Boulogne-Billancourt – May 14, 2012

Consolidated revenue up 2.3%
Operating profit of €56m

The TF1 Board of Directors, chaired by Nonce Paolini, met on May 14, 2012 to adopt the financial statements for the first quarter of 2012.

CONSOLIDATED FIGURES (€m)	Q1 2012	Q1 2011	Change %
Revenue	**628.6**	**614.4**	**+2.3%**
TF1 channel advertising revenue	*339.5*	*353.3*	*-3.9%*
Other activities	*289.1*	*261.1*	*+10.7%*
Operating profit	**56.0**	**61.5**	**-8.9%**
Cost of net debt	0.1	0.1	=
Net profit	**36.4**	**48.2**	**-24.5%**

Consolidated revenue for the first quarter of 2012 was €628.6m, a year-on-year increase of €14.2m (+2.3%).
This figure includes:

- **TF1 channel advertising revenue** of €339.5m, a fall of €13.8m (-3.9%) relative to the first quarter of 2011;
- **revenue from other activities** of €289.1m, a rise of €28.0m (+10.7%), reflecting a generally strong performance by diversification activities plus the inclusion of Metro France in the consolidation.

For the Group as a whole, **advertising revenue** was unchanged year-on-year at €419.2m.

Analysis by segment

€m	Q1 2012	Q1 2011
Broadcasting France	504.9	499.4
Audiovisual Rights	38.1	29.0
Broadcasting International	85.6	84.5
Other Activities	-	1,5
Consolidated revenue	**628.6**	**614.4**

In the first three months of 2012, the TF1 channel took an audience share of 22.9% among individuals aged 4 and over and 25.7% among "women aged under 50 purchasing decision-makers". TF1 attracted all 30 of the top audiences in the period, peaking on March 16 with 13.3 million for *Les Enfoirés* (another record for this show), and was the most-watched channel on 82% of evenings.

Source : Médiamétrie

The **Broadcasting France** division generated revenue of €504.9m (including €339.5m of TF1 channel advertising revenue), a year-on-year increase of 1.1%, driven by good performances from TMC and NT1, from e-TF1 (online video sales and success for MYTF1) and from Téléshopping, and by the inclusion of Metro France in the consolidation.

The **Audiovisual Rights** division reported revenue of €38.1m, up €9.1m (+31.4%) thanks to growth for the Video business (largely on the back of the success of *Intouchables*) and to a greater number of cinema releases.

Broadcasting International (Eurosport International) revenues rose by 1.3% to €85.6m, despite lower advertising revenue. Growth was driven by buoyant subscription revenues, vindicating the worldwide rollout strategy for the Eurosport, Eurosport 2 and Eurosport HD channels.

Operating margin of 8.9% (down 1.1 points)

Programming costs for the TF1 channel in the first quarter of 2012 were €237.7m, versus €205.4m a year earlier. This €32.3m increase was mainly due to the following factors:

- a tough comparative, programming costs having been relatively low in the first quarter of 2011 due to the postponement of some programmes;
- reinvestment in the 5.30 p.m. – 8.50 p.m. slot, which paid off in terms of audience figures;
- increased scheduling of first-run drama nearing the end of rights protection, to comply with regulatory requirements.

Current operating profit for the first quarter of 2012 was down €5.5m at €56.0m. Current operating margin was 8.9%, versus 10.0% a year earlier.

€m	Q1 2012	Q1 2011
Broadcasting France	39.6*	62.4
Audiovisual Rights	11.1	0.1
International Broadcasting	5.3	10.0
Other Activities	-	(11.0)
Current operating profit	**56.0***	**61.5**

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

The dip in profitability at the Broadcasting France division is mainly due to a one-off rise in TF1 channel programming costs. The Audiovisual Rights division saw a considerable rise in margins due largely to the success of *Intouchables*, while the Broadcasting International division (Eurosport International) was affected by the screening of the Africa Cup of Nations in the first quarter of 2012.

Net profit of €36.4m

Because the TF1 Group carried no debt in the quarter, **cost of net debt** was positive €0.1m in the three months to March 31, 2012. **Other financial expenses (net of other financial income)** showed a reduction of €0.6m in the first quarter of 2012. **Income tax expense** for the period was €19.5m, a year-on-year increase of €8.3m, reflecting the non-recurrence of a €13.4m tax saving arising in the first quarter of 2011 on the divestment of SPS.

Associates contributed a net profit of €0.5m in the first quarter of 2012, versus a net loss of €0.9m a year earlier. This mainly reflects the fact that Metro France has been fully consolidated since July 28, 2011.

Overall, net profit for the first quarter of 2012 was €36.4m, compared with €48.2m a year earlier.

Very healthy financial position maintained

Shareholders' equity attributable to the Group was €1,608.7m as of March 31, 2012, out of a balance sheet total of €3,347.9m.
Net surplus cash stood at €35.9m on March 31, 2012, compared with net debt of €40.6m on December 31, 2011.
The Group had confirmed bilateral credit facilities totalling €1,015.0m with various banks as of March 31, 2012.

Outlook for 2012

The TF1 group is reiterating its assumption of stable consolidated revenue over 2012 as a whole, and the priority given to cost control – especially in programming costs, with an objective of €930m on average over 2012 and 2013.

Nevertheless, the economic climate remains unstable, and the resulting uncertainty continues to generate significant volatility.

TF1 Group has the strengths needed to cope with the uncertainties of its environment, and will continue through 2012 with its strategy of enhancing its free-to-air multi-channel offering and building its digital businesses, supported by the dynamism of its diversification activities.

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 quarter of 2012 is available on the corporate website: http://www.groupe-tf1.fr/.

A conference call will be held at 18.30 hours Paris time.
Details of how to connect to the conference call are available on the corporate website: http://www.groupe-tf1.fr/.

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Financial Information

First quarter of 2012

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Results

Financial Indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2012 first quarter	2011 first quarter	2011 full year
Revenue	**628.6**	**614.4**	**2,619.7**
TF1 channel advertising revenue	*339.5*	*353.3*	*1,504.1*
Revenue from other activities	*289.1*	*261.1*	*1,115.6*
Current operating profit	**56.0**	**61.5**	**282.9**
Operating profit	**56.0**	**61.5**	**282.9**
Net profit attributable to the Group	**35.2**	**46.4**	**182.7**
Operating cash flow*	**72.3**	**79.3**	**346.4**
Shareholders' equity attributable to the Group	**1,608.7**	**1,579.1**	**1,575.1**
Net surplus cash (+)/Net debt (-)	**35.9**	**133.2**	**(40.6)**
Basic earnings per share (€)	**0.17**	**0.22**	**0.86**
Diluted earnings per share (€)	**0.17**	**0.22**	**0.86**

** Before cost of net debt and income taxes*

	2012 first quarter	2011 first quarter	2011 full year
Weighted average number of shares outstanding ('000)	**210,906**	**213,362**	**212,436**
Closing share price at end of period (€)	**9.18**	**13.0**	**7.5**
Market capitalisation at end of period (€bn)	**1.9**	**2.8**	**1.6**

Consolidated income statement in management accounting format

€m	**2012 first quarter**	**2011 first quarter**	**2011 full year**
TF1 channel			
Advertising revenue	339.5	353.3	1,504.1
Advertising costs	(17.6)	(17.3)	(75.2)
NET BROADCASTING REVENUE	**321.9**	**336.0**	**1,428.9**
Royalties and levies			
- Royalties	(13.7)	(14.3)	(60.6)
- CNC (National Centre for Cinematography)	(21.1)	(18.8)	(82.0)
- Tax on broadcast advertising	(1.4)	(1.5)	(6.4)
Broadcasting costs			
- TDF, satellites, transmission costs	(3.8)	(8.0)	(25.7)
Programming costs (excluding exceptional sporting events)	**(237.7)**	**(205.4)**	**(881.4)**
Exceptional sporting events	**-**	**-**	**(24.1)**
GROSS PROFIT	**44.2**	**88.0**	**348.7**
Diversification revenue and other revenue from operations	288.7	260.8	1,114.7
Other operating expenses	(249.6)	(247.1)	(1,072.2)
Depreciation, amortisation and provisions, net	(27.3)	(40.2)	(108.3)
CURRENT OPERATING PROFIT	**56.0**	**61.5**	**282.9**
Non-current operating income and expenses	-	-	-
OPERATING PROFIT	**56.0**	**61.5**	**282.9**
Cost of net debt	**0.1**	**0.1**	**0.5**
Other financial income and expenses	**(0.7)**	**(1.3)**	**5.1**
Income tax expense	(19.5)	(11.2)	(88.7)
Share of profits/(losses) of associates	0.5	(0.9)	(13.7)
NET PROFIT	**36.4**	**48.2**	**186.1**
ATTRIBUTABLE TO THE GROUP	**35.2**	46.4	**182.7**
Attributable to minority interests	1.2	1.8	3.4

Income statement contributions by segment

€m	Revenue Q1 2012	Revenue Q1 2011	Revenue FY 2011	Current operating profit Q1 2012	Current operating profit Q1 2011	Current operating profit FY 2011
BROADCASTING FRANCE	**504.9**	**499.4**	**2,134.8**	**39.6**	**62.4**	**266.5**
TF1 SA [a]	340.3	354.3	1,511.0	23.2	43.3	177.8
Téléshopping	30.5	29.5	100.4	2.2	1.0	2.9
Theme Channels – France [b]	79.7	75.3	308.8	8.3	11.6	38.9
TF1 Entreprises	7.5	7.5	49.4	0.4	0.4	5.7
Production [c]	6.8	7.9	26.4	0.1	0.5	4.4
e-TF1	25.4	20.1	85.0	4.3	0.9	9.2
Other [d]	14.7	4.8	53.8	1.1	4.7	27.6
AUDIOVISUAL RIGHTS	**38.1**	**29.0**	**115.5**	**11.1**	**0.1**	**(40.1)**
Catalogue [e]	8.9	6.8	37.2	3.3	(0.1)	(28.4)
TF1 Video	29.2	22.2	78.3	7.8	0.2	(11.7)
BROADCASTING INTERNATIONAL	**85.6**	**84.5**	**367.9**	**5.3**	**10.0**	**65.2**
OTHER ACTIVITIES	**-**	**1.5**	**1.5**	**-**	**(11.0)**	**(8.7)**
SPS [f]	-	1.5	1.5	-	(11.0)	(8.7)
TOTAL CONTINUING OPERATIONS	**628.6**	**614.4**	**2,619.7**	**56.0**	**61.5**	**282.9**

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

Key events of the first quarter 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 370,000 subscribers watch the final of the Australian Open, the highest rating for a tennis match since Jo-Wilfried Tsonga reached the final of the Australian Open in 2008.

February

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

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

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

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

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

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

March

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

March 14, 2012: 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, the working title of 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).

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

Management Review

Boulogne-Billancourt – May 14, 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 quarter of 2012 was €628.6m, a year-on-year improvement of €14.2m (+2.3%).

This comprises:

- €339.5m of advertising revenue from the TF1 channel, down €13.8m (-3.9%), reflecting the effects of economic uncertainty on advertisers' spending decisions. To bolster demand, TF1 has adopted a sales policy designed to support its clients through these difficult times.

- €289.1m of revenue from other activities, a rise of €28.0m (+10.7%). This reflects growth across all diversification activities other than Production (due to seasonal factors), and the consolidation of 100% of Metro France with effect from July 28, 2011.

Advertising revenue for the TF1 Group as a whole reached €419.2m, virtually unchanged year-on-year (down €0.2m), as the inclusion of Metro France advertising and higher advertising revenue for DTT channels and online video cancelled out a drop in advertising on TF1 and Eurosport.

Programming costs and other operating income/expenses

TF1 channel programming costs for the first quarter of 2012 were €237.7m, versus €205.4m for the comparable period of 2011. This rise of €32.3m was due mainly to:

- a tough comparative, programming costs having been relatively low in the first quarter of 2011 due to the postponement of some programmes;
- 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.

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

Net charges for depreciation, amortisation, provisions and impairment amounted to €27.3m in the first quarter of 2012, down €12.9m year-on-year, largely due to a provision relating to divested activities booked in the first quarter of 2011.

Operating profit

The Group made an operating profit of €56.0m in the first quarter of 2012, €5.5m less than in the comparable period of 2011.
Operating margin was 8.9%, versus 10.0% in the first quarter of 2011.

The first three months of the year saw a further improvement in profitability for diversification activities, with operating margin reaching 11.4% (compared with 7.0% a year earlier).

Net profit

Because the TF1 Group carried no debt in the quarter, cost of net debt was positive €0.1m in the three months to March 31, 2012, unchanged from the comparable period of 2011.

Other financial income and expenses showed a net expense of €0.7m in the first quarter of 2012, versus a net expense of €1.3m a year earlier; the year-on-year change reflects remeasurements of currency hedges.

Income tax expense for the period was €19.5m, a year-on-year increase of €8.3m, reflecting the non-recurrence of a €13.4m tax saving arising in the first quarter of 2011 on the divestment of SPS.

Associates contributed a net profit of €0.5m in the first quarter of 2012, versus a net loss of €0.9m a year earlier. This mainly reflects the fact that Metro France, in which TF1 held a 34.0% interest as of March 31, 2011, was accounted for as an associate at that time; this entity has been fully consolidated since July 28, 2011.

Overall, net profit for the first quarter of 2012 was €36.4m, compared with €48.2m a year earlier.

Financial position

TF1 had shareholders' equity of €1,622.0m as of March 31, 2012, out of a balance sheet total of €3,347.9m.

Net surplus cash stood at €35.9m on March 31, 2012, compared with net debt of €40.6m on December 31, 2011.

The Group had confirmed bilateral credit facilities totalling €1,015.0m with various banks as of March 31, 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.

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

Broadcasting France

The Broadcasting France division reported revenue of €504.9m for the first quarter of 2012, an increase of €5.5m (+1.1%).
Current operating profit fell by €22.8m to €39.6m.
Current operating margin for the period was 7.8%, versus 12.5% a year earlier.

TF1 Broadcasting

TF1 first-quarter broadcasting revenue was down 4.0% at €340.3m, €14.0m lower than in the first quarter of 2011. Advertising revenue fell by 3.9% to €339.5m.

Current operating profit was 46.4% lower at €23.2m, giving current operating margin of 6.8% (versus 12.2% a year earlier).

TF1 Channel[3]

In the first quarter of 2012, the average daily viewing time for individuals aged 4 and over was 4 hours and 6 minutes, an increase of 10 minutes relative to the first quarter of 2011. Among the target audience of "women aged under 50 purchasing decision-makers", the average viewing time was 4 hours, 17 minutes, a year-on-year increase of 14 minutes.

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 quarter of 2012, the TF1 channel took an audience share of 22.9% among individuals aged 4 and over (versus 24.2% in the first quarter of 2011), and of 25.7% among "women aged under 50 purchasing decision-makers" (versus 27.5%).

TF1 attracted all 30 of the top audiences in the period, peaking on March 16 with 13.3 million for *Les Enfoirés*, another record for this show.

This confirms TF1's unique market position and must-see status: it was the only channel to attract more than 8 million viewers (on 23 occasions) in the first quarter of 2012, while eight programmes were watched by over 9 million viewers and two by more than 10 million.

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 24.7% among individuals aged 4 and over and 28.5% among the target audience of "women aged under 50 purchasing decision-makers", representing an extra 1.8 and 2.8 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 6.5 million in the first quarter of 2012, versus 6.6 million a year earlier.

Within TF1's prime time slots, the channel was the most-watched on 82% of 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 51% among "women aged under 50 purchasing decision-makers" (8.6 million viewers and 36% audience share among individuals).

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

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

French drama: The first quarter of 2012 confirmed the dynamism of French drama, with *Profilage* attracting up to 7.2 million viewers (an all-time high for this series) and *Une Famille Formidable* viewed by up to 7.3 million (the best for a French drama since April 2011).

Movies: TF1 achieved excellent results for its movie screenings. Highlights included *Gran Torino* (9.3 million viewers, the highest 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 lunchtime bulletin up to 8.3 million.

Advertising revenue [4]

Gross plurimedia advertising spend (including the internet) rose by 2.2% in the first quarter of 2012 to €6.3bn.

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 33.4% and gross revenue of €2.1bn in the first quarter of 2012, up 7.3% year-on-year. Advertising spend on free-to-air DTT is still growing rapidly (up by 23.2% or €120.0m).

Print media still ranks second behind TV in France, with gross advertising revenue of €1.8bn (up 0.9% in the first quarter of 2012).

Gross revenue for the TF1 channel was up 1.9% year-on-year in the first quarter of 2012. The channel's share of gross advertising revenue across the TV market as a whole was 36.6%.

Some sectors increased their gross advertising spend during the first quarter of 2012, such as Food (+2.0%), Cosmetics & Beauty (+6.2%), Banking & Insurance (+21.0%), Retail (+12.9%), Household Cleaning (+2.8%), Travel & Tourism (+18.6%) and Apparel (+30.6%). Sectors in decline during the first quarter were Auto (-6.6%), Healthcare (-8.4%), Telecoms (-4.4%) and Publishing (-34.3%).

The volume of advertising screened on TF1 rose by 3.2% in the first quarter of 2012.

Net advertising revenue for the TF1 channel in the first quarter of 2012 was €339.5m, 3.9% lower than in the comparable period of 2011. This reflects the climate of uncertainty, which is affecting advertisers' spending decisions. To bolster demand, TF1 has adopted a sales policy designed to support its clients through these difficult times.

Téléshopping

The Home Shopping business generated revenue of €30.5m in the first quarter of 2012, versus €29.5m a year earlier, a rise of 3.4%. This was mainly due to the resurgence of the flagship brand, but good performances from the Place des Tendances e-commerce site also contributed.

Current operating profit for the first quarter of 2012 was up €1.2m at €2.2m, reflecting efforts to increase the variability of the cost base and tighter control over fixed costs.

Theme Channels[5]

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 21.5% among individuals aged 4 and over in the first quarter of 2012, compared with 20.1% in the first quarter of 2011 and 16.8% in the first quarter of 2010.

Penetration rates at end March 2012 were:

- 60% of households with a TV set were connected to DTT (unchanged from a year earlier);
- 34% of households had connected their internet router to their TV set (versus 25% a year earlier);

[4] Source: Kantar Media Intelligence

[5] Source: Médiamat'Thématik (wave 22- Sept 2011- February 2012)

- 13% of households accessed TV via pay satellite (versus 14% a year earlier);
- 6% of households were subscribing to pay cable services (versus 7% a year earlier).

Bear in mind that the same household may receive TV signals via several routes.

Pay-TV channels achieved an audience share of 11.4% in the first quarter of 2012, down 0.5 of a point year-on-year.

First-quarter theme channels revenue was €79.7m, up 5.8% on the first quarter of 2011. Growth was driven by free-to-view channels – especially NT1, which enjoyed a dynamic first quarter.
Theme channels advertising revenues advanced by €4.7m (+10.4%).

Current operating profit in the first quarter of 2012 was €8.3m, down €3.3m year-on-year, due mainly to LCI (on a busy start to the year in news) and to Eurosport France.

TMC

TMC recorded an audience share of 3.5% among individuals aged 4 and over in the first quarter of 2011 (versus 3.4% a year earlier), rising to 3.9% among "women aged under 50 purchasing decision-makers" (versus 3.6% a year earlier).

The channel was France's leading DTT channel in the quarter among individuals aged 4 and over and "women aged under 50 purchasing decision-makers", and ranked 5th among national channels with this target audience.

TMC had an average prime time audience of 900,000 (unchanged year-on-year), and attracted over a million viewers on 49 occasions, nearly twice as many as in the first quarter of 2011 (25).

The channel also attracted the 3 biggest audience ratings in free-to-view DTT: the 2 million+ audience for *Bodyguard* on February 13, 2012 was a record for a movie screened on DTT.

Overall, TMC performed very well in the quarter.

NT1

NT1 saw very strong growth in audience share in the first quarter of 2012, among both individuals aged 4 and over (+31%) and "women aged under 50 purchasing decision-makers" (+29%). NT1's shares of these target audiences reached 2.1% and 2.7% respectively, versus 1.6% and 2.1% in the first quarter of 2011.

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

NT1 attracted more than 1 million viewers on 9 occasions in the first quarter of 2012 (compared with none at all in the first quarter of 2011), with viewing figures peaking at 1.7 million for the French TV premiere of the movie *The Happening* (French title: *Phénomènes*).

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

In the first quarter of 2012, the Eurosport France channel recorded strong growth in the paying subscriber base to 8.3 million (versus 7.6 million a year earlier), a rise of 9.2%. A major factor was the opening up of the channel to distribution by internet service providers (SFR, Bouygues Telecom and Orange) following the end of CanalSat exclusivity.

Advertising revenues fell year-on-year, reflecting the tough economic environment, which had a particular impact on TV. Internet advertising, on the other hand, saw strong growth. Subscription revenue rose, driven largely by the expansion of Eurosport HD.

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. The channel had an audience share of 1.5% of individuals aged 4 and over (up 0.3 of a point) and 1.7% of "women aged under 50 purchasing decision-makers" (up 0.1 of a point) with a pay-TV subscription.

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

LCI

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

The channel unveiled its new visual identity on January 2, 2012.

Since January 1, 2012, LCI has been distributed by French pay-TV operators on a non-exclusive basis, broadening access to the channel.

Découverte division

Revenue from the Découverte division for the first quarter of 2012 was in line with 2011 first-quarter levels.

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 environmental issues, and is increasing its output of new documentaries. Stylía has rapidly become a force to be reckoned with in lifestyle, luxury and fashion pay-TV thanks to regular magazine programmes that embody the channel's ambitious production policy.

TF6 and Série Club

First-quarter revenue for these two channels, owned 50/50 by TF1 and M6, held steady year-on-year despite tougher competition. Both channels continued to adjust their cost base, and improved their margins relative to the first quarter of 2011.

TF1 Entreprises

TF1 Entreprises reported revenue of €7.5m for the first quarter of 2012, unchanged relative to the comparable period of 2011.

A decline in the established businesses due a tough prior-year comparative was offset by the success of new activities, in particular collections such as the Tintin figurines and the insurance comparison website Automotocompare.fr.

TF1 Entreprises made a current operating profit of €0.4m, in line with the 2011 first-quarter figure.

Production

Production revenue fell 13.9% in the first quarter of 2012 to €6.8m. Current operating profit was down €0.4m at €0.1m.

TF1 Films Production[6]

The drop in revenue at TF1 Films Production in the first quarter was mainly due to differences in the timing of cinema releases.

TF1 Films Production co-produced five films that went on general release in the first quarter of 2012 (versus six in the first quarter of 2011), in particular *CloClo*, which had attracted more than 1.5 million cinema-goers by end March 2012.

TF1 Production

TF1 Production recorded revenue growth in the first quarter of 2012, despite a tough comparative caused by seasonal programming differences.

Production highlights for TF1 Production in the first quarter of 2012 include 4 episodes of the series *RIS*, and the ongoing production of shows launched in late 2011 such as *Après le 20h c'est Canteloup*.

e-TF1 [7]

Video performed very well on MYTF1.fr, with over 160 million catch-up videos watched in the first quarter of 2012 (up 25%).

The MYTF1 app, launched in January 2011, continues to be a great success, with nearly 2.8 million downloads recorded to end March 2012.

[6] Source: Ecran Total
[7] Source: Médiamétrie NNR March 2011 Panel- eStat, streaming TV

MYTF1.fr also saw an increase in traffic in the first quarter of 2012, with over 8.6 million unique visitors, up 6% on the comparable period of 2011.

Revenue at e-TF1 reached €25.4m in the first quarter of 2012, a rise of 26.4%.
All activities performed well in the period, including interactivity with the TF1 channel and MYTF1, whose success in terms of both revenue and profitability is ongoing.

Top-line growth and continuing cost control helped the business generate a current operating profit of €4.3m, versus €0.9m a year earlier.

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

Other

Revenue came to €14.7m in the first quarter of 2012, versus €4.8m in the previous year.

It 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 €1.1m.

Audiovisual Rights

The Audiovisual Rights division posted 2012 first-quarter revenue of €38.1m, an increase of €9.1m year-on-year.

Current operating profit was sharply higher at €11.1m, versus €0.1m a year earlier.

Catalogue

The Catalogue business generated first-quarter revenue of €8.9m, versus €6.8m a year earlier, a rise of 30.9%. This growth reflected both general release films, and catalogue sales.

A combination of revenue growth and cost control led to improved profitability: the business posted a current operating profit of €3.3m, compared with a current operating loss of €0.1m a year earlier.

TF1 Video

The Video business achieved 31.5% revenue growth in the first quarter of 2012 to €29.2m, driven by the success of the DVD release of the films *Intouchables* and *Polisse* and by stronger VoD sales.

This top-line growth propelled current operating profit to €7.8m, compared with €0.2m in the first quarter of 2011.

Broadcasting International

Eurosport International revenue rose by 1.3% in the first quarter of 2012 to €85.6m.
Current operating profit was €5.3m, down €4.7m versus the comparable period of 2011.
This decline reflected lower advertising revenue (offset by higher subscription revenue), plus higher programming costs due largely to the screening of the Africa Cup of Nations.

In a tough European economic climate, Eurosport International saw advertising revenue fall by 17.3% to €11.0m in the first quarter of 2012.

At end March 2012, the Eurosport channel was being received in 129.6 million households across Europe (up 5.0 million versus end March 2011).

The Eurosport International paying subscriber base was 5.2% larger than in the first quarter of 2011, with growth driven mainly by Eastern Europe and the United Kingdom.
Growth for the Eurosport 2 channel (7.6 million new subscribers) was driven by Eastern Europe and Turkey. At end March 2012, Eurosport 2 was being received in 58.3 million households.

The Eurosport HD channel continued to expand, attracting 4.6 million new subscribers in the first quarter of 2012.

Overall, first-quarter subscription revenue rose year-on-year.

Other Activities

No activities were included in this segment in the first quarter of 2012. In the first quarter 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

Dialogue and society

In February 2012, the TF1 Foundation launched its 5th annual recruitment campaign, accessible not only via the Foundation's website but also via various forums, schools and magazines (including *Respect Mag*). The aim is to hire 12 new young recruits for the 2012 intake. Application forms were available on the Foundation's website from February 15 to May 6, 2012.

The main aim of the TF1 Foundation is to provide training and jobs in the audiovisual industry via a range of initiatives targeted at applicants from deprived neighbourhoods.

Career management and employment issues

Gender parity in the workplace is one of the four strategic priorities of the Group's diversity policy. A major step forward in this area came with the presentation, on March 8, of a new company-wide agreement on gender parity focusing on 3 areas:

- guaranteeing equality of treatment between women and men when hiring new staff, and in all phases of the recruitment process;
- guaranteeing equality of opportunity to women and men in terms of career development, via access to training and fair promotion policies;
- developing work/life balance initiatives.

Sustainable Development

The TF1 Group continues to apply the sustainable development policy which has been in place for several years.

Following the integration of Metro into the Group, a new layout was launched on March 5, 2012 that builds into the production process a number of measures to reduce the environmental footprint: a smaller format reducing daily paper usage from 54 to 45 tonnes, 100% use of recycled paper, a waterless printing process that cuts water consumption and eliminates chemical additives, and recovery and recycling of undistributed newspapers. The daily newspaper is printed at seven plants across the country, thereby reducing delivery miles.

Ethical purchasing

On January 10, 2012, the TF1 group signed up to the "Good Practice 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; between them, these companies represent an annual purchasing volume of over €400bn.

Outlook

The TF1 group is reiterating its assumption of stable consolidated revenue over 2012 as a whole, and the priority given to cost control – especially in programming costs, with an objective of €930m on average over 2012 and 2013.

Nevertheless, the economic climate remains unstable, and the resulting uncertainty continues to generate significant volatility.

TF1 Group has the strengths needed to cope with the uncertainties of its environment, and will continue through 2012 with its strategy of enhancing its free-to-air multi-channel offering and building its digital businesses, supported by the dynamism of its diversification activities.

Consolidated Financial Statements for the three months ended 31 March 2012

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

Consolidated Balance Sheet

ASSETS (€m)	**March 31, 2012**	**Dec. 31, 2011**	**March 31, 2011**
Goodwill	**874.3**	**874.3**	**865.2**
Intangible assets	**127.3**	**142.0**	**142.1**
Audiovisual rights	55.7	70.8	74.0
Other intangible assets	71.6	71.2	68.1
Property, plant and equipment	**226.9**	**230.8**	**181.7**
Investments in associates	**1.2**	**1.3**	**14.4**
Non-current financial assets	**167.7**	**167.6**	**180.4**
Non-current tax assets	**5.7**	**5.8**	**2.5**
Total non-current assets	**1,403.1**	**1,421.8**	**1,386.3**
Inventories	**619.0**	**648.5**	**650.1**
Programmes and broadcasting rights	600.6	635.6	637.5
Other inventories	18.4	12.9	12.6
Trade and other debtors	**1,263.1**	**1,241.8**	**1,167.1**
Current tax assets	**-**	**0.5**	**-**
Other current financial assets	**3.4**	**5.9**	**1.0**
Cash and cash equivalents	**59.3**	**35.9**	**152.5**
Total current assets	**1,944.8**	**1,932.6**	**1,970.7**
Held-for-sale assets	**-**	**-**	**-**
TOTAL ASSETS	**3,347.9**	**3,354.4**	**3,357.0**
Net surplus cash/(Net debt)	**35.9**	**(40.6)**	**133.2**

Consolidated Balance Sheet (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	**March 31, 2012**	**Dec. 31, 2011**	**March 31, 2011**
Share capital	42.2	42.2	42.7
Share premium and reserves	1,531.3	1,350.2	1,490.0
Net profit attributable to the Group	35.2	182.7	46.4
Shareholders' equity attributable to the Group	**1,608.7**	**1,575.1**	**1,579.1**
Minority interests	13.3	12.1	10.5
Total shareholders' equity	**1,622.0**	**1,587.2**	**1,589.6**
Non-current debt	**16.8**	**18.0**	**14.2**
Non-current provisions	**40.7**	**40.0**	**45.4**
Non-current tax liabilities	**9.1**	**9.9**	**9.3**
Total non-current liabilities	**66.6**	**67.9**	**68.9**
Current debt	**6.6**	**58.5**	**5.3**
Trade and other creditors	**1,583.6**	**1,563.7**	**1,623.2**
Current provisions	**54.2**	**56.6**	**61.4**
Current tax liabilities	**14.8**	**20.2**	**2.4**
Other current financial liabilities	**0.1**	**0.3**	**6.2**
Total current liabilities	**1,659.3**	**1,699.3**	**1,698.5**
Liabilities related to held-for-sale assets	**-**	**-**	
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**3,347.9**	**3,354.4**	**3,357.0**

Consolidated Income Statement

(€m)	First quarter 2012	First quarter 2011	Full year 2011
Net advertising revenue	419.2	419.4	1,821.5
- TF1 channel	*339.5*	*353.3*	*1,504.1*
- Other media	*79.7*	*66.1*	*317.4*
Diversification revenue (excluding advertising)	209.4	195.0	798.2
Revenue	**628.6**	**614.4**	**2,619.7**
Other operating revenue	-	-	0.8
External production costs	(188.0)	(161.3)	(702.9)
Other purchases and changes in inventory	(113.7)	(93.0)	(432.3)
Staff costs	(105.6)	(107.5)	(432.8)
External expenses	(119.8)	(110.6)	(469.7)
Taxes other than income taxes	(37.0)	(34.2)	(145.2)
Depreciation and amortisation, net	(18.5)	(19.9)	(78.4)
Provisions and impairment, net	(8.8)	(20.3)	(29.9)
Other current operating income	48.9	21.6	87.5
Other current operating expenses	(30.1)	(27.7)	(133.9)
Current operating profit	**56.0**	**61.5**	**282.9**
Other operating income	-		-
Other operating expenses	-		-
Operating profit	**56.0**	**61.5**	**282.9**
Income associated with net debt	0.3	0.4	1.4
Expenses associated with net debt	(0.2)	(0.3)	(0.9)
Cost of net debt	**0.1**	**0.1**	**0.5**
Other financial income	-	0.3	5.9
Other financial expenses	(0.7)	(1.6)	(0.8)
Income tax expense	(19.5)	(11.2)	(88.7)
Share of profits of associates	0.5	(0.9)	(13.7)
Net profit from continuing operations	**36.4**	**48.2**	**186.1**
Post-tax profit from discontinued/held-for-sale operations	**-**	**-**	**-**
Net profit	**36.4**	**48.2**	**186.1**
attributable to the Group	**35.2**	***46.4***	***182.7***
attributable to minority interests	*1.2*	*1.8*	*3.4*
Weighted average number of shares outstanding ('000)	210,906	213,362	212,436
Basic earnings per share from continuing operations (€)	0.17	0.22	0.86
Diluted earnings per share from continuing operations (€)	0.17	0.22	0.86

Statement Of Recognised Income And Expense

(€m)	First quarter 2012	First quarter 2011	Full year 2011
Consolidated net profit for the period	**36.4**	**48.2**	**186.1**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on employee benefits	-	-	2.4
Net tax effect of equity items not reclassifiable to profit or loss	-	1.7	(0.8)
Share of non-reclassifiable income and expense of associates recognised in equity	-	-	-
Items reclassifiable to profit or loss			
Remeasurement of hedging instruments *	(1.8)	(4.7)	2.3
Remeasurement of available-for-sale financial assets	-	-	-
Change in cumulative translation adjustment of controlled entities	0.1	(0.1)	0.2
Net tax effect of equity items reclassifiable to profit or loss	0.8		(0.8)
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
Income and expense recognised directly in equity	**(0.9)**	**(3.1)**	**3.3**
Total recognised income and expense	**35.5**	**45.1**	**189.4**
attributable to the Group	34.3	43.3	186.0
attributable to minority interests	1.2	1.8	3.4

Consolidated Statement Of Changes In Shareholders' Equity

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2011	**42.2**	**-**	**(0.7)**	**1,526.8**	**6.8**	**1,575.1**	**12.1**	**1,587.2**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	0.2		**0.2**	-	**0.2**
Purchase of treasury shares	-	-	(0.9)	-	-	**(0.9)**	-	**(0.9)**
Cancellation of treasury shares	-	-	0.7	(0.7)	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	**-**	-	**-**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Consolidated net profit	**-**	**-**	**-**	**35.2**	**-**	**35.2**	**1.2**	**36.4**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(0.9)**	**(0.9)**	**-**	**(0.9)**
BALANCE AT MARCH 31, 2012	**42.2**	**-**	**(0.9)**	**1,561.5**	**5.9**	**1,608.7**	**13.3**	**1,622.0**

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2010	**42.7**	**2.8**	**(0.4)**	**1,490.3**	**3.5**	**1,538.9**	**8.7**	**1,547.6**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	0.3	-	**0.3**	-	**0.3**
Purchase of treasury shares	-	-	(3.4)	-	-	**(3.4)**	-	**(3.4)**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	**-**	**-**	**-**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Consolidated net profit	**-**	**-**	**-**	**46.4**	**-**	**46.4**	**1.8**	**48.2**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(3.1)**	**(3.1)**	**-**	**(3.1)**
BALANCE AT MARCH 31, 2011	**42.7**	**2.8**	**(3.8)**	**1,537.0**	**0.4**	**1,579.1**	**10.5**	**1,589.6**

Consolidated Cash Flow Statement

(€m)	First quarter 2012	First quarter 2011	Full year 2011
Consolidated net profit (including minority interests)	36.4	48.2	186.1
Depreciation, amortisation, provisions & impairment (excluding current assets)	17.4	21.0	79.7
Intangible assets and goodwill	*9.5*	*12.6*	*48.2*
Property, plant and equipment	*7.2*	*7.4*	*29.7*
Financial assets	*-*	*-*	*0.2*
Non-current provisions	*0.7*	*1.0*	*1.6*
Other non-cash income and expenses	(0.8)	(3.3)	(14.6)
Effect of fair value remeasurement	0.6	1.3	(2.5)
Share-based payment	0.2	0.3	1.0
Net (gain)/loss on asset disposals	(0.4)	(0.2)	(3.5)
Share of (profits)/losses and dividends of associates	(0.5)	0.9	13.7
Dividend income from non-consolidated companies	-	-	(1.7)
Sub-total	**52.9**	**68.2**	**258.2**
Cost of net debt	(0.1)	(0.1)	(0.5)
Income tax expense (including deferred taxes)	19.5	11.2	88.7
Operating cash flow	**72.3**	**79.3**	**346.4**
Income taxes (paid)/reimbursed	(24.3)	(6.9)	(73.2)
Change in operating working capital needs	37.7	55.9	(82.1)
Net cash generated by/(used in) operating activities	**85.7**	**128.3**	**191.1**
Cash outflows on acquisitions of property, plant & equipment and intangible assets	(8.8)	(8.4)	(100.9)
Cash inflows from disposals of property, plant & equipment and intangible assets	0.5	0.7	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	-	(1.1)	8.8
Purchase price of investments in consolidated activities	*-*	*(1.5)*	*(4.8)*
Proceeds from disposals of consolidated activities	*-*	*14.2*	*16.8*
Net liabilities related to consolidated activities	*-*	*-*	*-*
Other cash effects of changes in scope of consolidation	*-*	*(13.8)*	*(3.2)*
Dividends received	-	-	1.7
Change in loans and advances receivable	(0.1)	(0.2)	(0.8)
Net cash generated by/(used in) investing activities	**(8.4)**	**(9.0)**	**(94.7)**
Cash received on exercise of share options	-	-	0.1
Purchases and sales of treasury shares	(0.9)	(3.4)	(26.5)
Dividends paid during the period	-	-	(117.2)
Cash inflows from new debt contracted	0.1	-	0.2
Repayment of debt (including finance leases)	(1.4)	(1.2)	(8.7)
Net interest paid (including finance leases)	0.1	0.1	0.5
Net cash generated by/(used in) financing activities	**(2.1)**	**(4.5)**	**(151.6)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS	**75.2**	**114.8**	**(55.2)**
Cash position at beginning of period – continuing operations	**(18.2)**	**37.0**	**37.0**
Change in cash position during the period – continuing operations	75.2	114.8	(55.2)
Cash position at end of period – continuing operations	**57.0**	**151.8**	**(18.2)**
CHANGE IN CASH POSITION – DISCONTINUED/HELD-FOR-SALE OPERATIONS			
Cash position at beginning of period – discontinued/held-for-sale operations	**-**	**-**	**-**
Change in cash position during the period – discontinued/held-for-sale operations	-	-	-
Cash position at end of period – discontinued/held-for-sale operations	**-**	**-**	**-**

Notes To The Consolidated Financial Statements

1. Significant events

There were no significant events during the period.

2. Accounting policies

2.1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the three months ended March 31, 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 comply with 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 May 14, 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 three months ended March 31, 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 only change relates to the amendment to IFRS 7 ("Disclosures – Transfers of Financial Assets"), which had no impact on the financial statements for the three months ended March 31, 2012.

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
IAS 27: Separate Financial Statements	January 1, 2013	No impact on the financial statements
IAS 28: Investments in Associates and Joint Ventures	January 1, 2013	Under review
IFRS 9: Financial Instruments	January 1, 2015	Under review
IFRS 10: Consolidated Financial Statements	January 1, 2013	Under review
IFRS 11: Joint Arrangements	January 1, 2013	Under review
IFRS 12: Disclosure of Interests in Other Entities	January 1, 2013	Under review
IFRS 13: Fair Value Measurement	January 1, 2013	Under review
Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters	July 1, 2011	No impact on the financial statements
Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	January 1, 2013	Under review
Amendment to IAS 1: Presentation of items of Other Comprehensive Income (OCI)	July 1, 2012	No impact on the financial statements
Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets	January 1, 2012	No impact on the financial statements
Amendment to IAS 19: Employee Benefits	July 1, 2013	Under review
Amendment to IAS 32: 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 (except for the amendment to IAS 1, which was early adopted at the end of 2011).*

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 three months ended March 31, 2012 were examined by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

3. Changes in scope of consolidation

There were no changes in the scope of consolidation during the first quarter of 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.

Other Activities
This segment comprises all activities not included in any of the segments described above, and (as of December 31, 2010) the subsidiaries 1001 Listes and SPS.

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

	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities [2]		Total TF1	
(€m)	Q1 2012 [1]	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
EXTRACT FROM INCOME STATEMENT										
Revenue	**504.9**	**499.4**	**38.1**	**29.0**	**85.6**	**84.5**	**-**	**1.5**	**628.6**	**614.4**
Current operating profit	**39.6**	**62.4**	**11.1**	**0.1**	**5.3**	**10.0**	**-**	**(11.0)**	**56.0**	**61.5**
Share of profits/(losses) of associates [3]	0.5	(0.2)	-	-	-	-	-	(0.7)	0.5	(0.9)

(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 WBTV;*
- *Other Activities: in 2011, mainly from Metro France.*

Segmental assets as of March 31, 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)	WBTV [2]	Metro France [1]	Other associates	Total
Country	**Belgium**	**France**	**France**	
December 31, 2010	**2.8**	**11.1**	**-**	**13.9**
Share of net profit/(loss) for period	(0.2)	(0.7)	-	**(0.9)**
Provisions for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Change in scope of consolidation	-	-	1.4	**1.4**
Other movements	-	-	-	**-**
March 31, 2011	**2.6**	**10.4**	**1.4**	**14.4**
December 31, 2011	**-**	**-**	**1.3**	**1.3**
Share of net profit/(loss) for period	0.6	-	(0.1)	0.5
Provisions for impairment	-	-	-	-
Dividends paid	-	-	-	-
Change in scope of consolidation	-	-	-	**-**
Other movements	(0.6)	-	-	**(0.6)**
March 31, 2012	**-**	**-**	**1.2**	**1.2**

(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 March 31, 2012, a provision has been recognised on the liabilities side of the balance sheet.

6. Share buyback programme

Under the terms of the authorisation granted by the Annual General Meeting on April 15, 2010 and renewed on April 14, 2011, TF1 has repurchased 100,000 of its own shares for €0.9 million with a view to their cancellation, and has 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)	March 31, 2012	December 31, 2011
Cash and cash equivalents	59.3	35.9
Financial assets held for treasury management purposes	-	-
Available cash	**59.3**	**35.9**
Fair value of interest rate derivative instruments	**-**	**-**
Non-current debt	(16.8)	(18.0)
Current debt	(6.6)	(58.5)
Total debt	**(23.4)**	**(76.5)**
Net surplus cash/(net debt)	**35.9**	**(40.6)**

As of March 31, 2012, TF1 had the following financing arrangements in place:

• Confirmed bilateral bank credit facilities of €1,015 million with a range of maturities between one and five years, nine of which was drawn down as of March 31, 2012.

• A cash pooling agreement with the Bouygues group, as back-up for these credfit facilities. As of March 31, 2012, TF1 was not using this cash pooling agreement as a source of financing.

• A residual finance lease obligation of €14.4 million relating to the financing of technical plant and equipment.

The TF1 Group makes use of the various sources of available financing, including both bank financing (such as confirmed credit facilities) and the financial markets.

As of March 31, 2012, the TF1 Group was cash-positive.

8. Cost of net debt

Cost of net debt represented a net gain of €0.1m in the first quarter of 2012, comprising the following items:

(€m)	Q1 2012	Q1 2011
Interest income	0.3	0.4
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	-	-
Income associated with net debt	**0.3**	**0.4**
Interest expense on debt	(0.2)	(0.3)
Change in fair value of interest rate derivatives	-	-
Expenses associated with debt	**(0.2)**	**(0.3)**
Cost of net debt	**0.1**	**0.1**

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)	March 31, 2012	December 31, 2011
Cash and cash equivalents in the balance sheet	59.3	35.9
Treasury current account credit balances	(0.9)	(51.2)
Bank overdrafts	(1.4)	(2.9)
Total net cash position at end of period per cash flow statement	**57.0**	**(18.2)**

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.

	Paid in 2012	Paid in 2011
Total dividend (€m)	116.1	117.4
Ordinary dividend per share (€)	0.55	0.55

11. Post balance sheet events

There are no post balance sheet events to report.

Diary Dates

July 26, 2012: 2012 first-half revenue and financial statements, analyst meeting
November 13, 2012: 2012 nine-month revenue and financial statements
February 20, 2013: 2012 first-half revenue and annual financial statements
May 7, 2013: 2013 first-quarter revenue and financial statements

These dates may be subject to change.

Télévision Française 1

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