major supermarket chains, specialist retailers and e-commerce.

August

August 23, 2012: e-TF1 signs an exclusive agreement with ProsiebenSat.1 Games to make the German group's online games offer available on MYTF1.fr.

September

September 3, 2012: The TF1 group and ESSEC Business School announce a 4-year partnership with the aim of fostering expert debate about media issues among a broad range of participants (from students and researchers to teaching staff and decision-makers).

September 14, 2012: The Paris court of first instance orders Dailymotion to pay TF1 €270,000 in damages and legal costs for failing to meet its obligation to withdraw 549 items of illegal content.

Boulogne-Billancourt – November 13, 2012

Changes in accounting policy

TF1 has not made any changes in accounting policy during 2012 to date other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2012 (see note 2-2-1 to the financial statements), which have no impact on the financial statements.

Revenue

Consolidated revenue for the first nine months of 2012 was €1,852.9m, a year-on-year increase of €14.1m (+0.8%).

This comprises:

- €979.5m of advertising revenue from the TF1 channel, down €74.9m (-7.1%), reflecting the effects of the deteriorating economic climate on advertisers' spending decisions. To bolster demand, TF1 has continued with the sales policy adopted in the first half of 2012, designed to support its clients through difficult times.

- €873.4m of revenue from other activities, up €89.0m (+11.3%). This reflects growth across all activities other than Home Shopping and Production, and the consolidation of 100% of Metro France with effect from July 28, 2011.

Advertising revenue for the TF1 Group as a whole reached €1,248.1m, €19.1m (-1.5%) lower than in the comparable period of 2011. The drop in TF1 channel advertising revenue was partly offset by the inclusion of Metro France advertising, growing advertising revenue for DTT channels and Eurosport International, and greater monetisation of online video.

In the third quarter of 2012, the Group generated consolidated revenue of €551.7m, down €9.5m (-1.7%).

This comprises:

- €266.3m of advertising revenue from the TF1 channel, down €30.3m (-10.2%) year-on-year;
- €285.4m of revenue from diversifications, up €20.8m (+7.9%). Note however that 2011 third-quarter revenue included €13m from the resale of rights to the Rugby World Cup.

Programming costs and other current operating income/expenses

TF1 channel programming costs for the first nine months of 2012 were €686.2m, versus €639.4m for the comparable period of 2011. This rise of €46.8m was due mainly to:

- the €24.3m cost of the nine UEFA Euro 2012 matches shown in June and July 2012;
- reinvestment in the 5.30 p.m. – 8.50 p.m. slot, which paid off in terms of viewing figures;
- increased scheduling of first-run drama nearing the end of rights protection, to comply with regulatory requirements.

Programming costs in the third quarter of 2012 were down €6.1m year-on-year; the positive effect of the non-recurrence of the Rugby World Cup matches screened in September 2011 was partly offset by the showing of the final of the UEFA Euro 2012 tournament and the London 2012 Olympics opening and closing ceremonies.

Net charges for depreciation, amortisation, provisions and impairment amounted to €63.6m in the first nine months of 2012, a slight increase (of €2.0m) on the comparable period of 2011.

Current operating profit

The Group made a current operating profit of €154.2m in the first nine months of 2012, a fall of €41.3m relative to the comparable period of 2011.
Operating margin was 8.3%, versus 10.6% a year earlier.

However, there was a further improvement in profitability for diversification activities, whose operating margin reached 11.8% (versus 8.6% a year earlier).
Current operating profit for the first nine months of 2012 includes a €27.1m gain from a successful claim for reimbursement of CNC (National Centre for Cinematography) taxes, recognised in the first quarter of 2012.

In the third quarter of 2012, current operating profit was more than double the figure reported for the third quarter of 2011, at €20.3m (up €11.3m). Current operating margin was 3.7%, versus 1.6% in the third quarter of 2011.

Operating profit

The Group made an operating profit of €129.4m in the first nine months of 2012, €66.1m less than in the comparable period of 2011.
Operating margin was 7.0%, versus 10.6% in the first nine months of 2011.

Operating profit for the period includes €24.8m of exceptional charges relating partly to phase II of the optimisation plan and partly to the job protection plan at TF1 Vidéo.

Net profit

Cost of net debt for the first nine months of 2012 was close to zero, compared with income of €0.4m from net surplus cash in the first nine months of 2011, reflecting a slight fall in the average net cash position.

Other financial income and expenses showed net income of €5.0m in the first nine months of 2012, a year-on-year increase of €2.9m. This reflects the fair value remeasurement during the second quarter of 2012 of the call option over TF1's 33.5% equity interest in the AB Group, which was granted to M. Claude Berda in June 2010 and expired on June 10, 2012 without having been exercised. With effect from June 11, 2012, the AB group has been accounted for as an associate by the equity method.

Income tax expense was €42.2m for the first nine months of 2012, compared with €57.7m for the first nine months of 2011.

Associates contributed a net loss of €2.7m in the first nine months of 2012, compared with a loss of €12.7m a year earlier. Most of the loss for the first nine months of 2011 was attributable to a provision of €8.0m taken against the investment in Metro France, which at that time was 34% held by TF1 and accounted for by the equity method. Metro France has been fully consolidated since July 28, 2011.

Overall, the TF1 group made a net profit of €87.6m for the first nine months of 2012, versus €125.2m for the comparable period of 2011.

Financial position

TF1 had shareholders' equity of €1,553.8m as of September 30, 2012, out of a balance sheet total of €3,287.7m.

Shareholders' equity attributable to the Group was €1,540.8m as of September 30, 2012.

Net debt stood at €17.7m on September 30, 2012, versus €40.6m on December 31, 2011.

As of September 30, 2012, the TF1 group had confirmed bilateral credit facilities of €965.0m with various banks.
These facilities are renewed regularly as they expire (terms of 1 to 5 years, depending on the facility), so that the Group has sufficient liquidity at all times.

On July 24, 2012, the Standard & Poor's financial ratings agency reiterated TF1's rating of BBB+, stable outlook.

The financial position of the TF1 Group remains very healthy.

Cancellation of shares

The Board of Directors, held on 13th November 2012, has decided to cancel 311,682 of the company's own shares, acquired in 2012. Following this cancellation, the total number of shares and voting rights at September 30, 2012 was 210,621,321. At the same date, the share capital stood at €42,124,264.20.

Broadcasting France

The Broadcasting France division posted revenue of €1,453.6m for the first nine months of 2012, a decrease of €40.9m (-2.7%).
Current operating profit was €83.7m lower, at €103.9m.
Current operating margin for the period was 7.1%, versus 12.6% a year earlier.

TF1 Broadcasting

TF1 broadcasting revenue fell by 6.8% in the first nine months of 2012 to €986.7m, €72.4m lower than the figure for the first nine months of 2011. Advertising revenue was down 7.1% at €979.5m. Third-quarter advertising revenue was down 10.2% at €266.3m.

Current operating profit for the first nine months of 2012 was €51.3m, down 59.8%.

TF1 Channel[3]

In the first nine months of 2012, the average daily viewing time for individuals aged 4 and over was 3 hours 48 minutes, 6 minutes more than in the first nine months of 2011. Among the target audience of "women aged under 50 purchasing decision-makers", the average viewing time was 3 hours 57 minutes, up 8 minutes year-on-year.

The terrestrial analogue signal was switched off on November 30, 2011, which means that virtually 100% of French people with a TV set can now access a multi-channel offering.

Market leadership confirmed

In the first nine months of 2012, the TF1 channel took an audience share of 22.5% among individuals aged 4 and over (versus 23.7% in the first nine months of 2011), and of 25.4% among "women aged under 50 purchasing decision-makers" (versus 26.9%).

Over the first nine months of 2012, TF1 enjoyed the biggest single audience on any channel with 13.3 million for *Les Enfoirés* on March 16, another all-time high for this show. The channel attracted over 9 million viewers for 18 of its programmes, and even showed 5 programmes that attracted more than 10 million.

TF1 has adapted its positioning to compete with the broader range of free-to-air TV channels.

The priority is to be a star performer in the 6 p.m. to 1 a.m. band. These slots have high audience potential, and hence high monetisation potential. Over this time band, TF1 has a higher audience share than over the day as a whole, with 23.6% among individuals aged 4 and over and 27.9% among the target audience of "women aged under 50 purchasing decision-makers", representing an extra 1.1 and 2.5 points respectively versus the day as a whole.

TF1 is using innovation to refresh its flagship brands and strengthen its regular programmes. The TF1 editorial policy, built on popular, must-see programming, has enabled the channel to achieve the no.1 spot across all its genres.

Prime time market leader

The TF1 channel had an average prime time audience of 6.0 million in the first nine months of 2012.

Within TF1's prime time slots, the channel was the most-watched channel on 8 out of 10 evenings.

So despite audience dispersion, TF1 retains its unrivalled position as a mass media player in France.

TF1 channel: no.1 across all genres

Entertainment: *Les Enfoirés* was watched by 13.3 million viewers on March 16.
Another success was the new Saturday prime-time show *The Voice*, with an audience peak of 9.3 million and an average audience share of 47% among "women aged under 50 purchasing decision-makers" and 34% among individuals aged 4 and over.

American series: Mentalist attracted up to 9.4 million viewers, and *House* (French title: *Dr House*) up to 9.1 million.

French drama: The first nine months of 2012 confirmed the dynamism of French drama, with *Profilage* attracting up to 7.8 million viewers (the best for a detective series since November 2009) and *Josephine Ange Gardien* viewed by up to 7.5 million.

[3] Source: Médiamétrie – Market leadership in TF1's prime time slots

Movies: TF1 achieved excellent results for its movie screenings. Highlights included *Gran Torino* (9.4 million viewers, the best audience for a movie since November 2010) and *Les bronzés font du ski* (9.0 million viewers).

Sport: The final of the Euro 2012 football tournament was viewed by 12.9 million people, an all-time high for a Euro tournament match not involving the French national team.

News: TF1's regular news bulletins are the most widely-watched in Europe: the 8 p.m. bulletin attracted up to 9.8 million viewers and the 1 p.m. bulletin up to 8.3 million.

Advertising revenue[4]

Gross plurimedia advertising spend (including the internet) in the first nine months of 2012 was flat year-on-year at €19.2bn.

Television (national and regional channels, DTT, cable and satellite) remains the no.1 medium in terms of advertising spend, with market share of 32.3% and gross revenue of €6.2bn in the first nine months of 2012, a year-on-year rise of 4.1%. Advertising spend on free-to-air DTT is still growing rapidly (up by 14.2% or €231.7m).

Print media still ranks second behind TV in France, with gross advertising revenue of €5.2bn (-2.5%) in the first nine months of 2012.

Gross revenue for the TF1 channel was up 2.7% year-on-year in the first nine months of 2012. The channel's share of gross advertising revenue across the TV market as a whole was 36.9%.

Some sectors increased their gross advertising spend during the first nine months of 2012: Cosmetics & Beauty (+5.3%), Auto (+3.9%), Retail (+30.8%), Household Cleaning (+10.8%), Travel & Tourism (+7.0%) and Apparel (+24.9%). Sectors in decline during the period were Food (-3.6%), Banking and Insurance (-4.4%), Telecoms (-7.4%), Healthcare (-2.2%), and Publishing (-9.7%).

The volume of advertising on TF1 in the first nine months of 2012 was up 3.6% year-on-year.

Net advertising revenue for the TF1 channel in the first nine months of 2012 was €979.5m, 7.1% lower than in the comparable period of 2011. This reflects the effect of the climate of uncertainty on advertisers' spending decisions. To bolster demand, TF1 has adopted a sales policy designed to support its clients through these difficult times.

TF1 channel advertising revenue for the third quarter of 2012 was down 10.2% at €266.3m, while the volume of advertising screened in the quarter rose by 13.0%.

UEFA Euro 2012

During the second and third quarters of 2012, TF1 showed the UEFA Euro 2012 football tournament. This was a major event for the Group, which achieved excellent performances across all its media platforms throughout the tournament.

The nine matches screened on the TF1 channel attracted an average of 8.3 million viewers, representing an audience share of 34% among individuals aged 4 and over.
Both of the matches involving France shown on TF1 attracted over 10 million viewers: 10.3 million for the match against England, and 11.3 million for the quarter-final against Spain.
The Spain/Italy final achieved the best audience rating for the competition on any channel, pulling in 12.9 million viewers on July 1, 2012, giving an audience share of 47.5% among individuals aged 4 and over.

Coverage was rolled our across all of the MYTF1 platforms. MYTF1 offered every match in the tournament plus catch-up of 9 matches, exclusive video content, and an array of tie-in articles and packages.
The dedicated Euro 2012 website deployed jointly by TF1 and Eurosport recorded 11.5 million hits and over 6.6 million videos watched.
The site also offered live coverage of the 9 games shown on TF1 using an innovative player that enabled users to control the live feed, plus the "Cover it live" feature with added editorial content.
Many users took advantage of cutting-edge social TV features, the France/Spain match generating hundreds of thousands of live sessions. Videos and highlights packages also proved very popular.

[4] Source: Kantar Media Intelligence

The 360 strategy adopted for the tournament was an unqualified success.

In financial terms, the impact of the UEFA Euro 2012 tournament on TF1 channel programming costs for the first nine months of 2012 (including rights and production costs) was €24.3m for the 9 matches broadcast, giving an average cost per match of €2.7m (versus €3.9m per match for the 2008 tournament).

Home Shopping

The Home Shopping business generated revenue of €74.8m in the first nine months of 2012, down slightly (-0.9%) versus the comparable period of 2011 (€75.5m). Good performances from stores and the Place des Tendances e-commerce site were offset by lower revenue at Infomercials. Nine-month revenue for the flagship Téléshopping brand was virtually unchanged year-on-year.

Current operating profit for the first nine months of 2012 was up €4.6m year-on-year at €6.4m. This performance reflects the commercial success of the business, tight cost control, and a favourable comparative base (largely due to the impact of the divestment of 1000 Listes on 2012 profits).

Theme Channels[5]

The terrestrial and satellite analogue signal was switched off on November 30, 2011, which means that virtually 100% of French people with a TV set can now access a multi-channel offering.

Free-to-air DTT channels had a combined audience share of 22.0% among individuals aged 4 and over at end September 2012, versus 21.4% a year earlier and 18.3% two years earlier.

Collectively, the pay-TV channels available in the French market attracted a combined audience share of 11.2% in the first nine months of 2012, down 0.5 of a point year-on-year.

Since January 1, 2012, the TF1 group's pay theme channels have been distributed in France on a non-exclusive basis to pay-TV operators, which has increased their initialisation rate.

Theme channel revenue for the first nine months of 2012 was €232.2m, 2.9% up on the first nine months of 2011. Growth was driven by free-to-view channels – especially NT1, which enjoyed a dynamic first nine months.
Theme channel advertising revenue advanced by €10.0m (+7.6%).

Current operating profit for the first nine months of 2012 was €20.7m, down €10.4m year-on-year, mainly due to LCI (on a busy start to the year in news) and to increased programming spend at Eurosport France, TMC and NT1.

TMC

TMC recorded an audience share of 3.6% among individuals aged 4 and over in the first nine months of 2012 (versus 3.5% a year earlier), rising to 4.0% among "women aged under 50 purchasing decision-makers" (versus 3.8% a year earlier).

The channel was France's leading DTT channel in the period, cementing its ranking as the 5th most popular national channel among individuals aged 4 and over.
TMC had an average prime time audience of 800,000 and attracted over a million viewers on 113 occasions, compared with 107 in the first nine months of 2011.

The channel recorded the two highest audience ratings for DTT in the first nine months of 2012; the best performance was more than 2 million for the movie *Bodyguard*. TMC also achieved the period's best viewing figures on any DTT channel for an entertainment programme (1.9 million for the play *Personne n'est parfait*) and a magazine programme (1.4 million for *90' enquêtes*).

NT1

NT1 saw strong growth in audience share in the first nine months of 2012, among both individuals aged 4 and over (+17%) and "women aged under 50 purchasing decision-makers" (also +17%). NT1's share of these target audiences was 2.1% and 2.7% respectively (versus 1.8% and 2.3% in the first nine months of 2011).

[5] Source: Médiamat'Thématik (wave 23: January 2012-June 2012) Médiamétrie/Médiamat

The channel had an average prime time audience of 600,000 (up 100,000 on the first nine months of 2011).

NT1 also attracted over 1 million viewers on 29 occasions in the first nine months of 2012 (versus 4 in the first nine months of 2011), with viewing figures peaking at 1.8 million for the movie *The Bourne Supremacy* (French title: *La mort dans la peau*).

These fine performances vindicate the positioning and programming strategy of NT1, which has not only strengthened its schedules but also benefited from working with the TF1 Group's programming teams.

Eurosport France

The Eurosport France channel recorded strong growth in the paying subscriber base in the first nine months of 2012 to 8.8 million (versus 7.6 million a year earlier, a rise of 15.2%). A major factor was the opening up of the channel to distribution by internet service providers following the end of CanalSat exclusivity.

The Eurosport channel audience was 18% higher than in the previous wave for the primary target audience (men aged 15 to 49). Eurosport 2 was similarly dynamic, with the strongest audience growth of any sport channel as viewing figures doubled year-on-year.

However, advertising revenue fell year-on-year, reflecting the tough economic environment (which had a particular impact on TV) plus tougher competition. Conversely, internet advertising increased, as did subscription revenue.

Programming costs were higher year-on-year as schedules were enhanced, in particular with the screening of the London Olympics in the third quarter of 2012.

TV Breizh

France's no.1 general-interest pay-TV cable and satellite mini-channel, TV Breizh confirmed its market-leading position, with an audience share of 1.3% among individuals aged 4 and over.

In tough competitive and economic conditions, TV Breizh is continuing with its efforts to maintain profitability levels.

LCI

During the first nine months of 2012, LCI continued with its editorial stance, focused on analysis and explanation of news stories.

A feature of the period was the editorial approach to the French presidential election campaign; this involved an array of special programmes, plus searching in-depth analysis of news stories and innovative formats such as *Parole de Premiers* (a regular show in which former Prime Ministers commented on campaign issues) and *Vu d'Ailleurs* (on how the French political scene is viewed from other countries).

LCI further emphasised its upmarket positioning at the start of the autumn season with the launch of a new cutting-edge arts programme (*La semaine de l'art*) and two new politics shows (*A l'épreuve des faits* and *Ainsi va l'Amérique*).

Découverte division

Revenue from the Découverte division for the first nine months of 2012 rose slightly year-on-year.

Histoire is pursuing its editorial policy focused on intellectual debate and the commemoration of major historical events, and continues to build brand recognition. Ushuaïa TV, the sustainable development channel, continues to screen regular and one-off programmes on the key issues in environmental protection, and is stepping up its policy of screening new documentaries. More than 60% of the channel's output is in HD Native. Stylía has rapidly become a force to be reckoned with in lifestyle, luxury and fashion pay-TV thanks to an ambitious production policy.

TF6 and Série Club

Nine-month revenue for these channels, owned 50/50 by TF1 and M6, grew year-on-year despite the impact of the tough economic climate on advertising spend. Both channels continued to adjust their cost base, and improved their margins relative to the first nine months of 2011.

TF1 Entreprises

TF1 Entreprises reported revenue of €30.7m for the first nine months of 2012, 15.4% more than for the comparable period of 2011.

A major factor was the success of the musical productions of 2012, and of the Tintin figurines collection. Live show partnerships and licences also performed well.

TF1 Entreprises posted current operating profit of €4.7m for the first nine months of 2012, up 42.4% on the comparable period of 2011.

Production

Production revenue for the first nine months of 2012 was down 21.2% at €12.3m. The business posted a current operating loss of €0.1m, versus a profit of €3.1m in the first nine months of 2011.

TF1 Films Production[6]

TF1 Films Production saw a slight fall in revenue due to the fact that fewer co-productions went on general release than in the first nine months of 2011.

TF1 Films Production co-produced 11 films that went on general release during the period (versus 17 in the first nine months of 2011), six of which attracted over a million cinema-goers (versus 9 a year earlier): *Cloclo* (1.8 million), *Sur la piste du Marsupilami* (5.3 million), *Les vacances de Ducobu* (1.0 million), *Le prénom* (3.3 million), *Un bonheur n'arrive jamais seul* (1.8 million) and *Les seigneurs* (1.1 million to end September).

TF1 Production

TF1 Production reported lower revenue in the first nine months of 2012 than in the comparable period of 2011, due partly to the discontinuation of some of the programmes produced in 2011 and partly to seasonal effects.

However, TF1 Production produced 6 episodes of the series *RIS* during the period. It also continued to produce shows launched in late 2011 for the TF1 core channel (such as *Après le 20h c'est Canteloup*), and increased its production volumes for TMC and NT1. In addition, TF1 Production handled production of the Euro 2012 football tournament for TF1.

e-TF1 [7]

Video performed very well on MYTF1.fr, with 511 million catch-up videos watched in the first nine months of 2012, a rise of 26.2%.

The MYTF1 app, launched in January 2011, continues to be a great success, with more than 3.9 million downloads to end September 2012.

The MYTF1.fr site saw an increase in traffic, with over 8.1 million unique visitors in July 2012, 17% more than in July 2011.

Revenue at e-TF1 reached €73.1m in the first nine months of 2012, a rise of 24.7%.
All activities performed very well, including interactivity with the TF1 channel and MYTF1, which continues to be a success in both revenue and profitability terms.

Top-line growth and further cost control helped the business generate a current operating profit of €14.0m, versus €5.4m a year earlier.
This success – in terms of traffic, revenue and profits – provides further vindication of the TF1 digital strategy.

Other

Revenue came to €43.8m in the first nine months of 2012, versus €33.5m a year earlier.

This item includes revenue generated by Metro France, which has been fully consolidated since July 28, 2011, together with the agency commission generated by TF1 Publicité (including Indés Radio advertising airtime sales).

Note that 2011 third-quarter revenue included €13m from the resale of rights to the Rugby World Cup.

Current operating profit was €6.9m.

[6] Source: Ecran Total
[7] Source: Médiamétrie NNR Panel July 201 2- eStat, streaming TV

Audiovisual Rights

The Audiovisual Rights division posted 2012 nine-month revenue of €89.5m, a year-on-year rise of 22.4%.

Current operating profit was €6.7m, a year-on-year rise of €32.3m.

Catalogue

The Catalogue business posted nine-month revenue of €27.7m, versus €22.2m a year earlier (+24.8%). This growth was due to a rise in general release films.

Profitability improved sharply in the first nine months of 2012, with current operating profit reaching €4.3m (versus a current operating loss of €21.8m in the first nine months of 2011). Bear in mind that most of this loss was due to the recognition, in the second and third quarters of 2011, of a provision relating to the *Miracle at St. Anna* litigation.

TF1 Vidéo

The Video business achieved 21.4% revenue growth in the first nine months of 2012 to €61.8m, driven by the success of the DVD release of the films *Intouchables* and *Polisse* and stronger VoD sales (*Video on Demand*).

Current operating profit was €6.2m higher than in the first nine months of 2011 thanks to the success of titles distributed in the period, notwithstanding a persistently tough market. TF1 Vidéo has responded to market conditions by embarking on a rationalisation process, which led to (i) the implementation of a job protection plan and (ii) the signature of a distribution agreement with Paramount Home Media Distribution France on July 13, 2012.

Broadcasting International

Eurosport International revenue rose by 14.9% in the first nine months of 2012 to €309.8m.
Current operating profit was €43.6m, down €0.9m on the comparable period of 2011, due mainly to the screening of the London Olympics.
Revenue growth was driven both by subscriptions (up 8.9%) and advertising (up 42.7%). Operating margin was once again robust, at 14.1%.

Despite the tough European economic climate, Eurosport International advertising revenue grew strongly by 42.7% to €70.9m on the back of a busy and attractive schedule of sporting events (especially the Africa Cup of Nations, the Euro 2012 football tournaments, the Roland Garros French Open and the London Olympics) and buoyant audience ratings.
At end September 2012, the Eurosport channel was being received in 130.0 million households across Europe (4.3 million more than at the end of September 2011).
The Eurosport International paying subscriber base was up 4.4% on the first nine months of 2011; growth was driven mainly by Eastern Europe, the United Kingdom and France.
The Eurosport 2 channel continues to grow, and was being received in 59.2 million households at end September 2012 (up 13.1% year-on-year).
The Eurosport HD channel is also on a rising trend, having gained 8.7 million new subscribers in twelve months.
The Eurosportnews channel is being received in 2.2 million households in Europe, mainly in Portugal and Russia. This channel is also well embedded outside Europe, especially in Africa and Oceania.
The Asia/Pacific version of the Eurosport channel is continuing to expand in its catchment area (Asia/Oceania), and had 5.6 million subscribers at end September 2012 (up 19.1% year-on-year).

The Eurosport group's internet activities are going from strength to strength, with high audience figures for the website and a sharp increase in users of its smartphone and tablet applications.

Miscellaneous Activities

No activities were included in this segment in the first nine months of 2012. In the comparable period of 2011, this segment comprised SPS, which generated revenue of €1.5m and a current operating loss of €11.0m. SPS was divested in May 2011.

Post balance sheet events

There are no post balance sheet events to report.

Corporate social responsibility

Update for the first nine months of 2012

- **Dialogue, diversity and solidarity**

Rewarding young talent
TF1's Drama department has teamed up with the TF1 Enterprise Foundation and PM Production to develop an original project. Eight writers aged from 21 to 40, from a diversity of backgrounds in deprived neighbourhoods, are working with their mentors to present ideas for drama screenplays with a surprising new slant. The aim is to select one story to be screened on TF1 in prime time.

Reporters d'Espoirs awards for TF1 teams
Two teams from TF1 were winners at the April 2012 "Reporter d'Espoir" awards, which reward journalists working in the print media, television, radio or the internet for news stories on initiatives that "offer solutions" in various fields: the economy, the environment, society, solidarity, peace, and humanitarian efforts.

- **Career development and dialogue**

Employee satisfaction survey
In 2012, 70% of the workforce took part in the TF1 group's second employee satisfaction survey, demonstrating their enthusiasm for this form of dialogue. The results confirm the overall positive trend that had emerged in 2010 (average 70% positive opinions across the questionnaire as a whole). Particularly high scores were for pride in belonging (87%), motivation (87%), quality of workplace relations (83%) and confidence in management (89%). All of the results were made available to staff via the corporate intranet.

First company-wide gender parity agreement
Three commitments were made, designed to promote gender parity within the TF1 group:
✓ encourage gender parity by ensuring a balanced split between men and women in the recruitment process;
✓ develop specific training for managers to raise their awareness of gender parity issues;
✓ promote a better work/life balance, and neutralise the impact of paternity/maternity leave.

TF1 ranked highly by Vigeo for its record on human rights and equality
On September 4, 2012, Vigeo published a survey on the human rights record of nearly 1,500 listed companies in North America, Asia and Europe from 2009 to 2012. Seven French companies were included in the survey, with TF1 occupying 22nd place in the overall rankings. Vigeo based its analysis on four criteria:
✓ compliance with human rights standards and prevention of violations;
✓ respect for freedom of association and collective bargaining rights;
✓ non-discrimination and promotion of equality;
✓ prevention of social dumping in the supply chain.

For the second year running, Vigeo singled out TF1 for the quality of its diversity policy and for extending this policy into its procurement process.

- **Embedding sustainability**

Metro France reduces its environmental footprint
Metro France took environmental impacts into account in developing its new format, launched on March 5, 2012. The daily newspaper's smaller format uses 10 fewer tonnes of paper daily, and the production process saves hundreds of thousands of litres of water annually and avoids the need for chemical additives, which are an essential ingredient in a traditional printing works.
The newspaper is printed at 7 plants across the country (cutting delivery miles), on 100% recycled paper (environmental management, PEFC and FSC certification).
At the end of the life cycle, undistributed newspapers are retrieved by the delivery company the following day and returned to the printer. The paper is then recycled by the specialist recycling company Paprec.

TF1 Entreprises launches Recycler.fr

Recycler.fr is designed to meet both economic and ecological imperatives. Working mobile phones are bought back and tested, reconditioned and put on sale on the secondhand market in France and other countries, at between 30% and 70% less than the price of a new phone. Phones that do not work and are not repairable are decontaminated by stripping out the heavy metals and toxic components. In developing this initiative, TF1 Entreprises is drawing upon the expertise of Recommerce Solutions, a B2B recycling operator, which has received numerous awards for reconditioning. The service is online at www.recycler.fr.

"Jo": France's first carbon-neutral TV series

Atlantique Productions and TF1 teamed up to score an environmental first in filming *Jo*, the channel's flagship series starring Jean Reno. The entire organisation of the shoot was reconceived to minimise the environmental impact: electric bikes were used for location recces, the catering facilities were brought close to the shoot, food waste was kept to a minimum, mains hook-ups were used instead of generators, and a drone was used in place of a helicopter for aerial shots. TF1, a member of the Ecoprod collective, provided expert support and CO_2 emission measurements. Takis Candilis (chairman of Lagardère Entertainment) and Klaus Zimmerman (series producer) decided to offset the residual CO_2 emissions from the shoot by buying carbon credits (financial contributions to projects that promote the environment and biodiversity). As a result, the production was carbon neutral.

- **Ethical Purchasing**

Electric car pool scheme now open to all staff

This scheme, which provides electric cars for TF1 employees to use for work-related travel (and developed as part of the Ethical Purchasing and Corporate Travel Plan initiatives), is now open to all staff.

Stock market performance

Over the first nine months of 2012, the TF1 share price fell by 14%, while the CAC 40 index rose by 6% and the SBF 120 index by 8%. The CAC Media index rose by 1.1%.

As of September 30, 2012, the TF1 group had a market capitalisation of €1.4bn, compared with €2.0bn a year earlier.

Outlook

Despite the challenging economic conditions and intense competitive pressure, we are reiterating our assumption of flat consolidated revenue over 2012 as a whole.

Phase II of our optimisation plan was initiated at the start of 2012 and accelerated from July 1, with the aim of achieving further progress on the adaptation of our business model.

Phase I, launched in 2007, has already unlocked €155m of recurring savings in the years from 2007 to 2011.

Phase II, focused on cutting operating expenses and increasing flexibility, should enable the TF1 Group to deliver €85m of recurring savings by end 2014 via reduced overheads, productivity gains and optimisation of the Group's programming costs.

This confirms our commitment to adapting our business model and generating the resources needed to grow our business.

Condensed consolidated financial statements for the nine months ended September 30, 2012

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.

Consolidated balance sheet

ASSETS (€m)	*Note*	**Sept. 30, 2012**	**Dec. 31, 2011**	**Sept. 30, 2011**
Goodwill	*5*	**874.3**	**874.3**	**875.0**
Intangible assets		**126.7**	**142.0**	**137.8**
Audiovisual rights		53.0	70.8	69.7
Other intangible assets		73.7	71.2	68.1
Property, plant and equipment		**220.0**	**230.8**	**175.6**
Investments in associates	*6*	**160.2**	**1.3**	**1.5**
Non-current financial assets		**16.2**	**167.6**	**185.3**
Non-current tax assets		**7.0**	**5.8**	**0.8**
Total non-current assets		**1,404.4**	**1,421.8**	**1,376.0**
Inventories		**646.7**	**648.5**	**655.0**
Programmes and broadcasting rights		625.8	635.6	640.9
Other inventories		20.9	12.9	14.1
Trade and other debtors		**1,175.7**	**1,241.8**	**1,106.4**
Current tax assets		**22.8**	**0.5**	**-**
Other current financial assets		**3.0**	**5.9**	**3.4**
Cash and cash equivalents	*8*	**35.1**	**35.9**	**107.7**
Total current assets		**1,883.3**	**1,932.6**	**1,872.5**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,287.7**	**3,354.4**	**3,248.5**

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	*Notes*	**Sept. 30, 2012**	**Dec. 31, 2011**	**Sept. 30, 2011**
Share capital		42.2	42.2	42.7
Share premium and reserves		1,411.0	1,350.2	1,354.7
Net profit attributable to the Group		87.6	182.7	125.2
Shareholders' equity attributable to the Group		**1,540.8**	**1,575.1**	**1,522.6**
Minority interests		13.0	12.1	11.1
Total shareholders' equity		**1,553.8**	**1,587.2**	**1,533.7**
Non-current debt	*8*	**14.7**	**18.0**	**13.6**
Non-current provisions		**43.7**	**40.0**	**47.1**
Non-current tax liabilities		**8.6**	**9.9**	**9.4**
Total non-current liabilities		**67.0**	**67.9**	**70.1**
Current debt	*8*	**38.1**	**58.5**	**6.7**
Trade and other creditors		**1,576.6**	**1,563.7**	**1,591.3**
Current provisions		**51.2**	**56.6**	**39.7**
Current tax liabilities		**0.3**	**20.2**	**4.8**
Other current financial liabilities		**0.7**	**0.3**	**2.2**
Total current liabilities		**1,666.9**	**1,699.3**	**1,644.7**
Liabilities related to held-for-sale assets		**-**	**-**	
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,287.7**	**3,354.4**	**3,248.5**
Net surplus cash (+) / Net debt (-)		**(17.7)**	**(40.6)**	**- 87.3**

Consolidated income statement

(€m)	Note	2012 9 months	2011 9 months	2012 3rd quarter	2011 3rd quarter	2011 Full year
Net advertising revenue		1,248.1	1,267.2	351.3	362.0	1,821.5
- TF1 channel		*979.5*	*1,054.4*	*266.3*	*296.6*	*1,504.1*
- Other media		*268.6*	*212.8*	*85.0*	*65.4*	*317.4*
Diversification revenue (excluding advertising)		604.8	571.6	200.4	199.2	798.2
Revenue		**1,852.9**	**1,838.8**	**551.7**	**561.2**	**2,619.7**
Other operating revenue		-	0.4	-	0.4	0.8
External production costs		(528.9)	(485.1)	(168.0)	(173.0)	(702.9)
Other purchases and changes in inventory		(356.6)	(315.7)	(121.8)	(120.0)	(432.3)
Staff costs		(303.5)	(311.8)	(85.3)	(101.4)	(432.8)
External expenses		(354.4)	(333.4)	(115.3)	(111.9)	(469.7)
Taxes other than income taxes		(102.2)	(102.6)	(27.1)	(29.9)	(145.2)
Depreciation and amortisation, net		(52.1)	(57.1)	(15.5)	(16.6)	(78.4)
Provisions and impairment, net		(11.5)	(4.5)	2.4	11.9	(29.9)
Other current operating income		100.2	63.1	24.6	19.6	87.5
Other current operating expenses		(89.7)	(96.6)	(25.4)	(31.3)	(133.9)
Current operating profit		**154.2**	**195.5**	**20.3**	**9.0**	**282.9**
Other operating income		-		-	-	-
Other operating expenses	*9*	(24.8)		(24.8)	-	-
Operating profit/(loss)		**129.4**	**195.5**	**(4.5)**	**9.0**	**282.9**
Income associated with net debt		0.5	1.2	0.1	0.5	1.4
Expenses associated with net debt		(0.5)	(0.8)	(0.1)	(0.3)	(0.9)
Cost of net debt	*10*	**-**	**0.4**	**-**	**0.2**	**0.5**
Other financial income		6.5	2.6	-	1.8	5.9
Other financial expenses		(1.5)	(0.5)	(0.7)	1.3	(0.8)
Income tax expense		(42.2)	(57.7)	1.7	(4.6)	(88.7)
Share of profits/(losses) of associates	*6*	(2.7)	(12.7)	(2.6)	(1.1)	(13.7)
Net profit/(loss) from continuing operations		**89.5**	**127.6**	**(6.1)**	**6.6**	**186.1**
Post-tax profit from discontinued and held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**89.5**	**127.6**	**(6.1)**	**6.6**	**186.1**
attributable to the Group		**87.6**	***125.2***	***(5.9)***	***6.6***	***182.7***
attributable to minority interests		*1.9*	*2.4*	*(0.2)*	-	*3.4*
Weighted average number of shares outstanding ('000)		210,747	212,917	210,747	212,917	212,436
Basic earnings per share from continuing operations (€)		0.42	0.59	(0.03)	0.03	0.86
Diluted earnings per share from continuing operations (€)		0.41	0.58	(0.03)	0.03	0.86

Statement of recognised income and expense

(€m)	2012 9 months	2011 9 months	2011 Full year
Consolidated net profit for the period	**89.5**	**127.6**	**186.1**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on employee benefits	(4.2)	-	2.4
Net tax effect of equity items not reclassifiable to profit or loss	1.5	-	(0.8)
Share of non-reclassifiable income and expense of associates recognised in equity	-	-	-
Items reclassifiable to profit or loss			
Remeasurement of hedging instruments *	(2.6)	(0.3)	2.3
Remeasurement of available-for-sale financial assets	-	-	-
Change in cumulative translation adjustment of controlled entities	0.2	0.1	0.2
Net tax effect of equity items reclassifiable to profit or loss	1.0	0.1	(0.8)
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
Income and expense recognised directly in equity	**(4.1)**	**(0.1)**	**3.3**
Total recognised income and expense	**85.4**	**127.5**	**189.4**
attributable to the Group	83.5	125.1	186.0
attributable to minority interests	1.9	2.4	3.4

** Includes reclassification to profit or loss (cash flow hedges): -€2.3m.*

Consolidated statement of changes in shareholders' equity

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' 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	-	-	-	0.5		**0.5**	-	**0.5**
Purchase of treasury shares	-	-	(2.3)	-	-	**(2.3)**	-	**(2.3)**
Cancellation of treasury shares	-	-	0.7	(0.7)	-	**-**	-	**-**
Dividends paid	-	-	-	(116.0)	-	**(116.0)**	(1.0)	**(117.0)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Consolidated net profit	**-**	**-**	**-**	**87.6**	**-**	**87.6**	**1.9**	**89.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(4.1)**	**(4.1)**	**-**	**(4.1)**
BALANCE AT SEPTEMBER 30, 2012	**42.2**	**-**	**(2.3)**	**1,498.2**	**2.7**	**1,540.8**	**13.0**	**1,553.8**
						-		
BALANCE AT DECEMBER 31, 2010	**42.7**	**2.8**	**(0.4)**	**1,490.3**	**3.5**	**1,538.9**	**8.7**	**1,547.6**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	0.8	-	**0.8**	-	**0.8**
Purchase of treasury shares	-	-	(25.0)	-	-	**(25.0)**	-	**(25.0)**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(117.2)	-	**(117.2)**	**-**	**(117.2)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Consolidated net profit	**-**	**-**	**-**	**125.2**	**-**	**125.2**	**2.4**	**127.6**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**	**-**	**(0.1)**
BALANCE AT SEPTEMBER 30, 2011	**42.7**	**2.8**	**(25.4)**	**1,499.1**	**3.4**	**1,522.6**	**11.1**	**1,533.7**

Consolidated cash flow statement

(€m)	Note	2012 9 months	2011 9 months	2011 Full year
Consolidated net profit (including minority interests)		89.5	127.6	186.1
Depreciation, amortisation, provisions & impairment (excluding current assets)		44.7	57.5	79.7
Intangible assets and goodwill		*24.3*	*32.5*	*48.2*
Property, plant and equipment		*20.9*	*22.2*	*29.7*
Financial assets		*-*	*-*	*0.2*
Non-current provisions		*(0.5)*	*2.8*	*1.6*
Other non-cash income and expenses		(5.2)	(10.9)	(14.6)
Effect of fair value remeasurement		(5.1)	(0.8)	(2.5)
Share-based payment		0.5	0.8	1.0
Net (gain)/loss on asset disposals		-	(1.9)	(3.5)
Share of (profits)/losses and dividends of associates		2.7	12.7	13.7
Dividend income from non-consolidated companies		(0.4)	(0.4)	(1.7)
Sub-total		**126.7**	**184.6**	**258.2**
Cost of net debt		-	(0.4)	(0.5)
Income tax expense (including deferred taxes)		42.2	57.7	88.7
Operating cash flow		**168.9**	**241.9**	**346.4**
Income taxes (paid)/reimbursed		(84.4)	(51.0)	(73.2)
Change in operating working capital needs		101.1	58.4	(82.1)
Net cash generated by/(used in) operating activities		**185.6**	**249.3**	**191.1**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(41.1)	(24.1)	(100.9)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.6	2.3	1.9
Cash outflows on acquisitions of financial assets		(3.6)	(5.2)	(5.4)
Cash inflows from disposals of financial assets		-	-	-
Effect of changes in scope of consolidation		-	(6.5)	8.8
Purchase price of investments in consolidated activities		*-*	*(5.4)*	*(4.8)*
Proceeds from disposals of consolidated activities		*-*	*14.4*	*16.8*
Net liabilities related to consolidated activities		*-*	*-*	*-*
Other cash effects of changes in scope of consolidation		*-*	*(15.5)*	*(3.2)*
Dividends received		0.4	0.4	1.7
Change in loans and advances receivable		-	(0.1)	(0.8)
Net cash generated by/(used in) investing activities		**(43.7)**	**(33.2)**	**(94.7)**
Cash received on exercise of share options		-	-	0.1
Purchases and sales of treasury shares		(2.3)	(25.0)	(26.5)
Dividends paid during the period		(117.0)	(117.2)	(117.2)
Cash inflows from new debt contracted		0.4	(0.1)	0.2
Repayment of debt (including finance leases)		(3.5)	(6.8)	(8.7)
Net interest paid (including finance leases)		-	0.5	0.5
Net cash generated by/(used in) financing activities		**(122.4)**	**(148.6)**	**(151.6)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**19.5**	**67.5**	**(55.2)**
Cash position at beginning of period – continuing operations		**(18.2)**	**37.0**	**37.0**
Change in cash position during the period – continuing operations		19.5	67.5	(55.2)
Cash position at end of period – continuing operations	*11*	**1.3**	**104.5**	**(18.2)**

Notes to the condensed consolidated financial statements

1 Significant events

1-1. Optimisation plan – Phase II

Phase II of the optimisation plan is described in the *Outlook* section of the Management Review. The costs incurred are reported in "Other operating expenses", as described in Note 9 below.

1-2. AB Group

The call option over TF1's 33.5% equity interest in the AB Group held by Claude Berda since June 10, 2010 expired on June 11, 2012. Because the call option no longer exists, the significant influence that TF1 used to exercise over the AB Group has been re-established, as a result of which the equity interest in the AB Group has been accounted for as an associate by the equity method with effect from June 11, 2012. Refer to Notes 3, "Changes in scope of consolidation" and 6, "Investments in associates".

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the nine months ended September 30, 2012 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They include the minimum content and disclosures defined in IAS 34, and consequently should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011 as published in the 2011 Document de Référence filed with the Autorité des Marchés Financiers (AMF) on March 15, 2012 under reference number D.12-0163.

An English-language version of the audited consolidated financial statements for the year ended December 31, 2011 is included in the TF1 Annual Report, which is available on the TF1 corporate website at http://www.groupe-tf1.fr/en/finance/financial-results-publications/financial-reports/2011-6451274-843.html.

The consolidated financial statements of the TF1 Group include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 Group's interests in associated undertakings. They take account of recommendation no. 2009-R-03 on the presentation of financial statements, as issued by the CNC (the French national accounting standard-setter) on July 2, 2009.

The financial statements are presented in millions of euros.

The consolidated financial statements were examined by the Board of Directors on November 13, 2012. They have been subject to a review by the statutory auditors.

2-2. New and amended accounting standards and interpretations

2-2-1. *New standards, amendments and interpretations effective within the European Union which are mandatorily applicable to, or may be early adopted in, periods beginning on or after January 1, 2012*

In preparing its condensed financial statements for the nine months ended September 30, 2012, 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, 2011, plus any new standards, amendments and interpretations applicable from January 1, 2012.
The principal new or amended standards and interpretations that have been endorsed by the European Union or that may be early adopted are:

- Amendment to IFRS 7, "Disclosures – Transfers of Financial Assets": mandatorily applicable from January 1, 2012, no impact on the financial statements.
- Amendment to IAS 1, "Presentation of items of Other Comprehensive Income (OCI)": early adopted with effect from January 1, 2011, impact on the presentation of the statement of recognised income and expense.
- Amendment to IAS 19, "Employee Benefits": mandatorily applicable from January 1, 2013, with early adoption permitted with effect from January 1, 2012. This amendment will be early adopted in the consolidated financial statements for the year ended 31 December 2012. Because the TF1 Group already recognises in equity actuarial gains and losses arising on employee benefits under defined-benefit plans, applying this change in accounting policy would have an immaterial impact on net assets and net profit for the year ended 31 December 2011.

The TF1 Group has decided not to early adopt any of the pronouncements issued by the IASB and endorsed by the European Union that companies may elect to early adopt with effect from January 1, 2012.

2-2-2. *Standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union*

Standard/Interpretation	IASB effective date*	Expected impact on the TF1 Group
Revised IAS 27[(1)]: Separate Financial Statements	January 1, 2014	No impact on the financial statements
Revised IAS 28[(1)]: Investments in Associates and Joint Ventures	January 1, 2014	Under review
IFRS 9: Financial Instruments (classification and measurement of financial assets)	January 1, 2015	Not quantifiable at present (endorsement process suspended by the European Union)
IFRS 10 [(1)]: Consolidated Financial Statements	January 1, 2014	Under review
IFRS 11 [(1)]: Joint Arrangements	January 1, 2014	Under review
IFRS 12 [(1)]: Disclosure of Interests in Other Entities	January 1, 2014	Under review
IFRS 13 [(1)]: Fair Value Measurement	January 1, 2013	Under review
Amendment to IFRS 1 [(1)]: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters	July 1, 2011	No impact on the financial statements
Amendment IAS 12 [(1)]: Deferred Tax – Recovery of Underlying Assets	January 1, 2012	No impact on the financial statements
Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities	January 1, 2014	Under review

***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column*

(1) On June 1, 2012, the Accounting Regulatory Committee voted in favour of endorsement of these standards or amendments by the European Union, and proposed mandatory application from January 1, 2014 with a possibility of early adoption from January 1, 2013.

2-3. Changes in accounting policy

TF1 has not made any changes in accounting policy during 2012 to date, other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2012 (see note 2-2-1), which have no impact on the financial statements.

2-4. Use of estimates

Preparation of the condensed consolidated financial statements requires the TF1 Group to make various estimates and use assumptions regarded as realistic or reasonable. 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 audiovisual rights
- Impairment of goodwill
- Impairment of programmes and broadcasting rights
- Measurement of provisions

These estimates were made using the same valuation approaches as those used in preparing the financial statements for the year ended December 31, 2011, and the 2011 interim financial statements. As of the date on which the financial statements for the nine months ended September 30, 2012 were examined by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

2-5. Seasonal trends

Advertising revenues are traditionally lower during the summer than during the rest of the year.

3 Changes in scope of consolidation

Inclusion of the AB Group in the scope of consolidation as an associate (by the equity method)

TF1 has held a 33.5% equity interest in the AB Group since April 2, 2007, the other principal investor being Claude Berda.
On June 10, 2010, in connection with the acquisition by TF1 of the TMC and NT1 channels from the AB Group, TF1 granted Claude Berda a call option entitling him to buy out TF1's 33.5% interest in the AB Group for its estimated market

value of €155 million. In accordance with IAS 27, TF1 therefore ceased to account for its equity interest in the AB Group as an associate by the equity method, instead recognising the equity interest in the balance sheet as a non-current financial asset at a value of €155 million. TF1 elected to recognise subsequent changes in the fair value of the equity interest in profit or loss, so that they would offset subsequent changes in the fair value of the option (recognised in financial income or expense, and in financial liabilities in the balance sheet).

The equity interest and the associated call option were valued on the basis of (i) the consolidated net assets of the AB Group as remeasured at fair value in 2010, plus the profits of the AB Group recognised since that date (including depreciation and amortisation charged against remeasured assets) and (ii) a multiple-based approach applicable to the AB Group.
Because no material change in the fair value of the equity interest occurred during the life of the option, both the equity interest and the option were maintained at their initial values, i.e. €155 million and zero respectively.

As of the expiry date of the option (June 10, 2012), TF1's equity interest in the AB Group was valued at €160.9 million. The fair value of the equity interest was adjusted accordingly, and a symmetrical financial liability (of €5.9 million) representing the fair value of the option was also recognised. Because the option was not exercised, the financial liability was extinguished, generating a gain (recognised in "Other financial income") in the financial statements for the six months ended June 30, 2012.
The option having expired, the TF1 Group has regained the significant influence that it used to exercise over the AB Group. Consequently, this equity interest is now once again accounted for as an associate by the equity method, with effect from June 11, 2012.

4 Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. This segmentation into business units forms the basis for the presentation of internal management data and is used by the Group's operating decision-makers to assess 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 segment 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 has the following operating segments:

Broadcasting France
This segment includes the TF1 channel, associated and spin-off activities regarded as inseparable from this channel, other free-to-air or pay-TV channels broadcasting primarily to France, and the Metro France. Activities inseparable from the TF1 channel include the in-house advertising airtime sales agency, and companies involved in the production or co-production of programmes intended primarily for the TF1 channel, such as TF1 Production.

Audiovisual Rights
Subsidiaries whose principal activity is producing, publishing or distributing audiovisual rights not exclusively intended for TF1 Group channels are included in this segment. Production activities include delegated productions or co-productions of films. Publishing and distribution activities include all media (CD, DVD, etc) and all channels (cinemas, TV channels and all retail distribution channels).

Broadcasting International
This segment comprises subsidiaries involved in the development and broadcasting of pay-TV programmes primarily broadcast outside France.

Miscellaneous Activities
This segment comprises all activities that do not meet the criteria for inclusion in any of the segments described above, in particular (as of September 30, 2011) the subsidiary SPS.

The contribution of each operating segment to the TF1 consolidated financial statements is as follows:

(€m)	Broadcasting France 2012 9 mths(1)	Broadcasting France 2011 9 mths	Audiovisual Rights 2012 9 mths	Audiovisual Rights 2011 9 mths	Broadcasting International 2012 9 mths	Broadcasting International 2011 9 mths	Miscellaneous Activities (2) 2012 9 mths	Miscellaneous Activities (2) 2011 9 mths	Total TF1 2012 9 mths	Total TF1 2011 9 mths
EXTRACT FROM INCOME STATEMENT										
Revenue	**1,453.6**	**1,494.5**	**89.5**	**73.1**	**309.8**	**269.7**	**-**	**1.5**	**1,852.9**	**1,838.8**
Operating profit/(loss)	**84.3**	**187.6**	**1.9**	**(25.6)**	**43.2**	**44.5**	**-**	**(11.0)**	**129.4**	**195.5**
Share of profits/(losses) of associates (3)	(2.7)	(3.0)	-	(0.3)	-	-	-	(9.4)	(2.7)	(12.7)

(1) Includes €27.1m of reimbursements of taxes on television services recognised in operating profit, all rights to appeal having been extinguished in February 2012.
(2) In 2011, this segment includes the SPS Group, which was divested in the second quarter of 2011.
(3) The share of profits/losses of associates recorded for each segment is as follows:
- *Broadcasting France: mainly from the AB Group;*
- *Miscellaneous Activities: in 2011, mainly from Metro France.*

Segmental assets as of September 30, 2012 are not materially different from those reported as of December 31, 2011. Metro France has been included in the Broadcasting France segment since TF1 obtained control of this entity on July 28, 2011.

5 Goodwill

During the third quarter of 2012, the TF1 Group completed the purchase price allocation for Metro France, which has been consolidated since July 28, 2011. Based on this allocation, the entire difference between acquisition cost and the net assets acquired, amounting to €9.1 million, was recognised as goodwill.

6 Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	AB Group (3)	WBTV (2)	Metro France (1)	Others	Total
Country	**France**	**Belgium**	**France**	**France**	
December 31, 2010	**-**	**2.8**	**11.1**	**-**	**13.9**
Share of net profit/(loss) for period	-	(3.0)	(1.5)	(0.3)	**(4.8)**
Provisions for impairment	-	-	(7.9)	-	**(7.9)**
Dividends paid	-	-	-	-	**-**
Change in scope of consolidation	-	-	(1.7)	1.5	**(0.2)**
Other movements	-	0.2	-	0.3	**0.5**
September 30, 2011	**-**	**-**	**-**	**1.5**	**1.5**
December 31, 2011	**-**	**-**	**-**	**1.3**	**1.3**
Share of net profit/(loss) for period	(1.6)	(0.7)	-	(0.4)	(2.7)
Provisions for impairment	-	-	-	-	-
Dividends paid	-	-	-	-	-
Change in scope of consolidation	160.9	-	-	-	**160.9**
Other movements	-	0.7	-	-	**0.7**
September 30, 2012	**159.3**	**-**	**-**	**0.9**	**160.2**

(1) Metro France has been fully consolidated since July 28, 2011.
(2) Because the Group's share of the net assets of WBTV under the equity method was negative as of September 30, 2012, a provision of €1.7 million has been recognised on the liabilities side of the balance sheet.
(3) Given the timescale for finalisation of the financial statements of the AB Group (accounted for as an associate by the equity method since June 11, 2012), the share of this entity's profits recognised as of September 30, 2012 was calculated on the basis of its results for the second quarter of 2012.

7 Share buyback programme

Under the terms of the authorisations granted by the Annual General Meeting on April 15, 2010 and renewed on April 14, 2011 and April 19, 2012, TF1 repurchased 311,682 of its own shares during the period for €2.3 million with a view to their cancellation, and also cancelled 100,000 of its own shares held as of January 1, 2012.

8 Net debt

Net debt, as reported by the TF1 Group, comprises the following items:

(€m)	September 30, 2012	December 31, 2011
Cash and cash equivalents	35.1	35.9
Financial assets held for treasury management purposes	-	-
Available cash	**35.1**	**35.9**
Fair value of interest rate derivative instruments	**-**	**-**
Non-current debt	(14.7)	(18.0)
Current debt	(38.1)	(58.5)
Total debt	**(52.8)**	**(76.5)**
Net surplus cash/(net debt)	**(17.7)**	**(40.6)**

As of September 30, 2012, the TF1 Group was carrying net debt of €17.7 million.

As of the same date, TF1 had the following financing arrangements in place:

- Confirmed bilateral bank credit facilities of €965 million with maturities of more than one year, backed up by a cash pooling agreement with the Bouygues Group under which €30 million was drawn down as of September 30, 2012.
- A residual finance lease obligation of €11.7 million relating to the financing of technical plant and equipment.

9 Other operating expenses

Other operating expenses, amounting to €24.8 million, relate to the exceptional non-recurring costs generated by phase II of the optimisation plan and the costs of the job protection plan implemented by TF1 Vidéo. Costs of this nature already incurred as of June 30, 2012, amounting to €12.9 million, were reclassified to this line in the third quarter of 2012.

10 Cost of net debt

Cost of net debt represented a net balance of zero in the first nine months of 2012, and consisted of the following items:

(€m)	2012 9 months	2011 9 months
Interest income	0.5	1.2
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	-	-
Income associated with net debt	**0.5**	**1.2**
Interest expense on debt	(0.5)	(0.7)
Change in fair value of interest rate derivatives	-	(0.1)
Expenses associated with debt	**(0.5)**	**(0.8)**
Cost of net debt	**-**	**0.4**

11 Definition of cash position

The cash flow statement analyses movements in the net cash position, which equals cash and cash equivalents less bank overdrafts and treasury current account credit balances.

(€m)	September 30, 2012	December 31, 2011
Cash and cash equivalents in the balance sheet	35.1	35.9
Treasury current account credit balances	(32.0)	(51.2)
Bank overdrafts	(1.8)	(2.9)
Total net cash position at end of period per cash flow statement	**1.3**	**(18.2)**

12 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on May 2, 2012 in respect of the 2011 financial year, and the dividend paid during 2011 in respect of the 2010 financial year.

	Paid in 2012	Paid in 2011
Total dividend (€m)	116.0	117.2
Ordinary dividend per share (€)	0.55	0.55

13 Post balance sheet events

There are no post balance sheet events to report.

Diary dates

February 20, 2013: 2012 full-year revenue and financial statements
April 18, 2013: Annual General Meeting
May 7, 2013: 2013 first-quarter revenue and financial statements
July 25, 2013: 2013 first-half revenue and financial statements
These dates may be subject to change.

Télévision Française 1

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