Consolidated Q1 2006 net profit increased by 22.3% to €74.5M

Boulogne, May 22, 2006

TF1 Board of Directors met on May 22, 2006, under the chairmanship of Patrick Le Lay, and examined the following Q1 2006 financial statements:

CONSOLIDATED FIGURES * (€M)	Q1 2006	Q1 2005	FY 2005	Change 06/05
Total revenue	**654.4**	**626.0**	**2,508.4**	**+ 4.5%**
Incl. TF1 channel advertising revenue	*430.9*	*430.0*	*1,647.5*	*+ 0.2%*
Other activities	*223.5*	*196.0*	*860.9*	*+ 14.0%*
Operating profit	105.5	104.3	353.2	+ 1.2%
Cost of net debt	(2.1)	(2.8)	(12.3)	- 25.0%
Net profit of held-for-sale operations **	*9.8*	*(2.9)*	*14.2*	*NS*
Net profit	**74.5**	**60.9**	**236.3**	**+ 22.3%**

** All financial data are presented in accordance with IFRS and take into account the specific provisions of IFRS 5.*
***TPS is a held-for-sale activity*

In the first quarter 2006, TF1 Group consolidated revenue was up 4.5% to €654.4 M. TF1 channel net advertising revenue slightly increased (+ 0.2%) while the revenue from other activities grew by 14.0%.

In April 2006, TF1 Channel net advertising revenue was up 11%. Over the first 4 months of the year, TF1 advertising market share reached 54.3%, up 0.4 point[1].

In Q1 2006, TF1 Channel programming costs increased by 1.6% to €233.2 M. For the full year 2006, those costs should increase by 3% (excluding the costs of the Football World Cup).

TF1 Group operating profit (continuing activities) for the first quarter 2006 reached €105.5 M, up 1.2%.

Net profit attributable to the Group increased by 22.3% to €74.5 M, that is, a net margin of 11.4%, thanks to the positive net income contribution from other businesses, including held-for-sale activities.

As of March 31, 2006, shareholders' funds totalled €1,121.9 M. Consolidated net debt (continuing and held-for-sale activities) stood at €389.6 M, that is, 34.7% of shareholders' funds.

Outlooks

In a context of high volatility and low visibility on the French advertising market, TF1 channel should register a growth of around 4% in its net advertising revenue for the first half of 2006.

REMINDER:
The full Q1 interim report is available on:
http://www.tf1finance.com
H1 turnover will be released on July 27, after the market closure

NB: Forecasts included in this press release reflect elements currently known by TF1. They depend on economics fluctuations of the coming months. Moreover, considering the cyclical nature of TF1 Group activities, the consolidated quarterly financial statements are not very significant.

[1] Source : Secodip

Contacts:
Investor Relations Department: 33 (1) 41 41 27 32
Press contact: 33 (1) 41 41 36 08
Internet : http://www.tf1finance.com - E-mail: comfi@tf1.fr

Interim Report

First Quarter 2006

Table of contents

Consolidated key figures

All financial data are presented in accordance with IFRS and take into account the specific provisions of IFRS 5.

(€ million)

	Q1 2006	Q1 2005	2005
Revenue	654.4	626.0	2,508.4
TF1 channel advertising revenue	*430.9*	*430.0*	*1,647.5*
Revenue from other activities	*223.5*	*196.0*	*860.9*
Operating profit	105.5	104.3	353.2
Net profit attributable to the Group	74.5	60.9	236.3
Cash flow[1]	128.4	116.6	452.2
Shareholders' funds	1,121.9	1,025.4	1,049.8
Net debt[2]	389.6	442.8	457.7
Earnings per share (€)	0.35	0.28	1.10
Diluted earnings per share (€)	0.35	0.28	1.10

	Q1 2006	Q1 2005	2005
Average number of outstanding shares (in thousands)	213,809	214,474	214,044
Closing share price (end of period) (€)	25.00	24.40	23.44
Average market capitalisation (€ billion)	5.35	5.23	5.02

[1] Cash flow before cost of net debt and income taxes

[2] Total Group net debt (continuing activities + held-for-sale activities)

Q1 2006 key events

BROADCASTING FRANCE

TF1 channel[3]

The first season of the new TF1 crime series *R.I.S. Police Scientifique*, aired in January and February, met with great success and attracted an average of over 10 million viewers.

On January 31, the film *Les Bronzés font du ski* was a huge success, with 12.4 million viewers. Two weeks later, *Les Bronzés* attracted 12.3 million viewers.

On April 29, the final of the French soccer cup between Marseilles and Paris-Saint Germain was an audience winner with 10.8 million viewers and underscored the French population's interest in major sports events.

Thematic channels

Early March, Médiamétrie published the results of the Médiacabsat 10th wave covering cable and satellite audiences for the period from September 5, 2005 to February 19, 2006. Five TF1 Group channels were among the top ten complementary channels (Eurosport, TV Breizh, TMC, LCI and TF6), demonstrating TF1 Group's leadership in creating and producing popular content. Eurosport continues to be the No. 1 cable and satellite channel with a 1.9% audience share, while TV Breizh, at an audience share of 1.3%, confirmed its ranking as the third-placed complementary channel. TMC continued its growth by gaining 0.1 point (taking it to 1.1%) and ranking fifth.

At the end of March, one year after the launch of Digital Terrestrial Television (DTT) in France, 2.5 million DTT receivers (adapters, integrated TV tuners, integrated PCs and set-top boxes) had been sold. 31 sites have covered 50% of the population since October 2005, and June will see the rollout of the third phase to bring that up to 57% of the population. Individuals who can receive DTT consume more TV than the average French viewing population: 4 hours 2 minutes vs. 3 hours 45 minutes (+17 minutes)[4].

In-house production companies

Since the beginning of 2006, four of the latest co-productions from TF1 Films Production have exceeded the one million cinema-goers mark: *Les Bronzés 3, Amis pour la vie* (10.3 million spectators), *Fauteuils d'orchestre*, *La Doublure* and *Jean-Philippe*.

Other companies

TF1 joined forces with Neuf Télécom to rank among the top ten French Internet sites: TF1 Publicité became the advertising company for the Neuf Télécom portal, and e-TF1 will present the home page and supply content.

The TF1 Group allied itself with Bouygues Telecom to launch TF1 Mobile. This offering was launched on May 2, 2006 and combines a "mini fee" with a TF1-developed mobile multimedia service portal. It is based on the combined expertise of two specialists in their respective fields: TF1 for its wealth of content and Bouygues Telecom as an innovative and dynamic mobile telephony operator. The agreement covers a period of five years.

PROGRAMME AND SERVICE DISTRIBUTION

The February launch of the TPS offering on pay DTT. The "TPS DTT pack," for a monthly fee of €24.90, offers the five major TPS channels (TPS Star, Eurosport, LCI, TF6 and Paris Première), plus the 17 free DTT channels.

In March, TPS signed an exclusivity contract to broadcast the first and second division matches of the German soccer league (Bundesliga 1 and Bundesliga 2) for three seasons starting 2006/2007. TPS will hold all rights for matches and magazines produced by the German Professional Football League (DFL); they will be broadcast on TPS Star and Infosport.

[3] Source: Médiamat Médiamétrie
[4] Source: Médiamétrie – Q1 2006.

INTERNATIONAL BROADCASTING

In January, the Eurosport Group transcended its historic boundaries with the launch of a new channel, Eurosport World, in Asia and Australasia. To fuel its growth, it will benefit from the strength of the Eurosport brand in this part of the world.

In January, Eurosport re-designed its eurosport.com website and its different language versions. In February, it also launched a Russian version (eurosport.ru).

In February, Eurosport and Eurosport 2 aired the Turin Winter Olympics, with live broadcasts, news flashes, daily summaries and behind-the-scenes programmes.

Review of operations

All financial data are presented in accordance with IFRS and take into account the specific provisions of IFRS 5.

Boulogne, May 22, 2006

In first quarter 2006, TF1 Group consolidated revenue (continuing activities) increased 4.5% to €654.4 million. The TF1 channel's net advertising revenue rose slightly (+0.2%), while revenue from other businesses (excepting activity in the process of disposal - TPS) grew a strong 14.0%.

For the first four months of the year, TF1 strengthened its leadership position by achieving 48 of the 50 best audiences (vs. 47 in the first four months of 2005).

The first four months of the year showed contrasting advertising trends. After a practically stable first quarter (+0.2%), hit by a decline in advertising investment in the "*Mass Consumption Products"*[5] sectors (-14.9%[6]), April was particularly positive (+11% net). The *Telecommunications*, *Services* and *Transport* sectors buoyed growth for the first four months of the year, achieving increases of 72.5%, 39.8% and 2.8%[6], respectively. TF1's market share reached 54.3% during the period, an increase of 0.4 points.

The 14.0% growth of revenue for the other businesses (except the activity in the process of disposal – TPS) emanated primarily from:

- The Téléshopping Group, whose contribution to first quarter consolidated revenue increased 34.3%, thanks mainly to the revenue growth of the website (+90%) and the expansion of its new in-store activities;
- The thematic channels France, which posted good audience results and an increase of 13.0% of their contribution to consolidated revenue;
- TF1 Entreprises, whose contribution to consolidated revenue improved by 34.5%, thanks to its music business;
- Eurosport International, which had an excellent start to the year, with an 11% increase in the number of paying subscribers to reach 52.1 million (excluding Eurosport France) and a 28% hike in its advertising revenue, due notably to a very good audience level during the Turin Olympics.

On the other hand, some businesses declined:

- TF1 Vidéo (incl. RCV and CIC) (-12.3%), which, despite the success of 'non-film' in first quarter 2006 (notably *Gad Elmaleh*), suffered from the fall in unit sales prices for DVDs and an unfavourable comparison base after the first quarter 2005 success of *Kill Bill Volume 2*, for example;
- TF1 International, whose contribution to consolidated revenue fell by 16.5%, having enjoyed box-office success in first quarter 2005 with *Iznogoud*, *Le Dernier Trappeur* and *Aviator*. This year, cinema distribution activities will be mainly concentrated on the fourth quarter.

TF1 Group operating income (continuing activities) for first quarter 2006 was slightly up (1.2%) to €105.5 million, thanks to the increased contribution from other businesses. Operating income for TF1 SA declined slightly due to the 1.6% increase in grid costs for the TF1 channel, combined with relatively stable net advertising revenue for the channel. The operating margin stood at 16.1% for first quarter 2006. For full year 2006, the Group is maintaining its estimate of 3% for the increase in grid costs, not including the Soccer World Cup.

Net income attributable to the Group (continuing activities + held-for-sale activities) increased by 22.3% to €74.5 million, that is, a net margin of 11.4%. This increase in net income derives mainly from the positive net income contribution from businesses in the process of disposal (TPS).

At March 31, 2006, the Group's shareholder funds totalled €1,121.9 million on a balance sheet total of €3,636.8 million. Total Group net debt (continuing activities + held-for-sale activities) stood at €389.6 million, that is, 34.7% of shareholder funds.

Outlook

The TF1 channel should register growth of around 4% in its net advertising revenue for the first half of 2006.

The Combined Annual General Meeting, which took place on April 25, 2006, voted the distribution of a dividend of €0.65 per share as of May 2, 2006, and adopted all the resolutions proposed by the Board of Directors.

[5] Sectors: *Food, Cosmetics/Beauty Products, Home maintenance* and *Beverages.*
[6] Source: Sécodip.

I. Broadcasting France

The Broadcasting France division generated revenue of €542.9 million for first quarter 2006, up 4.4%, and operating income of €97.4 million. Excluding TF1 SA, this sector achieved a 24.7% growth of its revenue and an operating margin of 6.6%.

TF1 Channel *(Source: Médiamétrie)*

For the first four months of 2006, television consumption averaged 3 hours 39 minutes per day for Individuals aged four years and over, which is stable compared to the first four months of 2005. However, for Women under 50, television consumption reached 3 hours 53 minutes, up seven minutes compared to the same period in 2005.

For the first four months of the year, the TF1 channel's audience share amounted to 34.4% for Women under 50 (down 1.1 points compared to the same period 2005) and 31.4% for Individuals aged four years and over (-0.7 points).

TF1 strengthened its leadership position by achieving 48 of the top 50 audiences in the first four months of the year (vs. 47 in the same period of 2005). This achievement includes 22 TF1 programmes with audiences exceeding 10 million viewers. The film *Les Bronzés font du Ski* came first in the rankings, with 12.4 million viewers.

Advertising *(Source: TNS Sécodip)*

For first quarter 2006, advertising revenue for the TF1 channel increased, subject to varying sector trends:

The growth sectors included:

- *Telecommunications* (+70.1%), buoyed by the investment of mobile telephony operators and Internet Access Providers, as well as by the launch of new "118-series" directory enquiries numbers;
- *Services* (+54.7%), fuelled by the sub-sectors *Banking-Insurance* (+62.0%) and *Employment* (+46.4%);
- *Transport* was up 5.1%, with a 53.1% market share (a 0.3 point improvement).

However, some sectors struggled:

- *Food*, the top advertising sector on TF1 (24.1% of gross advertising revenues), declined 17.6%;
- *Cosmetics/Beauty Products* contracted by 7.4%;
- *House Cleaning* fell 16.3%, but TF1 improved its market share 3.3 points to 61.1%;
- *Beverages* declined 18.2%.

These declines are mainly due to the negotiation period between suppliers and distributors following the passing of the Dutreil Law, which ended mid-March 2006.

April was marked by a recovery of advertising investments (+11.7% gross). *Telecommunications* and *Services* were still dynamic (up 78.3% and 4.6%, respectively). Furthermore, the "*Mass Consumption Products*[7]*"* sectors increased their investments (+6.4% compared to April 2005).

For the first four months of the year, TF1's market share rose 0.4 point to 54.3%.

The cable and satellite thematic channels represented 9.9% of gross advertising revenues in first quarter 2006, an increase of 24.3% over first quarter 2005.

Thematic channels France

In first quarter 2006, revenue for the TF1 Group's combined thematic channels France increased 13.0% compared to first quarter 2005 to reach €35.6 million. This was mainly thanks to:

- the good audience figures achieved by the TF1 Group channels during the latest Médiacabsat[8] wave. Five of the Group's channels were in the top 10, including Eurosport, which confirmed its status as leading channel on cable and satellite, TV Breizh, which held onto its third place, and TMC, which is now ranked fifth. On DTT, TMC is the leading channel (excluding free-to-air channels), with an audience share of 4.3%[9];
- the 15% increase in the channels' advertising revenue for first quarter 2006;

[7] Sectors: *Food, Cosmetics/Beauty Products, Home maintenance* and *Beverages.*
[8] Source: Médiacabsat 10th wave – from September 2005 to February 2006.
[9] Source: Médiamétrie – first quarter 2006.

- the expansion of their subscriber base end March 2006.

Channels	No. of households receiving the channel at March 31, 2006 (in millions)	No. of households receiving the channel at March 31, 2005 (in millions)	Change
Eurosport France	6.6	6.6	-
TV Breizh	4.6	4.5	+2.2%
LCI	5.5	5.4	+1.9%
TMC*	10.7	6.3	+69.8%
TF6	2.8	2.8	-
Série Club	2.2	2.2	-
Odyssée	2.2	2.1	+4.8%
Histoire	4.4	4.2	+4.8%
Ushuaia TV	1.2	1.3	- 7,7%

** Including free-to-air in south-east France (some 2.2 million households) and DTT.*
TMC has been available on TPS since September 2005.

Other companies

In first quarter 2006, the **Téléshopping Group** increased its contribution to consolidated revenue by 34.3% to reach €32.5 million, mainly thanks to the strong revenue growth from the Internet (+90%), which now represents 26% of the Téléshopping Group's revenue. It was also due to the development of new activities – two Paris stores opening mid 2005 and early 2006, a website, "surinvitation.com," dedicated to events sales, and Infomercials launched on some of the cable and satellite channels in October 2005. The Téléshopping Group's operating income amounted to €3.2 million, a rise of 18.5% compared to first quarter 2005.

The **TF1 Entreprises** first quarter 2006 contribution to consolidated revenue came to €7.8 million, an increase of 34.5%. The music business, notably with *Le Roi Soleil*, and sales of parlour games, including *A Prendre ou à Laisser*, were the main sources of growth. In addition, the new subsidiary, **TF1 Hors Média**, started to contribute to TF1 Entreprises' results. Operating income for TF1 Entreprises amounted to €0.9 million for the period.

The interactive division **e-tf1**, at €22.0 million, increased its contribution to revenue by 18.3% in the first quarter. This was thanks to the success of such programmes as *A Prendre ou à Laisser* and *Attention à la Marche* as well as to the increased advertising revenue and the sale of pay content buoyed by the expanding audience for the tf1.fr website (+44% of pages viewed compared to first quarter 2005). Operating income was €1.4 million.

II. Programme and service distribution

The impact of activities in the process of disposal (TPS) on net income attributable to the Group was +€9.8 million.

During the quarter, **TPS** signed an exclusivity contract to broadcast the first and second division matches of the German soccer league (Bundesliga 1 and Bundesliga 2) for three seasons starting 2006/2007. In addition, TPS has added interactive services to its offering.

On December 16, 2005, Vivendi, TF1 and M6 announced a proposal to reach an agreement in the industry with the aim of converging the pay television activities of Canal+ Group and TPS in France into an entity controlled by Vivendi. The objective is to develop a rich and competitive pay television offering with strong brands for the benefit of consumers.

On completion of this operation and consequent on the agreement signed by Vivendi and Lagardère in February 2006, the new entity will be held 65% by Vivendi, 20% by Lagardère, 9.9% by TF1 and 5.1% by M6. Vivendi will have exclusive control of the new entity.

On January 6, 2006, after receiving the views of the relevant staff committees, Vivendi, TF1 and M6 signed the agreement on this project. This was then submitted to the CSA (the French audiovisual regulatory authority) and the competition authorities for approval.

On April 14, 2006, the Minister of the Economy, Finance and Industry referred the operation to the Competition Council, which has three months to deliberate and will announce its conclusions no later than July 13, 2006.

III. Audiovisual rights

In first quarter 2006, the Audiovisual Rights division generated revenues of €50.6 million. Operating income practically doubled to €8.0 million, that is, an operating margin of 15.8% (+8.1 points compared to first quarter 2005).

The contribution of TF1 Vidéo (incl. RCV and CIC) to Group consolidated revenue declined 12.3% to €34.3 million. Despite the success of non-film (notably *Gad Elmaleh*), the first quarter 2006 suffered from a lack of blockbuster releases and an unfavourable comparison base, the first quarter 2005 having been boosted by the success of *Kill Bill Volume 2*. However, 2006 will see the DVD release of films such as *Match Point* and *Basic Instinct 2*. TF1 Vidéo operating income stood at €4.4 million.

TF1 International also suffered from an unfavourable comparison base. Early 2005, several films with over a million box office admissions were distributed by TF1 International: *Aviator*, *Le Dernier Trappeur* and *Iznogoud*. By end 2006, several very promising films will be distributed by TF1 International, including the latest Martin Scorsese film, *The Departed*. The TF1 International contribution to consolidated revenue was €14.2 million, down 16.5%. Its operating income amounted to €2.2 million, vs. a small loss in first quarter 2005.

IV. International broadcasting

At March 31, 2006, Eurosport was received by 107.3 million households, of which 58.6 million were paying subscribers (+5.4 million compared to March 31, 2005, i.e., an increase of 10.2%). The channel is distributed in 54 countries and in 19 languages.

The Eurosport 2 channel, launched on January 10, 2005, is now distributed in eight language versions (English, French, Greek, Italian, Polish, Russian, Romanian and Turkish) to 19.1 million households, practically all paying subscribers.

The sports news channel, Eurosportnews, is installed for the long haul outside Europe (South Africa, India, Australia, New Zealand, etc.) and is broadcast on commercial aeroplanes equipped with the *Connexion by Boeing* technology. It is also distributed to 4.9 million European households (practically all paying subscribers).

The first quarter 2006 contribution to consolidated revenue increased 15.8% to €60.9 million, thanks to the double-digit growth of advertising revenue and the strong increase of the number of paying subscribers. The quality of the editorial treatment of events, the increasing proportion (+8%) of live programmes at 52% of broadcast time, and the excellent performance of the Turin Olympics combined to significantly increase the average audiences of the Eurosport channel, which reached 831,000 viewers per median ¼.

Eurosport International's operating income amounted to €0.1 million, down on first quarter 2005 mainly because of the costs of broadcasting the Turin Olympics.

V. Human resource update

The TF1 Group's workforce increased in first quarter 2006, both at TF1 SA and its subsidiaries. At March 31, 2006 it stood at 4,047 people, compared to 3,962 at December 31, 2005.

VI. The TF1 share

On April 28, 2006, the TF1 share price closed at €26.30, that is, a rise of 12.2% over December 31, 2005. This compares with a 10.0% rise of the CAC 40 index and a rise of 12.7% of the CAC Next20 index. The TF1 Group's market capitalisation on April 28, 2006 was €5.6 billion.

Consolidated Income Statement
Operational breakdown

(€ million)	Q1 2006	Q1 2005	2005
TF1 Channel			
Advertising revenue	430.9	430.0	1,647.5
Advertising agency fees	(19.9)	(22.5)	(86.5)
NET REVENUE FROM BROADCASTING	411.0	407.5	1,561.0
Royalties and contributions			
Authors	(17.7)	(16.0)	(63.2)
CNC	(21.4)	(21.3)	(81.7)
Transmission costs			
TDF, Satellites, Transmissions	(13.5)	(13.1)	(54.9)
Programming costs	(233.2)	(229.6)	(919.4)
GROSS MARGIN	125.2	127.5	441.8
Diversification revenue and other revenue	221.6	190.8	850,2
Other operating expenses	(226.0)	(191.0)	(815.2)
Depreciation, amortisation and provisions (net)	(15.3)	(23.0)	(123.6)
OPERATING PROFIT	105.5	104.3	353.2
Cost of net debt	(2.1)	(2.8)	(12.3)
Other financial income and expenses	(1.7)	1.3	0,6
Income tax expense	(33.8)	(38.6)	(115.5)
Share of profits / losses of associates	(3.2)	(1.9)	(5.5)
NET PROFIT FROM CONTINUING OPERATIONS	64.7	62.3	220.5
Net profit of held-for-sale operations	*9.8*	*(2.9)*	*14.2*
NET PROFIT	74.5	59.4	234.7
Minority interests	0.0	(1.5)	(1.6)
NET PROFIT ATTRIBUTABLE TO THE GROUP	74.5	60.9	236.3

Consolidated Financial Statements[10]

CONSOLIDATED INCOME STATEMENT

(€ million)	Q1 2006	Q1 2005	2005
Net advertising revenue	466.7	459.1	1,790.4
TF1	430.9	430.0	1,647.5
OTHER CHANNELS	35.8	29.1	142.9
Diversification revenue	183.7	162.4	697.5
Technical services revenue	4.0	4.5	20.5
REVENUE	654.4	626.0	2,508.4
Other operating revenue	0.1	0.1	0.5
External production costs	(154.7)	(159.7)	(648.9)
Other purchases and changes in inventory	(115.9)	(95.8)	(395.8)
Staff costs	(94.0)	(86.6)	(362.1)
External expenses	(120.5)	(115.4)	(475.3)
Taxes other than income taxes	(34.4)	(32.8)	(130.1)
Depreciation and amortisation, net	(14.2)	(19.8)	(80.3)
Provisions, net	(1.1)	(3.2)	(43.3)
Other operating income and expenses	(14.2)	(8.5)	(34.1)
CURRENT OPERATING PROFIT	105.5	104.3	339.0
Other non-current operating income and expenses	-	-	14.2
OPERATING PROFIT	105.5	104.3	353.2
Gross cost of financial debt	(3.8)	(4.2)	(17.3)
Income from cash and cash equivalents	1.7	1.4	5.0
COST OF NET DEBT	(2.1)	(2.8)	(12.3)
Other financial income and expenses	(1.7)	1.3	0.6
Income tax expense	(33.8)	(38.6)	(115.5)
Share of profits/losses of associates	(3.2)	(1.9)	(5.5)
NET PROFIT FROM CONTINUING OPERATIONS	64.7	62.3	220.5
Net profit of discontinued and held-for-sale operations	9.8	(2.9)	14.2
NET PROFIT	74.5	59.4	234.7
Minority interests	0.0	(1.5)	(1.6)
NET PROFIT ATTRIBUTABLE TO THE GROUP	74.5	60.9	236.3
Average number of outstanding shares (in thousands)	213,809	214,474	214,044
Earnings per share (€)	0.35	0.28	1.10
Diluted earnings per share (€)	0.35	0.28	1.10

[10] These consolidated financial statements at March 31, 2006 have been subject to a limited review by our statutory auditors

CONSOLIDATED BALANCE SHEET

ASSETS (€ Million)	2006.03	2005.12	2005.03 (1)
Intangible fixed assets	182.5	179.8	130.1
Audiovisual rights	151.8	148.5	98.3
Other intangible fixed assets	30.7	31.3	31.8
Goodwill	481.4	481.4	889.7
Property, plant and equipment	151.7	151.7	205.0
Investments in associates	36.4	39.6	43.2
Other financial assets	22.8	21.0	11.0
Non-current tax assets	53.3	57.1	45.4
NON-CURRENT ASSETS	928.1	930.6	1,324.4
Inventories	527.7	523.1	577.2
Programmes and broadcasting rights	515.8	510.5	559.7
Raw materials and supplies	11.9	12.6	17.5
Trade and other debtors	1,209.6	1,252.7	1,243.7
Current tax assets	45.5	9.1	37.3
Foreign exchange derivative instruments	1.2	3.2	0.8
Interest rate derivative instruments	8.4	11.9	15.3
Cash and cash equivalents	335.3	175.8	117.5
CURRENT ASSETS	2,127.7	1,975.8	1,991.8
Held-for-sale assets	581.0	563.6	-
TOTAL ASSETS	3,636.8	3,470.0	3,316.2

(1) In the balance sheet at March 31, 2005, TPS is not shown as a held-for-sale operation.

EQUITY AND LIABILITIES (€ Million)	*2006.03*	*2005.12*	*2005.03* (2)
Share capital	42.8	42.8	42.9
Share premium and reserves	1,005.9	772.0	922.2
Net profit attributable to the group	74.5	236.3	60.9
Shareholders' funds (attributable to the Group)	1,123.2	1,051.1	1,026.0
Minority interests	(1.3)	(1.3)	(0.6)
SHAREHOLDERS' FUNDS	1,121.9	1,049.8	1,025.4
Long-term debt	511.1	513.3	523.9
Non-current provisions	32.2	32.5	30.6
Non-current tax liabilities	43.6	48.6	57.4
NON-CURRENT LIABILITIES	586.9	594.4	611.9
Short-term debt (1)	123.5	26.0	50.2
Foreign exchange derivative instruments	-	-	1.7
Interest rate derivative instruments	-	-	1.4
Trade and other creditors	1,365.1	1,403.5	1,510.7
Current tax liabilities	39.8	0.7	59.0
Current provisions	42.2	46.0	55.9
CURRENT LIABILITIES	1,570.6	1,476.2	1,678.9
Liabilities relating to held-for-sale assets	357.4	349.6	-
TOTAL EQUITY AND LIABILITIES	3,636.8	3,470.0	3,316.2
(1) Including current bank overdrafts	2.0	0.8	1.5

(2) In the balance sheet at March 31, 2005, TPS is not shown as a held-for-sale operation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital (1)	Consolidated premium and reserves				Shareholders' funds
		Share premium	Retained earnings	Other reserves to capital	Profit recognised directly in equity	
SHAREHOLDERS' FUNDS AT DEC. 31, 05	42.8	24.1	44.7	931.6	7.9	1,051.1
Capital increase (2)	-	2.2	-	-	-	2.2
Operations on treasury shares (3)	-	-	-	(5.5)	-	(5.5)
Share-based payments	-	-	-	-	1.3	1.3
Financial instruments (4)	-	-	-	(0.4)	-	(0.4)
Dividends	-	-	-	-	-	0.0
Profit allocation	-	-	236.3	(236.3)	-	0.0
Q1 2006 net profit	-	-	-	74.5	-	74.5
SHAREHOLDERS' FUNDS AT MARCH 31, 06	42.8	26.3	281.0	763.9	9.2	1,123.2

(1) Share capital is divided into 214,147,129 ordinary shares with a nominal value of €0.20 per share, fully subscribed
(2) Share subscription options exercised
(3) Impact on reserves of instruments subscribed to cover the share option plan of February 21, 2006
(4) Financial instruments: fair value variation and transfer to profit

(€ million)	Reserves	Profit	Total
MINORITY INTERESTS AT DEC. 31, 2005	0.3	(1.6)	(1.3)
Capital increase	-	-	0.0
Change in scope of consolidation	-	-	0.0
Dividends	-	-	0.0
Profit allocation	(1.6)	1.6	0.0
Q1 2006 net profit	-	(0.1)	(0.1)
MINORITY INTERESTS AT MARCH 31, 2006	(1.3)	(0.1)	(1.4)

CASH FLOW STATEMENT

(€ million)	Q1 2006	Q1 2005	2005
Consolidated net profit (including minority interests)	74.5	59.4	234.6
Depreciation, amortisation and provisions (excluding current assets)	13.8	23.4	113.0
- Intangible fixed assets	9.7	13.1	60.1
-Property, plant and equipment	5.0	12.0	44.0
- Financial assets	-	-	0.5
- Provisions for liabilities and charges	(1.0)	(1.7)	8.4
Investment grants released to revenue	(3.7)	(4.2)	(13.0)
Unrealised gains/losses on fair value revaluation	1.0	(7.3)	(9.1)
Non-cash expense/income related to share-based payments	1.3	1.2	4.9
Profit on asset disposals	-	0.1	(19.3)
Share of profit/loss of associates	3.2	1.9	5.6
Dividend income from non-consolidated companies	-	-	(1.4)
Operating cash flow after cost of net debt and income taxes	90.1	74.5	315.3
Cost of net debt	3.7	4.9	20.3
Income tax expense (including deferred taxes)	34.6	37.2	116.6
Operating cash flow before cost of net debt and income taxes	128.4	116.6	452.2
Income taxes paid	(34.9)	(36.4)	(156.4)
Change in operating working capital needs	(6.0)	(76.9)	(47.0)
NET CASH INFLOW FROM OPERATING ACTIVITIES	87.5	3.3	248.8
Including held-for-sale operation	9.9	(14.5)	34.1
Cash outflows on acquisitions of property, plant and equipment and intangible assets	(12,3)	(21.2)	(113.8)
Cash inflows from disposals of property, plant and equipment and intangible assets	0.7	0.4	1.7
Cash outflows on acquisition of financial assets	(1.9)	-	(0.2)
Cash inflows from disposals of financial assets	-	-	1.3
Effect of changes in scope of consolidation	0.6	(0.6)	8.4
Dividends received	-	-	1.4
Change in loans and advances receivable	(0.2)	(0.2)	(13.2)
NET CASH USED IN INVESTING ACTIVITIES	(13.1)	(21.6)	(114.4)
Including held-for-sale operation	(2.1)	(4.9)	(23.8)
Cash received on exercise of share options	2.2	6.6	6.6
Purchases and sales of treasury shares	-	(17.5)	(32.6)
Dividends paid during the year	-	-	(138.9)
Cash inflows from new debt contracted	99.8	8.4	50.2
Repayment of debt (including finance leases)	(16,4)	(6.0)	(24.2)
Net interest paid (including finance leases)	(1,1)	0.4	(20.2)
NET CASH USED IN FINANCING ACTIVITIES	84.5	(8.1)	(159.1)
Including held-for-sale operation	(10.3)	18.1	(9.5)
Effect of changes in exchange rates	-	-	-
Effect of changes in accounting policies	-	0.1	-
Effect of changes in fair value	-	-	-
Including held-for-sale operation	-	0.1	-
TOTAL CHANGE IN CASH POSITION	158.9	(26.3)	(24.7)
Including held-for-sale operation	(2.5)	(1.2)	0.8
Cash position at beginning of period	117.6	142.3	142.3
Cash position change	158.9	(26.3)	(24.7)
Cash position at end of period	276.5	116.0	117.6

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated quarterly financial statements of the TF1 Group at March 31, 2006 include the financial statements of TF1 SA and its subsidiaries, and the TF1 Group's interests in associated undertakings. They are presented in millions of euros.

They were approved by the Board of Directors on May 22, 2006.

The consolidated quarterly financial statements of the TF1 Group at March 31, 2006 have been prepared in accordance with *International Financial Reporting Standards* (IFRS) as adopted by the European Union, and in particular with IAS 34: *Quarterly Financial Statements.* They do not include all the information required for annual financial statements; additional and more detailed information may be found in the consolidated financial statements at December 31, 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the consolidated quarterly financial statements at March 31, 2006 are consistent with those used for the Group consolidated financial statements at December 31, 2005.

The accounting policies adopted by the European Union and effective from January 1, 2006, have been applied by the Group for these interim statements, but they do not have a material impact on them.

3. Q1 2006 KEY EVENTS

The Q1 2006 main key events are described in this report, at the beginning of the review of the quarter's operations.

Following the agreement relating to TPS signed on January 6, 2006 by Vivendi, TF1 and M6, notification was lodged on March 17, 2006 with the DGCCRF (the consumer and competition division of the Ministry of the Economy, Finance and Industry) and on April 14, 2006 the operation was referred to the Competition Council. The forecast timetable provides that the Competition Council will announce its conclusions no later than July 13, 2006. The Minister of the Economy, Finance and Industry then reaches a decision in the following four weeks, to which may be added a further three weeks for discussions relating to any undertakings which may be required.

4. CHANGES IN SCOPE OF CONSOLIDATION

The changes in the scope of consolidation of Q1 2006, as described below, do not have a material effect on the comparability of the consolidated financial statements.

- First consolidation of TF1 Jet Multimedia

At the end of 2005, e-TF1 joined with Jet Multimédia (based in Lyon) to form TF1 Jet Multimédia (TJM), the activity of which is to distribute content for mobile phones. The company was consolidated with effect from January 1, 2006 by proportionate consolidation (50%).

- Acquisition of minority interests

The acquisition during the first quarter of 2006 of an additional stake in Quai Sud increased the TF1 Group's interest in this subsidiary from 75.0% to 83.32%.

The changes in the scope of consolidation between March 31, 2005 and March 31, 2006 do not have a material effect on the comparability of the quarterly consolidated financial statements. These comprise:
- the divestment of subsidiaries Studios 107 and Visiowave, taken into account in the consolidated financial statements with effect from April 1, 2005.
- the first consolidation of the following companies occurring after March 31, 2005:
Ushuaia TV (from Q2 2005)
TMC (from Q3 2005),
Top Shopping, Info Shopping, TF1 Hors-media and La Chaîne Française d'Information Internationale (from Q4 2005).

6. IMPACT OF THE HELD-FOR-SALE OPERATION ON THE FINANCIAL STATEMENTS

As a result of the agreement regarding TPS signed on January 6, 2006 by Vivendi , TF1 and M6, TPS has been regarded since December 31, 2005 as a held-for-sale operation, and consequently is presented in the consolidated financial statements in accordance with IFRS 5.

- In the consolidated income statement, the impact of the held-for-sale operation is shown on a separate line for both 2005 and 2006: "net profit of held-for-sale operations"
- In the consolidated balance sheet as of March 31, 2005 and as of December 31, 2005, the impact of the held-for-sale operation is shown on two separate lines: "Assets of held-for-sale operations" and "Liabilities of held-for-sale operations".
- In the cash flow statements for each period, the contribution of the held-for-sale operation to cash generated by or used in operating activities, investing activities and financing activities is shown on separate lines.

The impact on the income statement and balance sheet corresponds to the contribution of the held-for-sale operation to the consolidated financial statements, and to the effects of eliminating intercompany transactions between continuing operations and the held-for-sale operation.

Details of the impact of the held-for-sale operation on the income statement are presented below:

(€ million)	Q1 2006	Q1 2005	2005
Revenue	87.8	87.9	365.5
External production costs	(23.7)	(19.5)	(77.1)
Other purchases and changes in inventory	(6.4)	(20.5)	(56.7)
Staff costs	(8.7)	(7.9)	(35.3)
External expenses	(33.5)	(34.8)	(139.1)
Taxes other than income taxes	(0.7)	(1.9)	(7.2)
Depreciation and amortisation, net (1)	0.0	(6.4)	(23.4)
Provisions, net	(1.3)	(1.1)	(5.5)
Other operating income and expenses	(2.1)	0.2	(4.2)
Current operating profit	11.4	(4.0)	17.0
Cost of debt	(0.3)	(0.6)	(1.8)
Income from cash and cash equivalents	(0.3)	(0.4)	(1.5)
Cost of net debt	(0.6)	(1.0)	(3.3)
Other financial income and expenses	(0.2)	0.7	1.6
Income tax expense	(0.8)	1.4	(1.1)
Net profit of held-for-sale operations	9.8	(2.9)	14.2

(1) In accordance with IFRS 5, the Group has ceased to depreciate the non-current assets of the held-for-sale operation (the portion of the provision not recognised at March 31, 2006 amounts to €5.4 million).

Details of the impact of the held-for-sale operation on the balance sheet are presented below:

Assets (€ million)	31.03.06 Net	31.12.05 Net
Intangible assets	7.4	6.4
Goodwill	420.3	420.3
Property, plant and equipment	48.4	46.5
Other financial assets	0.2	0.3
Non-current tax assets	4.2	4.3
NON-CURRENT ASSETS	480.5	477.8
Programmes and broadcasting rights	35.8	30.2
Trade and other debtors	123.7	114.4
Current tax assets	(2.3)	(1.6)
Foreign exchange derivative instruments	0.1	0.2
Cash and cash equivalents	(56.8)	(57.4)
CURRENT ASSETS	100.5	85.8
TOTAL ASSETS OF HELD-FOR-SALE OPERATIONS	581.0	563.6

LIABILITIES (€ million)	31.03.06	31.12.05
Long-term debt	9.8	10.4
Non-current provisions	0.6	0.6
Non-current tax liabilities	0.9	0.9
NON-CURRENT LIABILITIES	11.3	11.9
Short-term debt	31.8	37.9
Foreign exchange derivative instruments	0.3	0.2
Interest rate derivative instruments	0.2	0.4
Trade and other creditors	284.0	270.1
Current provisions	29.8	29.1
CURRENT LIABILITIES	346.1	337.7
TOTAL LIABILITIES OF HELD-FOR-SALE OPERATIONS	357.4	349.6

7. DEFINITION OF CASH POSITION

The cash flow statement analyses movements in the net cash position, which includes both the net cash of continuing operations and the cash impact of held-for-sale operations.

(€ million)	31.03.06	31.12.05
Cash and cash equivalents in the balance sheet	335.3	175.8
Bank overdrafts	(2.0)	(0.8)
Cash impact of held-for-sale operations (1)	(56.8)	(57.4)
Cash position at end of period, as reported in cash flow statement	276.5	117.6

(1) TPS cash and cash equivalents *1,4*

Including cash current account between TF1 and TPS *(58.2)*

8. NET DEBT

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

(€ million)	31.03.06	31.12.05
Cash and cash equivalents	335.3	175.8
Total cash and cash equivalents (1)	*335.3*	*175.8*
Fair value of interest rate derivative instruments (2)	*8.4*	*11.9*
Non-current debt	511.1	513.3
Current debt	123.5	26.0
Total debt (3)	*634.6*	*539.3*
Net debt (3) – (2) – (1): continuing operations	290.9	351.6
TPS	98.7	106.0
Net Debt : TF1 Group	389.6	457.6

The TF1 Group has issued €500 million of fixed-rate bonds maturing 2010. Of this issue, €300 million is hedged against interest rate risk. The effective interest rate of the bonds at March 31, 2006 was 4.53% before hedging and 3.63% after hedging.

The fair value of this bond recognised in the balance sheet at March 31, 2006 was €501.9 million. This value has been determined by discounting future cash flows on the basis of interest rates as of March 31, 2006 and factoring in credit risk It decreased by €7.4 million compared to December 31, 2005, mainly due to the significant increase of long-term rates during Q1 2006.

At March 31, 2006, cash includes in particular €99 million advanced by Vivendi on January 6, 2006, together with related interest. The intention is that this advance will be reimbursed in the event that the proposed convergence in the pay television sector is realised. The corresponding book entry is included in current debt. The advance received therefore has no impact on the Group net debt at March 31, 2006.

9. SEGMENT INFORMATION AT MARCH 31, 2006 (CONTINUING ACTIVITIES)

The contribution of each business segment to the consolidated financial statements for Q1 2006 is as follows:

(€ million) March 2006	Broadcasting France	Distribution	Audiovisual rights	Broadcasting international	Other activities	Eliminations	Consolidated total
Third-party revenue	542.9	0.0	50.6	60.9	0.0	-	654.4
Inter-segment revenue	0.5	0.0	2.1	3.8	0.0	(6.4)	
Total revenue	543.4	0.0	52.7	64.7	0.0	(6.4)	654.4
Current operating profit	97.4	0.0	8.0	0.1	0.0	-	105.5

The contribution of each business segment to the consolidated financial statements for Q1 2005 is as follows:

(€ million) March 2005	Broadcasting France	Distribution	Audiovisual rights	Broadcasting international	Other activities	Eliminations	Consolidated total
Third-party revenue	520.2	0.0	58.3	52.6	(5.1)	-	626.0
Inter-segment revenue	0.8	0.0	0.6	3.5	0.0	(4.9)	
Total revenue	521.0	0.0	58.9	56.1	(5.1)	(4.9)	626.0
Current operating profit	98.0	0.0	4.5	6.9	(5.1)	-	104.3

10. SEASONAL EFFECTS

So far as concerns continuing activities, seasonal effects have no incidence on the interim financial statements of the TF1 Group at March 31, 2006

11. POST BALANCE SHEET EVENTS

No significant event has occurred since the end of the accounting period at March 31, 2006.

This page has been left blank intentionally

This page has been left blank intentionally

This page has been left blank intentionally

Télévision Française 1

A public limited company (« Société anonyme ») with a share capital of €42,810,425.80
R.C.S. Nanterre B 326 300 159
Postal address : 1, quai du Point du Jour – 92656 Boulogne Cedex – France
Tel : + 33 1 41 41 12 34
Registered office : 1, quai du Point du Jour – 92656 Boulogne Cedex – France

Contacts:
Investor Relations Department
Tél : 33 1 41 41 27 32, Fax : 33 1 41 41 29 10
Internet : http://www.tf1finance.fr E-mail: comfi@tf1.fr