Interim Report

First 9 months of 2008

Contents

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Consolidated key figures

€m	**2008: 9 months**	**2007: 9 months**	**2007: full year**
Revenue	1,880.3	1,970.3	2,763.6
TF1 channel advertising revenue	*1,187.8*	*1,228.7*	*1,718.3*
Revenue from other activities	*692.5*	*741.6*	*1,045.3*
Operating profit	129.8	234.5	305.2
Net profit attributable to the Group	110.5	166.4	227.8
Operating cash flow[1]	208.5	296.9	390.8
Shareholders' equity	1,325.6	1,334.6	1,394.0
Net debt	714.6	563.7	597.3
Basic earnings per share (€)	0.52	0.78	1.07
Diluted earnings per share (€)	0.52	0.78	1.06

	2008: 9 months	**2007: 9 months**	**2007: full year**
Average number of shares outstanding ('000)	213,401	213,881	213,763
Closing share price at end of period (€)	12.41	18.85	18.30
Average market capitalisation for the period (€bn)	2.6	4.0	3.91

[1] Before cost of net debt and income tax expense

Income statement contributions by segment

€m	Revenue 2008: 9 months	Revenue 2007: 9 months (*)	Revenue 2007: 12 months	Operating profit 2008: 9 months	Operating profit 2007: 9 months (*)	Operating profit 2007: 12 months
BROADCASTING FRANCE	**1,539.8**	**1,587.5**	**2,220.5**	**123.8**	**199.1**	**252.0**
TF1 SA	1,193.1	1,235.9	1,729.3	104.9	173.5	221.1
Téléshopping Group [a]	109.4	110.9	153.1	5.8	7.0	7.9
Theme channels – France [b]	138.3	138.0	188.6	3.8	5.1	2.0
TF1 Entreprises	20.8	21.7	40.5	(1.3)	(0.1)	1.8
In-house production company [c]	24.0	23.1	28.1	7.4	3.1	2.1
E-TF1	38.1	42.6	57.4	(4.3)	(1.6)	(1.4)
Other [d]	16.1	15.3	23.5	7.5	12.1	18.5
AUDIOVISUAL RIGHTS	**105.9**	**177.9**	**268.1**	**(7.7)**	**4.3**	**17.2**
Catalogue [e]	39.0	70.7	101.4	(6.3)	(1.6)	6.1
TF1 Vidéo [f]	66.9	107.2	166.7	(1.4)	5.9	11.1
INTERNATIONAL BROADCASTING [g]	**234.0**	**204.9**	**274.8**	**16.7**	**31.1**	**38.2**
OTHER ACTIVITIES [h]	**0.6**	**-**	**0.2**	**(3.0)**	**-**	**(2.2)**
TOTAL - CONTINUING OPERATIONS	**1,880.3**	**1,970.3**	**2,763.6**	**129.8**	**234.5**	**305.2**

(*) Reclassification of TF1 Hors Média (non-media below-the-line promotional activities) from TF1 Entreprises to Other after its merger into TF1 Publicité, and of WAT from Other to e-TF1

Quarterly revenue

€m	Q1 2008	Q1 2007	Change 08/07	Q2 2008	Q2 2007	Change 08/07	Q3 2008	Q3 2007	Change 08/07
BROADCASTING FRANCE	**557.6**	**581.6**	**(4.1%)**	**577.6**	**590.9**	**(2.3%)**	**404.6**	**415.0**	**(2.5%)**
AUDIOVISUAL RIGHTS	**36.5**	**60.7**	**(39.9%)**	**41.2**	**64.4**	**(36.0%)**	**28.2**	**52.8**	**(46.6%)**
INTERNATIONAL BROADCASTING [g]	**64.2**	**60.0**	**7.0%**	**86.1**	**73.0**	**17.9%**	**83.7**	**71.9**	**16.4%**
OTHER ACTIVITIES [h]	**0.1**	**-**	**NS**	**0.2**	**-**	**NS**	**0.3**	**-**	**NS**
TOTAL - TF1 GROUP	**658.4**	**702.3**	**(6.3%)**	**705.1**	**728.3**	**(3.2%)**	**516.8**	**539.7**	**(4.2%)**

[a] Including 1001 Listes
[b] Comprises Eurosport France, LCI, TV Breizh, TMC, TF6, Série Club, Odyssée, Histoire, Ushuaïa TV, TFOU, JET and TF1 Digital
[c] Mainly comprises TF1 Films Production, TPP, Alma Productions, Glem, TAP, Yagan Productions and Quai Sud
[d] Mainly comprises TF1 Publicité, GIE Aphélie and GIE Acquisition de Droits
[e] Mainly comprises TF1 International, Telema and TCM
[f] Including CIC
[g] Comprises Eurosport International and France 24
[h] Top Tickets

2008 Key Events

BROADCASTING FRANCE

TF1 channel

In an increasingly competitive media environment, TF1 was the only national channel to attract prime time television audiences[2] of more than 7 million this summer. Reality shows were again rock solid, with Koh Lanta in particular recording average audience share of 43.1% of women under 50 in the 2008 season.

September was TF1's best month of the year so far, with audience shares of 32.6%[2] of women aged under 50 and 28.0% of individuals aged four and over[2].

TF1 has had **95 of the 100 best audiences** since the start of the year, achieving a record audience for the France vs. Netherlands football match on June 13, 2008 of 12.7 million viewers[2].

Theme channels

On April 2, 2008, **Ushuaïa TV** was relaunched as the "Sustainable Development and Environmental Protection Channel", with a new programming schedule. A sustainable development website, *Ushuaïa, la terre et nous* (http://ushuaia-terre.tf1.fr) went online to coincide with the relaunch. Ushuaïa TV has also been available in HD on Canalsatellite since September 25.

After 12 years of existence, **Odyssée** is refocusing on lifestyle, elegance and personal wellbeing, around six main themes: elegance and fashion, home and design, personal coaching and wellbeing, celebrities, culture/tourism, and new lifestyles. Odyssée will also be available on Canal Satellite from November 2008.

TMC is continuing to develop, its audience share reaching 2.3% in September 2008[2].

Other companies

In March 2008, **Téléshopping** launched the *placedestendances.com* online ready-to-wear department store, with 32 brands now offered on the site.

On June 20, **TF1 Publicité** won the competitive tendering procedure launched by **Les Indépendants**, an economic interest grouping of 111 local radio stations. This three-year contract, which will take effect on January 1, 2009, represents a diversification opportunity for TF1 Publicité, extending its reach into a new medium: radio.

INTERNATIONAL BROADCASTING

On May 25, 2008, Eurosport launched the Eurosport HD channel in 14 countries. Most of the year's major events (Roland Garros, Euro 2008, the Tour de France, the Beijing Olympics and the US Open) were produced in HD, enabling viewers to receive very high quality images. The speed of the technical deployment and commercial launch of the HD offering is testimony to the Eurosport group's expertise.

This capacity for innovation has been rewarded by 10.5% growth in Eurosport's international pay-to-view subscriber database as of September 30, 2008.

OTHER ACTIVITIES

On May 27, 2008, the CSA (the French audiovisual regulator) announced the result of the bidding process for **personal mobile TV operators**, launched on November 6, 2007. Of the 32 original bidders, 13 were selected, including **TF1** and **Eurosport France**.

[2] Source: Médiamétrie

TF1, **France's most socially-responsible media company**: with a **91.43%** score for environmental awareness and compliance, TF1 was ranked top out of around sixty media companies evaluated by the French Ministry for Ecology, Energy, Sustainable Development and Regional Development, in a report issued in March 2008.

At end June 2008, **the editorial teams at LCI and TF1 were merged**. The new team is headed up by Jean-Claude Dassier , who becomes TF1 Group Executive Vice President – News. There has also been a **reshuffle in advertising**, with Martine Hollinger, Chief Executive Officer of TF1 Publicité, becoming a member of the TF1 Group Executive Management Committee, and Benoît Louvet being appointed as Executive Vice President at TF1 Publicité. Finally, Claude Cohen has become adviser to the executive management of the TF1 Group.

On August 25, TF1 launched a new-format 8 o'clock news programme presented by Laurence Ferrari, reinforcing its audience structure in the target markets of young people, higher socio-professional categories and people in work.

On May 6, 2008, **TF1** and **Endemol** announced the signature of a global partnership agreement between the TF1 Group and the Endemol France Group. The 2-year agreement takes effect on September 1, 2008 and will give TF1 Group channels full access to the Endemol network's catalogue of rights and formats. TF1 also obtained exclusive free-to-air and pay-to-view new media rights for the programmes acquired.

On June 23 and 24, 72 producers attended "**TF1 Pitch",** a new concept devised by the Light Entertainment management team to identify promising new productions. Each producer had 30 minutes in which to present his or her ideas. In the end, around 10 outstanding projects were selected.

On July 18, 2008, e-TF1 acquired Dualnet Communication, which operates movie and drama series news websites (www.dvdrama.com et www.excessif.fr). This acquisition strengthens the TF1 Group's online news offering.

On October 1, 2008, TF1 filed 3 tenders with the CSA relating to **Terrestrial Digital Radio (TDR)**. This first call for tenders relates to 19 broadcasting areas covering the main French cities, representing some 30% of territory coverage. TDR is scheduled to be rolled out in France in the third quarter of 2009.

Management Review – 9 months ended September 30, 2008

Boulogne, November 13, 2008

Total revenue of the TF1 Group for the nine months to September 30, 2008 was down 4.6% at €1,880.3m. Net advertising revenue from the TF1 channel fell by 3.3% to €1,187.8m, while revenue from other activities dropped by 6.6% to €692.5m.

Over the third quarter 2008, the net advertising revenue of the core channel slightly decreased by 2.4%. The total advertising revenue for the Group, excluding TF1 Channel, was up 23.0% thanks to TMC audience performance and the Olympic Games on Eurosport.

Since the start of 2008, the advertising market has been disrupted by the announcement by French President Nicolas Sarkozy (on January 8, 2008) about the removal of advertising from French public-service channels, and by the new tariff scales introduced by France Télévision at the start of 2008. These two factors, combined with less favourable economic conditions, have led advertisers to adopt a wait-and-see attitude.

For the TF1 channel, the food sector was sharply down, with a fall of 10.5%[3] in advertising spend over the first nine months of the year. The drop in advertising spend in this major sector has been due to the lacklustre economic situation since the start of the year, hardened by successive downward revisions to growth forecasts. Likewise, financial sector advertising spend was also down, by 16.4%, while the repercussions of the financial crisis which began at end 1997 are intensifying.

Revenue from other activities was €692.5m, down 6.6%, mainly due to the performance of the movie *La Môme* (English title: *La Vie en Rose*) in the first half of 2007. Stripping out this effect, the fall would have been 3.0%.

The activities of the Téléshopping Group, TF1 Entreprises and TF1 Vidéo were directly affected by the economic situation and the reduction in household consumption.

Eurosport International enjoyed higher subscription and advertising revenue, driven largely by the channel's ongoing expansion across the full range of media (satellite, ADSL and DTT) and by the fact that 2008 has a strong calendar of sports events, especially Euro 2008 and the Beijing Olympics.

Operating profit for the first nine months of 2008 was €129.8m, against €234.5m a year earlier. Aside from the fall in revenue and the cost of the Olympic Games for Eurosport, the reduction was mainly due to:

- reorganization costs (negative impact of €31.3m);
- for the TF1 channel, the fact that the Euro 2008 football tournament was more expensive than the 2007 Rugby World Cup, (total negative impact to end September: €23.4m);
- a reduction in external charges (positive impact of €13.2m);
- the closure of unprofitable businesses (positive impact of €6.8m);
- gains obtained from renegotiating contracts, other than broadcasting contracts (positive impact: €5.3m).

TF1 channel programming costs were up 4.6% at €749.1m. Excluding sports events (Euro 2008 and the 2007 Rugby World Cup), programming costs were up 1.4%.

The cost of net debt increased by €6m to €(20.3)m, mainly as a result of the rise in average indebtedness after the acquisition of 33.5% of the AB Group in April 2007.

Other financial income and expenses amounted to €27.8m in the nine months ended September 30, 2008. This item mainly comprises the remeasurement at fair value of the TF1 Group's put option for 9.9% of Canal+ France, non-recurring impairment losses charged against financial assets, and a positive effect from dollar currency hedges.

Net profit attributable to the Group was down 33.6% at €110.5m due to the slowdown in revenue, costs incurred in 2008 in relation to the broadcasting of major sports events, and reorganization costs.

As at September 30, 2008, shareholders' equity was €1,325.6m out of a balance sheet total of €3,701.8m. Net debt represented 53.9% of shareholders' equity at €714.6m. Of this, €500m represented a bond issue maturing November 2010, with the remainder primarily comprising drawdowns on confirmed credit facilities.

At end September 2008, the TF1 Group had €785m of undrawn confirmed bilateral credit facilities available with some twenty banks. In addition, TF1 had a put option on its stake in Canal+ France, exercisable in February 2010, for a minimum guaranteed amount of €745.8m.

[3] TNS Media Intelligence: national TV market, all sectors

Guidance

In light of the deterioration in the economic situation over the last weeks, TF1 reviews its 2008 forecasted consolidated revenue downwards to around –6% compared to -3% previously.

However, thanks to the cost optimization initiatives undertaken by the management, the Group expects the programming costs to rise no more than 2% compared to 3% initially (including sports events).

This guidance reflects factors of which TF1 is currently aware, assuming no change in group structure and accounting policies.

I. Broadcasting France

The Broadcasting France division generated revenue of €1,539.8m (down 3.0%) and an operating profit of €123.8m.

TF1 channel *(Source: Médiamétrie)*

Over the first nine months of the year, TF1 recorded an audience share of 27.6% for individuals aged 4 and over, rising to 31.4% for women aged under 50. Despite the proliferation of media offerings, TF1 confirmed its market-leading position, recording 95 of the top 100 audience ratings in the first nine months of the year, and broadcasting 65 programmes that each attracted over 8 million viewers.

Advertising

Since the start of 2008, TF1 net advertising revenue has fallen by 3.3%. Conditions in the first nine months of the year were unfavourable for advertising, with no regulatory changes and a serious deterioration in the economy.

Over the first nine months of 2008, TF1's share of the advertising market was 59.1%[4].

Within the overall decline in advertising revenues, different sectors enjoyed contrasting fortunes.

Sectors in decline[4] during the period included:

- *Food*, the no.1 sector for advertising on TF1 (22.7% of gross advertising revenues), showed a fall of 10.5%. The sector is being affected by tough economic conditions, especially the rise in commodity prices and the news that France is entering a recession.
- *Household Cleaning* (5.5% of gross advertising revenue) was down 8.3%, to some extent correlated with economic conditions and levels of household consumption.
- *Banking and Insurance* showed a fall of 16.4%, against the unfavourable background of the world financial crisis.

However, TF1 demonstrated its resilience to economic slowdown by increasing its market share in key sectors: *Food* (61.7%, up 1.9 points), *Household Cleaning* (65.2%, up 2.8 points), *Cosmetics/Beauty* (57.6%, up 2.1 points), and *Banking and Insurance* (57.7%, up 4.6 points).

Sectors achieving growth[4] during the period included:

- *Retail,* which suffered from a tough comparative in the first quarter of 2008 due to the opening up of TV advertising to the retail sector from January 1, 2007, reported a more favourable trend over the period generally (up 3.1%). TF1 also upped its market share by 3.3 points to 60.9%, in a sector which already accounts for 6.0% of revenue.
- *Automotive* rose by 11.2%. Despite the economic situation, the market remains on an uptrend, buoyed in France by the *Salon Mondial de l'Automobile* and the eco disc system, which encourages motorists to buy less polluting cars.
- *Pharmaceuticals/Medicine* is one of the unaffected sectors, recording strong growth since the start of the year (30.8%). TF1's share of this booming market is 58.9% (up 4.4 points).

[4] Source TNS Media Intelligence

Theme channels - France

The French theme channels generated revenue of €138.3m, up 0.2%. The division's advertising revenue rose over the period, largely driven by strong audience ratings for **TMC**.

TMC is the leading DTT channel. It is solidly placed as the no.7 national channel ahead of Arte and the free-to-air DTT channels. TMC also crossed the 2.0% national audience share mark in February this year, reaching 2.3% in September.

With 6.7 million viewers a week and an average audience share of 1.6%, **Eurosport France** is establishing itself as the most watched and most attractive theme channel in France. (*Source: Mediamétrie MediaCabSat survey, audience figures for theme channels between December 31, 2007 and June 15, 2008)*.

Divisional operating profit for the nine months ended September 30, 2008 was €3.8m, compared with €5.1m a year earlier. The fall should be seen in the context of the poor advertising market in 2008, and the broadcasting of the Olympic Games on Eurosport in France.

Number of households per channel:*

Channel	Sept. 30, 2008 (million)	Sept. 30, 2007 (million)	Change
Eurosport France	7.2	7.2	-
TV Breizh	5.8	5.9	-1.7%
LCI	6.9	6.9	-
TMC**	17.2	13.7	+25.5%
TF6	5.8	5.9	-1.7%
Série Club	4.9	5.2	-5.8%
Odyssée	1.3	2.1	-38.1%
Histoire	4.4	4.7	-6.4%
Ushuaia TV	2.1	2.7	-22.2%

** The fall in new subscriptions to some channels is mainly due to the migration of satellite TV offerings to Canalsat. The Odyssée channel will join the other channels on Canalsat from November 2008.*
*** Including terrestrial in the Provence/Alpes/Côte d'Azur region (around 2.2 million households) and DTT.*

Other companies

The contribution of the **Téléshopping Group** to consolidated revenue fell by 1.4% in the first nine months of 2008 to €109.4m as a result of unfavourable economic conditions and a slowdown in household consumption.
Internet activities achieved slight growth of 1.0%, whereas Programmes and Catalogues were in decline.
The Stores business benefited from the opening of a third store in Lyon.
Increased DTT viewing figures for TMC and NT1, plus optimisation of the sales offerings, helped the Infomercials business to grow revenue by 17.0%.
The Turkish business Dogan Téléshopping achieved revenue growth mainly due to the optimisation of sales offerings, a strong performance by the website, and the fact that it is broadcast on a 24-hour channel.

Overall, the Téléshopping Group reported an operating profit of €5.8m.

TF1 Entreprises reported a drop in revenue of 4.1% to €20.8m, mainly due to the Music and Games businesses, which were affected by the slowdown in consumer demand. Overall, the division made an operating loss of €1.3m. Dujardin is still enjoying a good year thanks to the *1000 Bornes* range of games. The Publishing business also achieved growth in a flat market thanks to strong momentum in new launches, the commercial success of titles such as *Les plus belles expéditions* (Ushuaïa) and *Le destin de Lisa*, and the development of the black-and-white segment (archive material and crime fiction).

e-TF1 saw revenue decline by 10.6% over nine months to €38.1m. Despite a rise in advertising revenue and the huge success of TF1 channel programmes rolled out on the net (like Secret Story), e-TF1 was hit by a decline in Interactivity operations.

TF1 Network is confirming its status as the leading network of websites among French TV groups. With 54.7% growth in unique visitors** between August 2007 and August 2008, it ranks no.6 in France, with 14.5 million unique visitors (*Source: Panel Médiamétrie NNR).*

II. Audiovisual Rights

The Audiovisual Rights division generated revenues of €105.9m in the first nine months of 2008, a drop of 40.5%. The division also reported a decline at operating level, posting an operating loss of €7.7m for the period.

The contribution from **TF1 Vidéo** (including CIC) was down 37.6% at €66.9m. TF1 Vidéo is selling into a sharply contracting market, and sales volumes fell by 23% in the absence of any major DVD releases (the comparable period of 2007 saw the release of *La Môme* on DVD, on August 16*)*. As a result, sales through traditional channels (movie and non-movie) were hit hard. The VOD segment saw further growth, with a doubling of revenues. The business made an operating loss of €1.4m.

Revenues for the **Catalogue** business were down 44.8% at €39.0m, reflecting poorer-than-expected cinema releases, the timing of movie releases, and a tough comparative (*La Môme* was released in 2007). The business reported an operating loss of €6.3m.

III. International Broadcasting

Eurosport International

At end September 2008, the Eurosport International channel was received by 108 million households (up 3.5%) in 59 countries. Most of this growth came from the ongoing development of satellite, ADSL and DTT broadcasting.

Internationally, Eurosport had a paying subscriber base of 65 million as of September 30, 2008. This represents an increase of 10.5%, with nearly 65% of the new subscribers located in Central and Eastern Europe.

The TF1 Group broadened its offering in May 2008 with the launch in 24 countries of the Eurosport HD channel, which will broadcast footage of most major sporting events using state-of-the-art high-definition technology. This launch illustrates not only the Group's technical expertise, but also its ability to innovate and react to trends in the market.

Eurosport 2, the sister channel launched in January 2005, is now broadcast to 32.9 million households (up 28.3% year on year) in 43 countries. The channel is continuing to grow in Eastern Europe, boosted by the showing of Premier League matches in Hungary and Romania and by the addition of a Serbian version.

The EurosportNews sports news channel is broadcast to 5.3 million households, the vast majority of them paying subscribers.

Eurosport Events, which manages sports events and markets below-the-line promotional products, broadened its offering with the launch of the World Series of Snooker in June 2008.

Eurosport's internet activities are benefiting from the alliance deal agreed with Yahoo! in May 2007, covering the UK, German, Spanish and Italian markets. This alliance has cemented Eurosport's position as the no.1 sport site in Europe, by combining Eurosport's editorial flair with the commercial muscle and technical expertise of Yahoo!

Investment in international expansion is also paying off, with Eurosport consolidating its position in the Asia/Pacific region, where 2.5 million households were receiving the channel at end September.

Eurosport International revenues were up 13.0% at €231.0m, driven by 11% growth in sales of subscriptions and by 19.1% growth in advertising revenue. Operating profit was down 33.7% at €16.7m due to the heavy programming schedule (largely related to the Olympics) and to investment in strategic growth areas (including High Definition and the strengthening of Eurosport 2 in the United Kingdom).

IV. Risk Factors and Litigation

Since the publication of the TF1 Annual Report on March 26, 2008, the following risk has been identified:

Three contestants from the second series of the *Ile de la Tentation* reality show, broadcast on the TF1 channel for 6 seasons (2002-2007) and executive-produced by GLEM, instigated proceedings claiming that their participation in the show was tantamount to a contract of employment and that they were hence entitled to receive compensation, including amounts due in cases of "clandestine employment".

Their claim was accepted in a decision of the Paris Employment Tribunal in November 2005, upheld in a ruling by the Paris Appeal Court in February 2008. Since that ruling, other contestants from TV reality shows have instigated employment tribunal proceedings against not only the programme producers, but also TF1 as the broadcaster. Meanwhile, GLEM has decided to challenge the Appeal Court ruling of February 11, 2008 in the Supreme Court.

As far as TF1 SA and the TF1 Group are aware, no other new risk factors or litigation have arisen since the publication of the TF1 Annual Report on March 26, 2008 that taken individually would be liable to have a material effect on the business activities, profits, financial position or net assets of TF1 SA or the TF1 Group.

V. Corporate Governance

Patrick Le Lay proposed on July 31st, 2008 that the Board of Directors change its governing rules by ending the separation of the office of Chairman from that of Chief Executive Officer. Consequently, he tendered his resignation as Chairman to the Board, which accepted it. Patrick Le Lay continues to serve on the Board as a Director.

The Board of Directors decided to approve Patrick Le Lay's proposal to appoint Nonce Paolini as Chairman and Chief Executive Officer of the TF1 Group.

The Director Selection Committee now comprises Martin Bouygues (Chairman) and Alain Pouyat (member).

VI. Related Parties

There have been no material changes in respect of related parties since the publication of the TF1 Annual Report on March 26, 2008.

VII. Regulatory Update

The draft Audiovisual Communication and New Public Broadcasting Service Bill was presented in the Council of Ministers on October 22, 2008. The provisions of the draft bill include:

1. Reform of public service broadcasting, involving:
    - The discontinuation of advertising on France Télévisions channels: initially between 8 p.m. and 6 a.m. (from January 5, 2009), and completely on the shutdown of analogue broadcasting.
    - Arrangements for compensating broadcasters for the withdrawal of advertising, involving:
        - inflation-linking of the licence fee;
        - a 3% levy on advertising revenues generated by television channels, and a 0.9% levy on electronic communication media operators.
    - A new organisational structure for public service broadcasters, involving:
        - appointment of chairmen by decree
        - creation of a single France Télévisions undertaking

2. The transposition into French law of the European Audiovisual Media Services Directive, involving:
    - a definition of on-demand audiovisual media services;
    - establishment of the legal framework for on-demand audiovisual media services;
    - the possibility of a second commercial break in films and TV dramas.

On October 22, 2008, TF1 signed an agreement with professional bodies representing producers and writers, intended to replace the decree of July 9, 2001 on the production obligations for French television channels. Under this agreement:

- The obligation to invest 16% of annual revenues in the commissioning of audiovisual productions is replaced by an obligation to invest 12.5% of revenues in productions suitable for repeat broadcasting (drama, original documentaries, animation, live shows, and music videos).
- The new obligation includes 9.25% commissioned from independent producers and 0.6% for animation.
- The following will count towards this new obligation for TF1: (i) material commissioned within the European Union, up to 10% of the obligation; (ii) expenses incurred on training for writers, and on festivals; (iii) advertising expenses (other than self-

promotion); (iv) and amounts spent on the writing, development or production of pilots, which will count double towards the obligation.

- The 120 hours of original EU or EOF programming scheduled to start between 8 p.m. and 9 p.m. can include up to 30 hours of repeats.
- The rules on independence relating to the use of broadcast material are relaxed. The new rules include priority VOD rights, first refusal on the acquisition of other distribution arrangements, entitlement to royalties on all use made of the material, first and last refusal on expiry of the rights, and tighter protection over the life of serials.

This agreement, which is due to take effect on January 1, 2009, is contingent upon the adoption of measures to relax the legislative and regulatory framework governing advertising, and upon the "Tasca" decree being amended to incorporate the principle of equitable treatment between all broadcasters in an equivalent competitive position.

The French government has also initiated a public consultation on revising the rules relating to the dissemination of advertising messages, as derived from the decree of March 27, 1992. The latest draft mentions an increase in the daily average from 6 to 9 minutes of commercial breaks per hour, with 12 minutes of advertising in any one hour. It also proposes allowing sponsorship by non-prescription drugs, and extending the slots available for tele-shopping broadcasts.

Finally, as part of its review of the draft bill on the modernisation of the economy, the French parliament has adopted an amendment to Article 39 of the law of September 30, 1986. The 49% limit on capital ownership of a terrestrial television channel will now apply only to channels with a national audience share of over 8%, rather than 2.5% as previously. This amendment is due to be promulgated within the next few weeks.

VIII. Human Resources Update

The TF1 Group's workforce fell during the first nine months of 2008. As of September 30, 2008, the Group had 3,762 employees, compared with 3,768 as of December 31, 2007.

IX. Share Price

On September 30, 2008, TF1 shares closed at €12.41, a fall of 32.2% since December 31, 2007. This was in line with the trend for other European media stocks. Over the same period, the CAC 40 index fell by 28.2% and the CAC Next 20 index by 31.5%. As of September 30, 2008, the TF1 Group had a market capitalisation of €2.65bn.

Consolidated income statement in management accounting format

€m	2008: 9 months	2007: 9 months	2007: Full year
TF1 Channel			
Advertising revenue	1,187.8	1,228.7	1,718.3
Advertising costs	(57.0)	(58.4)	(81.1)
NET BROADCASTING REVENUES	**1,130.8**	**1,170.3**	**1,637.2**
Royalties and contributions			
- Royalties	(46.2)	(47.8)	(66.4)
- CNC	(62.3)	(64.5)	(90.3)
Broadcasting costs			
- TDF, satellites, transmission costs	(40.7)	(40.9)	(54.2)
Programming costs (excluding Rugby World Cup & Euro 2008)	**(694.6)**	**(684.9)**	**(974.3)**
Programming Costs – Rugby World Cup		**(31.1)**	**(49.9)**
Programming Costs – Euro 2008	**(54.5)**		
GROSS PROFIT	**232.5**	**301.1**	**402.1**
Diversification revenue and other revenues from operations	691.5	740.2	1,038.0
Other operating expenses	(701.0)	(705.4)	(1,005.6)
Depreciation, amortisation and provisions, net	(93.2)	(101.4)	129.3
OPERATING PROFIT	**129.8**	**234.5**	**305.2**
Cost of net debt	**(20.3)**	**(14.3)**	**(21.4)**
Other financial income and expenses	**27.8**	**21.9**	**28.7**
Income tax expense	(34.7)	(74.8)	(93.0)
Share of profits/(losses) of associates	7.9	(0.8)	8.3
NET PROFIT FROM CONTINUING	**110.5**	**166.5**	**227.8**
Post-tax profit of discontinued or held-for-sale operations		0.0	0.0
NET PROFIT	**110.5**	**166.5**	**227.8**
Attributable to the Group	**110.5**	**166.4**	**227.8**
Attributable to minority interests	0.0	0.1	0.0

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

ASSETS (€m)	Note	**Sept. 30, 2008**	**Dec. 31, 2007**	**Sept. 30, 2007**
Intangible assets		**248.8**	**209.7**	**164.0**
Audiovisual rights		213.8	179.8	134.5
Other intangible assets		35.0	29.9	29.5
Goodwill		**506.4**	**509.7**	**505.0**
Property, plant and equipment		**169.3**	**158.3**	**152.9**
Investments in associates	5	**257.6**	**253.4**	**244.0**
Other financial assets	6	**726.0**	**691.6**	**696.1**
Non-current tax assets		**16.0**	**21.8**	**21.3**
Total non-current assets		**1,924.1**	**1,844.5**	**1,783.3**
Inventories		**536.7**	**520.4**	**567.8**
Programmes and broadcasting rights		514.4	499.8	547.9
Raw materials and supplies		22.3	20.6	19.9
Trade and other debtors		**1,110.8**	**1,232.5**	**1,117.5**
Current tax assets		**50.9**	**14.4**	**11.7**
Foreign exchange derivative instruments		**1.1**	**0.3**	**-**
Interest rate derivative instruments	7	**6.6**	**0.9**	**4.8**
Financial assets used for treasury management purposes	7	**2.6**	**3.8**	**-**
Cash and cash equivalents	7	**69.0**	**34.9**	**48.0**
Total current assets		**1,777.7**	**1,807.2**	**1,749.8**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,701.8**	**3,651.7**	**3,533.1**

CONSOLIDATED BALANCE SHEET (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	Note	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Share capital		42.7	42.7	42.9
Share premium and reserves		1,172.4	1,123.5	1,125.3
Net profit attributable to the Group		110.5	227.8	166.4
Shareholders' equity attributable to the Group		**1,325.6**	**1,394.0**	**1,334.6**
Minority interests		-	-	-
Total shareholders' equity		**1,325.6**	**1,394.0**	**1,334.6**
Non-current debt	**7**	**737.5**	**617.6**	**497.2**
Non-current provisions		**33.7**	**34.7**	**34.8**
Non-current tax liabilities		**3.0**	**0.8**	**5.5**
Total non-current liabilities		**774.2**	**653.1**	**537.5**
Current debt	**7**	**49.9**	**14.8**	**119.3**
Foreign exchange derivative instruments	**7**	**1.4**	**7.3**	**5.9**
Interest rate derivative instruments	**7**	**5.4**	**4.5**	**-**
Trade and other creditors		**1,482.6**	**1,513.1**	**1,466.9**
Current tax liabilities		**1.4**	**4.5**	**6.5**
Current provisions		**61.3**	**60.4**	**62.4**
Total current liabilities		**1,602.0**	**1,604.6**	**1,661.0**
Liabilities relating to held-for-sale assets		**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,701.8**	**3,651.7**	**3,533.1**

CONSOLIDATED INCOME STATEMENT

(€m)	Note	2008: 9 months	2007: 9 months	2008: third quarter	2007: third quarter	2007: full year
Net advertising revenue		1,332.4	1,355.9	343.9	342.5	1,900.2
- TF1 channel		*1,187.8*	*1,228.7*	*296.6*	*304.0*	*1,718.3*
- Other channels		*144.6*	*127.2*	*47.3*	*38.5*	*181.9*
Diversification revenue		547.9	614.4	172.9	197.2	863.4
Revenue		**1,880.3**	**1,970.3**	**516.8**	**539.7**	**2,763.6**
Other operating revenue		0.1	0.2	-	0.1	0.2
External production costs		(440.2)	(428.3)	(146.3)	(137.1)	(627.6)
Other purchases and changes in inventory		(427.4)	(403.5)	(136.3)	(144.8)	(562.1)
Staff costs	8	(326.8)	(308.8)	(104.9)	(100.2)	(437.5)
External expenses		(364.2)	(387.7)	(119.7)	(127.4)	(546.6)
Taxes other than income taxes		(100.2)	(103.8)	(27.6)	(28.7)	(141.5)
Depreciation and amortisation, net		(68.5)	(64.5)	(20.6)	(18.2)	(88.4)
Provisions and impairment, net		(24.7)	(36.9)	(3.4)	(16.2)	(40.9)
Other operating income and expenses		1.4	(2.5)	0.4	3.8	(14.0)
Current operating profit/(loss)		**129.8**	**234.5**	**(41.6)**	**(29.0)**	**305.2**
Other non-current operating income and expenses		**-**	**-**	**-**	**-**	**-**
Operating profit/(loss)		**129.8**	**234.5**	**(41.6)**	**(29.0)**	**305.2**
Income associated with net debt	9	4.4	8.7	(1.0)	(2.4)	9.6
Expenses associated with net debt	9	(24.7)	(23.0)	(4.2)	(3.8)	(31.0)
Cost of net debt		**(20.3)**	**(14.3)**	**(5.2)**	**(6.2)**	**(21.4)**
Other financial income and expenses		27.8	21.9	13.9	4.8	28.7
Income tax expense		(34.7)	(74.8)	16.2	11.6	(93.0)
Share of profits/(losses) of associates	5	7.9	(0.8)	2.2	(0.4)	8.3
Net profit/(loss) from continuing operations		**110.5**	**166.5**	**(14.5)**	**(19.2)**	**227.8**
Post-tax profit from discontinued/ held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**110.5**	**166.5**	**(14.5)**	**(19.2)**	**227.8**
Attributable to the Group		**110.5**	**166.4**	**(14.5)**	**(19.3)**	**227.8**
Attributable to minority interests		**-**	0.1	**-**	0.1	-
Weighted average number of shares outstanding (in thousands)		213,401	213,881	213,401	213,752	213,763
Basic earnings per share (in euros)		0.52	0.78	(0.07)	(0.09)	1.07
Diluted earnings per share (in euros)		0.52	0.78	(0.07)	(0.09)	1.06

CONSOLIDATED CASH FLOW STATEMENT

(€m)	2008: 9 months	2007: 9 months	2007: full year
Consolidated net profit (including minority interests)	110.5	166.5	227.8
Depreciation, amortisation, provisions & impairment (excluding current assets)	83.8	71.9	95.8
Intangible assets and goodwill	*58.5*	*53.0*	*74.9*
Property, plant & equipment	*17.2*	*15.6*	*21.2*
Financial assets	*5.6*	*(0.5)*	*3.0*
Provisions	*2.5*	*3.8*	*(3.3)*
Other non-cash income and expenses	(12.2)	(6.9)	(10.3)
Effect of fair value remeasurement	(26.8)	(23.6)	(33.1)
Share-based payment expense	0.5	3.8	4.7
Net (gain)/loss on asset disposals	0.1	(4.8)	(0.6)
Share of (profits)/losses of associates and dividends	(2.9)	0.8	(8.3)
Dividend income from non-consolidated companies	-	-	(2.1)
Sub-total	**153.0**	**207.7**	**273.9**
Net interest expense	20.8	14.4	23.9
Income tax expense (including deferred taxes)	34.7	74.8	93.0
Operating cash flow	**208.5**	**296.9**	**390.8**
Income taxes paid	(66.2)	(72.5)	(99.8)
Change in operating working capital needs	39.4	(23.2)	34.4
Net cash generated by operating activities	**181.7**	**201.2**	**325.4**
Cash outflows on acquisitions of property, plant & equipment and intangible assets	(77.6)	(71.9)	(102.0)
Cash inflows from acquisitions of property, plant & equipment and intangible assets	0.8	1.0	3.2
Cash outflows on acquisitions of financial assets	(4.6)	(9.5)	(1.3)
Cash inflows from disposals of financial assets	0.3	0.2	0.2
Effect of changes in scope of consolidation	(2.7)	(95.8)	(233.2)
Dividends received	-	-	2.1
Change in loans and advances receivable	(2.7)	(2.6)	(1.3)
Net cash used in investing activities	**(86.5)**	**(178.6)**	**(332.3)**
Cash received on exercise of share options	-	8.8	9.0
Purchases and sales of treasury shares	-	(18.7)	(18.7)
Dividends paid during the year	(181.4)	(181.8)	(181.8)
Cash inflows from new debt contracted	114.8	82.6	119.7
Repayment of debt (including finance leases)	(5.9)	(140.7)	(140.5)
Net interest paid (including finance leases)	(13.6)	(7.0)	(22.7)
Net cash used in financing activities	**(86.1)**	**(256.8)**	**(235.0)**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS	**9.1**	**(234.2)**	**(241.9)**
Cash position at beginning of period	**29.9**	**271.8**	**271.8**
Change in cash position during the period	9.1	(234.2)	(241.9)
Cash position at end of period	**39.0**	**37.6**	**29.9**

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	2008: 9 months	2007: 9 months	2007: full year
Consolidated net profit for the period	**110.5**	**166.5**	**227.8**
Fair value adjustments to financial instruments and other financial assets	3.2	(2.1)	(3.9)
Change in cumulative translation difference	-	-	(0.2)
Actuarial gains and losses on employee benefits	-	-	(1.1)
Taxes on items credited or debited directly to equity	(1.2)		0.4
Income and expense recognised directly in equity	**2.0**	**(2.1)**	**(4.8)**
Total recognised income and expense	**112.5**	**164.4**	**223.0**
Attributable to the Group	112.5	164.3	223.0
Attributable to minority interests	-	0.1	-

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER, 31 2007	**42.7**	**2.8**	**(4.7)**	**1,358.0**	**(4.8)**	**1,394.0**	**-**	**1,394.0**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	4.3	(3.8)	-	**0.5**	-	**0.5**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(181.4)	-	**(181.4)**	-	**(181.4)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Net profit attributable to the Group	**-**	**-**	**-**	**110.5**	**-**	**110.5**	**-**	**110.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**2.0**	**2.0**	**-**	**2.0**
BALANCE AT SEPTEMBER 30, 2008	**42.7**	**2.8**	**(0.4)**	**1,283.3**	**(2.8)**	**1,325.6**	**-**	**1,325.6**

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER, 31 2006	**42.8**	**19.8**	**(12.1)**	**1,307.6**	**-**	**1,358.1**	**(0.1)**	**1,358.0**
Capital increase (share options exercised)	0.1	8.7	-	-	-	**8.8**	-	**8.8**
Share-based payment	-	-	-	3.8	-	**3.8**	-	**3.8**
Purchase of treasury shares	-		(18.7)	-	-	**(18.7)**	-	**(18.7)**
Cancellation of treasury shares	-	(7.3)	7.4	-	-	**0.1**	-	**0.1**
Dividends paid	-	-	-	(181.8)	-	**(181.8)**	-	**(181.8)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Net profit attributable to the Group	**-**	**-**	**-**	**166.4**	**-**	**166.4**	**0.1**	**166.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(2.1)**	**(2.1)**	**-**	**(2.1)**
BALANCE AT SEPTEMBER 30, 2007	**42.9**	**21.2**	**(23.4)**	**1,296.0**	**(2.1)**	**1,334.6**	**-**	**1,334.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Significant events in the period

Significant events during the first nine months of 2008 are described in the section of this report preceding the Management Review.

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the nine months ended September 30, 2008 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They do not include all the information required for annual consolidated financial statements, and consequently should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2007 as published in the 2007 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 26, 2008 under reference number D.08-0152. An English-language version of the audited consolidated financial statements for the year ended December 31, 2007 is included in the TF1 Annual Report, which is available on the TF1 corporate website at www.tf1finance.fr/en/index.php.

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 are presented in millions of euros.

They were examined by the Board of Directors on November 13, 2008, and have been subject to a limited 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 and mandatorily applicable to periods beginning on or after January 1, 2008

In preparing its condensed financial statements for the nine months ended September 30, 2008, the TF1 Group has 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, 2007. The Group has elected to apply IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions) with effect from January 1, 2009, as permitted by EC Regulation 611-2007.

2-2-2 New standards, amendments and interpretations for which early adoption is allowed

The TF1 Group has decided not to early adopt IFRS 8, which has been issued by the IASB and endorsed by the European Union and is mandatorily applicable to annual periods beginning on or after January 1, 2009.

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

Standards whose application could have an impact on the TF1 Group financial statements:

- Revised IAS 1 (Presentation of Financial Statements)
Applicable to annual periods beginning on or after January 1, 2009

- Revised IFRS 3 (Business Combinations)
Applicable to business combinations with an acquisition date in the first annual period beginning on or after July 1, 2009

- Amendment to IAS 27 (Consolidated and Separate Financial Statements)
Applicable to annual periods beginning on or after July 1, 2009

- Amendment to IFRS 2 (Share-Based Payment): vesting conditions and cancellations
Applicable to annual periods beginning on or after January 1, 2009

• IFRS Annual Improvement Process
Applicable to annual periods beginning on or after January 1, 2009, except for improvements to IFRS 5 which are applicable to annual periods beginning on or after July 1, 2009

Amendments and interpretations whose application is unlikely to have a material impact on the TF1 Group financial statements:

• Amendment to IAS 23 (Borrowing Costs)
Applicable to annual periods beginning on or after January 1, 2009

• Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation
Applicable to annual periods beginning on or after January 1, 2009

• Amendments to IFRS 1 and IAS 27: Cost of an investment in a subsidiary, jointly controlled entity or associate in separate financial statements
Applicable to annual periods beginning on or after January 1, 2009

• IFRIC 12 (Service Concession agreements)
Applicable to annual periods beginning on or after January 1, 2008

• IFRIC 13 (Customer Loyalty Programmes)
Applicable to annual periods beginning on or after July 1, 2008

• IFRIC 14 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
Applicable to annual periods beginning on or after January 1, 2008

2-3 Changes in accounting policy

With effect from January 1, 2007, the TF1 Group has applied the option allowed under the amendment to IAS 19 (Employee Benefits) to recognise all actuarial gains and losses on defined-benefit plans directly in equity. Previously, the Group applied the "corridor" method, under which actuarial gains and losses greater than 10% of (i) the future obligation or (ii) the fair value of plan assets were recognised in profit or loss over the average remaining working lives of the employees. The retrospective application of this change in accounting policy had no material effect on the 2007 financial statements.

2-4 Changes in presentation

Changes in presentation and reclassifications are made when they provide information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. If the effect of a change in presentation is regarded as material, comparative information must also be reclassified.

Change in presentation of taxes in the balance sheet
TF1 reviewed the presentation of deferred taxes historically used by the Group effective January 1, 2007. In its annual financial statements, TF1 offsets deferred tax assets and liabilities if (i) the entity has a legally enforceable right to offset tax assets and tax liabilities and (ii) these tax assets and liabilities relate to income tax levied by the same tax authority.
For the purposes of quarterly financial information, TF1 now offsets current tax assets and liabilities, in line with the treatment applied in the annual financial statements.
The effect of this change in presentation on the financial statements for the nine months ended September 30, 2007 is to reduce current tax assets and liabilities by €67.6m, and to reduce deferred tax assets and liabilities by €32.1m.

2-5 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, 2007 and the interim financial statements published to date during 2008. As of the date on which the condensed financial statements were examined by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

2-6 Seasonal trends

Advertising revenues are traditionally lower during the summer than during the rest of the year, especially when no major sporting events are broadcast on the TF1 channel.

3 Significant changes in the scope of consolidation

There were no significant changes in the scope of consolidation during the first nine months of 2008.

4 Segment information

4-2 Information by business segment

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. The primary level of segment reporting adopted by TF1 is the business segment, because risks and returns on investment are affected by the nature of the products or services sold. The secondary level of segment reporting is the geographical segment.

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 business segments used in primary-level segment reporting are:

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

International Broadcasting
This segment comprises subsidiaries involved in the development and broadcasting of pay-TV programmes primarily broadcast outside France, in particular Eurosport and France 24.

Audiovisual Rights
Subsidiaries whose principal activity is the production, publishing or distribution of 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).

Other Activities
This segment comprises all activities not included in any of the segments described above.

The contribution of each business segment to the TF1 consolidated financial statements is shown on the following page:

(€m)	Broadcasting France **2008: 9 months**	**2007: 9 months**	Audiovisual Rights **2008: 9 months**	**2007: 9 months**	International Broadcasting **2008: 9 months**	**2007: 9 months**	Other Activities **2008: 9 months**	**2007: 9 months**	Eliminations (2) **2008: 9 months**	**2007: 9 months**	**Total TF1** **2008: 9 months**	**2007: 9 months**
REVENUE												
Third-party revenue	1,539.8	1,587.5	105.9	177.9	234.0	204.9	0.6	-	-	-	1,880.3	1,970.3
Inter-segment revenue	5.6	3.9	8.6	4.2	13.8	11.3	-	-	(28.0)	(19.4)	-	-
Total revenue	**1,545.4**	**1,591.4**	**114.5**	**182.1**	**247.8**	**216.2**	**0.6**	**-**	**(28.0)**	**(19.4)**	**1,880.3**	**1,970.3**
PROFIT												
Current operating profit/(loss)	**123.8**	199.1	**(7.7)**	4.3	**16.7**	31.1	**(3.0)**	-	**-**	-	**129.8**	234.5
Share of profits/(losses) of associates(1)	9.1	-	-	-	-	-	(1.2)	(0.8)	-	-	7.9	(0.8)
Post-tax profit from discontinued/held-for-sale operations	-	-	-	-	-	-	-	-	-	-	-	-

(1) The share of profits/losses of associates recorded for each segment is as follows:

Nine months ended September 30, 2008:

- *Broadcasting France: the €9.1m share of profit for the period relates to the AB Group.*
- *Other Activities: the loss recorded for the period is the Group's share of the loss of Metro France Publications.*

(2) Inter-segment sales and transfers are conducted on an arm's length basis.

5 Investments in associates

The table below gives a breakdown of investments in associates:

(€m) Country	AB Group (1) France/Belgium	Metro France Publications France	Other Associates (2) France	Total
December 31, 2006	-	11.8	28.4	**40.2**
Share of net profit/(loss)	-	(0.8)	-	**(0.8)**
Dividends paid	-	-	-	**-**
Change in scope of consolidation	230.4	-	(26.7)	**203.7**
September 30, 2007	230.4	11.0	1.7	**243.1**
December 31, 2007	238.3	12.0	3.1	**253.4**
Share of net profit/(loss)	9.1	(1.2)	-	7.9
Dividends paid	(5.0)	-	-	(5.0)
Change in scope of consolidation	-	-	1.2	1.2
September 30, 2008	242.4	10.8	4.3	**257.5**

(1) Because of the timing of preparation of the financial statements of the AB Group, the share of this associate's profits for the nine months ended September 30, 2008 has been calculated on the basis of aggregated results for the fourth quarter of 2007 and the first two quarters of 2008.

(2) In 2007, Europa TV was deconsolidated. In 2008, other associates comprise JFG Networks, Sky Art Media and Sailing One. The change in scope of consolidation during 2008 relates to the JFG Networks capital increase reserved for TF1 and to the exercise of the call option held by TF1

6 Other financial assets

The Canal+ France financial asset received in exchange for the transfer of TPS shares represents a 9.9% interest in the capital of Canal+ France plus a put option exercisable in February 2010. This option will enable TF1 to sell all its Canal+ France shares at the greater of:

- a minimum price of €745.8m (for TF1's interest);
- an independent valuation at the exercise date.

On initial recognition, the TF1 Group designated the Canal+ France financial asset (comprising the equity interest and the put option) as a financial asset at fair value through profit or loss. Changes in the fair value of the asset are recognised in "Other financial income and expenses".

The fair value of this financial asset is determined on the basis of the minimum price of €745.8m, discounted at the interest rate derived from the agreement signed on January 6, 2006. During the nine months ended September 30, 2008, the fair value of the asset increased by €29m, raising the reported value of the asset to €694.6m as at that date.

7 Net debt

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

(€m)	Sept. 30, 2008	Dec. 31, 2007
Cash and cash equivalents	69.0	34.9
Financial assets held for treasury management purposes	2.6	3.8
Total cash and cash equivalents (A)	**71.6**	**38.7**
Fair value of interest rate derivative instruments (B)	**1.2**	**(3.6)**
Non-current debt	737.5	617.6
Current debt	49.9	14.8
Total debt (C)	**787.4**	**632.4**
Net debt (C) – (B) – (A)	**714.6**	**597.3**

In 2003, the TF1 Group issued €500m of fixed-rate bonds maturing 2010, classified as non-current debt.
The Group also has credit facilities with various banks totalling €1bn, with a range of maturities up to and including mid-2013. As of September 30, 2008, drawdowns under these facilities amounted to €235m.

The interest rate derivative instruments held by the Group are described below:

- a €300m swap (pay floating rate, receive fixed rate) expiring 2010, designated on inception and until December 31, 2007 as a hedge of the bonds issued by the Group;
- two swaps of €150m each (pay fixed rate, receive floating rate), expiring 2009, contracted at the start of 2008;
- three caps of €50m each, with a strike price of 3.80%, expiring November 2008.

On January 1, 2008, the Group decided to discontinue hedge accounting for the relationship between €300m of the bond issue and the €300m swap. Consequently, none of the interest rate derivative instruments described was designated as a hedge during 2008. Each of these instruments is measured at fair value, with changes in value recognised in profit or loss.

At the same time, the bond issue is now measured at amortised cost using the effective interest method, which discounts the future cash flows of the issue over its remaining life at a rate that exactly discounts these cash flows to the net carrying amount of the issue as at January 1, 2008, the date on which the designation of the hedging relationship was discontinued. Adopting this treatment has led to the recognition of additional interest expense of €1.2m in the nine months ended September 30, 2008 (see note 9).

8 Staff costs

The increase in “Staff costs” in the income statement for the nine months ended September 30, 2008 relative to the comparable period of 2007 is mainly due to restructuring costs, which amounted to €31m in the first nine months of 2008.

Expense arising on share subscription option plan no. 10 awarded by TF1

The TF1 Board of Directors decided on February 20, 2008 to award a share subscription option plan reserved for TF1 Group employees, including corporate officers. The plan involved the granting of 2,000,000 options to subscribe for shares at a price of €15.35. The grant date of the options, which are valid for a period of seven years (i.e. until March 20, 2015), was March 20, 2008. The vesting period of the rights is three years. An expense of €0.5m was recognised for this plan in the nine months ended September 30, 2008, in accordance with IFRS 2.

9 Cost of net debt

The cost of net debt for the nine months ended September 30, 2008 comprised the following items:

(€m)	2008: 9 months	2007: 9 months
Interest income	3.1	1.6
Change in fair value of the hedged portion of the bond issue	-	2.9
Change in fair value of interest rate derivatives	0.7	0.9
Income and revenues from financial assets	0.6	3.3
Income associated with net debt	**4.4**	**8.7**
Interest expense on net debt	(25.6)	(18.9)
Change in fair value of interest rate derivatives	0.9	(4.1)
Expenses associated with net debt	**(24.7)**	**(23.0)**
Cost of net debt	**(20.3)**	**(14.3)**

(1) With effect from January 1, 2008, the TF1 bond issue ceased to be designated as the hedged item in a fair value hedging relationship (see note 7).
(2) The increase in interest expense between the nine months ended September 30, 2007 and the nine months ended September 30, 2008 includes additional interest expense of €1.2m due to the bond issue being measured at amortised cost with effect from January 1, 2008.

10 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)	Sept. 30, 2008	Dec. 31, 2007
Cash and cash equivalents in the balance sheet	69.0*	34.9
Treasury current account credit balances	(5.3)	(2.1)
Bank overdrafts	(24.7)	(2.9)
Total net cash position at end of period per cash flow statement	**39.0**	**29.9**

*Includes an amount of $45m held to cover short-term cash disbursements.

11 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on April 30, 2008 in respect of the 2007 financial year, and the dividend paid during 2007 in respect of the 2006 financial year.

	Paid in 2008	Paid in 2007
Total dividend payout (€m)	181.4	181.8
Dividend per share (€)	0.85	0.85

12 Post balance sheet events

There are no post balance sheet events to report.

Télévision Française 1

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