PARENT COMPANY INCOME STATEMENT (French GAAP)

(€m)	Note	2011	2010
Operating income		1,626.9	1,660.5
Advertising revenue	*2.12 & 4.1*	1,435.2	1,473.9
Revenue from other services		4,.7	2.3
Income from ancillary activities		7.3	8.4
Revenue		1,447.2	1,484.6
Stored production		(0.5)	0.7
Capitalised production		0.7	5.2
Operating grants		0.2	0.0
Reversals of depreciation, amortisation, provisions and impairment		81.2	68.9
Cost transfers	*4.6*	95.5	98.6
Other income		2.6	2.5
Operating expenses		(1,429.4)	(1,506.4)
Purchases of raw materials and other supplies	*4.2*	(610.0)	(594.5)
Change in inventory		(36.2)	(38.9)
External expenses		(348.1)	(421.2)
Taxes other than income taxes	*4.3*	(106.6)	(109.5)
Wages and salaries	*4.4*	(133.0)	(127.9)
Social security charges	*4.4*	(61.3)	(64.8)
Depreciation, amortisation, provisions and impairment			
- amortisation of co-productions already transmitted		(5.6)	(13.7)
- amortisation and depreciation of other non-current assets		(15.4)	(15.6)
- amortisation of deferred charges		(0.0)	(0.2)
- impairment of intangible assets and current assets		(43.4)	(41.1)
- provisions for liabilities and charges		(8.7)	(18.3)
Other expenses	*4.5*	(61.1)	(60.7)
OPERATING PROFIT		197.5	154.1
Share of profits/losses of joint operations		0.0	0.0
Financial income		131.5	139.7
Financial expenses		(144.2)	(88.9)
NET FINANCIAL INCOME	*4.7*	(12.7)	50.8
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		184.8	204.9
Exceptional income		37.4	22.5
Exceptional income from operating transactions		31.4	0.5
Exceptional income from capital transactions		3.0	13.3
Reversals of provisions and impairment		3.0	8.7
Exceptional expenses		(57.9)	(32.1)
Exceptional expenses on operating transactions		(4.6)	(1.2)
Exceptional expenses on capital transactions		(10.6)	(22.2)
Depreciation, amortisation, provisions and impairment		(42.7)	(8.7)
EXCEPTIONAL ITEMS	*4.8*	(20.5)	(9.6)
Employee profit-sharing		(4.6)	(4.6)
Income taxes	*4.9 & 4.10*	(45.2)	(33.5)
NET PROFIT		114.5	157.2

PARENT COMPANY BALANCE SHEET (French GAAP)

ASSETS (€m)	Note	Dec. 31, 2011 Net	Dec. 31, 2010 Net
Intangible assets	*2.2 & 3.1*	45.8	42.0
Concessions and similar rights		9.2	8.6
Trademarks		0.0	0.0
Purchased goodwill		0.0	0.0
Other intangible assets		0.0	0.0
Intangible assets in progress		3.1	2.2
Co-productions available for initial transmission		12.7	8.8
Co-productions available for retransmission		15.0	15.0
Co-productions in progress		5.8	7.4
Property, plant and equipment	*2.3 & 3.2*	44.1	50.7
Land		0.0	0.0
Buildings		0.0	0.0
Technical facilities		17.1	21.7
Other property, plant and equipment		26.7	29.0
Property, plant and equipment under construction		0.3	0.0
Non-current financial assets	*2.4 & 3.3*	1,386.4	1,474.1
Investments in subsidiaries and affiliates		1,285.3	1,313.5
Loans and advances to subsidiaries and affiliates		0.0	0.0
Other long-term investment securities		0.8	0.1
Loans receivable		100.0	160.2
Other non-current financial assets		0.3	0.3
NON-CURRENT ASSETS		1,476.3	1,566.8
Inventories and work in progress	*2.5 & 3.4*	400.2	421.8
Raw materials and other supplies		0.0	0.0
Goods bought for resale		0.0	0.0
Broadcasting rights available for initial transmission		198.2	202.8
Broadcasting rights available for retransmission		200.6	217.1
Broadcasting rights in progress		1.4	1.9
Advance payments	*2.6 & 3.5.1*	116.6	154.7
Trade debtors	*2.7 & 3.5.2*	349.7	334.3
Other debtors	*3.5.3*	107.2	131.4
Short-term investments and cash	*2.8 & 3.6*	134.0	70.9
Prepaid expenses	*3.7*	5.3	5.6
CURRENT ASSETS		1,113.0	1,118.7
Deferred charges		0.0	0.0
Bond redemption premium		0.0	0.0
Unrealised foreign exchange losses		0.3	0.0
TOTAL ASSETS		2,589.6	2,685.5

LIABILITIES AND SHAREHOLDERS’ EQUITY (€m)	Note	Dec. 31, 2011	Dec. 31, 2010
Share capital		42.2	42.7
Share premium		0.0	3.8
Revaluation reserve		0.0	0.0
Legal reserve		4.3	4.3
Long-term capital gains reserve		0.0	0.0
Other reserves		813.4	835.0
Retained earnings		290.7	250.7
Net profit for the year		114.5	157.2
Restricted provisions	*2.10*	38.7	34.1
SHAREHOLDERS’ EQUITY	*3.8*	1,303.8	1,327.8
PROVISIONS FOR LIABILITIES AND CHARGES	*2.11 & 3.9*	80.0	67.5
Bond issues		0.0	0.0
Bank borrowings (1)		1.3	0.1
Other borrowings (2)		470.1	497.2
Trade creditors		327.9	318.0
Tax and employee-related liabilities		155.4	159.9
Amounts payable in respect of non-current assets		2.5	1.4
Other liabilities		242.4	313.6
Deferred income		6.2	0.0
LIABILITIES	*3.10*	1,205.8	1,290.2
Unrealised foreign exchange gains		0.0	0.0
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		2,589.6	2,685.5
(1) of which bank overdrafts		1.2	0.0
(2) of which intra-group current accounts (including Bouygues group)		470.1	497.2

PARENT COMPANY CASH FLOW STATEMENT (French GAAP)

CASH FLOW STATEMENT (€m)	2011	2010
1 – Operating activities		
• Net profit for the year	114.5	157.2
• Depreciation, amortisation, provisions and impairment (1) (2)	61.1	51.2
• Investment grants released to the income statement	0.0	0.0
• Net (gain)/loss on disposals of non-current assets	0.2	0.6
Operating cash flow before changes in working capital	175.8	209.0
• Acquisitions of co-productions(2)	(11.3)	(3.6)
• Amortisation and impairment of co-productions(2)	11.3	6.3
• Inventories	21.5	23.4
• Trade and other debtors	8.9	121.1
• Trade and other creditors	(59.5)	(132.3)
• Deferred charges	0.0	0.0
• Advance payments received from third parties, net	38.1	71.6
Change in operating working capital needs	9.0	86.5
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	184.8	295.5
2 – Investing activities		
• Acquisitions of property, plant & equipment and intangible assets (1) (2)	(9.9)	(15.8)
• Disposals of property, plant & equipment and intangible assets (1) (2)	0.0	10.2
• Acquisitions of investments in subsidiaries and affiliates	(3.4)	(263.1)
• Disposals of investments in subsidiaries and affiliates	0.1	0.0
• Net change in amounts payable in respect of non-current assets	1.1	(2.4)
• Net change in other non-current financial assets	59.4	0.0
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	47.3	(271.1)
3 – Financing activities		
• Change in shareholders' equity	(25.8)	0.0
• Net change in debt	(27.2)	(568.2)
• Dividends paid	(117.2)	(91.8)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	(170.2)	(660.0)
TOTAL CHANGE IN CASH POSITION	61.9	(635.6)
Cash position at beginning of period	70.9	706.5
Change in cash position	61.9	(635.6)
Cash position at end of period	132.8	70.9

(1) Excluding programme co-production shares

(2) Acquisitions, consumption, disposals and retirements of programme co- production shares, accounted for as non-current assets in the parent company financial statements, are included in "Changes in operating working capital needs" in this cash flow statement in order to provide a fair representation of cash flows comparable with that presented in the consolidated financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements for the year ended December 31, 2011 have been prepared in accordance with legal and regulatory requirements as currently applicable in France.

Audit procedures have been performed, and issuance of the audit opinion is pending.

1 Significant events

1-1. Acquisition of Metro France Publications

On July 28, 2011, TF1 SA – which had held a 34.3% equity interest in Metro France since 2003 – finalised the acquisition of an additional 65.7% interest at an agreed price of €3.2 million.

1-2. Divestment of TCM DA and TCM Gestion

On April 19, 2011, TF1 SA sold to the M6 group its entire 34% interest in TCM DA, a rights catalogue subsidiary jointly held by the two companies.

2 Accounting policies

The accounting policies described below have been applied in compliance with the principles of prudence, lawfulness and fairness in order to represent faithfully the company's assets, liabilities and financial position and the results of its operations, in accordance with the following fundamental concepts:

- going concern;
- consistency of method from one period to the next;
- accrual basis of accounting;

and in accordance with the general rules applicable to the preparation and presentation of annual individual company financial statements in France.
The basic method used for measuring items recorded in the books of account is the historical cost method.

2-1. Comparability of the financial statements

There were no changes in accounting policy during the year ended December 31, 2011.

2-2. Intangible assets

2-2-1. General principles

In order to secure programming schedules for future years, TF1 SA enters into binding contracts under which it acquires programme co-production shares and the other party agrees to deliver the programme in question.
Programme co-production shares are recognised as intangible assets at the time of technical acceptance and opening of rights, and are measured at the contractual acquisition price.

Payments made before the conditions for recognition are met are recognised in the balance sheet under "Advance payments".

Programmes acquired for a single transmission are fully amortised on transmission.
Where programmes are acquired for two or more transmissions, they are amortised as follows, according to the type of programme:

Type of programme	Dramas with a running time of at least 52 minutes	Cartoons	Other programmes
- 1st transmission	80%	50%	100%
- 2nd transmission	20%	50%	

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

A provision for impairment is recorded once it becomes probable that a programme with a co-production share will not be transmitted. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management.

2-2-2. Co-productions available for initial transmission

Co-production rights are recorded on this line once they are opened for initial transmission on the TF1 channel.

2-2-3. Co-productions available for retransmission

Rights relating to possible repeat broadcasts are recorded on this line.

2-2-4. Co-productions in progress

This line is used to record screenplays and other texts that have not yet gone into production. The amount reported represents the sums actually paid as at the balance sheet date. The treatment of future contractual payments is described in the section on intangible assets arising from payments made to secure programming schedules for future years.

This line also includes co-production shares in programmes where shooting has been completed but technical acceptance and/or opening of rights have yet to occur.

2-2-5. Other intangible assets

Other intangible assets are measured at acquisition cost (or production cost), net of accumulated amortisation and impairment.

2-3. Property, plant and equipment

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

Depreciation periods and methods are summarised below:

Technical facilities	Straight line	3 to 7 years
Other property, plant and equipment	Straight line	2 to 10 years

2-4. Non-current financial assets

Equity investments are measured at acquisition cost, comprising the purchase price and transaction costs.
Annual impairment tests are performed on the basis of revenue and profit projections derived from business plans, using the discounted cash flow (DCF) method. If the value in use of an investment falls below acquisition cost, a provision for impairment is recorded. If necessary, this provision may be supplemented by a provision for impairment of the current account with the subsidiary or affiliate and a provision for liabilities and charges.

2-5. Inventories and work in progress

2-5-1. General principles

In order to secure programming schedules for future years, TF1 SA enters into binding contracts (in addition to co-production share acquisition contracts) under which it acquires (and the other party agrees to deliver) programme rights and sports transmission rights.

A programme is recognised in inventory once technical acceptance and opening of rights have occurred. Programme inventory is measured at acquisition cost or total production cost (direct costs plus indirect costs attributable to the production, but excluding borrowing costs which are recognised as an expense).

Rights payments made before these conditions are met are recognised in the balance sheet under "Advance payments".
Programmes acquired for a single transmission are regarded as having been consumed in full on transmission.
Where programmes are acquired for two or more transmissions, consumption is calculated as follows:

- Programmes not individually valued in the contract:

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

- Programmes individually valued in the contract: consumption reflects the contract price.

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

A provision for impairment is recognised:

- once it becomes probable that a programme will not be transmitted (probability of transmission is assessed on the basis of the most recent programming schedules approved by management);
- if the contractual value of the retransmission rights exceeds the value that would be attributed to those rights using the rules that apply to programmes that are not individually valued in a contract;
- where it is probable that a programme will be resold, and its carrying value in inventory exceeds the actual or estimated selling price.

Rights acquisition contracts not recognised in inventory at the balance sheet date are priced at the contractual amount (or the estimated future cash outflow in the case of output deal contracts) less any advance payments made in respect of the contract, which are recognised as an asset in the balance sheet in "Advance payments"; these contracts are discussed in the section on inventories.

2-5-2. Broadcasting rights available for initial transmission

Broadcasting rights are recorded on this line once they are opened for initial transmission on the TF1 channel.

2-5-3. Broadcasting rights available for retransmission

Rights relating to possible repeat broadcasts are recorded on this line.

2-6. Advance payments

Advance payments in respect of programme purchases are accounted for as described in note 2-5-1, and may be written down if impaired.

Payments made to purchase sports transmission rights are recognised in "Advance payments" until the sporting event takes place. If the rights are resold, a provision is recorded once the sale is probable, to cover any excess of the amount of advance payments over the actual or estimated selling price.

2-7. Trade debtors

Trade debts that are the subject of ongoing legal recovery proceedings are provided for in full (excluding VAT).
Provisions for risks of non-recovery of trade debts more than 2 years past due are also recorded, on the following basis:

- 100% of all trade debts (excluding VAT) arising before January 1, 2009 and still unpaid;
- 50% of all trade debts (excluding VAT) arising during 2009 and still unpaid.

Risks on trade debts arising since December 31, 2009 and still unpaid at December 31, 2011 are immaterial.

2-8. Short-term investments and cash

TF1 SA provides centralised treasury management for the Group. Treasury current accounts are classified as cash in order to achieve consistency with the classification of treasury current account credit balances, included in "Other borrowings".
Short-term investments are measured at acquisition cost. A provision for impairment is recorded if the recoverable amount falls below acquisition cost.

2-9. Foreign-currency transactions and unrealised foreign exchange gains/losses

Invoices received in foreign currencies are translated into euros at the rate prevailing on the date of initial recognition, and foreign-currency liabilities are translated using the exchange rate prevailing as of December 31. Unrealised foreign exchange losses and gains are recorded on the relevant lines on the assets and liabilities sides of the balance sheet.
Unrealised foreign exchange losses on unhedged liabilities are covered by a provision included in "Provisions for liabilities and charges".

2-10. Restricted provisions

This item comprises:
- tax depreciation on co-production shares for programmes not yet transmitted, calculated from the first day of the month following the end of shooting in accordance with the rules defined by the French tax authorities on July 3, 1970. The monthly percentages used are:

- Month 1	20%
- Month 2	15%
- Months 3 to 9	5%
- Months 10 to 24	2%

- tax depreciation of software and licences, in addition to the accounting depreciation recognised in the balance sheet;
- tax depreciation on transaction costs on acquisitions of equity interests, calculated over 5 years on a straight line basis.

2-11. Provisions for liabilities and charges

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

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

2-11-1. Retirement benefits

TF1 SA's obligation in respect of retirement benefits is limited to the level of benefits stipulated in the relevant collective agreements. It is calculated using the projected unit credit method at the expected retirement date based on final salary, and recognised as a liability in "Provisions for liabilities and charges", net of amounts transferred to an insurance fund.

2-11-2. Long-service leave

Additional compensated absence is awarded by TF1 SA to employees based on length of service. The calculation of the cost of vested compensated absence rights takes into account length of service, salary at the time the rights will be taken up, and staff turnover. The resulting liability is discounted, and is recognised in "Provisions for liabilities and charges".

2-11-3. Other provisions for liabilities and charges

These mainly comprise provisions for litigation and claims. The provision is measured as the probable outflow of resources resulting from ongoing litigation or claims arising from an event prior to the balance sheet date. They include provisions for tax and social security disputes. The amount shown on reassessment notices issued by the authorities is provided for unless the company regards it as highly probable that it will successfully defend its position against the authorities. The undisputed portion of reassessment notices is recognised as a liability as soon as the amount is known.

2-12. Advertising revenue

Sales of advertising airtime are recognised as revenue on transmission of the advertisement or commercial. The revenue recognised is the amount invoiced by advertising sales agencies (primarily TF1 Publicité) to the advertiser for the airtime, less the agency commission.

TF1 makes marginal use of barter transactions involving advertising with media other than television, such as radio or print media. These transactions are reported on a non-netted basis in "Revenue" and in "External expenses".

2-13. Off balance sheet commitments

Image transmission commitments represent fees payable to transmission service operators until the expiry date of their contracts.

Caution money and guarantees paid under commercial contracts are disclosed as off balance sheet commitments.

2-14. Financial instruments

TF1 uses financial instruments to hedge its exposure to fluctuations in interest rates and exchange rates. This exposure is generated by transactions entered into by TF1 SA itself, and by foreign exchange guarantees provided to subsidiaries in connection with the centralised management of the Group's foreign exchange risk.
Group policy is to trade on the financial markets solely for hedging purposes related to its business activities, and not to trade for speculative purposes.
Gains and losses on financial instruments used for hedging purposes are measured and recognised symmetrically with the recognition of gains and losses on the hedged item.

3 Notes to the balance sheet

3-1. Intangible assets

Intangible assets mainly comprise programme co-production shares, movements in which are shown below:

(€m)	**2011**	**2010**
Co-productions in progress	8.9	8.3
Co-productions available for initial transmission	8.8	13.4
Co-productions available for retransmission	15.0	21.0
CO-PRODUCTIONS AT JANUARY 1	**32.7**	**42.7**
Acquisitions	21.5	15.0
Consumption on 1st transmission	(4.1)	(9.6)
Consumption on 2nd transmission	(1.5)	(4.1)
Total consumption on transmission	(5.6)	(13.7)
Expired	(0.4)	(1.8)
Retired or abandoned	(7.0)	(6.5)
Resold (net book value)	(2.8)	(3.0)
Decreases	(15.8)	(25.0)
CO-PRODUCTIONS AT DECEMBER 31	**38.4**	**32.7**
Breakdown of co-production shares:		
Co-productions in progress	10.7	8.9
Co-productions available for initial transmission	12.7	8.8
Co-productions available for retransmission	15.0	15.0
Total	38.4	32.7
PROVISIONS FOR IMPAIRMENT		
At January 1	**1.5**	**1.5**
Charges during the period	3.4	
Reversals during the period	0.0	0.0
At December 31	**4.9**	**1.5**

As of December 31, 2011, the risk of non-transmission for co-produced programmes was €15.9 million, of which:
▪ €4.9 million was covered by provisions for impairment;
▪ €11.0 million was covered by restricted provisions previously established in accordance with the policy described in note 2.10.

The table below shows the maturity of co-production share acquisition contracts entered into by TF1 to secure future programming schedules.

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2011	Total 2010
Co-production shares	6.9	1.7	5.2	13.8	14.6

3-2. Property, plant and equipment

The table below shows movements in property, plant and equipment during the year:

(€m)					
Gross value	**Jan. 1, 2011**	**Increases**	**Decreases**	**Transfers**	**Dec. 31, 2011**
Technical facilities	89	3	(12.0)	(0.2)	79.8
Other property, plant and equipment	81.5	3.9	(6.7)	0.2	78.9
Property, plant and equipment under construction	0	0.3		0.0	0.3
TOTAL	**170.5**	**7.2**	**(18.7)**		**159.0**
Depreciation	**Jan. 1, 2011**	**Increases**	**Decreases**		**Dec. 31, 2011**
Technical facilities	67.3	7.3	(11.9)		62.7
Other property, plant and equipment	52.5	6.4	(6.7)		52.2
TOTAL	**119.8**	**13.7**	**(18.6)**		**114.9**

3-3. Non-current financial assets

This item breaks down as follows:

(€m)	Equity investments	Other long-term investment securities	Loans receivable	Other	Total
GROSS VALUE AT JANUARY 1, 2011	**1,530.1**	**0.1**	**160.2**	**0.3**	**1,690.7**
Increases					
Metro France Publications shares	3.2				3.2
Prefas 18-19-20-21 shares	0.2				0.2
Treasury shares (1)		0.7			0.7
Decreases					
TCM DA & TCM Gestion shares	(0.1)				(0.1)
LCI Radio & Firélie shares	(0.1)				(0.1)
Eurosport loan			(60.0)		(60.0)
GROSS VALUE AT DECEMBER 31, 2011	**1,533.3**	**0.8**	**100.2**	**0.3**	**1,634.6**
Provisions for impairment					
January 1, 2011	**216.6**				**216.6**
Charges during the period	69.9		0.2		70.1
Reversals during the period	(38.5)				(38.5)
December 31, 2011	**248.0**		**0.2**		**248.2**
NET VALUE AT DECEMBER 31, 2011	**1,285.3**	**0.8**	**100.0**	**0.3**	**1,386.4**

(1) The company held 100,000 treasury shares as of December 31, 2011.

"Loans receivable" comprises a loan to Eurosport (balance outstanding at December 31, 2011: €100.0 million).

Impairment losses charged in the period, amounting to €69.9 million in total, related to Eurosport France (€9.0 million), TF1 Droits Audiovisuels (€34.7 million), TF1 Production (€5.0 million), Metro France Publications (€9.6 million), WAT (€7.1 million) and WB Télévision (€4.5 million).
Reversals during the period related to TF1 Thématiques (€25.1 million) and One Cast (€13.4 million).

3-4. Inventories and work in progress

This item mainly comprises broadcasting rights yet to be consumed, and breaks down as follows:

(€m)	Acquired rights	In-house production	Total 2011	Total 2010
Broadcasting rights available for initial transmission	226.4	0.2	226.6	234.0
Broadcasting rights available for retransmission	317.2		317.2	349.4
Broadcasting rights in progress		1.9	1.9	0.4
INVENTORY AT JANUARY 1	**543.6**	**2.1**	**545.7**	**583.8**
Purchases during the year	**610.0**	**265.8**	**875.8**	**903.5**
Consumption on 1st transmission	(516.5)	(266.5)	(783.0)	(811.8)
Consumption on 2nd transmission	(70.7)		(70.7)	(83.4)
Total consumption on transmission	**(587.2)**	**(266.5)**	**(853.7)**	**(895.2)**
Expired	(21.1)		(21.1)	(21.2)
Retired or abandoned	(17.8)		(17.8)	(12.7)
Resold	(20.0)		(20.0)	(12.5)
Total consumption	**(646.1)**	**(266.5)**	**(912.6)**	**(941.6)**
INVENTORY AT DECEMBER 31	**507.5**	**1.4**	**508.9**	**545.7**
CHANGE IN INVENTORY	**(36.1)**	**(0.7)**	**(36.8)**	**(38.1)**
Closing inventory breaks down as follows:				
Broadcasting rights available for initial transmission	228.0		228.0	226.6
Broadcasting rights available for retransmission	279.5		279.5	317.2
Broadcasting rights in progress		1.4	1.4	1.9
TOTAL	**507.5**	**1.4**	**508.9**	**545.7**
PROVISIONS FOR IMPAIRMENT				
Balance at January 1	**123.9**	**0.0**	**123.9**	**138.7**
Transfers	0.7		0.7	0.5
Charges during the period	31.6		31.6	31.1
Reversals during the period	(47.5)		(47.5)	(46.4)
Balance at December 31	**108.7**	**0.0**	**108.7**	**123.9**

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

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2011 *(1)*	Total 2010 *(1)*
Programmes and broadcasting rights	521.4	763.5	86.1	1,371.0	1,436.80
Sports transmission rights	84.8	65		149.8	261.1
TOTAL	**606.2**	**828.5**	**86.1**	**1,520.8**	**1,697.90**

(1) Programmes and broadcasting rights also include third-party commitments entered into by GIE TF1 Acquisitions de Droits on behalf of TF1 SA

Some of these contracts are expressed in foreign currencies (2011: €90.9 million expressed in US dollars).

3-5. Advance payments and debtors

3-5-1. Advance payments

This mainly comprises advance payments for programme broadcasting rights acquisition contracts and sports transmission contracts (€122.1 million, against which impairment losses of €9.3 million have been charged).

3-5-2. Trade debtors

TF1 Publicité acts as agent for TF1 SA, selling advertising airtime in return for commission indexed to actual revenues. The amount owed by TF1 Publicité to TF1 SA was €327.7 million as of December 31, 2011 compared with €309.2 million as of December 31, 2010.

3-5-3. Other debtors

This item mainly comprises VAT recoverable of €60.4 million, and current accounts with subsidiaries of €46.2 million (against which impairment losses of €1.4 million have been charged).

3-5-4. Provisions for impairment of advance payments and other debtors

(€m)	Jan. 1, 2011	Transfers	Charges	Reversals	Dec. 31, 2011
Advance payments	11.7	(0.7)	8.3	(10.0)	9.3
Other debtors	8.2		0.0	(6.8)	1.4
TOTAL	**19.9**	**(0.7)**	**8.3**	**(16.8)**	**10.7**

3-5-5. Loans receivable and debtors by due date

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-current assets	15.0	85.3	0.0	100.3
Current assets	706.6	0.9	0.0	707.5
Total	**721.6**	**86.2**	**0.0**	**807.8**

3-6. Short-term investments and cash

These items break down as follows:

Gross value *(€m)*	**2011**	**2010**
Short-term investments	**0.0**	**0.4**
Bank deposits	5.8	22.5
Treasury current accounts with debit balances	127.5	47.3
Cash in hand	0.7	0.9
Accrued interest receivable	0.0	0.0
Cash	**134.0**	**70.7**
TOTAL	**134.0**	**71.1**
Provisions for impairment of current accounts and short-term investments		
Balance at January 1	**0.2**	**4.7**
Charges during the period	0.0	0.0
Reversals during the period		(4.5)
Transfers during the period	(0.2)	
Balance at December 31	**0.0**	**0.2**
NET VALUE	**134.0**	**70.9**

3-7. Prepaid expenses

Prepaid expenses amounted to €5.3 million at December 31, 2011 (versus €5.6 million at December 31, 2010).

3-8. Shareholders' equity

The share capital is divided into 211,033,003 ordinary shares with a par value of €0.2, all fully paid.

Movements in shareholders' equity during the year are shown in the table below:

(€m)	**Jan. 1, 2011**	**Appropriation of profit (2011 AGM) *(1)***	**Increases**	**Decreases *(2)***	**Dec. 31, 2011**
Share capital	42.7	-		(0.5)	42.2
Share premium	3.8	-		(3.8)	0.0
Legal reserve	4.3	-	-	-	4.3
Retained earnings	250.7	40.0	0.0	-	290.7
Other reserves	835.0		-	(21.6)	813.4
Net profit for the year	157.2	(157.2)	114.5		114.5
Sub-total	**1,293.7**	**(117.2)**	**114.5**	**(25.9)**	**1,265.1**
Restricted provisions *(3)*	34.1		7.6	(3.0)	38.7
TOTAL	**1,327.8**	**(117.2)**	**122.1**	**(28.9)**	**1,303.8**
Number of shares	**213,410,492**		**11,111**	**-2,388,600**	**211,033,003**

(1) Dividends paid from April 26, 2011.

(2) Reduction in share capital by cancellation of 2,388,600 repurchased shares (Board meeting of November 10, 2011).

(3) Restricted provisions comprise the following items:

(€m)	Jan. 1, 2011	Charges	Reversals	Dec. 31, 2011
Co-production shares	23.6	4.4	2.1	25.9
Transaction costs on acquisitions of equity interests	2.7	1.9	-	4.6
Software and licences	7.8	1.3	0.9	8.2
TOTAL	**34.1**	**7.6**	**3.0**	**38.7**

3-9. Provisions for liabilities and charges

Provisions are established using the methods described in note 2-11. Movements during the year were as follows:

(€m)	Jan. 1, 2011	Charges	Reversals (used)	Reversals (unused)	Dec. 31, 2011
Provisions for litigation and claims	12.7	10.4	(10.2)	(1.1)	11.8
Provisions for equity investments	33.4	12.9	(30.4)	(1.5)	14.4
Provisions for retirement benefit obligations	13.2	2.4	(0.7)	(1.8)	13.1
Provisions for long-service leave	5.9	0.7	(0.5)	(0.2)	5.9
Provisions for miscellaneous risks	2.3	32.5			34.8
TOTAL	**67.5**	**58.9**	**(41.8)**	**(4.6)**	**80.0**

Following a tax inspection covering the years 2006 to 2008, TF1 received a reassessment notice from the French tax authorities in November 2011. The company contests the principal items included in the reassessment notice and has exercised its right of appeal. The consequences of this reassessment notice have been recognised in full in the financial statements for the year ended December 31, 2011.

Provisions for equity investments consist of TF1 SA's share of the losses of subsidiaries, including those established in the form of partnerships.

The €13.1 million provision for retirement benefit obligations represents the present value of the obligation (€17.3 million) minus the fair value of plan assets (€4.2 million). The main assumptions used in calculating the present value of the obligation are:

- discount rate: 5.46%;
- salary inflation rate: 2.00%;
- age on retirement: 62.

Provisions for miscellaneous risks include a provision of €27.0 million relating to a claim for reimbursement of CNC (French National Centre for Cinematography) taxes that was accepted by the court of first instance, but has been appealed by the tax authorities.

No material contingent liabilities (i.e. litigation or claims liable to result in a possible outflow of resources) were identified as of the balance sheet date.

3-10. Liabilities

3-10-1. Bank borrowings

This item includes bank overdrafts of €1.2 million.

TF1 SA had confirmed credit facilities of €1,015 million with various banks as at December 31, 2011, none of which was drawn down at that date; of this amount, €150 million was due to expire within less than one year and €865 million after more than one year. The company also had an unconfirmed drawdown facility with Bouygues Relais, classified in "Other borrowings".

3-10-2. Other borrowings

This item includes surplus cash invested on behalf of subsidiaries under cash pooling agreements; the amount involved was €423.0 million, versus €497.2 million as of December 31, 2010. As of December 31, 2011, it also includes drawdowns of €47.1 million under the Bouygues Relais facility.

3-10-3. Other liabilities

This item mainly comprises credit notes and accrued discounts in favour of TF1 Publicité amounting to €231.1 million (€293.1 million as of December 31, 2010).

3-10-4. Liabilities by maturity

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total
Bank borrowings	1.3			1.3
Other borrowings	470.1			470.1
Trade creditors	327.9			327.9
Tax and employee-related liabilities	155.4			155.4
Amounts payable in respect of non-current assets	2.5			2.5
Other liabilities	241.4	1.0		242.4
TOTAL	**1,198.6**	**1.0**	**0.0**	**1,199.6**

3-10-5. Accrued income and expenses

(€m)			
Accrued income included in:		**Accrued expenses included in:**	
Trade debtors	4.0	Trade creditors	114.0
Other debtors	44.7	Tax and employee-related liabilities	55.6
		Amounts payable in respect of non-current assets	1.9
		Other liabilities	231.3

3-11. Deferred income

The deferred income of €6.2 million relates to the subsidiary TF1 Publicité, and corresponds to commitments to provide services to clients free of charge, previously classified as a credit note accrual in "Other liabilities" up to and including December 31, 2010. The corresponding amount as of December 31, 2010 was €11.1 million.

4 Notes to the income statement

4-1. Revenue

Advertising revenue of €1,435.2 million was recognised in 2011, compared with €1,473.9 million in 2010.

4-2. Purchases of raw materials and other supplies and changes in inventory

This line includes broadcasting rights consumed of €587.2 million (2010: €631.3 million). See note 3-4.

4-3. Taxes other than income taxes

The main item included on this line is TF1 SA's contribution to the French cinematographic industry support fund, which amounted to €82.0 million in 2011 compared with €84.1 million in 2010. In 2011, this line also included €6.4 million in respect of the tax on broadcast advertising (versus €6.0 million in 2010).

4-4. Wages, salaries and social security charges

No expense was recognised in 2011 in respect of the TF1 group voluntary profit-sharing agreement (compared with an expense of €7.9 million in 2010).

The expense recognised for the employer's contribution to the company savings plan (employee share ownership plan) in 2011 was €4.3 million, compared with €4.2 million in the previous year.

4-5. Other expenses

This item includes payments to copyright-holders and holders of related rights, amounting to €60.6 million in 2011 (versus €61.0 million in 2010).

4-6. Cost transfers

This item mainly comprises reimbursements of costs incurred by TF1 SA on behalf of its subsidiaries.

4-7. Net financial income / expense

The components of net financial income/expense are as follows:

(€m)	2011	2010
Dividends and transfers of profits/losses from flow-through entities	35.1	70.1
Net interest paid	1.4	(3.6)
Provisions for impairment of equity investments *(1)*	(31.4)	1.3
Provisions for impairment of current accounts	0.0	4.5
Provisions for risks relating to subsidiaries	(12.7)	(23.4)
Other provisions	(0.5)	0.3
Loss on assignment of current account	(0.8)	
Foreign exchange gains/(losses)	(3.8)	2.0
Amortisation of bond redemption premium		(0.4)
Net financial income/(expense)	**(12.7)**	**50.8**

(1) See note 3.3

The "Other provisions" line includes provisions for unrealised foreign exchange losses.

Interest paid to related companies in 2011 totalled €4.2 million (2010: €2.2 million), and interest received from related companies totalled €5.0 million (2010: €8.9 million).

4-8. Exceptional items

Exceptional items break down as follows:

(€m)	2011	2010
Retirements of programmes and losses on disposals	(7.4)	(8.5)
Net charge to provisions (including tax depreciation)	(39.7)	0.1
Gains/(losses) on disposals of non-current financial assets	0.0	(0.3)
Other items	26.6	(0.9)
Net	**(20.5)**	**(9.6)**

The net charge to provisions includes €27.0 million relating to a claim for reimbursement of CNC (French National Centre for Cinematography) taxes that was accepted by the court of first instance, but has been appealed by the tax authorities. The corresponding reimbursement was recognised as an exceptional gain on the "Other items" line.

4-9. Income taxes

This item breaks down as follows:

(€m)	2011	2010
Income tax expense incurred by the tax group	(81.6)	(55.4)
Income tax credits receivable from companies entitled to tax credits	39.3	21.9
Prior-year income tax expense	(2.9)	
Income tax expense	**(45.2)**	**(33.5)**

Exceptional items generated a tax gain of €7.4 million.

TF1 made a group tax election on January 1, 1989. Under the group tax election agreement, the tax liability borne by each company included in the election is the same as it would have borne had there been no group tax election. The group tax election included 33 companies in 2011.

The difference between the standard French tax rate of 36.10% and the effective tax rate of 28.30% is mainly due to tax savings arising from the losses of group tax election member companies.

The total amount of tax losses of subsidiaries that generated savings for the tax group and may generate a tax liability in the future is €36.7 million.

4-10. Deferred tax position

The table below shows future tax effects that were not recognised by TF1 SA at the balance sheet date but will be recognised when the underlying transactions are recognised in the income statement, calculated using a tax rate of 36.10%.

(€m)	**Future increases in tax liability**	**Future reductions in tax liability**
Restricted provisions	12.3	-
Accrued employee profit-sharing, holiday pay entitlement and social solidarity contributions, provisions for retirement benefit obligations and long-service leave, and other non-deductible expenses	-	15.5

5 Other information

5-1. Off balance sheet commitments

The table shows off balance sheet commitments by type and maturity:

(€m)

Commitments given	Less than 1 year	1 to 5 years	More than 5 years	Total 2011	Total 2010
Operating leases	26.2	117.5	45.0	188.7	199.4
Image transmission contracts	16.0	46.8	1.1	63.9	82.7
Property finance leases (1)	2.1	5.2		7.3	9.4
Guarantees	5.4	15.1	1.8	22.3	28.2
Commitments relating to equity interests (2)	155.0			155.0	155.0
Other commitments	0.2			0.2	6.7
TOTAL	**204.9**	**184.6**	**47.9**	**437.4**	**481.4**

(€m)

Commitments received	Less than 1 year	1 to 5 years	More than 5 years	Total 2011	Total 2010
Operating leases	26.2	117.5	45.0	188.7	199.4
Image transmission contracts	16.0	46.8	1.1	63.9	82.7
Property finance leases	2.1	5.2		7.3	9.4
Commitments relating to equity interests (2)	155.0			155.0	155.0
Other commitments (3)	4.0	2.2		6.2	8.1
TOTAL	**203.3**	**171.7**	**46.1**	**421.1**	**454.6**

(1) On June 1, 2010, TF1 acquired technical and computer equipment under a 5-year finance lease contracted with a bank for a total amount of €10.1 million (excluding interest). Lease payments made during 2011 amounted to €2.1 million, and estimated future lease payments amount to €7.3 million.

(2) The 33.5% equity interest held by TF1 in the AB group is subject to a call option exercisable by the AB group management at any time up to and including June 11, 2012 at a price of €155 million.

(3) Other commitments received mainly comprise the fair value of currency instruments, representing a commitment of €5.9 million (see note 5-2-1).

Other reciprocal commitments relating to the operating cycle are reported in the notes relating to the relevant balance sheet item (in particular, commitments to secure future programming schedules) and to the financing of these items (see note 3-10-2).

TF1 SA had not contracted any complex commitments as of December 31, 2011.

5-2. Use of hedging instruments

5-2-1. Hedging of foreign exchange risk

TF1 is exposed to fluctuations in exchange rates as a result of:

- making and receiving commercial payments in foreign currencies;
- providing subsidiaries with a guaranteed annual exchange rate per currency, applied to annual projections of their foreign-currency cash needs or surpluses.

TF1 buys and sells currency forward and contracts swaps to protect itself against exchange rate fluctuations. These hedging instruments, which are traded on the currency markets, cover 100% of the Group's net exposure for 2012 arising from contracts already signed as at December 31, 2011.

At December 31, 2011, the equivalent value of these hedging instruments contracted with banks was €117.7 million:

- €99.3 million of forward purchases (all in US dollars, valued at the closing exchange rate);
- €18.4 million of currency swaps (€17.8 million in US dollars and €0.5 million in pounds sterling).

5-2-2. Hedging of interest rate risk

The last two remaining interest rate swaps, of €50 million each, contracted in 2010, had expired as of December 31, 2011.

5-3. Employees

The table below shows the split of employees (permanent contracts) by grade at the balance sheet date, based on the classifications defined in the collective agreement for the French communication and audiovisual production industries:

	2011	2010	2009
Clerical and administrative	10	10	12
Supervisory	380	390	410
Managerial	996	960	938
Journalists	247	244	237
TOTAL	**1,633**	**1,604**	**1,597**

5-4. Executive compensation

Total compensation paid during 2011 to key executives of the TF1 Group (i.e. the 15 members of the TF1 Management Committee mentioned in the Annual Report) was €9.2 million.

The portion of the total obligation in respect of retirement and other post-employment benefits relating to these key executives was €3.1 million.

The Bouygues Group offers the members of its Executive Committee, who include Nonce Paolini, a top-up pension of 0.92% of the reference salary for each year of service in the scheme, which represents a post-employment benefit. The expense (invoiced to TF1 by Bouygues) relating to the contribution paid in 2011 to the investment fund of the insurance company which manages the scheme was €0.2 million.

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

5-5. Share options and allotment of consideration-free shares

Information about the granting of share options and the allotment of consideration-free shares to employees is given in the relevant section of the Directors' Report ("Share subscription option plans and consideration-free share allotment plans").

5-6. Directors' fees

Directors' fees paid in 2011 amounted to €0.3 million.

5-7. Amounts involving related companies

(€m)			
Assets		**Liabilities**	
Non-current financial assets	100.0	Debt	470.0
Advance payments/trade debtors	428.9	Trade creditors	43.7
Other debtors	44.9	Other liabilities	239.0
Cash and current accounts	127.4	Deferred income	6.3
Expenses		**Income**	
Operating expenses	200.4	Operating income	1,529.9
Financial expenses	35.2	Financial income	43.4

5-8. List of subsidiaries, affiliates and other equity investments

Company/Group	Currency	Share capital	Equity other than share capital and profit/loss	Share of capital held	Gross book value of investment (1)	Net book value of investment (1)	Outstanding loans and advances	Guarantees provided (2)	Revenues for most recent financial year	Profit/ (loss) for most recent financial year	Dividends received during the year
			In thousands of euros (or other currency as specified)		*In thousands of euros*						
I. Subsidiaries (at least 50% of the capital held by TF1 SA)											
- TF1 PUBLICITE		2,400	472	100.00%	3,038	3,038	13,237	-	1,674,438	17,969	16,200
- TF1 FILMS PRODUCTION		2,550	21,674	100.00%	1,768	1,768	-	-	42,353	480	-
- TÉLÉ-SHOPPING		5,127	(4,934)	100.00%	5,130	5,130	-	-	82,844	10,772	-
- TF1 PUBLICATIONS (*)		75	(1,425)	99.88%	519	0	-	-	0	5	-
- TF1 ENTREPRISES		3,000	9,347	100.00%	3,049	3,049	-	-	32,447	3,217	1,500
- e-TF1		1,000	131	100.00%	1,000	1,000	-	-	73,307	5,868	1,828
- TF1 THEMATIQUES		40,000	4,022	100.00%	209,451	88,999	-	-	27	9,468	-
- EUROSPORT		15,000	334,444	100.00%	234,243	234,243	100,000	-	350,973	39,856	13,500
- EUROSPORT France		2,325	17,386	100.00%	126,825	93,325	-	434	64,905	2,567	-
- ONE CAST		3,000	(39)	100.00%	17,940	17,940	2,967	-	9,943	787	-
- TF1 EXPANSION		269	326,880	100.00%	291,291	291,291	-	-	0	(3,101)	-
- TF1 DROITS AUDIOVISUELS		40,000	7,085	100.00%	116,431	62,000	20,489	18,717	46368	(25853)	-
- LA CHAINE INFO		4,500	50	100.00%	2,059	2,059	-	317	42,822	(2,038)	-
- OUEST INFO		40	(124)	100.00%	1,617	1,617	-	-	2,051	(237)	-
- TF1 PRODUCTION		10,080	(3,215)	100.00%	24,052	19,052	16,520	-	96,290	(1,174)	-
- TF1 INSTITUT		40	(113)	100.00%	590	590	437	-	929	(187)	-
- TF1 MANAGEMENT		40	(15)	100.00%	40	40	-	-	0	(3)	-
- WAT		100	222	100.00%	12,140	5,000	-	-	2,666	185	-
- PREFAS 4		40	(11)	100.00%	40	40	-	-	0	(3)	-
- PREFAS 18		40	0	100.00%	40	40	-	-	0	0	-
- PREFAS 19		40	0	100.00%	40	40	-	-	0	0	-
- PREFAS 20		40	0	100.00%	40	40	-	-	0	0	-
- PREFAS 21		40	0	100.00%	40	40	-	-	0	0	-
- PUBLICATIONS METRO FRANCE		100	134	100.00%	15,552	6,000	3,900	-	33,240	(4,794)	-
- TF1 DISTRIBUTION		40	(13)	100.00%	40	40	4,027	-	61,852	(250)	-
- HOP		11,624	39,692	100.00%	276,185	276,185	-	-	0	365	-
- TF1 DS		100	0	100.00%	100	100	18,260	-	41,024	(12)	-
- GIE ACQUISITION DE DROITS		0	0	96.00%	0	0	69,137	-	93,910	(11,669)	-

Company/Group	Currency	Share capital	Equity other than share capital and profit/loss	Share of capital held	Gross book value of investment (1)	Net book value of investment (1)	Outstanding loans and advances	Guarantees provided (2)	Revenues for most recent financial year	Profit/ (loss) for most recent financial year	Dividends received during the year
			In thousands of euros (or other currency as specified)		*In thousands of euros*						
II. Affiliates (10% to 50% of the capital held by TF1 SA)											
- MEDIAMETRIE (*)		930	15,459	10.80%	44	44	-	-	65,288	4,148	45
- A1 INTERNATIONAL (**)		20	5,015	50.00%	12,809	0	-	-	0	(3,779)	-
- MONTE CARLO PARTICIPATION		25,285	(215)	50.00%	12,642	12,642	-	-	306	(119)	-
- S M R 6		105	69	14.29%	15	15	5	-	78	4	-
- GROUPE AB (*)		462,687	2	33.50%	155,000	155,000	-	-	713	(40)	-
- WB TELEVISION (*)		62	(4,166)	49.03%	4,500	0	-	-	0	(499)	-
- WIKIO (*)		24,064	7,077	13.22% (3)	3,504	3,504	-	-	0	(654)	-
- MR5		38	(22)	33.33%	13	13	-	-	19,084	(31)	-

Company/Group	Currency	Share capital	Equity other than share capital and profit/loss	Share of capital held	Gross book value of investment (1)	Net book value of investment (1)	Outstanding loans and advances	Guarantees provided (2)	Revenues for most recent financial year	Profit/ (loss) for most recent financial year	Dividends received during the year
		In thousands of euros (or other currency as specified)			*In thousands of euros*						
III. Other equity investments (less than 10% of the capital held by TF1 SA)											
- PRIMA TV (**)		6,500	3,964	5.00%	1,407	1,407	-	-	47,926	27,433	-
- MEDIAMETRIE EXPANSION (*)		1,829	139	5.00%	91	0	-	-	0	92	7
- LES NOUVELLES EDITIONS TF1 (*)		40	54	1.00%	0	0	-	-	4	(1)	-
- TF6		80	(6)	0.02%	0	0	2,014	162	15,312	(2,762)	-
- TF6 GESTION		80	20	0.001%	0	0	-	-	5	2	-
- SERIE CLUB		50	422	0.004%	2	2	-	-	9,072	397	-
- APHELIE		2	4,497	0.05%	0	0	34	-	14,072	11,938	-
- DUJARDIN (EX REGAIN GALORE)		463	2,653	0.01%	1	1	-	-	20,420	1,097	-
TOTAL SUBSIDIARIES, AFFILIATES & EQUITY INVESTMENTS					**1,533,288**	**1,285,294**	**251,027**	**19,630**	**-**	**-**	**33,080**

(1) Includes transaction costs where relevant

(2) "Guarantees provided" represent guarantees given by TF1 SA to cover possible default by a subsidiary, and are disclosed in off balance sheet commitments

(3) Ownership percentage at 31 December 2010, reduced to 10% at 31 December 2011

(*) Share capital, equity other than share capital and profit/loss, revenue, and profit/loss all relate to the 2010 financial year

(**) Share capital, equity other than share capital and profit/loss, revenue, and profit/loss all relate to the 2009 financial year

6 Post balance sheet events

None.