Financial Report

2012

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Results

Financial Indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2012	2011
Revenue	**2,620.6**	**2,619.7**
TF1 channel advertising revenue	*1,402.8*	*1,504.1*
Revenue from other activities	*1,217.8*	*1,115.6*
Current operating profit	**258.1**	**282.9**
Operating profit	**210.4**	**282.9**
Net profit attributable to the Group	**136.0**	**182.7**
Operating cash flow*	**277.0**	**346.4**
Shareholders' equity attributable to the Group	**1,684.8**	**1,575.1**
Net surplus cash (+)/Net debt (-)	**236.3**	**(40.6)**
Basic earnings per share (€)	**0.65**	**0.86**
Diluted earnings per share (€)	**0.64**	**0.86**

** Before cost of net debt and income taxes*

	2012	2011
Weighted average number of shares outstanding ('000)	**210,716**	**212,436**
Closing share price at end of period (€)	**8.9**	**7.5**
Market capitalisation at end of period (€bn)	**1.9**	**1.6**

Consolidated income statement in management accounting format

€m	2012	2011
TF1 channel		
Advertising revenue	1,402.8	1,504.1
Advertising costs	(73.5)	(75.2)
NET BROADCASTING REVENUE	**1,329.3**	**1,428.9**
Royalties and levies		
- Royalties	(56.5)	(60.6)
- CNC (National Centre for Cinematography)	(81.6)	(82.0)
- Tax on broadcast advertising	(6.0)	(6.4)
Broadcasting costs		
- TDF, satellites, transmission costs	(17.8)	(25.7)
Programming costs (excluding exceptional sporting events)	**(911.3)**	**(881.4)**
Exceptional sporting events	**(24.2)**	**(24.1)**
GROSS PROFIT	**231.9**	**348.7**
Diversification revenue and other revenue from operations	1,212.7	1,114.7
Other operating expenses	(1,102.0)	(1,072.2)
Depreciation, amortisation and provisions, net	(84.4)	(108.3)
CURRENT OPERATING PROFIT	**258.1**	**282.9**
Non-current operating income and expenses	(47.7)	-
OPERATING PROFIT	**210.4**	**282.9**
Cost of net debt	**0.0**	**0.5**
Other financial income and expenses	**5.8**	**5.1**
Income tax expense	(70.5)	(88.7)
Share of profits/(losses) of associates	(6.4)	(13.7)
NET PROFIT	**139.3**	**186.1**
ATTRIBUTABLE TO THE GROUP	**136.0**	**182.7**
Attributable to minority interests	3.3	3.4

Income statement contributions by segment

€m	Revenue 2012	Revenue 2011	Current operating profit 2012	Current operating profit 2011
BROADCASTING FRANCE	**2,084.8**	**2,134.8**	**197.1**	**266.5**
TF1 SA [a]	1,415.8	1,511.0	106.2	177.8
Home Shopping	99.3	100.4	6.8	2.9
Theme Channels – France [b]	320.3	308.8	31.9	38.9
TF1 Entreprises	56.9	49.4	10.9	5.7
Production [c]	25.7	26.4	2.4	4.4
e-TF1	101.3	85.0	18.3	9.2
Other [d]	65.5	53.8	20.6	27.6
AUDIOVISUAL RIGHTS	**129.8**	**115.5**	**3.2**	**(40.1)**
Catalogue [e]	45.7	37.2	2.9	(28.4)
TF1 Vidéo	84.1	78.3	0.3	(11.7)
BROADCASTING INTERNATIONAL	**406.0**	**367.9**	**57.8**	**65.2**
MISCELLANEOUS ACTIVITIES	**-**	**1.5**	**0.0**	**(8.7)**
SPS [f]	-	1.5	-	(8.7)
TOTAL CONTINUING OPERATIONS	**2,620.6**	**2,619.7**	**258.1**	**282.9**

[a] Includes property companies.
[b] Includes Eurosport France, LCI, TV Breizh, TMC, NT1, HD1, TF6, Série Club, Stylía, Histoire, Ushuaïa TV, TF1 Distribution and TF1 Thématiques (formerly TF1 Digital).
[c] TV and film production entities.
[d] Mainly comprises TF1 Publicité and Metro France.
[e] Mainly comprises TF1 Droits Audiovisuels, TF1 International, and TCM (divested on April 19, 2011).
[f] SPS was divested on May 2, 2011.

Quarterly performances

Revenue by segment (€m)	Q1 2012	Q1 2011	Q2 2012	Q2 2011	H1 2012	H1 2011
Broadcasting France	504.9	499.4	540.5	552.8	1,045.4	1,052.2
Audiovisual Rights	38.1	29.0	26.4	21.1	64.5	50.1
Broadcasting International	85.6	84.5	105.7	89.3	191.3	173.8
Miscellaneous Activities	-	1.5	-	-	-	1.5
Total TF1 group	**628.6**	**614.4**	**672.6**	**663.2**	**1,301.2**	**1,277.6**

Revenue by segment (€m)	Q3 2012	Q3 2011	Q4 2012	Q4 2011	FY 2012	FY 2011
Broadcasting France	408.2	442.3	631.2	640.3	2,084.8	2,134.8
Audiovisual Rights	25.0	23.0	40.3	42.4	129.8	115.5
Broadcasting International	118.5	95.9	96.2	98.2	406.0	367.9
Miscellaneous Activities	-	-	-	-	-	1.5
Total TF1 group	**551.7**	**561.2**	**767.7**	**780.9**	**2,620.6**	**2,619.7**

Current operating profit by segment (€m)	Q1 2012	Q1 2011	Q2 2012	Q2 2011	H1 2012	H1 2011
Broadcasting France	39.6	62.4	62.5	118.6	102.1	181.0
Audiovisual Rights	11.1	0.1	(6.2)	(11.2)	4.9	(11.1)
Broadcasting International	5.3	10.0	21.6	17.6	26.9	27.6
Miscellaneous Activities	-	(11.0)	-	-	-	(11.0)
Total TF1 group	**56.0**	**61.5**	**77.9**	**125.0**	**133.9**	**186.5**

Current operating profit by segment (€m)	Q3 2012	Q3 2011	Q4 2012	Q4 2011	FY 2012	FY 2011
Broadcasting France	1.8	6.6	93.2	78.9	197.1	266.5
Audiovisual Rights	1.8	(14.5)	(3.5)	(14.5)	3.2	(40.1)
Broadcasting International	16.7	16.9	14.2	20.7	57.8	65.2
Miscellaneous Activities	-	-	-	2.3	-	(8.7)
Total TF1 group	**20.3**	**9.0**	**103.9**	**87.4**	**258.1**	**282.9**

Key Events of 2012

January

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

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

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

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

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

January 31, 2012: Record viewing figures for the Eurosport channel as an average of 373,000 subscribers watch the final of the Australian Open, the highest rating for a tennis match since Jo-Wilfried Tsonga reached the final of the Australian Open in 2008.

February

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

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

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

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

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

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

March

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

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

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

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

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

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

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

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

April

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

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

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

May

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

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

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

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

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

June

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

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

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

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

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

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

July

July 5, 2012: The TF1 group signs an agreement with the CSA relating to the HD1 channel.

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

August

August 23, 2012: eTF1 signs an exclusive agreement with ProSiebenSat.1 Games to make the German group's online games offer available on MYTF1.fr.

September

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

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

October

October 23, 2012: Metro France and the web portal MeltyNetwork, a media group targeting the 18-30 age bracket, announce the launch of *Meltycampus liked by Metro*, a free magazine aimed at students in and around Paris.

October 25, 2012: The advertising slots on MFM Radio, which attracts over 4.4 million listeners a week in France, will be sold by TF1 Publicité starting January 1, 2013. This further enhances the appeal of Les Indés Radio, TF1 Publicité's market-leading offering in the 25-49 age bracket.

October 26, 2012: TF1 Licences clinches a major partnership deal with Sanrio, being appointed as exclusive agent for the Hello Kitty brand and for the other Sanrio characters.

November

November 12, 2012: Following the success of the must-have first edition of Mille Bornes® scratch-cards, FDJ® renews its partnership with Dujardin, a TF1 Entreprises subsidiary and owner of the Mille Bornes® brand.

November 14, 2012: The TF1 channel's flagship evening news bulletin, *Le Journal de 20H*, wins 1st prize at the *Media Tenor Global TV Awards.* This international prize is awarded for diversity of issues covered and representativeness of news-makers, in terms of both individuals and social, economic and political groups.

November 18, 2012: The TF1 group gears up for the 6th *La Semaine pour l'Emploi* (Jobs Week). Since the initiative was launched in 2009, it has helped over 10,000 people find a job.

November 19, 2012: TF1 Publicité teams up with Yves Rocher, French no.1 in natural cosmetics, to roll out *Miss Beauté by Yves Rocher* on MYTF1. This first-ever brand channel solely devoted to beauty and wellness is accessible to all the 10.6 million IPTV-enabled households in France.

December

December 12, 2012: Launch of HD1, the TF1 group's fourth free-to-air channel, on DTT station 20. HD1 offers quality programming in high definition, available through four different media. The HD1 schedule is built around the biggest offering of feature films on free-to-air TV with nearly 250 films a year, plus French and foreign drama with a high proportion of first runs and a focus on comedy, featuring series, sitcoms and short programmes.

December 18, 2012: At the Social Media Awards organised by NPA Conseil, TF1 is named as the channel with the best digital footprint, and TF1 presenter Nikos Aliagas as digital personality of the year.

December 21, 2012: TF1 and the Discovery Communications group announce a strategic alliance designed to create value in the two groups' complementary businesses.

Boulogne-Billancourt – February 19, 2013

Changes in accounting policy

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

Revenue

The TF1 group was faced with a very challenging environment in 2012, due in particular to the impact of the economic situation on advertising spend.
However, thanks to a capacity for innovation and a good business mix, the Group proved highly resilient to the tough conditions.

As a result, consolidated revenue held steady year-on-year, reaching €2,620.6m in 2012 versus €2,619.7m in 2011.

Full-year revenue for 2012 comprised:

- €1,402.8m of advertising revenue from the TF1 channel, down €101.3m (-6.7%), in an environment made turbulent by the impact of the economic situation on advertising spend.
- €1,217.8m of revenue from other activities, up €102.2m year-on-year (+9.2%), with most of the Group's other activities making a contribution to this increase. Over the full year, the effect of 100% of Metro France being included in the consolidation from July 28, 2011 largely offset the non-recurrence of the €13.3m generated by the resale of Rugby World Cup rights booked in the third quarter of 2011.

Advertising revenue for the TF1 Group as a whole reached €1,775.5m, €46.0m (-2.5%) lower than in 2011. The drop in advertising revenue from the TF1 channel was partly offset by the inclusion of Metro France advertising, growth in advertising revenue for the DTT channels and Eurosport International, and greater monetisation of online video.

In the fourth quarter of 2012, the Group generated consolidated revenue of €767.7m, down €13.2m (-1.7%).

This comprised:

- €423.3m of advertising revenue from the TF1 channel, down €26.4m (-5.9%) year-on-year. During the quarter, the TF1 channel continued to suffer as adverse economic conditions deterred advertisers.
- €344.4m of revenue from other activities, a rise of €13.2m (+4.0%), driven by good performances from TMC, NT1 and TF1 Entreprises in particular.

The geographical split of full-year consolidated revenue in 2012 was 83% from France, 15% from the rest of the European Union, and 2% from the rest of the world.

Programming costs and other current operating income/expenses

TF1 channel programming costs were €935.5m in 2012, versus €905.5m in 2011. This €30.0m rise was due mainly to:

- increased scheduling of first-run drama nearing the end of rights protection, to comply with regulatory requirements;
- a beneficial rise in investment in terms of audience, particularly in the 5.30 p.m. – 8.50 p.m. slot.

The nine UEFA Euro 2012 matches screened in June and July 2012 cost €24.2m. This compares with €24.1m for the 2011 Rugby World Cup, which TF1 broadcast in the third and fourth quarters of 2011.

Sport programming costs (other than exceptional sporting events) fell by 7.0%, largely due to the non-screening of the UEFA Champions League in the second half of 2012. The other genres saw programming costs rise:

- entertainment, gameshows and magazine programmes (+6.4%), reflecting increased scheduling of unscripted formats;
- drama and series (+5.1%), largely as a result of the screening early in the year of first-run drama nearing the end of rights protection, to comply with regulatory requirements;
- news (+3.8%), reflecting strong news flow in 2012, an election year in France;
- films (+2.3%), as more feature films were screened in 2012.

In the fourth quarter of 2012, programming costs were down €16.8m year-on-year, mainly due to the non-recurrence in 2012 of the Rugby World Cup matches shown in October 2011 and to the savings generated by the non-renewal of the UEFA Champions League broadcasting contract. Excluding sporting events, programming costs for the fourth quarter of 2012 were €5.9m lower than in the comparable period of 2011.

Operating costs were up €19.6m at €1,342.6m, a major factor being the impact of the acquisition of Metro France in the second half of 2011.

At the start of 2012, the TF1 group launched phase II of its optimisation plan, with the objective of generating €85m of recurring savings between 2012 and 2014. Pursuant to this Phase II, the Group had already achieved in 2012 recurring savings of €8m on the programming cost of TF1, and €7m on overheads, therefore totalling €15m.

Net charges for depreciation, amortisation, provisions and impairment amounted to €84.4m in 2012, €23.9 million lower than in 2011. In 2011, a high but non-recurring provision for risks and charges had been booked.

Current operating profit

The Group made a current operating profit of €258.1m in 2012, €24.8m less than in 2011. Operating margin was 9.8%, versus 10.8% a year earlier.

However, there was a further improvement in profitability for diversification activities, whose operating margin reached 12.5% (versus 9.4% a year earlier, an improvement of 3.1 points). This performance illustrates again how in each successive quarter, these activities are proving to be a good source of fresh earnings growth.

Bear in mind that 2012 full-year current operating profit includes a €27.1m gain from a successful claim for reimbursement of CNC (National Centre for Cinematography) taxes, recognised in the first quarter of 2012.

In the fourth quarter of 2012, current operating profit was €103.9m, up €16.5m (+18.9%) on the fourth quarter of 2011. Current operating margin was 13.5%, versus 11.2% in the fourth quarter of 2011, an improvement of 2.3 points.

Operating profit

The Group made an operating profit of €210.4m in 2012, €72.5m less than in 2011. Operating margin was 8.0%, versus 10.8% in 2011.

Operating profit for the year includes €47.7m of non-recurring expenses which consists of the costs incurred on Phase II of the optimisation plan, and various other adaptation measures introduced during the year.

Net profit

Cost of net debt was not material, since the TF1 group has no debt.

Other financial income and expenses showed net income of €5.8m in 2012, a year-on-year rise of €0.7m. This reflects the fair value remeasurement during the second quarter of 2012 of the call option over TF1's 33.5% equity interest in the AB Group, which was granted to Claude Berda in June 2010 and expired on June 10, 2012 without having been exercised. With effect from June 11, 2012, the AB group has been accounted for as an associate by the equity method.

Income tax expense for 2012 was €70.5m, versus €88.7m for 2011.

Associates contributed a net loss of €6.4m in 2012. This compares with a loss of €13.7m a year earlier; most of this was attributable to a provision of €8.0m taken against the investment in Metro France, which at that time was 34,3 % held by TF1 and accounted for by the equity method. Metro France has been fully consolidated since July 28, 2011.

Net profit attributable to minority interests was €3.3m in 2012, compared with €3.4m in 2011.

Net profit attributable to the Group therefore came to €136.0m in 2012, versus €182.7m in 2011. Fourth-quarter net profit amounted to €48.4m in 2012, versus €57.5m in 2011.

Financial position

TF1 had shareholders' equity of €1,801.8m as of December 31, 2012, out of a balance sheet total of €3,617.8m.

Shareholders' equity attributable to the Group was €1,684.8m as of December 31, 2012.

On December 31, 2012, the Group had a net cash surplus of €236.3m, compared with a net debt of €40.6m on December 31, 2011. The cash surplus at end 2012 includes the cash proceeds in connection with the acquisition by the Discovery group of a 20% equity interest in the Eurosport group (based on an enterprise value of €170m) and a 20% stake in the TV Breizh, Histoire, Ushuaïa TV and Stylía channels (based on an enterprise value of €14m).
Note that net debt at end-2011 included €58.5m spent by TF1 to acquire a previously rented building occupied by staff from TF1 SA and LCI

As of December 31, 2012, the TF1 group had confirmed bilateral credit facilities of €1,040m with various banks, versus €1,015m at end-2011.
These facilities are renewed regularly as they expire (terms of up to 5 years, depending on the facility), so that the Group has sufficient liquidity at all times.

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

The financial position of the TF1 Group remains very healthy.

Dividend

The Board has asked the Annual General Meeting, called for April 18, 2013, to approve a dividend of €0.55 per share, representing a yield of 6.2% based on the market price of TF1 shares as of December 31, 2012 (€8.85).The ex-date will be April 25, the date of record will be April 29, and the payment date will be April 30.

Human Resources update

The TF1 group had 3,680 permanent contract employees on December 31, 2012, as opposed to 3,810 a year earlier.

Corporate governance

Acting on the recommendation of the Director Selection Committee, the Board of Directors will ask the shareholders to approve the appointment of Mrs Catherine Dussart, Producer, as a Director in place of Mrs Patricia Barbizet, whose term of office expires at the Annual General Meeting of April 18, 2013.

The Board has determined that Mrs Catherine Dussart would qualify as an independent director according to the criteria specified in the AFEP-MEDEF corporate governance code.

The Board of Directors will also ask the shareholders to approve the appointment as Director of Mr Olivier Roussat, until now the permanent representative of Société Française de Participation et de Gestion (SFPG), whose term of office expires at the Annual General Meeting to be held on April 18, 2013.

The twelve members of the Board of Directors would then include four independent directors and four women.

The Board of Directors will also ask the shareholders to approve a reduction in the age limit for the Chairman of the Board of Directors from 68 to 67 years, and concomitantly an extension of the age limit for the Chief Executive Officer to 67 years.

Stock market performance

On December 31, 2012, TF1 shares closed at a price of €8.85, 17% higher than on December 31, 2011. Over the same period, the CAC 40 gained 15% and the SBF 120 gained 17%.

Media indices also gained during the year, with the Euro Stoxx® Media index up 13% and the CAC Media index up 10%.

The TF1 group had a market capitalisation of €1.9bn as of December 31, 2012, compared with €1.6bn a year earlier.

Share ownership

	December 31, 2012		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.7%**	**43.7%**
Treasury shares	**0**	**0.0%**	**0.0%**
TF1 employees	**15,261,434**	**7.2%**	**7.2%**
via the FCPE TF1 fund	*15,176,013*	*7.2%*	*7.2%*
as registered shares	*85,421*	*0.0%*	*0.0%*
Free float - France (1) (2)	**26,570,241**	**12.6%**	**12.6%**
Free float - rest of world (2)	**76,846,349**	**36.5%**	**36.5%**
Total	**210,624,321**	**100.0 %**	**100.0 %**

	December 30, 2011		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.6%**	**43.6%**
Treasury shares	**100,000**	**0.0%**	**0.0%**
TF1 employees	**13,159,913**	**6.2%**	**6.2%**
via the FCPE TF1 fund	*13,071,427*	*6.2%*	*6.2%*
as registered shares	*88,486*	*0.0%*	*0.0%*
Free float - France (1) (2)	**28,873,082**	**13.7%**	**13.7%**
Free float - rest of world (2)	**76,953,711**	**36.5%**	**36.5%**
Total	**211,033,003**	**100.0%**	**100.0%**

	December 31, 2010		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.1%**	**43.1%**
Treasury shares	**14,625**	**0.0%**	**0.0%**
TF1 employees	**12,149,695**	**5.7%**	**5.7%**
via the FCPE TF1 fund	*12,025,780*	*5.6%*	*5.6%*
as registered shares	*123,915*	*0.1%*	*0.1%*
Free float - France (1) (2)	**34,833,010**	**16.3%**	**16.3%**
Free float - rest of world (2)	**74,466,865**	**34.9%**	**34.9%**
Total	**213,410,492**	**100.0%**	**100.0%**

(1) Includes unidentified holders of bearer shares

(2) Estimated based on Euroclear statement

Cancellation of treasury shares

On February 19, 2013, the Board of Directors approved the cancellation of 338,684 shares acquired in January 2013. Following this cancellation, the number of shares and voting rights stands at 210,287,583 and the share capital at €42,057,516.60.

Post balance sheet events

There are no post balance sheet events to report.

Broadcasting France

The Broadcasting France division posted revenue of €2,084.8m in 2012, down €50.0m (-2.3%) year-on-year.
Current operating profit was €69.4m lower than in 2011, at €197.1m.
Current operating margin for the year was 9.5%, versus 12.5% in the previous year.

TF1 Broadcasting

TF1 broadcasting revenue fell by 6.3% in 2012 to €1,415.8m, €95.2m lower than the 2011 figure. Full-year advertising revenue was down 6.7% at €1,402.8.
Fourth-quarter advertising revenue was 5.9% lower at €423.3m.

Current operating profit for the year ended December 31, 2012 was down 40.3% at €106.2m.

TF1 Channel[3]

Sales of TV sets in France, after reaching an all-time high of 8.7 million in 2011, slipped back to 6.7 million in 2012.
The average daily viewing time increased again, reaching 3 hours 50 minutes for individuals aged 4 and over (3 minutes more than in 2011). Among the target audience of "women aged under 50 purchasing decision-makers", the average viewing time was 3 hours 58 minutes, up 2 minutes year-on-year.

The terrestrial analogue signal was switched off on November 30, 2011, which means that virtually 100% of French people with a TV set can now access a multi-channel offering, so that they can as a minimum receive the 19 first-wave free-to-air DTT channels. And 58% of them can access a broader range of channels via satellite, cable, ADSL or pay-to-view DTT.

Market leadership confirmed

The TF1 channel took an audience share of 22.7% among individuals aged 4 and over (versus 23.7% in 2011), rising to 25.5% among "women aged under 50 purchasing decision-makers" (versus 26.7%). The channel's 8.5 point positive gap over the following channel in this key target market is maintained.

Over 2012 as a whole, the TF1 channel attracted 88 of the top 100 audiences across all programmes. It also enjoyed the biggest single audience on any channel with 13.3 million for *Les Enfoirés* on March 16, another all-time high for this show. TF1 retained its unrivalled position, upholding its reputation as the must-see channel by attracting over 9 million viewers for 26 of its programmes, and over 10 million for 6 of them.

TF1 has adapted its positioning to compete with the broader range of free-to-air TV channels.
The priority is to be a star performer in the 6 p.m. to 1 a.m. band. These slots have high audience potential, and hence high monetisation potential. Over this time band, TF1 has a higher audience share than over the day as a whole, with 23.7% among individuals aged 4 and over and 27.9% among the target audience of "women aged under 50 purchasing decision-makers", representing an extra 1.0 and 2.4 points respectively versus the day as a whole.

TF1 is using innovation to refresh its flagship brands and strengthen its regular programmes. The TF1 editorial policy, built on popular, must-see programming, has enabled the channel to achieve the no.1 spot across all its genres. What is more, TF1 achieved the top 10 audience ratings in entertainment, French drama, films, American series and news.

TF1 channel viewing figures have been on an uptrend since September 2012. During the last 4 months of the year, the channel drew an average audience share of 23.2% among individuals aged 4 and over, rising to 26.0% for "women aged under 50 purchasing decision-makers", opening up a 9.0 point positive gap over the following channel in this key target market.

Prime time market leader

The TF1 channel had an average prime time audience of 6.0 million in 2012.

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

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

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

TF1 channel: no.1 across all genres

Entertainment: *Les Enfoirés* was watched by 13.3 million viewers on March 16.
Another success was the Saturday prime-time show *The Voice*, launched in 2012, with an audience peak of 9.3 million and an average audience share of 47% among "women aged under 50 purchasing decision-makers" and 34% among individuals aged 4 and over.

American series: *Mentalist* drew up to 10.1 million viewers, and *House* (French title: *Dr House*) up to 9.1 million.

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

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

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

News: TF1's daily news bulletins are the most widely-watched in Europe: the 8 p.m. bulletin attracted up to 9.8 million viewers and the 1 p.m. bulletin up to 8.3 million. An ambitious editorial strategy driven by news editors and the arrival of new presenters gave fresh impetus both to the flagship evening news bulletin (Le Journal Télévisé du 20h) and to the channel's news coverage generally, and brought larger audiences for TF1 news programming.

Advertising revenue[4]

Gross plurimedia advertising spend (including the internet) in 2012 fell by 0.6% to €27.5bn.

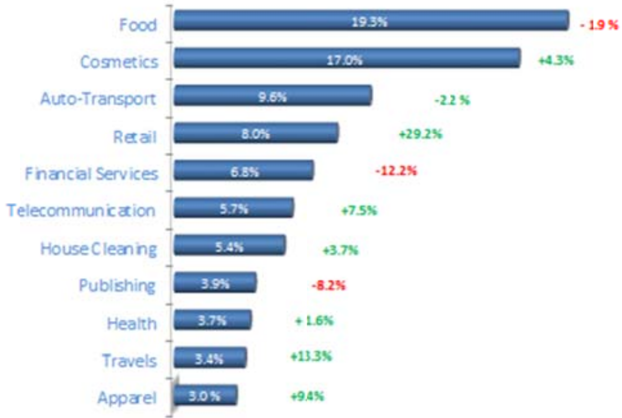
Television (national and regional channels, DTT, cable and satellite) remains the no.1 medium in terms of advertising spend, with market share of 32.7% and gross revenue of €9.0bn in 2012, a year-on-year rise of 4.2%. Advertising spend on free-to-air DTT is still growing rapidly (up by 13.7% or €328.6m).

Print media still ranks second behind TV in France, with gross advertising revenue of €7.5bn, 2.7% lower than in 2011.

Gross revenue for the TF1 channel was up 2.2% year-on-year in 2012. The channel's share of gross advertising revenue across the TV market as a whole was 36.5%.

Some sectors increased their gross advertising spend during 2012: Cosmetics & Beauty (+4.3%), Retail (+29.2%), Telecoms (+7.5%), Travel & Tourism (+13.3%), Household Cleaning (+3.7%), Healthcare (+1.6%) and Apparel (+9.4%). Sectors in decline during 2012 were Food (-1.9%), Auto (-2.2%), Banking & Insurance (-12.2%), Culture & Leisure (-12.7%) and Publishing (-8.2%).

Split of TF1 gross advertising spend by sector, and 2012 vs 2011 growth:



Net advertising revenue for the TF1 channel was €1,402.8m in 2012, 6.7% lower than in 2011. This reflects the effect of the climate of uncertainty on advertisers' spending decisions. In response, the Group's advertising sales business has adopted a strategy designed to bolster demand.

UEFA Euro 2012

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

[4] Source: Kantar Media Intelligence

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

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

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

In financial terms, the impact of the UEFA Euro 2012 tournament on TF1 channel programming costs over the full year (including rights and production costs) was €24.2m for the 9 matches broadcast, giving an average cost per match of €2.7m (versus €3.9m per match for the 2008 tournament).

Home Shopping[5]

After contracting by 0.2% in 2011, the French retail sector as a whole shrank by 2.9% in 2012. However, the home shopping market grew by 2% over the same period.

During 2012, sales over the internet increased by 19% in value terms to €45bn, versus €38bn in 2011, confirming the vitality of e-commerce in France. Over the year as a whole, 514 million sales transactions were made on websites, versus 420 million in 2011, a rise of 22.4%.

The TF1 group's Home Shopping arm generated revenue of €99.3m in 2012, versus €100.4m in 2011, a slight drop (-1.1%). Good performances at stores and the Place des Tendances e-commerce site were offset by lower revenue at Infomercials and at the flagship Téléshopping brand.

Current operating profit for 2012 was up €3.9m year-on-year at €6.8m. This performance reflects the commercial success of the business, tight cost control, and a favourable comparative base (largely due to the impact on 2012 profits of the divestment of 1000 Listes, which took place in 2011).

Theme Channels[6]

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

In 2012, the first-wave free-to-air DTT channels had a combined audience share of 22.0% among individuals aged 4 and over, versus 21.4% a year earlier and 18.3% two years earlier.

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

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

Theme channel revenue for 2012 was €320.3m, up 3.7% year-on-year. Growth was driven by free-to-air channels, especially NT1, which enjoyed a dynamic year.

[5] Source: FEVAD (French e-commerce and distance selling federation)

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

Theme channel advertising revenue advanced by €12.7m (+6.9%).

Current operating profit was €31.9m in 2012, a year-on-year fall of €7.0m, mainly due to LCI (on lower distribution revenue and a busy start to the year in news), plus increased programming spend at TMC and NT1 and the launch of HD1 and despite an improvement of Eurosport France.

TMC

TMC recorded an audience share of 3.6% among individuals aged 4 and over in 2012 (versus 3.5% in 2011), rising to 4.0% among "women aged under 50 purchasing decision-makers" (versus 3.9% in 2011).

TMC was France's leading DTT channel in 2012, cementing its ranking as the 5th most popular national channel among individuals aged 4 and over.

The channel had an average prime time audience of 800,000 and was the most popular channel for films, magazines and entertainment. TMC had 5 of the top 10 DTT audiences in 2012.

The channel recorded the two highest audience ratings for DTT in the year, the best being for the film *Bodyguard*, with over 2 million viewers.

NT1

NT1 saw strong growth in audience share in 2012, both among individuals aged 4 and over (+11%) and "women aged under 50 purchasing decision-makers" (+13%). NT1's share of these target audiences was 2.1% and 2.7% respectively (versus 1.9% and 2.4% in 2011).

The channel had an average prime time audience of 600,000 (100,000 more than in 2011).

NT1 also attracted over 1 million viewers on 40 occasions in 2012 (versus 12 in 2011); viewing figures peaked at 1.8 million for the film *The Bourne Supremacy* (French title: *La mort dans la peau*).

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

Eurosport France

The Eurosport France channel recorded strong growth in its paying subscriber base to 8.8 million (versus 7.7 million in 2011, a rise of 14.1%). A major factor was the opening up of the channel to distribution by internet service providers following the end of CanalSat exclusivity.

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

Subscription revenue rose year-on year. However, advertising revenue fell, reflecting the harsh economic environment and tougher competition, and despite a rise in internet advertising revenue.

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

TV Breizh

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

In difficult competitive and economic conditions, TV Breizh achieved revenue growth and is continuing its efforts to maintain profitability levels.

LCI

In 2012, LCI continued with its editorial stance, focused on analysis and explanation of news stories.

A feature of the year was the editorial approach to the French presidential election campaign; this involved an array of special programmes, plus searching in-depth analysis of news stories and innovative formats such as *Parole de Premiers* (a regular show in which former Prime Ministers commented on campaign issues) and *Vu d'Ailleurs* (on how the French political scene is viewed from other countries).
LCI further emphasised its upmarket positioning at the start of the autumn season with the launch of a new cutting-edge arts programme (*La semaine de l'art*) and two new politics shows (*A l'épreuve des faits* and *Ainsi va l'Amérique*).

Découverte division

The Découverte division recorded revenue growth over 2012 as a whole.

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

TF6 and Série Club

Revenue for these channels, owned 50/50 by TF1 and M6, grew year-on-year. Both channels continued to adjust their cost base, and improved their margins relative to 2011.

TF1 Entreprises

TF1 Entreprises reported revenue of €56.9m for 2012, 15.2% more than for 2011.

Current operating profit for the year was €10.9m, a year-on-year rise of 91.2%. Current operating margin was 19.2%, compared with 11.5% in 2011, an improvement of 7.7 points.

TF1 Entreprises scored many successes across all of its ventures.

Games[7]

The market for board and card games contracted by 3.4% in 2012 relative to 2011.

TF1 Games saw its market share shrink slightly, from 7.7% to 7.4%.
The refreshment of the TV games range with the launch of *Money Drop* and *Les 12 coups de midi* helped TF1 Games achieve 11 products in the top 100 for 2012 sales, including 3 new launches. One big success was its latest addition to the Mille Bornes range: *Mille Bornes As du volant*.

Music[8]

The French music market remained sluggish in 2012, contracting by 4.4%.
Physical sales fell by 11.9%, while related rights rose by 7.5%. The digital market expanded by 13.0% to €125m, representing 25.6% of sales.
In this shrinking market, TF1 musical productions achieved striking success (*Les Stentors*, *Vincent Niclo* and the original soundtrack to the film *Intouchables*).

TF1 Entreprises was also a partner in shows like *Disney on Ice*, and for standout artists of 2012 such as Céline Dion and Johnny Hallyday. The company also developed its role as co-producer of exhibitions and shows, including the musical *1789, les amants de la bastille,* which attracted a total audience of 220,000 in Paris.

Licensing

The Licensing business continues to do well, driven by the ongoing success of brands such as *Barbapapa*, *Ushuaïa*, *Hello Kitty* and *Masterchef*. The collection of Tintin figurines continued to perform well throughout 2012.

Production

Revenue for the Production business fell by 2.7% in 2012 to €25.7m. Current operating profit was €2.4m, €2.0m lower than in 2011.

TF1 Films Production[9]

After an exceptional 2011, cinema attendances fell by 5.9% in 2012 to 204.3 million. However, this is still well ahead of the average over the past 10 years, and 2012 was the fourth year running in which total box office entries topped 200 million (versus a 10-year average of 193.2 million). French films again enjoyed a healthy market share in 2012 at 40.2%, after an exceptionally good 2011 (41.6%).

[7] Source : The NPD Group
[8] Source: SNEP (French National Phonographic Publishing Syndicate)
[9] Source: CNC and Ecran Total

TF1 Films Production recorded a slight decline in revenue, because fewer co-produced films went on general release than in 2011.

During 2012, 14 films co-produced by TF1 Films Production went on general release (versus 21 in 2011), of which 8 attracted more than a million box office entries (versus 13 in 2011).

Film	Release date	Box office entries
UN JOUR MON PERE VIENDRA	Jan 4, 2012	147,714
IL ETAIT UNE FOIS UNE FOIS	Feb 15, 2012	139,145
COMME UN CHEF	March 7, 2012	351,694
CLOCLO	March 14, 2012	1,791,770
L'ONCLE CHARLES	March 21, 2012	329,451
SUR LA PISTE DU MARSUPILAMI	April 4, 2012	5,303,302
LES VACANCES DE DUCOBU	April 25, 2012	1,056,337
LE PRENOM	April 25, 2012	3,340,718
UN BONHEUR N'ARRIVE JAMAIS SEUL	June 27, 2012	1,828,750
BOWLING	July 18, 2012	497,783
LES SEIGNEURS	Sept 26, 2012	2,715,019
STARS 80*	Oct 24, 2012	1,845,040
UN PLAN PARFAIT*	Oct 31, 2012	1,203,215
MAIS QUI A RETUE PAMELA ROSE*	Dec 5, 2012	279,600

** Still being screened as of December 31, 2012*

TF1 Production

TF1 Production reported lower revenue in 2012, due partly to the discontinuation of some of the programmes produced in 2011 and partly to seasonal effects. There was only one season of *Danse avec les stars* in 2012, as opposed to two in 2011.
However, TF1 Production produced new episodes of the series *RIS* for the TF1 core channel during the period, and also continued to produce shows launched in late 2011 (such as *Après le 20h c'est Canteloup*). TF1 Production increased its volume of output for TMC and NT1, and also handled production of the UEFA Euro 2012 football tournament for TF1.

e-TF1

Revenue at e-TF1 saw strong growth in 2012, to €101.3m (up 19.2% on 2011).
Performances were very strong in all areas, including interactivity with the TF1 channel and MYTF1, which continues to be a success in both revenue and profitability terms.
Top-line growth and further cost control helped the business double its current operating profit to €18.3m (versus €9.2m in 2011). Current operating margin reached 18.1% in 2012, against 10.8% in 2011.

This success – in terms of traffic, revenue and profits – provides further vindication of the TF1 digital strategy.

Video performed very well on MYTF1.fr, with 658 million catch-up videos viewed in 2012[10], a rise of 20.3%. In terms of time spent watching videos online, TF1 is the leading French media group, and ranks in the top 3 in France alongside the big multinationals[11].

The MYTF1 app, launched in January 2011, continues to be a great success, with more than 4.5 million downloads to end December 2012[12].

The MYTF1.fr site saw an increase in traffic, with 8.0 million unique visitors in December 2012[13], 1.3% more than in December 2011.

Other[14]

Revenue amounted to €65.5m in 2012, compared with €53.8m in 2011, an increase of €11.7m.

Bear in mind that the 2011 figure included €13.3m of revenue from the resale of Rugby World Cup rights.

In 2012, this item includes revenue from Metro France (100% consolidated since July 28, 2011),

[10] Source: Médiamétrie eStat Streaming
[11] Source: Médiamétrie NetRatings – November 2012
[12] Source: XiTi, eStat Médiamétrie, iTunes Connect, Google Play
[13] Source: Médiamétrie NNR panel November 2012
[14] Source: Kantar Média, 2012 versus 2011

along with the agency commission generated by TF1 Publicité (including Indés Radio advertising airtime sales).
Current operating profit came to €20.6m in 2012, compared with €27.6m in 2011.

Metro France

The gross print media advertising market shrank by 2.7% relative to 2011. Daily news freesheets recorded further growth, up 6.0% year-on-year. Metro France posted a 16.2% gross revenue growth in 2012. Its market share reached 27.3%, up 2.3 points on the previous year. By contrast, 20 Minutes took a 44.3% share (down 0.2 of a point on 2011) and Direct Matin was at 28.4% (down 2.1 points).

Third-party advertising airtime sales

Radio advertising saw growth of 3.7%. Gross advertising spend on the radio stations for which TF1 Publicité sells airtime was 13.1% higher than in 2011, and the company's gross market share gained 1.0 point to 12.7% on national radio.

Audiovisual Rights

The Audiovisual Rights division posted revenue of €129.8m in 2012, a year-on-year rise of 12.4%.

Current operating profit was €3.2m, up €43.3m versus 2011.

Catalogue

For an overview of the French cinema market in 2011, see the comments on TF1 Films Production.

The Catalogue business generated 2012 revenue of €45.7m, versus €37.2m in 2011 (+22.8%). This growth was due to a rise in general release films.

Profitability improved sharply in 2012, with current operating profit reaching €2.9m. This compares with a current operating loss of €28.4m in 2011, most of which was due to the recognition, in the second and third quarters of 2011, of a provision relating to the *Miracle at St. Anna* litigation.

TF1 Vidéo[15]

[15] Source: SEVN - Baromètre Vidéo CNC-GfK

In 2012, the physical and digital video market shrank by 7.8% versus 2011, to €1.3bn. Blu-ray and VoD sales were sharply higher, but failed to offset a marked fall in DVD revenue. Revenue from Blu-ray was €224m (+7.2% year-on-year), while VoD sales reached €225m (+13.1% year-on-year). In 2012, Blu-ray unit sales passed the 10 million mark, and 43 million pay VoD transactions were recorded. DVD remains the preferred media among consumers, representing over two-thirds of the market and a sales value of €892m (14.9% lower than in 2011).

TF1 Vidéo responded to these challenging market conditions by embarking on a rationalisation process, which led to (i) the implementation of a job protection plan and (ii) the signature of a distribution agreement with Paramount Home Media Distribution France on July 13, 2012.

Full-year revenues for the Video business in 2012 were up 7.4% at €84.1m, driven largely by the successful DVD release of the films *Intouchables* and *Polisse*, and by growth in VoD sales.
The business just broke even, making a current operating profit of €0.3m, a €12.0m increase on 2011.

Broadcasting International

Eurosport International

Eurosport International revenue advanced by 10.4% in 2012 to €406.0m.
Current operating profit was €57.8m, down €7.4m on 2011, due mainly to the screening of the London Olympics. Current operating margin was once again robust, at 14.2%.

Revenue growth was boosted both by subscriptions (up 7.3%) and advertising (up 18.4%). Eurosport International advertising revenue defied the tough European economic climate, surging to €88.7m on the back of a busy and attractive schedule of sporting events (especially the Africa Cup of Nations and Euro 2012 football tournaments, the French Open of tennis and the London Olympics) and buoyant audience ratings.

At end December 2012, the Eurosport channel was being received in 131.8 million homes across Europe (3.0 million more than a year earlier).
The Eurosport International paying subscriber base was up 3.6%; growth was driven mainly by Eastern Europe and the United Kingdom.
The Eurosport 2 channel continues to grow, and was being received in 62.5 million homes at end December 2012 (up 9.4% year-on-year).
The Eurosport HD channel is also on a rising trend, having gained 7.6 million new subscribers in twelve months.
The Eurosportnews channel is being received in 2.2 million homes in Europe, mainly in Portugal and Russia. This channel is also well embedded outside Europe, especially in Africa and Oceania.
The Asia/Pacific version of the Eurosport channel is continuing to expand in its catchment area (Asia/Oceania), and had 5.8 million subscribers at end December 2012 (up 16.8% year-on-year).

Overall, the Eurosport group achieved audience growth of 7.1%, despite the intensifying level of competition between sports broadcasters.

The Eurosport group's internet activities are going from strength to strength, propelling Eurosport to the top ranking among European sport sites[16]. With 14 local versions around the world, the website was attracting 3.3 million unique visitors at end December[17].
In addition to the website, Eurosport offers a smartphone and tablet app in 10 languages. This app was downloaded by 10.0 million users (up 85.2% versus 2011).

The Eurosport channels are also broadcast over the internet, and have an average monthly following of 105,000 customers (up 47.6% year-on-year).

Miscellaneous Activities

No activities were included in this segment in 2012. In 2011, this segment comprised SPS, which generated revenue of €1.5m and a current operating loss of €8.7m. SPS was divested in May 2011.

[16] Source: Nielsen Net Ratings
[17] Source: Digital Analytix

Corporate social responsibility

- **Dialogue, diversity and solidarity**

Rewarding young talent

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

Reporters d'Espoirs awards for TF1 teams

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

TF1's flagship evening news bulletin, "Le journal de 20h", awarded 1st prize at the Media Tenor Global TV Awards"[18]

This international prize is awarded for diversity of issues covered and representativeness of news-makers, in terms of both individuals and social, economic and political groups. TF1 became only the second French media organisation ever to win this coveted award. The assessment process involved analysing 144,821 news reports from 23 programmes in 8 different countries, covering the period from July 2011 to June 2012).

- **Career development and dialogue**

Employee satisfaction survey

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

[18] Media Tenor, based in Zürich, was founded in 1993 as the first research institute to focus solely on media analysis.

First company-wide gender parity agreement

Three commitments were made, designed to promote gender parity within the TF1 group:

- encourage gender parity by ensuring a balanced split between men and women in the recruitment process;
- develop specific training for managers to raise their awareness of gender parity issues;
- promote a better work/life balance, and neutralise the impact of paternity/maternity leave.

TF1 ranked highly by VIGEO for its record on human rights and equality

On September 4, 2012, VIGEO published a survey on the Human Rights record of nearly 1,500 listed companies in North America, Asia and Europe from 2009 to 2012. Seven French companies were included in the survey, with TF1 occupying 22nd place in the overall rankings. VIGEO based its analysis on four criteria:

- compliance with human rights standards and prevention of violations;
- respect for freedom of association and collective bargaining rights;
- non-discrimination and promotion of equality;
- prevention of social dumping in the supply chain.

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

TF1 continues the "Integration Challenge" with Team Jolokia

Team Jolokia is following up the *Défi Intégration* ("Integration Challenge"), which involved a mixed disabled/able-bodied crew, by putting together a new "100% diversity crew" to compete in some of the world's greatest crewed yacht races over the next 4 years. The new 20-strong crew, introduced at the Hotel de la Marine in Paris on December 13, 2012, includes a mix of men and women of all ages, able-bodied and disabled, from a range of backgrounds and ethnicities. They were chosen from the 130 people who responded to the advert. TF1 has lent its support to this sporting and human challenge by partnering Jolokia in its odyssey over the coming years.

- **Embedding sustainability**

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

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

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

First "HQE" accreditation for a TF1 building
On November 15, 2012, the Le Delta building became the first property occupied by TF1 to gain "HQE Exploitation" environmental accreditation in recognition of the environmental policy adopted by TF1's Corporate Affairs department, the landlord, the OECD (TF1's fellow tenant) and their service-providers, in the management and maintenance of the property. After an accreditation process that called for substantial information-gathering and documentation, the auditors found that TF1 already had a strong commitment to sustainable development, and that many good practices were already in place. An accreditation process will also be followed for the Atrium and La Tour buildings.

- **Ethical Purchasing**

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

Outlook

The TF1 group faces another year of economic uncertainty in 2013.

With the economic situation still deeply troubled, we are working on the assumption that our full-year consolidated revenue for 2013 will contract by 3%.

Despite the upheavals of the past five years, we have nonetheless succeeded in radically transforming the TF1 group:

- In terms of our offering, we are no longer just a mass media player: we now combine the effectiveness of mass media with the intimacy of digital media.
- In terms of our business model: the TF1 channel is now at the heart of a new ecosystem. Its audience, boosted by flagship programmes and strong brands with massive spin-off potential, has become a source of fresh revenues.

However, to continue our progress and build for the future, we will be addressing five key issues in 2013: consolidating our free-to-view offering, enhancing our pay-TV offering, expanding our consumer businesses, improving our competitiveness, and continuing to deliver on our corporate social responsibility agenda.

Locking in a new free-to-view model

Our free-to-view TV offering is unrivalled in France, thanks to 4 channels: TF1, the undisputed leader; the fast-growing channels TMC and NT1; and HD1, the new creative channel we launched on December 12, 2012. Our free-to-view strategy is to extend the TF1 channel's reach across all our activities, building on our status as a multi-channel group.

One of our priorities in 2013 will be to consolidate our overall audience.

We will also focus on developing new programmes on our channels (not only TF1, but also TMC, NT1 and HD1), enhancing the fit and exploiting the synergies between our channels, while continuing to comply with all of our commitments to the relevant authorities.

To provide content to our channels, we will continue with our policy of investing in innovative formats – on our own, in partnership or via in-house production – while retaining a rigorous negotiating stance and making the most of our rights portfolio.

Finally, in terms of selling airtime on the TF1 and HD1 channels, in 2013 our in-house agency TF1 Publicité will seek to maintain the value of slots and intensify digital spin-offs. At the same time, the agency will be looking for opportunities to sell space on new media, in order to offer advertisers a more comprehensive service, from mass media to one-to-one media.

Expand our consumer businesses

We have forged close relationships with all our publics through all the outlets available, including social networks. TF1 interacts with the consumer through home shopping, DVD/VoD production and distribution, board and card games, and music production.

In this area, we will continue during 2013 to move forward with our customer-oriented strategy, based on three main levers:

- Brand exploitation, including not just the TF1 brand with its unrivalled promotional and value-creative power, but also our broader portfolio of strong brands.
- Technological opportunities, which will inevitably offer new possibilities for enhanced viewer/programme interactivity, ever-greater diversification of access to content, and multi-screen experiences.
- The constantly-evolving customer/viewer relationship, with advertisers demanding ever sharper targeting. Not only are we making steady progress in this area, but we also offer an array of media channels with promising potential.

Enhancing our pay-TV offering

Our strategy for 2013 will be to develop a competitive offering for the French market. The partnership between TF1 and Discovery Communications will enable us to rely on Discovery's experience in non-fiction media channels so that we can provide French distributors with a benchmark offering of theme channels, with our existing channels complemented by Discovery's rights portfolio.

We will also seek during 2013 to exploit the many synergies between Eurosport and Discovery Communications. The two groups will join forces in distribution (including the formation of a joint venture), in local advertising, and in business development, consistent with Eurosport's strategy.

Improving our competitiveness

During 2013, we will press ahead with Phase II of our optimisation plan, designed to adapt our business model. Focused on reducing operating costs and introducing greater flexibility, Phase II has already generated €15m of savings in 2012.

We will now be working to unlock a further €70m of recurring savings by end 2014, thanks to lower overheads, better productivity and optimisation of programming costs.

In light of the economic situation, we have decided to accelerate the implementation of Phase II.

In 2013, TF1 channel programming costs should not exceed €900m.

Corporate social responsibility

Conscious of our responsibilities as a leading media group, we embed corporate social responsibility into all of our strategic decisions.

In 2013, we will once again be at the forefront of CSR initiatives in the media sector. We will respect diversity in our people and programmes, and ensure that our programmes are inclusive and non-discriminatory. We will promote solidarity, social cohesion and sustainable development, and remain open at all times to dialogue with all our stakeholders.

Thanks to solid fundamentals, a healthy financial position giving us the means to realise our goals, clear and ambitious strategy, we are now better placed that ever to consolidate our position as France's leading private-sector television group. Our watchwords for the future: anticipate and deliver.

Consolidated Financial Statments
Year ended Decemeber 31, 2012

Consolidated Balance Sheet

ASSETS (€m)	*Note*	**Dec. 31, 2012**	**Dec. 31, 2011**
Goodwill	*7*	**874.3**	**874.3**
Intangible assets		**129.8**	**142.0**
Audiovisual rights	*8.1*	55.2	70.8
Other intangible assets	*8.2*	74.6	71.2
Property, plant and equipment	*9*	**216.8**	**230.8**
Investments in associates	*10*	**161.1**	**1.3**
Non-current financial assets	*12.1*	**15.8**	**167.6**
Non-current tax assets	*28.2.2*	**10.6**	**5.8**
Total non-current assets		**1,408.4**	**1,421.8**
Inventories		**632.1**	**648.5**
Programmes and broadcasting rights	*11*	615.2	635.6
Other inventories		16.9	12.9
Trade and other debtors	*12.4*	**1,302.0**	**1,241.8**
Current tax assets		**14.5**	**0.5**
Other current financial assets	*12*	**2.1**	**5.9**
Cash and cash equivalents	*12.5*	**258.7**	**35.9**
Total current assets		**2,209.4**	**1,932.6**
Held-for-sale assets		**-**	**-**
TOTAL ASSETS		**3,617.8**	**3,354.4**
Net surplus cash/(Net debt)	*15*	**236.3**	**(40.6)**

Consolidated Balance Sheet (Continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	*Note*	**Dec. 31, 2012**	**Dec. 31, 2011**
Share capital	*13.1*	42.1	42.2
Share premium and reserves		1,506.7	1,350.2
Net profit for the period attributable to the Group		136.0	182.7
Shareholders' equity attributable to the Group		**1,684.8**	**1,575.1**
Minority interests		117.0	12.1
Total shareholders' equity		**1,801.8**	**1,587.2**
Non-current debt	*14 & 15*	**13.6**	**18.0**
Non-current provisions	*16.1*	**39.3**	**40.0**
Non-current tax liabilities	*28.2.2*	**9.8**	**9.9**
Total non-current liabilities		**62.7**	**67.9**
Current debt	*15*	**8.8**	**58.5**
Trade and other creditors	*14*	**1,687.2**	**1,563.7**
Current provisions	*16.2*	**53.5**	**56.6**
Current tax liabilities		**2.9**	**20.2**
Other current financial liabilities	*14*	**0.9**	**0.3**
Total current liabilities		**1,753.3**	**1,699.3**
Liabilities relating to held-for-sale assets		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,617.8**	**3,354.4**

Consolidated Income Statement

(€m)	Note	2012	2011
Net advertising revenue		1,775.5	1,821.5
- TF1 channel		*1,402.8*	*1,504.1*
- Other media		*372.7*	*317.4*
Diversification revenue excluding advertising		845.1	798.2
Revenue	*17*	**2,620.6**	**2,619.7**
Other operating revenue		0.4	0.8
External production costs	*18*	(772.5)	(702.9)
Other purchases and changes in inventory	*19*	(442.2)	(432.3)
Staff costs	*20*	(423.9)	(432.8)
External expenses	*21*	(488.2)	(469.7)
Taxes other than income taxes	*22*	(147.0)	(145.2)
Depreciation and amortisation, net		(71.8)	(78.4)
Provisions and impairment, net		(12.6)	(29.9)
Other operating income	*23*	126.0	87.5
Other operating expenses	*23*	(130.7)	(133.9)
Current operating profit		**258.1**	**282.9**
Non-current operating income	*24*	-	-
Non-current operating expenses	*24*	(47.7)	-
Operating profit		**210.4**	**282.9**
Income associated with net debt	*25*	0.6	1.4
Expenses associated with net debt	*25*	(0.6)	(0.9)
Cost of net debt		**-**	**0.5**
Other financial income	*26*	7.6	5.9
Other financial expenses	*26*	(1.8)	(0.8)
Income tax expense	*28*	(70.5)	(88.7)
Share of profits/(losses) of associates	*10*	(6.4)	(13.7)
Net profit from continuing operations		**139.3**	**186.1**
Net profit from discontinued or held-for-sale operations		**-**	**-**
Net profit		**139.3**	**186.1**
attributable to the Group		**136.0**	***182.7***
attributable to minority interests		*3.3*	*3.4*
Weighted average number of shares outstanding ('000)	*29*	210,716	212,436
Basic earnings per share from continuing operations (€)	*29*	0.65	0.86
Diluted earnings per share from continuing operations (€)	*29*	0.64	0.86

Statement of Recognised Income And Expense

(€m)	2012	2011
Consolidated net profit for the period	**139.3**	**186.1**
Items not reclassifiable to profit or loss		
Actuarial gains/losses on employee benefits	(7.2)	2.4
Net tax effect of equity items not reclassifiable to profit or loss	2.5	(0.8)
Share of non-reclassifiable income and expense of associates recognised in equity	-	-
Items reclassifiable to profit or loss		
Remeasurement of hedging instruments	(3.8)	2.3
Remeasurement of available-for-sale financial assets	-	-
Change in cumulative translation adjustment of controlled entities	0.1	0.2
Net tax effect of equity items reclassifiable to profit or loss	1.4	(0.8)
Share of reclassifiable income and expense of associates recognised in equity	-	-
Income and expense recognised directly in equity	**(7.0)**	**3.3**
Total recognised income and expense	**132.3**	**189.4**
attributable to the Group	129.0	186.0
attributable to minority interests	3.3	3.4

Consolidated Statement of Changes in Equity

(€m)	Note	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Share-holders' equity attributable to the Group**	Minority interests	**Total share-holders' equity**
BALANCE AT DECEMBER 31, 2010		**42.7**	**3.7**	**(0.4)**	**1,489.4**	**3.5**	**1,538.9**	**8.7**	**1,547.6**
Capital increase (share options exercised)		-	0.1	-	-	-	**0.1**	-	**0.1**
Share-based payment		-	-	-	1.0	-	**1.0**	-	**1.0**
Purchase of treasury shares		-	-	(26.5)	-	-	**(26.5)**	-	**(26.5)**
Cancellation of treasury shares		(0.5)	(3.8)	26.2	(21.9)	-	**-**	-	**-**
Dividends paid		-	-	-	(117.2)	-	**(117.2)**	**-**	**(117.2)**
Other transactions with shareholders		-	-	-	(7.2)	-	**(7.2)**	**-**	**(7.2)**
Total transactions with shareholders		**(0.5)**	**(3.7)**	**(0.3)**	**(145.3)**	**-**	**(149.8)**	**-**	**(149.8)**
Consolidated net profit for the period		**-**	**-**	**-**	**182.7**	**-**	**182.7**	**3.4**	**186.1**
Income & expense recognised directly in equity		**-**	**-**	**-**	**-**	**3.3**	**3.3**	**-**	**3.3**
Other movements (changes in accounting policy, changes in scope of consolidation, other changes)		-	-	-	-	-	**-**	**-**	**-**
BALANCE AT DECEMBER 31, 2011		**42.2**	**-**	**(0.7)**	**1,526.8**	**6.8**	**1,575.1**	**12.1**	**1,587.2**
Capital increase (share options exercised)		-	-	-	-	-	**-**	-	**-**
Share-based payment		-	-	-	0.7		**0.7**	-	**0.7**
Purchase of treasury shares		-	-	(2.3)	-	-	**(2.3)**	-	**(2.3)**
Cancellation of treasury shares		(0.1)	-	3.0	(3.0)	-	**(0.1)**	-	**(0.1)**
Dividends paid		-	-	-	(116.0)	-	**(116.0)**	(1.0)	**(117.0)**
Other transactions with shareholders		-	-	-	93.0	-	**93.0**	102.6	**195.6**
Total transactions with shareholders		**(0.1)**	**-**	**0.7**	**(25.3)**	**-**	**(24.7)**	**101.6**	**76.9**
Consolidated net profit for the period		**-**	**-**	**-**	**136.0**	**-**	**136.0**	**3.3**	**139.3**
Income & expense recognised directly in equity		**-**	**-**	**-**	**-**	**(7.0)**	**(7.0)**	**-**	**(7.0)**
Other movements (changes in accounting policy, changes in scope of consolidation, other changes)		-	-	-	5.4	-	**5.4**	**-**	**5.4**
BALANCE AT DECEMBER 31, 2012		**42.1**	**-**	**-**	**1,642.9**	**(0.2)**	**1,684.8**	**117.0**	**1,801.8**

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

Consolidated Cash-Flow Statement

(€m)	Note	2012	2011
Consolidated net profit (including minority interests)		139.3	186.1
Depreciation, amortisation, provisions and impairment (excluding current assets)		75.3	79.7
Intangible assets and goodwill		*44.7*	*48.2*
Property, plant and equipment		*30.4*	*29.7*
Financial assets		*(0.2)*	*0.2*
Non-current provisions		*0.4*	*1.6*
Other non-cash income and expenses		(9.2)	(14.6)
Effect of fair value remeasurement		(5.2)	(2.5)
Share-based payment		0.7	1.0
Net (gain)/loss on asset disposals		0.4	(3.5)
Share of (profits)/losses and dividends of associates		6.4	13.7
Dividend income from non-consolidated companies		(1.2)	(1.7)
Sub-total		**206.5**	**258.2**
Cost of net debt		-	(0.5)
Income tax expense (including deferred taxes)		70.5	88.7
Operating cash flow		**277.0**	**346.4**
Income taxes (paid)/reimbursed		(102.1)	(73.2)
Change in operating working capital needs		87.6	(82.1)
Net cash generated by/(used in) operating activities		**262.5**	**191.1**
Cash outflows on acquisitions of property, plant and equipment and intangible assets		(51.4)	(100.9)
Cash inflows from disposals of property, plant and equipment and intangible assets		1.1	1.9
Cash outflows on acquisitions of financial assets		(3.4)	(5.4)
Cash inflows from disposals of financial assets		0.1	-
Effect of changes in scope of consolidation		(6.4)	8.8
Purchase price of investments in consolidated activities		*(6.4)*	*(4.8)*
Proceeds from disposals of investments in consolidated activities		*-*	*16.8*
Net liabilities related to consolidated activities		*-*	*-*
Other cash effects of changes in scope of consolidation		*-*	*(3.2)*
Dividends received		1.2	1.7
Change in loans and advances receivable		0.2	(0.8)
Net cash generated by/(used in) investing activities		**(58.6)**	**(94.7)**
Cash received on exercise of share options		-	0.1
Purchases and sales of treasury shares		(2.3)	(26.5)
Other transactions between shareholders	*30.3*	192.3	-
Dividends paid during the year		(117.0)	(117.2)
Cash inflows from new debt contracted		0.4	0.2
Repayment of debt (including finance leases)		(4.7)	(8.7)
Net interest paid (including finance leases)		-	0.5
Net cash generated by/(used in) financing activities		**68.7**	**(151.6)**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS		**272.6**	**(55.2)**
Cash position of continuing operations at start of period		**(18.2)**	**37.0**
Change in cash position of continuing operations during the period		272.6	(55.2)
Cash position of continuing operations at end of period	*30.1*	**254.4**	**(18.2)**

Notes to the consolidated financial statements

The notes to the consolidated financial statements are included in the full version of the financial statements, and are available on the TF1 corporate website via the following link:
http://www.groupe-tf1.fr/en/finance/financial-results-publications/financial-reports/2012-7242819-843.html

Diary dates

April 18, 2013: Shareholders' Annual General Meeting
April 25, 2013: 2012 dividend ex-date
April 30, 2013: 2012 dividend payment date
May 7, 2013: Revenue and financial statements for the first quarter of 2013
July 25, 2013: Revenue and financial statements for the first half of 2013
November 7, 2013: Revenue and financial statements for the first nine months of 2013

These dates may be subject to change.

Télévision Française 1

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