

Boulogne-Billancourt – July 26, 2012

**First half of 2012:  
Consolidated revenue up 1.8%  
Operating profit of €134m**

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 25, 2012 to adopt the financial statements for the first half of 2012.

CONSOLIDATED FIGURES (€m)	H1 2012	H1 2011	Change %	Change €m
<b>Revenue</b>	<b>1,301.2</b>	<b>1,277.6</b>	<b>+1.8%</b>	<b>+23.6</b>
<i>TF1 channel advertising revenue</i>	713.2	757.8	-5.9%	-44.6
<i>Other activities</i>	588.0	519.8	+13.1%	+68.2
<b>Operating profit</b>	<b>133.9</b>	<b>186.5</b>	<b>-28.2%</b>	<b>-52.6</b>
Cost of net debt	0.0	0.2	ns	-0.2
<b>Net profit attributable to the Group</b>	<b>93.5</b>	<b>118.6</b>	<b>-21.2%</b>	<b>-25.1</b>

**Consolidated revenue** for the first half of 2012 was up 1.8% at €1,301.2m.

This figure includes:

- **TF1 channel advertising revenue** of €713.2m, down 5.9% year-on-year. Advertising spend on the historical TV channels is decreasing, in economic conditions that deteriorated during the second quarter. As a result, the channel's second-quarter advertising revenue fell by 7.6% relative to the second quarter of 2011.
- **Revenue from other activities** of €588.0m, up 13.1% year-on-year. This robust growth reflects the buoyancy of all these activities during the period, and the inclusion of Metro France in the consolidation.

**Advertising revenue for the TF1 group as a whole** was down slightly year-on-year at €896.8m (-0.9%).

**Analysis by segment**

€m	Q1 2012	Q1 2011	Q2 2012	Q2 2011	H1 2012	H1 2011	Var. H1
Broadcasting France	504.9	499.4	540.5	552.8	1,045.4	1,052.2	-0.6%
Audiovisual Rights	38.1	29.0	26.4	21.1	64.5	50.1	+28.7%
International Broadcasting	85.6	84.5	105.7	89.3	191.3	173.8	+10.1%
Other Activities	-	1.5	-	-	-	1.5	ns
<b>Total consolidated revenue</b>	<b>628.6</b>	<b>614.4</b>	<b>672.6</b>	<b>663.2</b>	<b>1,301.2</b>	<b>1277.6</b>	<b>+1.8%</b>

Over the first six months of the year, the TF1 channel took an audience share of 22.7% among individuals aged 4 and over, and 25.3% among “women aged under 50 purchasing decision-makers”. The channel attracted 44 of the top 50 audience ratings during the period.

The **Broadcasting France** division generated revenue of €1,045.4m in the first half of 2012, virtually unchanged from the comparable period of 2011 (-0.6%). A drop in revenue for the TF1 channel was offset in particular by a strong performance at e-TF1 (online video and success for MYTF1), and by the inclusion of Metro France in the consolidation.

The **Audiovisual Rights** division reported revenue of €64.5m for the first half of 2012, a year-on-year rise of 28.7%, thanks to growth for the Video business (largely on the back of the success of *Intouchables* in the first quarter) and to a greater number of cinema releases.

Revenue at **Broadcasting International** (Eurosport International) saw growth of 10.1% to €191.3m. This fine performance was due to a surge in advertising revenue (reflecting an attractive sports events schedule) and to buoyant audiences and subscription revenues, vindicating the worldwide rollout strategy for the Eurosport, Eurosport 2 and Eurosport HD channels.

**Operating profit of €133.9m**

**TF1 channel programming costs** for the second quarter of 2012 reached €238.8m, a year-on-year increase of €20.6m. This reflects the screening during the period of 8 matches from the UEFA Euro 2012 football tournament at a cost of €21.8m. The cost per match was significantly lower than for the previous tournament, held in 2008.

Excluding exceptional sporting events, 2012 second-quarter programming costs were €1.2m lower (-0.5%) year-on-year, confirming the non-recurring nature of the increase reported in the first quarter.

Over the first half of 2012, **TF1 channel programming costs** amounted to €476.5m, versus €423.6m a year earlier.

**Operating profit** for the first half of 2012 was €133.9m, a decrease of €52.6m (-28.2%) relative to the 2011 first-half figure. Current operating margin was 10.3%, broadly in line with the 2011 full-year figure (10.8%).

In the second quarter of 2012, the Group generated an operating profit of €77.9m, which was €47.1m lower than the figure for the second quarter of 2011. Operating margin for the second quarter of 2012 was 11.6%.

**Analysis by segment**

€m	Q1 2012	Q1 2011	Q2 2012	Q2 2011	H1 2012	H1 2011	Var. H1
Broadcasting France	39.6	62.4	62.5	118.6	102.1	181.0	(78.9)
Audiovisual Rights	11.1	0.1	(6.2)	(11.2)	4.9	(11.1)	+16.0
International Broadcasting	5.3	10.0	21.6	17.6	26.9	27.6	(0.7)
Other Activities	-	(11.0)	-	0.0	-	(11.0)	+11.0
<b>Current operating profit</b>	<b>56.0 *</b>	<b>61.5</b>	<b>77.9</b>	<b>125.0</b>	<b>133.9 *</b>	<b>186.5</b>	<b>(52.6)</b>

\* Includes non-recurring gain of €27.1m on reimbursement of CNC taxes

The fall in operating profit for the **Broadcasting France** division was mainly due to lower operating profit for the TF1 channel, caused by a non-recurring increase in programming costs plus a decline in the channel's advertising revenue over the period.

The **Audiovisual Rights** division reported an operating profit of €4.9m for the first half of 2012, compared with a loss of €11.1m a year earlier. This improvement reflects the success of *Intouchables* and higher revenue for the movie catalogue business, plus the non-recurrence in 2012 of the provision for the *Miracle at Santa Anna* litigation booked in the second quarter of 2011.

Operating profit at the **Broadcasting International** division for the first half of 2012 was €26.9m, slightly lower than in the comparable period of 2011 (-€0.7m), largely as a result of investment in programme schedules. Divisional operating margin was 14.1%, compared with 15.9% for the first half of 2011.

**Net profit attributable to the Group of €93.5m**

**Cost of net debt** for the six months to June 30, 2012 was virtually zero.

Income tax expense for the period amounted to €43.9m, compared with €53.1m a year earlier.

Associates contributed a net loss of €0.1m in the first half of 2012, versus a loss of €11.6m a year earlier. This improvement was due to the non-recurrence in 2012 of a provision for impairment of the investment in Metro France, booked in the first half of 2011.

Overall, **net profit attributable to the Group** for the first half of 2012 was €93.5m, against €118.6m for the first half of 2011.

### Sound financial position

As of June 30, 2012, shareholders' equity attributable to the Group stood at €1,547.9m, while net debt stood as €91.7m (versus €40.6m as of December 31, 2011).

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

### Outlook for 2012

The TF1 group is responding to the difficult economic conditions and the changing competitive landscape by accelerating its adaptation, via ongoing cost-cutting and the launch of a review of processes and organisational structures.

The Group is reiterating its assumption of flat consolidated revenue over 2012 as a whole, and its objective of €930m in TF1 channel programming costs on average over 2012 and 2013.

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report. The Financial Information Report for the first half of 2012 is available on the corporate website: <http://www.groupe-tf1.fr/>.

A conference call will be held at 8.30am Paris time on July 26, 2012.  
Details of how to connect to the conference call are available on the corporate website: <http://www.groupe-tf1.fr/>.

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ON SE RETROUVE SUR 



# Financial Information

First half of 2012

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# Results

## Financial indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2012 first half	2011 first half	2011 full year
<b>Consolidated Revenue</b>	<b>1,301.2</b>	<b>1,277.6</b>	<b>2,619.7</b>
<i>TF1 channel advertising revenue</i>	<i>713.2</i>	<i>757.8</i>	<i>1,504.1</i>
<i>Revenue from other activities</i>	<i>588.0</i>	<i>519.8</i>	<i>1,115.6</i>
Current operating profit	<b>133.9</b>	<b>186.5</b>	<b>282.9</b>
Operating profit	<b>133.9</b>	<b>186.5</b>	<b>282.9</b>
Net profit attributable to the Group	<b>93.5</b>	<b>118.6</b>	<b>182.7</b>
Operating cash flow*	<b>164.4</b>	<b>219.7</b>	<b>346.4</b>
Shareholders' equity attributable to the Group	<b>1,547.9</b>	<b>1,529.8</b>	<b>1,575.1</b>
Net surplus cash (+) / Net debt (-)	<b>(91.7)</b>	<b>10.9</b>	<b>(40.6)</b>
Basic earnings per share (€)	<b>0.44</b>	<b>0.56</b>	<b>0.86</b>
Diluted earnings per share (€)	<b>0.44</b>	<b>0.55</b>	<b>0.86</b>

\* Before cost of net debt and income taxes

	2012 first half	2011 first half	2011 full year
Weighted average number of shares outstanding ('000)	<b>210,812</b>	<b>213,238</b>	<b>212,436</b>
Closing share price at end of period (€)	<b>6.29</b>	<b>12.5</b>	<b>7.5</b>
Market capitalisation at end of period (€bn)	<b>1.3</b>	<b>2.7</b>	<b>1.6</b>

## Consolidated income statement in management accounting format

€m	2012 first half	2011 first half	2011 full year
<b>TF1 channel</b>			
Advertising revenue	713.2	757.8	1,504.1
Advertising costs	(36.7)	(37.0)	(75.2)
<b>NET BROADCASTING REVENUE</b>	<b>676.5</b>	<b>720.8</b>	<b>1,428.9</b>
<b>Royalties and levies</b>			
- Royalties	(28.6)	(30.5)	(60.6)
- CNC (National Centre for Cinematography)	(42.2)	(40.9)	(82.0)
- Tax on broadcast advertising	(3.0)	(3.2)	(6.4)
<b>Broadcasting costs</b>			
- TDF, satellites, transmission costs	(8.4)	(14.3)	(25.7)
<b>Programming costs (excluding exceptional sporting events)</b>	<b>(454.7)</b>	<b>(423.6)</b>	<b>(881.4)</b>
<b>Exceptional sporting events</b>	<b>(21.8)</b>	-	<b>(24.1)</b>
<b>GROSS PROFIT</b>	<b>117.8</b>	<b>208.3</b>	<b>348.7</b>
Diversification revenue and other revenue from operations	586.9	518.6	1,114.7
Other operating expenses	(520.3)	(483.5)	(1,072.2)
Depreciation, amortisation and provisions, net	(50.5)	(56.9)	(108.3)
<b>CURRENT OPERATING PROFIT</b>	<b>133.9</b>	<b>186.5</b>	<b>282.9</b>
Non-current operating income and expenses	-	-	-
<b>OPERATING PROFIT</b>	<b>133.9</b>	<b>186.5</b>	<b>282.9</b>
<b>Cost of net debt</b>	<b>0.0</b>	<b>0.2</b>	<b>0.5</b>
<b>Other financial income and expenses</b>	<b>5.7</b>	<b>(1.0)</b>	<b>5.1</b>
Income tax expense	(43.9)	(53.1)	(88.7)
Share of profits/(losses) of associates	(0.1)	(11.6)	(13.7)
<b>NET PROFIT</b>	<b>95.6</b>	<b>121.0</b>	<b>186.1</b>
<b>ATTRIBUTABLE TO THE GROUP</b>	<b>93.5</b>	<b>118.6</b>	<b>182.7</b>
Attributable to minority interests	2.1	2.4	3.4

## Income statement contributions by segment

€m	Revenue			Current operating profit		
	2012 first half	2011 first half	2011 full year	2012 first half	2011 first half	2011 full year
<b>BROADCASTING FRANCE</b>	<b>1,045.4</b>	<b>1,052.2</b>	<b>2,134.8</b>	<b>102.1</b>	<b>181.0</b>	<b>266.5</b>
TF1 SA <sup>a</sup>	716.1	760.5	1,511.0	63.1	131.9	177.8
Téléshopping	56.5	54.1	100.4	7.0	1.0	2.9
Theme Channels – France <sup>b</sup>	163.3	160.1	308.8	17.8	27.9	38.9
TF1 Entreprises	17.4	16.6	49.4	1.6	2.6	5.7
Production <sup>c</sup>	11.1	11.6	26.4	(2.0)	2.0	4.4
e-TF1	50.1	38.6	85.0	9.3	3.1	9.2
Other <sup>d</sup>	30.9	10.7	53.8	5.3	12.5	27.6
<b>AUDIOVISUAL RIGHTS</b>	<b>64.5</b>	<b>50.1</b>	<b>115.5</b>	<b>4.9</b>	<b>(11.1)</b>	<b>(40.1)</b>
Catalogue <sup>e</sup>	18.5	11.7	37.2	3.6	(10.1)	(28.4)
TF1 Vidéo	46.0	38.4	78.3	1.3	(1.0)	(11.7)
<b>BROADCASTING INTERNATIONAL</b>	<b>191.3</b>	<b>173.8</b>	<b>367.9</b>	<b>26.9</b>	<b>27.6</b>	<b>65.2</b>
<b>MISCELLANEOUS ACTIVITIES</b>	<b>-</b>	<b>1.5</b>	<b>1.5</b>	<b>-</b>	<b>(11.0)</b>	<b>(8.7)</b>
SPS <sup>f</sup>	-	1.5	1.5	-	(11.0)	(8.7)
<b>TOTAL CONTINUING OPERATIONS</b>	<b>1,301.2</b>	<b>1,277.6</b>	<b>2,619.7</b>	<b>133.9</b>	<b>186.5</b>	<b>282.9</b>

<sup>a</sup> Includes property companies.

<sup>b</sup> Includes Eurosport France, LCI, TV Breizh, TMC, NT1, TF6, Série Club, Stylia, Histoire, Ushuaïa TV and TF1 Thématiques (formerly TF1 Digital).

<sup>c</sup> TV and movie production entities.

<sup>d</sup> Mainly comprises TF1 Publicité and Metro France.

<sup>e</sup> Mainly comprises TF1 Droits Audiovisuels, TF1 International, and TCM (divested on 19 April 2011).

<sup>f</sup> SPS was divested on 2 May 2011.



# Key events of the first half 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 14<sup>th</sup> QualiWeb Trophies, organised by the Cocald 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 17<sup>th</sup> 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 37<sup>th</sup> annual César ceremony.

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

## March

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

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

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

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

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

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

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

<sup>1</sup> Since the Médiamat/Thématique/MédiaCabSat ratings started (2001)

<sup>2</sup> Source: Médiamat/Thématique – 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<sup>(1)</sup>:** 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<sup>(2)</sup>, thanks to a dynamic mobile application and solid audience ratings in Eastern Europe.

<sup>(1)</sup> Source: Theme channel brand recognition survey conducted by the Institut CSA on a nationwide representative sample of 2,002 individuals aged 15 and over

<sup>(2)</sup> Source: 2012 EMS Summer Survey

## 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.

**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.

# Management Review

Boulogne-Billancourt – July 25, 2012

## Changes in accounting policy

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

## Revenue

Consolidated revenue for the first half of 2012 was €1,301.2m, a year-on-year increase of €23.6m (+1.8%).

This comprises:

- €713.2m of advertising revenue from the TF1 channel, down €44.6m (-5.9%), reflecting the effects of the deteriorating economic climate on advertisers' spending decisions. To bolster demand, TF1 has adopted a sales policy designed to support its clients through these difficult times.
- €588.0m of revenue from other activities, up €68.2m (+13.1%). This reflects growth across all activities other than Production, and the consolidation of 100% of Metro France with effect from July 28, 2011.

Advertising revenue for the TF1 Group as a whole reached €896.8m, €8.4m (-0.9%) lower than in the first half of 2011. The inclusion of Metro France advertising, growing advertising revenue for DTT channels and Eurosport International, and greater monetisation of online video partly offset the drop in TF1 channel advertising revenue.

In the second quarter of 2012, the TF1 group generated consolidated revenue of €672.6m, a rise of €9.4m (+1.4%).

This comprises:

- €373.7m of advertising revenue from the TF1 channel, down €30.8m (-7.6%) year-on-year;
- €298.9m of revenue from other activities, up €40.2m (+15.5%).

## Programming costs and other operating income/expenses

TF1 channel programming costs for the first half of 2012 were €476.5m, versus €423.6m for the comparable period of 2011. This rise of €52.9m was due mainly to:

- the €21.8m cost of the eight UEFA Euro 2012 matches shown in June 2012 (the final was broadcast on July 1);
- reinvestment in the 5.30 p.m. – 8.50 p.m. slot, which paid off in terms of viewing figures;
- increased scheduling of first-run drama nearing the end of rights protection, to comply with regulatory requirements.

Programming costs in the second quarter of 2012 were €20.6m higher year-on-year, due to the screening of the UEFA Euro 2012 tournament.

Current operating profit for the first half of 2012 includes a €27.1m non-recurring gain from a successful claim for reimbursement of CNC (National Centre for Cinematography) taxes, recognised in the first quarter of 2012.

Net charges for depreciation, amortisation, provisions and impairment amounted to €50.5m in the first half of 2012, down €6.4m year-on-year, largely due to a provision relating to divested activities booked in the first half of 2011.

## Operating profit

The Group made an operating profit of €133.9m in the first half of 2012, €52.6m less than in the comparable period of 2011.

Operating margin was 10.3%, versus 14.6% in the first half of 2011.

The first half of 2012 saw a further improvement in profitability for diversification activities, as operating margin reached 12.0% (versus 10.5% a year earlier).

Second-quarter operating profit was €77.9m; this was €47.1m (-37.7%) down on the second quarter of 2011, reflecting lower TF1 advertising revenue and the screening of the Euro 2012 football tournament. Operating margin for the quarter was 11.6%, against 18.8% for the second quarter of 2011 (which did not feature any major sporting events).

### Net profit

Cost of net debt for the first half of 2012 was close to zero, compared with income of €0.2m from net surplus cash in the first half of 2011, reflecting a slight fall in the average net cash position.

Other financial income and expenses showed net income of €5.7m in the first half of 2012, up €6.7m compared to last year. The year-on-year change reflects the fair value remeasurement booked during the second quarter of 2012 on the call option over TF1's 33.5% equity interest in the Groupe AB, which was granted in June 2010 and expired on June 10, 2012 without having been exercised. With effect from June 11, 2012, the Groupe AB has been accounted for as an associate by the equity method. The TF1 group's share of the Groupe AB's profit/loss for the period from June 10 to June 30, 2012 is not material and has not been recognised as of June 30, 2012 (see "Significant Events", in note 1 to the consolidated financial statements).

Income tax expense was €43.9m for the first half of 2012, versus €53.1m for the first half of 2011.

Associates contributed a net loss of €0.1m in the first half of 2012, compared with a loss of €11.6m a year earlier. Most of the 2011 first-half loss was attributable to a provision of €8.0m taken against the investment in Metro France, which at that time was 34% held by TF1 and accounted for by the equity method. Metro France has been fully consolidated since July 28, 2011.

Overall, the TF1 group made a net profit of €93.5m for the first half of 2012, versus €118.6m for the comparable period of 2011.

### Financial position

TF1 had shareholders' equity of €1,561.1m as of June 30, 2012, out of a balance sheet total of €3,425.4m.

Shareholders' equity attributable to the Group amounted to €1,547.9m as of June 30, 2012.

Net debt stood at €91.7m on June 30, 2012, versus €40.6m on December 31, 2011.

The Group had confirmed bilateral credit facilities totalling €1,015.0m with various banks as of June 30, 2012, none of which was being used as of that date.

These facilities are renewed regularly as they expire (terms of 1 to 5 years, depending on the facility), so that the Group has sufficient liquidity at all times.

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

Consequently, the financial position of the TF1 Group remains very healthy.

### **Broadcasting France**

The Broadcasting France division posted revenue of €1,045.4m for the first half of 2012, a decrease of €6.8m (-0.6%).

Current operating profit was €78.9m lower, at €102.1m.

Current operating margin for the period was 9.8%, versus 17.2% a year earlier.

### **TF1 Broadcasting**

TF1 broadcasting total revenue fell by 5.8% in the first half of 2012 to €716.1m, a drop of €44.4m relative to the first half of 2011. Advertising revenue was down 5.9% at €713.2m.

Second-quarter advertising revenue was 7.6% lower at €373.7m.

Current operating profit for the first half of 2012 was €63.1m (-52.2%), giving current operating margin of 8.8% (versus 17.3% a year earlier).

Second-quarter operating margin was 10.6%, largely as a result of the screening of the Euro 2012 football tournament during the period (bear in mind that the major sporting event of 2011, the Rugby World Cup, was broadcast during the third and fourth quarters).

### **TF1 Channel<sup>3</sup>**

In the first half of 2012, the average daily viewing time for individuals aged 4 and over was 3 hours and 59 minutes, 12 minutes more than in the first half of 2011. Among the target audience of “women aged under 50 purchasing decision-makers”, the average viewing time was 4 hours, 10 minutes, up 16 minutes year-on-year.

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

### **Market leadership confirmed**

In the first half of 2012, the TF1 channel took an audience share of 22.7% among individuals aged 4 and over (versus 23.8% in the first half of 2011), and of 25.3% among “women aged under 50 purchasing decision-makers” (versus 26.8%).

TF1 attracted all 44 of the top 50 audiences in the period, peaking on March 16 with 13.3 million for *Les Enfoirés*, another all-time high for this show.

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 7 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 24.5% among individuals aged 4 and over and 28.0% among the target audience of “women aged under 50 purchasing decision-makers”, representing an extra 1.8 and 2.7 points respectively versus the day as a whole.

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

### **Prime time market leader**

The TF1 channel had an average prime time audience of 6.4 million in the first half of 2012, versus 6.3 million in the first half of 2011.

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

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

### **TF1 channel: no.1 across all genres**

**Entertainment:** *Les Enfoirés* was watched by 13.3 million viewers on March 16.

Another success was the new Saturday prime-time show *The Voice*, with an average audience share of 47% among “women aged under 50 purchasing decision-makers” (7.8 million viewers and 34% audience share).

<sup>3</sup> Source: Médiamétrie – Market leadership in TF1’s prime time slots

**American series:** The best audience ratings for an American series in 2012 to date were for *House* (French title: *Dr House*), peaking at 9.1 million viewers.

**French drama:** The first half of 2012 confirmed the dynamism of French drama, with *Profilage* attracting up to 7.8 million viewers (an all-time high for this series) and *Josephine Ange Gardien* viewed by up to 7.5 million.

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

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

### Advertising revenue<sup>4</sup>

Gross plurimedia advertising spend (including the internet) rose by 0.3% in the first half of 2012 to €13.6bn.

Television (national and regional channels, DTT, cable and satellite) has been the no.1 medium in terms of advertising spend for the last 12 months, with market share of 32.8% and gross revenue of €4.5bn in the first half of 2012, up 3.8% year-on-year. Advertising spend on free-to-air DTT is still growing rapidly (up by 15.6% or €181.9m).

Print media still ranks second behind TV in France, with gross advertising revenue of €3.8bn (-1.1%) in the first half of 2012.

Gross revenue for the TF1 channel was up 1.5% year-on-year in the first half of 2012. The channel's share of gross advertising revenue across the TV market as a whole was 36.3%.

Some sectors increased their gross advertising spend during the first half of 2012: Cosmetics & Beauty (+6.0%), Auto (+3.5%), Retail (+27.9%), Banking and Insurance (+1.2%), Household Cleaning (+3.7%), Travel & Tourism (+14.0%) and Apparel (+35.5%). Sectors in decline during the period were Food (-5.2%), Telecoms (-4.9%), Healthcare (-13.2%), and Publishing (-21.0%).

The volume of advertising screened on TF1 in the first half of 2012 was slightly lower year-on-year (-0.8%).

Net advertising revenue for the TF1 channel in the first half of 2012 was €713.2m, 5.9% lower than in the comparable period of 2011. This reflects the effect of the climate of uncertainty on advertisers' spending decisions. To bolster demand, TF1 has adopted a sales policy designed to support its clients through these difficult times.

TF1 channel advertising revenue for the second quarter of 2012 was down 7.6% at €373.7m, while the volume of advertising screened in the quarter was down 4.3%.

### UEFA Euro 2012

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

The nine matches screened on the TF1 channel (including the final on July 1) 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 out 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.

<sup>4</sup> Source: Kantar Media Intelligence

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 for the first half of 2012 (including rights and production costs for the matches screened up to and including June 30, 2012) was €21.8m.

The tournament will have an impact of €24.4m on TF1 channel programming costs over 2012 as a whole (including rights and production costs). With 9 matches broadcast, this gives an average cost per match of €2.7m, compared with €3.9m per match for the 2008 tournament.

### Home Shopping

The Home Shopping business generated revenue of €56.5m in the first half of 2012, versus €54.1m a year earlier, a rise of 4.4%. This was mainly due to the resurgence of the flagship brand thanks to the success of the 2012 first-half catalogue, but good performances from stores and the Place des Tendances e-commerce site also contributed.

Current operating profit for the first half of 2012 was up €6.0m year-on-year at €7.0m. This performance reflects the commercial success of the business, tight cost control, and a favourable comparative base (largely due to the impact of the divestment of 1000 Listes, completed in the first half of 2011, on 2012 first-half profits).

### Theme Channels<sup>5</sup>

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.

Digital terrestrial television (DTT) channels had a combined audience share of 21.9% among individuals aged 4 and over in the first half of 2012, versus 20.9% in the first half of 2011 and 17.6% in the first half of 2010.

Collectively, the pay-TV channels available in the French market attracted a combined audience share of 11.4% in the first half of 2012, down 0.3 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.

First-half theme channel revenue was €163.3m, 2.0% up on the first half of 2011. Growth was driven by free-to-view channels – especially NT1, which enjoyed a dynamic first half.

Theme channel advertising revenue advanced by 6.2% to €6.0m.

Current operating profit for the first half of 2012 was €17.8m, down €10.1m year-on-year, mainly due to LCI (on a busy start to the year in news) and to Eurosport France and TMC (on increased programming spend). Operating margin for the Theme Channels business was 10.9%.

### TMC

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

The channel was France's leading DTT channel in the period, cementing its ranking as the 5<sup>th</sup> most popular national channel among individuals aged 4 and over.

TMC had an average prime time audience of 900,000 (unchanged year-on-year), and attracted over a million viewers on 92 occasions, compared with 72 in the first half of 2011.

The channel also set new audience records for free-to-view DTT, in movies (more than 2 million viewers for *Bodyguard*, magazines (*90' enquêtes*, 1.4 million) and entertainment (1.9 million for the play *Personne n'est parfait*).

<sup>5</sup> Source: Médiamat<sup>1</sup>Thématik (wave 23: January 2012-June 2012)  
Médiamétrie/Médiamat

## NT1

NT1 saw very strong growth in audience share in the first half of 2012, among both individuals aged 4 and over (+17%, the highest growth rate for any channel) and “women aged under 50 purchasing decision-makers” (+17%). NT1’s share of these target audiences was 2.1% and 2.7% respectively (versus 1.8% and 2.3% in the first half of 2011).

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

NT1 also attracted over 1 million viewers on 19 occasions in the first half of 2012 (compared with 3 in the first half of 2011), with viewing figures peaking at 1.8 million for the movie *The Bourne Supremacy* (French title: *La mort dans la peau*).

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

## Eurosport France

The Eurosport France channel recorded strong growth in the paying subscriber base in the first half of 2012 to 8.4 million (versus 7.6 million a year earlier, a rise of 10.9%). 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 33% higher than in the previous wave. Eurosport 2 was even more dynamic, with the strongest audience ratings growth of any sport channel (+65% versus the previous wave).

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

Programming costs were higher year-on-year as schedules were enhanced. However, other costs remained under tight control.

## TV Breizh

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

In tough competitive and economic conditions, TV Breizh is proving highly resilient in terms of both revenue and profitability.

## LCI

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

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

## Découverte division

Revenue from the Découverte division for the first half of 2012 fell relative to the first half of 2011.

Histoire is pursuing its editorial policy while it builds brand penetration, and is becoming the must-see history channel on cable, satellite and ADSL. Ushuaïa TV, the sustainable development channel, continues to screen regular and one-off programmes on the key issues in environmental protection, and is increasing its output of new documentaries. Stylia 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

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



## TF1 Entreprises

TF1 Entreprises reported revenue of €17.4m for the first half of 2012, 4.8% more than for the comparable period of 2011.

A major factor was the success of the musical productions of 2012, and the continuing buoyancy of 2011 productions. Live show partnerships and Licences also performed well, while the Games business held steady year-on-year.

TF1 Entreprises posted a current operating profit of €1.6m for the first half of 2012, lower than in the comparable period of 2011 when revenue was boosted by sales of the Française des Jeux *Mille Bornes* scratchcards.

## Production

Production revenue for the first half of 2012 was down 4.3% at €11.1m. The business reported a current operating loss of €2.0m, down 4.0 million euros compared with the first half of 2011.

## TF1 Films Production<sup>6</sup>

TF1 Films Production saw revenue rise on the back of successful first-half cinema releases.

TF1 Films Production co-produced 9 films that went on general release during the period (versus 12 in the first half of 2011), four of which attracted more than a million cinema-goers.

## TF1 Production

TF1 Production reported lower revenue in the first half of 2012 than in the comparable period of 2011, with some programmes produced in 2011 having been discontinued in 2012.

However, TF1 Production produced 4 episodes of the series *RIS* during the period, and continued to produce shows launched in late 2011 such as *Après le 20h c'est Canteloup*. TF1 Production also handled production of the Euro 2012 football tournament coverage for TF1.

## e-TF1<sup>7</sup>

Video performed very well on MYTF1.fr, with 326 million catch-up videos watched in the first half of 2012, a rise of 43.6%.

The MYTF1 app, launched in January 2011, continues to be a great success, with nearly 3.3 million downloads recorded to end June 2012.

The MYTF1.fr also saw an increase in traffic in the period to end May 2012 with over 9.5 million unique visitors, up 49% on the comparable period of 2011.

Revenue at e-TF1 reached €50.1m in the first half of 2012, a rise of 29.8%.

All activities performed very well, including interactivity with the TF1 channel and MYTF1, whose success in terms of both revenue and profitability is ongoing.

Top-line growth and further cost control helped the business generate a current operating profit of €9.3m, versus €3.1m a year earlier.

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

## Other

Revenue came to €30.9m in the first half of 2012, versus €10.7m a year earlier.

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

Current operating profit was €5.3m.

## Audiovisual Rights

The Audiovisual Rights division posted 2012 first-half revenue of €64.5m, up 28.7% year-on-year.

<sup>6</sup> Source: Ecran Total

<sup>7</sup> Source: Médiamétrie NNR Panel May 201 2- eStat, streaming TV

Current operating profit was €4.9m, up 16,0 million compared with the first half of 2011.

### Catalogue

The Catalogue business posted first-half revenue of €18.5m, versus €11.7m a year earlier, a rise of 58.1%. This growth reflected both general release films, and back catalogue sales.

Profitability improved sharply in the first half of 2012, with current operating profit reaching €3.6m (compared with a loss of €10.1m in the first half of 2011). Bear in mind that much of this loss was due to the recognition, in the second quarter of 2011, of a provision relating to the *Miracle at Santa Anna* litigation.

### TF1 Vidéo

The Video business achieved 19.8% revenue growth in the first half of 2012 to €46.0m, driven by the success of the DVD release of the films *Intouchables* and *Polisse* and stronger VoD sales.

Operating profit was €2.3m higher than in the first half of 2011 thanks to the titles distributed in the first quarter, despite a persistently tough market. TF1 Vidéo has responded to market conditions by embarking on a rationalisation process, which led to the signature of a distribution agreement with Paramount Home Media Distribution France on July 13, 2012.

### Broadcasting International

Eurosport International revenue rose by 10.1% in the first half of 2012 to €191.3m. Current operating profit was €26.9m, down €0.7m on the comparable period of 2011, due mainly to higher spending on programmes and marketing. Revenue growth was driven both by subscriptions (up 6.3%) and advertising. Operating margin was once again robust, at 14.1%.

Second-quarter operating margin reached 20.4%, versus 19.7% a year previously.

Despite the tough European economic climate, Eurosport International advertising revenue grew by 27.3% to €40.1m on the back of a busy and attractive schedule of sporting events (especially this summer's London Olympics) and buoyant audience ratings.

At end June 2012, the Eurosport channel was being received in 130.0 million households across Europe (up 4.6 million versus end June 2011).

The Eurosport International paying subscriber base was 5.6% higher than in the first half of 2011, with growth driven mainly by Eastern Europe and the United Kingdom.

The Eurosport 2 channel continues to grow, and was being received in 59.2 million households at end June 2012 (up 13.3% year-on-year).

The Eurosport HD channel is also on a rising trend, having gained 5.5 million new subscribers in twelve months.

The Eurosportnews channel is being received in 2.2 million households in Europe, mainly in Portugal and Russia. This channel is also well embedded outside Europe, especially in Africa and Oceania.

The Asia/Pacific version of the Eurosport channel is continuing to expand in its catchment area (Asia/Oceania), and had 5.2 million subscribers at end June 2012 (14.5% year-on-year growth).

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

### Miscellaneous Activities

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

### Post balance sheet events

There are no post balance sheet events to report.

## Corporate social responsibility

### First-half update

- **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 "Reporters d'Espoirs" awards, which reward journalists working in the print media, television, radio or the internet for news stories on initiatives that "offer solutions" in various fields: the economy, the environment, society, solidarity, peace, and humanitarian efforts.

- **Career development and dialogue**

#### *Employee satisfaction survey*

70% of the workforce took part in the TF1 group's 2<sup>nd</sup> employee satisfaction survey, demonstrating their enthusiasm for this form of dialogue. The results confirm the overall positive trend that had emerged in 2010 (average 70% positive opinions across the questionnaire as a whole). Particularly high scores were for pride in belonging (87%), motivation (87%), quality of workplace relations (83%) and confidence in management (89%). All of the results were made available to staff via the corporate intranet.

#### *First company-wide gender parity agreement*

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

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

- **Embedding sustainability**

#### *Metro reduces its environmental footprint*

Metro took the environmental impact into account when 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, a new TF1 group diversification, 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 using the expertise of Recommerce Solutions, a B2B recycling operator, which has received numerous awards for reconditioning. The service is online at [www.recycler.fr](http://www.recycler.fr).

- **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.

#### Human resources update

On June 30, 2012, the TF1 group had 3,820 employees on permanent contracts, versus 3,708 a year earlier and 3,810 on December 31, 2011.

## Stock market performance

On June 30, 2012, TF1 shares closed at €6.29, 50% lower than on June 30, 2011.

Over the same period, the CAC 40 index fell by 20%, the SBF 120 index by 18%, and the CAC Media index by 20%.

Over the first six months of 2012, the TF1 share price fell by 17%, while the CAC 40 index rose by 1% and the SBF 120 index by 2%. However, the CAC Media index fell by 6%, demonstrating the sensitivity of media stocks to economic uncertainty.

As of June 30, 2012, the TF1 group had a market capitalisation of €1.3bn, compared with €2.7bn a year earlier.

## Share ownership

	June 30, 2012		
	Number of shares	% of capital	% of voting rights
<b>Bouygues</b>	<b>91,946,297</b>	<b>43.6%</b>	<b>43.7%</b>
<b>Treasury shares</b>	<b>311,682</b>	<b>0.1%</b>	<b>0.1%</b>
<b>TF1 employees</b>	<b>15,065,631</b>	<b>7.1%</b>	<b>7.2%</b>
<i>via the FCPE TF1 fund</i>	<i>14,981,000</i>	<i>7.1%</i>	<i>7.1%</i>
<i>as registered shares</i>	<i>84,631</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Free float</b>	<b>103,609,393</b>	<b>49.1%</b>	<b>49.2%</b>
<b>Total</b>	<b>210,933,003</b>	<b>100.0%</b>	<b>100.0%</b>

	December 31, 2011		
	Number of shares	% of capital	% of voting rights
<b>Bouygues</b>	<b>91,946,297</b>	<b>43.6%</b>	<b>43.6%</b>
<b>Treasury shares</b>	<b>100,000</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TF1 employees</b>	<b>13,159,913</b>	<b>6.2%</b>	<b>6.2%</b>
<i>via the FCPE TF1 fund</i>	<i>13,071,427</i>	<i>6.2%</i>	<i>6.2%</i>
<i>as registered shares</i>	<i>88,486</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Free float</b>	<b>105,826,793</b>	<b>50.1%</b>	<b>50.1%</b>
<b>Total</b>	<b>211,033,003</b>	<b>100.0%</b>	<b>100.0%</b>

	June 30, 2011		
	Number of shares	% of capital	% of voting rights
<b>Bouygues</b>	<b>91,946,297</b>	<b>43.1%</b>	<b>43.1%</b>
<b>Treasury shares</b>	<b>506,320</b>	<b>0.2%</b>	<b>0.2%</b>
<b>TF1 employees</b>	<b>12,973,944</b>	<b>6.1%</b>	<b>6.1%</b>
<i>via the FCPE TF1 fund</i>	<i>12,884,559</i>	<i>6.0%</i>	<i>6.0%</i>
<i>as registered shares</i>	<i>89,385</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Free float</b>	<b>107,986,931</b>	<b>50.6%</b>	<b>50.6%</b>
<b>Total</b>	<b>213,413,492</b>	<b>100.0%</b>	<b>100.0%</b>

# Outlook

The TF1 group is responding to the difficult economic conditions and the changing competitive landscape by accelerating its adaptation, via ongoing cost-cutting and the launch of a review of processes and organisational structures.

The Group is reiterating its assumption of flat consolidated revenue over 2012 as a whole, and its objective of €930m in TF1 channel programming costs on average over 2012 and 2013.

# Condensed consolidated financial statements for the six months ended June 30, 2012

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

## Consolidated Balance Sheet

ASSETS (€m)	Note	June 30, 2012	Dec. 31, 2011	June 30, 2011
<b>Goodwill</b>		<b>874.3</b>	<b>874.3</b>	<b>865.2</b>
<b>Intangible assets</b>		<b>128.8</b>	<b>142.0</b>	<b>133.9</b>
Audiovisual rights		55.4	70.8	66.2
Other intangible assets		73.4	71.2	67.7
<b>Property, plant and equipment</b>		<b>224.0</b>	<b>230.8</b>	<b>178.1</b>
<b>Investments in associates</b>	5	<b>162.1</b>	<b>1.3</b>	<b>3.8</b>
<b>Non-current financial assets</b>		<b>12.8</b>	<b>167.6</b>	<b>180.0</b>
<b>Non-current tax assets</b>		<b>7.2</b>	<b>5.8</b>	<b>1.0</b>
<b>Total non-current assets</b>		<b>1,409.2</b>	<b>1,421.8</b>	<b>1,362.0</b>
<b>Inventories</b>		<b>625.2</b>	<b>648.5</b>	<b>643.9</b>
Programmes and broadcasting rights		604.8	635.6	628.8
Other inventories		20.4	12.9	15.1
<b>Trade and other debtors</b>		<b>1,354.0</b>	<b>1,241.8</b>	<b>1,349.1</b>
<b>Current tax assets</b>		<b>-</b>	<b>0.5</b>	<b>-</b>
<b>Other current financial assets</b>		<b>5.5</b>	<b>5.9</b>	<b>0.6</b>
<b>Cash and cash equivalents</b>	7	<b>31.5</b>	<b>35.9</b>	<b>38.1</b>
<b>Total current assets</b>		<b>2,016.2</b>	<b>1,932.6</b>	<b>2,031.7</b>
<b>Held-for-sale assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>3,425.4</b>	<b>3,354.4</b>	<b>3,393.7</b>

## Consolidated Balance Sheet (Continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	Note	June 30, 2012	Dec. 31, 2011	June 30, 2011
Share capital		42.2	42.2	42.7
Share premium and reserves		1,412.2	1,350.2	1,368.5
Net profit attributable to the Group		93.5	182.7	118.6
<b>Shareholders' equity attributable to the Group</b>		<b>1,547.9</b>	<b>1,575.1</b>	<b>1,529.8</b>
Minority interests		13.2	12.1	11.1
<b>Total shareholders' equity</b>		<b>1,561.1</b>	<b>1,587.2</b>	<b>1,540.9</b>
<b>Non-current debt</b>	7	<b>15.8</b>	<b>18.0</b>	<b>13.1</b>
<b>Non-current provisions</b>		<b>45.6</b>	<b>40.0</b>	<b>46.1</b>
<b>Non-current tax liabilities</b>		<b>9.6</b>	<b>9.9</b>	<b>7.1</b>
<b>Total non-current liabilities</b>		<b>71.0</b>	<b>67.9</b>	<b>66.3</b>
<b>Current debt</b>	7	<b>107.4</b>	<b>58.5</b>	<b>14.3</b>
<b>Trade and other creditors</b>		<b>1,633.0</b>	<b>1,563.7</b>	<b>1,686.1</b>
<b>Current provisions</b>		<b>51.2</b>	<b>56.6</b>	<b>58.2</b>
<b>Current tax liabilities</b>		<b>1.3</b>	<b>20.2</b>	<b>19.9</b>
<b>Other current financial liabilities</b>		<b>0.4</b>	<b>0.3</b>	<b>8.0</b>
<b>Total current liabilities</b>		<b>1,793.3</b>	<b>1,699.3</b>	<b>1,786.5</b>
<b>Liabilities related to held-for-sale assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>3,425.4</b>	<b>3,354.4</b>	<b>3,393.7</b>
<b>Net surplus cash (+) / Net debt (-)</b>		<b>(91.7)</b>	<b>(40.6)</b>	<b>10.9</b>

## Consolidated Income Statement

(€m)	Note	1st half 2012	1st half 2011	2nd quarter 2012	2nd quarter 2011	Full year 2011
Net advertising revenue		896.8	905.2	477.6	485.8	1,821.5
- TF1 channel		713.2	757.8	373.7	404.5	1,504.1
- Other media		183.6	147.4	103.9	81.3	317.4
Diversification revenue (excluding advertising)		404.4	372.4	195.0	177.4	798.2
<b>Revenue</b>		<b>1,301.2</b>	<b>1,277.6</b>	<b>672.6</b>	<b>663.2</b>	<b>2,619.7</b>
Other operating revenue		-	-	-	-	0.8
External production costs		(360.9)	(312.1)	(172.9)	(150.8)	(702.9)
Other purchases and changes in inventory		(234.8)	(195.7)	(121.1)	(102.7)	(432.3)
Staff costs		(218.2)	(210.4)	(112.6)	(102.9)	(432.8)
External expenses		(239.1)	(221.5)	(119.3)	(110.9)	(469.7)
Taxes other than income taxes		(75.1)	(72.7)	(38.1)	(38.5)	(145.2)
Depreciation and amortisation, net		(36.6)	(40.5)	(18.1)	(20.6)	(78.4)
Provisions and impairment, net		(13.9)	(16.4)	(5.1)	3.9	(29.9)
Other current operating income		75.6	43.5	26.7	21.9	87.5
Other current operating expenses		(64.3)	(65.3)	(34.2)	(37.6)	(133.9)
<b>Current operating profit</b>		<b>133.9</b>	<b>186.5</b>	<b>77.9</b>	<b>125.0</b>	<b>282.9</b>
Other operating income		-	-	-	-	-
Other operating expenses		-	-	-	-	-
<b>Operating profit</b>		<b>133.9</b>	<b>186.5</b>	<b>77.9</b>	<b>125.0</b>	<b>282.9</b>
Income associated with net debt		0.4	0.7	0.1	0.3	1.4
Expenses associated with net debt		(0.4)	(0.5)	(0.2)	(0.2)	(0.9)
<b>Cost of net debt</b>	8	<b>-</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.5</b>
Other financial income		6.5	0.8	6.4	0.5	5.9
Other financial expenses		(0.8)	(1.8)	(0.1)	(0.2)	(0.8)
Income tax expense		(43.9)	(53.1)	(24.4)	(41.9)	(88.7)
Share of profits of associates	5	(0.1)	(11.6)	(0.6)	(10.7)	(13.7)
<b>Net profit from continuing operations</b>		<b>95.6</b>	<b>121.0</b>	<b>59.1</b>	<b>72.8</b>	<b>186.1</b>
<b>Post-tax profit from discontinued and held-for-sale operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit</b>		<b>95.6</b>	<b>121.0</b>	<b>59.1</b>	<b>72.8</b>	<b>186.1</b>
<b>attributable to the Group</b>		<b>93.5</b>	<b>118.6</b>	<b>58.2</b>	<b>72.2</b>	<b>182.7</b>
attributable to minority interests		2.1	2.4	0.9	0.6	3.4
Weighted average number of shares outstanding ('000)		210,812	213,238	210,812	213,238	212,436
Basic earnings per share from continuing operations (€)		0.44	0.56	0.28	0.34	0.86
Diluted earnings per share from continuing operations (€)		0.44	0.55	0.28	0.34	0.86



## Statement of Recognised Income And Expense

(€m)	1st half 2012	1st half 2011	Full year 2011
<b>Consolidated net profit for the period</b>	<b>95.6</b>	<b>121.0</b>	<b>186.1</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains/losses on employee benefits	(4.2)	-	2.4
Net tax effect of equity items not reclassifiable to profit or loss	1.5	-	(0.8)
Share of non-reclassifiable income and expense of associates recognised in equity	-	-	-
<b>Items reclassifiable to profit or loss</b>			
Remeasurement of hedging instruments *	(0.4)	(7.0)	2.3
Remeasurement of available-for-sale financial assets	-	-	-
Change in cumulative translation adjustment of controlled entities	0.3	(0.2)	0.2
Net tax effect of equity items reclassifiable to profit or loss	0.1	2.4	(0.8)
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
<b>Income and expense recognised directly in equity</b>	<b>(2.7)</b>	<b>(4.8)</b>	<b>3.3</b>
<b>Total recognised income and expense</b>	<b>92.9</b>	<b>116.2</b>	<b>189.4</b>
<i>attributable to the Group</i>	90.8	113.8	186.0
<i>attributable to minority interests</i>	2.1	2.4	3.4

\* Includes reclassification adjustments to profit or loss (cash flow hedges): -€1.7m.

## Consolidated Statement of Changes In Shareholders' Equity

(€m)	Note	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	Shareholders' equity attributable to the Group	Minority interests	Consolidated shareholders' equity
<b>BALANCE AT DECEMBER 31, 2011</b>		<b>42.2</b>	<b>-</b>	<b>(0.7)</b>	<b>1,526.8</b>	<b>6.8</b>	<b>1,575.1</b>	<b>12.1</b>	<b>1,587.2</b>
Capital increase (share options exercised)		-	-	-	-	-	-	-	-
Share-based payment		-	-	-	0.3	-	0.3	-	0.3
Purchase of treasury shares		-	-	(2.3)	-	-	(2.3)	-	(2.3)
Cancellation of treasury shares		-	-	0.7	(0.7)	-	-	-	-
Dividends paid		-	-	-	(116.0)	-	(116.0)	(1.0)	(117.0)
Other transactions with shareholders		-	-	-	-	-	-	-	-
<b>Consolidated net profit</b>		-	-	-	<b>93.5</b>	-	<b>93.5</b>	<b>2.1</b>	<b>95.6</b>
<b>Income and expense recognised directly in equity</b>		-	-	-	-	<b>(2.7)</b>	<b>(2.7)</b>	-	<b>(2.7)</b>
<b>BALANCE AT JUNE 30, 2012</b>		<b>42.2</b>	<b>-</b>	<b>(2.3)</b>	<b>1,503.9</b>	<b>4.1</b>	<b>1,547.9</b>	<b>13.2</b>	<b>1,561.1</b>
(€m)	Note	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	Shareholders' equity attributable to the Group	Minority interests	Consolidated shareholders' equity
<b>BALANCE AT DECEMBER 31, 2010</b>		<b>42.7</b>	<b>2.8</b>	<b>(0.4)</b>	<b>1,490.3</b>	<b>3.5</b>	<b>1,538.9</b>	<b>8.7</b>	<b>1,547.6</b>
Capital increase (share options exercised)		-	-	-	-	-	-	-	-
Share-based payment		-	-	-	0.5	-	0.5	-	0.5
Purchase of treasury shares		-	-	(6.2)	-	-	(6.2)	-	(6.2)
Cancellation of treasury shares		-	-	-	-	-	-	-	-
Dividends paid		-	-	-	(117.2)	-	(117.2)	-	(117.2)
Other transactions with shareholders		-	-	-	-	-	-	-	-
<b>Consolidated net profit</b>		-	-	-	<b>118.6</b>	-	<b>118.6</b>	<b>2.4</b>	<b>121.0</b>
<b>Income and expense recognised directly in equity</b>		-	-	-	-	<b>(4.8)</b>	<b>(4.8)</b>	-	<b>(4.8)</b>
<b>BALANCE AT JUNE 30, 2011</b>		<b>42.7</b>	<b>2.8</b>	<b>(6.6)</b>	<b>1,492.2</b>	<b>(1.3)</b>	<b>1,529.8</b>	<b>11.1</b>	<b>1,540.9</b>

## Consolidated Cash Flow Statement

(€m)	Note	1st half 2012	1st half 2011	Full year 2011
Consolidated net profit (including minority interests)		95.6	121.0	186.1
Depreciation, amortisation, provisions & impairment (excluding current assets)		32.9	42.4	79.7
<i>Intangible assets and goodwill</i>		17.9	25.9	48.2
<i>Property, plant and equipment</i>		13.6	14.8	29.7
<i>Financial assets</i>		-	-	0.2
<i>Non-current provisions</i>		1.4	1.7	1.6
Other non-cash income and expenses		(1.9)	(8.3)	(14.6)
Effect of fair value remeasurement		(5.8)	1.3	(2.5)
Share-based payment		0.3	0.5	1.0
Net (gain)/loss on asset disposals		(0.3)	(1.3)	(3.5)
Share of (profits)/losses and dividends of associates		0.1	11.6	13.7
Dividend income from non-consolidated companies		(0.4)	(0.4)	(1.7)
<b>Sub-total</b>		<b>120.5</b>	<b>166.8</b>	<b>258.2</b>
Cost of net debt		-	(0.2)	(0.5)
Income tax expense (including deferred taxes)		43.9	53.1	88.7
<b>Operating cash flow</b>		<b>164.4</b>	<b>219.7</b>	<b>346.4</b>
Income taxes (paid)/reimbursed		(62.2)	(31.7)	(73.2)
Change in operating working capital needs		(5.9)	(56.2)	(82.1)
<b>Net cash generated by/(used in) operating activities</b>		<b>96.3</b>	<b>131.8</b>	<b>191.1</b>
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(29.2)	(12.7)	(100.9)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.6	1.6	1.9
Cash outflows on acquisitions of financial assets		-	-	(5.4)
Cash inflows from disposals of financial assets		-	-	-
Effect of changes in scope of consolidation		-	(3.7)	8.8
<i>Purchase price of investments in consolidated activities</i>		-	(1.5)	(4.8)
<i>Proceeds from disposals of consolidated activities</i>		-	14.4	16.8
<i>Net liabilities related to consolidated activities</i>		-	-	-
<i>Other cash effects of changes in scope of consolidation</i>		-	(16.6)	(3.2)
Dividends received		0.4	0.4	1.7
Change in loans and advances receivable		(0.1)	(0.3)	(0.8)
<b>Net cash generated by/(used in) investing activities</b>		<b>(28.3)</b>	<b>(14.7)</b>	<b>(94.7)</b>
Cash received on exercise of share options		-	-	0.1
Purchases and sales of treasury shares		(2.3)	(6.2)	(26.5)
Dividends paid during the period		(117.0)	(117.2)	(117.2)
Cash inflows from new debt contracted		0.4	(0.2)	0.2
Repayment of debt (including finance leases)		(2.4)	(2.4)	(8.7)
Net interest paid (including finance leases)		-	0.2	0.5
<b>Net cash generated by/(used in) financing activities</b>		<b>(121.3)</b>	<b>(125.8)</b>	<b>(151.6)</b>
<b>CHANGE IN CASH POSITION – CONTINUING OPERATIONS</b>		<b>(53.3)</b>	<b>(8.7)</b>	<b>(55.2)</b>
<b>Cash position at beginning of period – continuing operations</b>		<b>(18.2)</b>	<b>37.0</b>	<b>37.0</b>
Change in cash position during the period – continuing operations		(53.3)	(8.7)	(55.2)
<b>Cash position at end of period – continuing operations</b>	9	<b>(71.5)</b>	<b>28.3</b>	<b>(18.2)</b>

## Notes to the Condensed Consolidated Financial Statements

### 1. Significant Events – Groupe AB

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

As of June 10, 2012, the fair value of the equity interest was measured at €160.9 million. The option having expired, this gave rise to a gain of €5.9 million, recognised in "Other financial income" in the financial statements for the six months ended June 30, 2012. Refer to Note 3, "Changes in scope of consolidation".

### 2. Accounting policies

#### 2.1. Declaration of compliance and basis of preparation

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

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

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

They are presented in millions of euros.

The consolidated financial statements were examined by the Board of Directors on July 25, 2012, and have been subject to a review by the statutory auditors.

#### 2.2. New and amended accounting standards and interpretations

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

In preparing its condensed financial statements for the six months ended June 30, 2012, the TF1 Group applied the same standards, interpretations and accounting policies as those used in the preparation of its consolidated financial statements for the year ended December 31, 2011, plus any new standards, amendments and interpretations applicable from January 1, 2012.

The principal new or amended standards and interpretations that have been endorsed by the European Union or that may be early adopted are:

- Amendment to IFRS 7, "Disclosures – Transfers of Financial Assets": mandatorily applicable from January 1, 2012, no impact on the financial statements.
- Amendment to IAS 1, "Presentation of items of Other Comprehensive Income (OCI)": early adopted with effect from January 1, 2011, impact on the presentation of the statement of recognised income and expense.
- Amendment to IAS 19, "Employee Benefits": mandatorily applicable from January 1, 2013, with early adoption permitted with effect from January 1, 2012. Impact under review.

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

### 2.2.2. Standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union

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

\* Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column  
(1) On June 1, 2012, the Accounting Regulatory Committee voted in favour of endorsement of these standards or amendments by the European Union, and proposed mandatory application from January 1, 2014 with a possibility of early adoption from January 1, 2013.

### 2.3. Changes in accounting policy

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

### 2.4. Use of estimates

Preparation of the condensed consolidated financial statements requires the TF1 Group to make various estimates and use assumptions regarded as realistic or reasonable. Events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.

The principal accounting policies requiring the use of estimates are:

- Impairment of audiovisual rights
- Impairment of goodwill
- Impairment of programmes and broadcasting rights
- Measurement of provisions

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

### 2.5. Seasonal trends

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

### 3. Changes in scope of consolidation

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

TF1 has held a 33.5% equity interest in the Groupe AB since April 2, 2007, the other principal investor being Claude Berda.

On June 10, 2010, in connection with the acquisition by TF1 of the TMC and NT1 channels from the Groupe AB, TF1 granted Claude Berda a call option entitling him to buy out TF1's 33.5% interest in the Groupe AB for its estimated market value of €155 million. In accordance with IAS 27, TF1 therefore ceased to account for its equity interest in the Groupe AB as an associate by the equity method, instead recognising the equity interest in the balance sheet as a non-current financial asset at a value of €155 million. TF1 elected to recognise subsequent changes in the fair value of the equity interest in profit or loss, so that they would offset subsequent changes in the fair value of the option (recognised in financial income or expense, and in financial liabilities in the balance sheet).

The equity interest and the associated call option were valued on the basis of (i) the consolidated net assets of the Groupe AB as remeasured at fair value in 2010, (ii) the profits of the Groupe AB recognised since that date (including depreciation and amortisation charged against remeasured assets) and (iii) a multiple-based approach applicable to the GROUPE AB.

Because no material change in the fair value of the equity interest occurred during the life of the option, both the equity interest and the option were maintained at their initial values, i.e. €155 million and zero respectively.

As of the expiry date of the option (June 10, 2012), TF1's equity interest in the Groupe AB was valued at €160.9 million. The fair value of the equity interest was adjusted accordingly, and a symmetrical financial liability (of €5.9 million) representing the fair value of the option was also recognised. Because the option was not exercised, the financial liability was extinguished, generating a gain (recognised in "Other financial income") in the financial statements for the six months ended June 30, 2012.

The option having expired, the TF1 group has regained the significant influence that it used to exercise over the Groupe AB. Consequently, this equity interest is now once again accounted for as an associate by the equity method, with effect from June 11, 2012.

### 4. Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. This segmentation into business units forms the basis for the presentation of internal management data and is used by the Group's operating decision-makers to assess performance. The operating segments reported by the Group are those reviewed by the chief operational decision-maker; they are not aggregated for segment reporting purposes.

Management assesses segment performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

The TF1 Group has the following operating segments:

#### Broadcasting France

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

#### Audiovisual Rights

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

#### Broadcasting International

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

#### Miscellaneous Activities

This segment comprises all activities that do not meet the criteria for inclusion in any of the segments described above, in particular (as of December 31, 2011) the subsidiary SPS.

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

(€m)	Broadcasting France		Audiovisual Rights		Broadcasting International		Miscellaneous Activities <sup>(2)</sup>		Total TF1	
	H1 2012 <sup>(1)</sup>	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011
	<b>EXTRACT FROM INCOME STATEMENT</b>									
Revenue	1,045.4	1,052.2	64.5	50.1	191.3	173.8	-	1.5	1,301.2	1,277.6
Current operating profit	102.1	181.0	4.9	(11.1)	26.9	27.6	-	(11.0)	133.9	186.5
Share of profits/(losses) of associates <sup>(3)</sup>	(0.1)	(2.5)	-	-	-	-	-	(9.1)	(0.1)	(11.6)

(1) Includes €27.1m of reimbursements of taxes on television services recognised in operating profit, all rights to appeal having been extinguished in February 2012.

(2) In 2011, this segment includes the SPS Group, which was divested in the second quarter of 2011.

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

- Broadcasting France: mainly from Direct Optic Participation;
- Miscellaneous Activities: in 2011, mainly from Metro France.

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

## 5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	GRUPE AB <sup>(3)</sup>	WBTV <sup>(2)</sup>	Metro France <sup>(1)</sup>	Other associates	Total
Country	France	Belgium	France	France	
<b>December 31, 2010</b>	-	2.8	11.1	-	13.9
Share of net profit/(loss) for period	-	(2.5)	(1.1)	-	(3.6)
Provisions for impairment	-	-	(8.0)	-	(8.0)
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	-	1.5	1.5
Other movements	-	-	-	-	-
<b>June 30, 2011</b>	-	0.3	2.0	1.5	3.8
<b>December 31, 2011</b>	-	-	-	1.3	1.3
Share of net profit/(loss) for period	-	-	-	(0.1)	(0.1)
Provisions for impairment	-	-	-	-	-
Dividends paid	-	-	-	-	-
Change in scope of consolidation	160.9	-	-	-	160.9
Other movements	-	-	-	-	-
<b>June 30, 2012</b>	160.9	-	-	1.2	162.1

(1) Metro France has been fully consolidated since July 28, 2011.

(2) Because the Group's share of the net assets of WBTV under the equity method was negative as of December 31, 2011 and June 30, 2012, a provision of €1 million has been recognised on the liabilities side of the balance sheet.

(3) The Groupe AB has been accounted for as an associate by the equity method since June 11, 2012. The share of this entity's profit or loss for the period from June 10 to June 30, 2012 is not material and has not been recognised.

## 6. Share buyback programme

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

## 7. Net debt

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

(€m)	June 30, 2012	Dec. 31, 2011
Cash and cash equivalents	31.5	35.9
Financial assets held for treasury management purposes	-	-
<b>Available cash</b>	<b>31.5</b>	<b>35.9</b>
<b>Fair value of interest rate derivative instruments</b>	<b>-</b>	<b>-</b>
Non-current debt	(15.8)	(18.0)
Current debt	(107.4)	(58.5)
<b>Total debt</b>	<b>(123.2)</b>	<b>(76.5)</b>
<b>Net surplus cash/(net debt)</b>	<b>(91.7)</b>	<b>(40.6)</b>

As of June 30, 2012, the TF1 group was carrying net debt of €91.7 million.

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

- Confirmed bilateral bank credit facilities of €1,015.0 million with various maturities of up to 5 years, backed up by a cash pooling agreement with the Bouygues group under which €99.3 million was drawn down as of June 30, 2012.
- A residual finance lease obligation of €12.8 million relating to the financing of technical plant and equipment.

## 8. Cost of net debt

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

(€m)	H1 2012	H1 2011
Interest income	0.4	0.7
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	-	-
<b>Income associated with net debt</b>	<b>0.4</b>	<b>0.7</b>
Interest expense on debt	(0.4)	(0.5)
Change in fair value of interest rate derivatives	-	-
<b>Expenses associated with debt</b>	<b>(0.4)</b>	<b>(0.5)</b>
<b>Cost of net debt</b>	<b>-</b>	<b>0.2</b>

## 9. Definition of cash position

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

(€m)	June 30, 2012	Dec. 31, 2011
Cash and cash equivalents in the balance sheet	31.5	35.9
Treasury current account credit balances	(101.7)	(51.2)
Bank overdrafts	(1.3)	(2.9)
<b>Total net cash position at end of period per cash flow statement</b>	<b>(71.5)</b>	<b>(18.2)</b>



**10. Dividends paid**

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

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

**11. Post balance sheet events**

There are no post balance sheet events to report.

# Calendar

**November 13, 2012:** 2012 9-month revenue and financial statements

**February 20, 2013:** 2012 full-year revenue and financial statements

**May 7, 2013:** 2013 first-quarter revenue and financial statements

These dates may be subject to change.

# Statement by the person responsible for the half-year financial report

Boulogne-Billancourt – July 25, 2012

## 2012 HALF-YEAR FINANCIAL REPORT STATEMENT

To the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2012 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and of the undertakings included in the consolidation as a whole, and the interim management report appended hereto gives a fair presentation of important events that have occurred during the first six months of the financial year, of their impact on the financial statements, and of major related party transactions, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Chairman and Chief Executive Officer  
Nonce Paolini

# Statutory Auditors' Reports



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*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

## **TELEVISION FRANCAISE 1 S.A.**

Registered office: 1, quai du Point du Jour - 92656 Boulogne Cedex  
Share capital: €42 186 600,60

### **Statutory Auditors' Review Report on the half-yearly consolidated financial statements**

For the six-month period ended 30 June 2012

To the Shareholders,

Following our appointment as statutory auditors by your General Meeting of Shareholders and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of TELEVISION FRANCAISE 1 S.A. for the six-month period ended 30 June 2012,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

#### **I. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.



*TELEVISION FRANÇAISE 1 S.A.*  
*Statutory Auditors' Review Report*  
*20 July 2012*

## **II. Specific verification**

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense and Courbevoie, on the 25<sup>th</sup> July 2012

KPMG Audit IS

MAZARS

Stéphanie Ortega

Guillaume Potel

Olivier Thireau

## Télévision Française 1

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