MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

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Ladies and Gentlemen, Shareholders,

We are assembled here today at the Ordinary General Meeting, as required by French law and by our Articles of Incorporation, to report to you on our management during the past business year, submit the accounts for the 2011 business year for your approval, and review the situation and growth prospects of the company and the Group.

This report also includes information on the social and environmental management of your company.

As in previous years, the accounts for 2011 are presented for both the TF1 group (consolidated accounts) and for the parent company, Télévision Française 1.

The consolidated accounts have been prepared in accordance with IFRS, as adopted by the European Union (EU), while the accounts for TF1 SA have been prepared according to accounting rules and principles applicable in France (French GAAP). The change made to the format of the financial statement is indicated page 106 and 165.

These financial statements were approved by the Board of Directors of TF1 SA on February 15, 2012.

Post balance sheet events are disclosed in this chapter.

3.1 2011 MARKET TRENDS

3.1.1 Television

In 2011, television remained a highly attractive medium for viewers, both on a daily basis and especially for major events. The development of new technologies is opening up more possibilities, with TV content accessible on new devices and sharper image quality on TV sets. In 2011, viewers could choose from a wide range of over 100 channels *via* free-to-air or pay-to-view Digital Terrestrial Television (DTT), cable, satellite, ADSL and fibre optic.

HIGH PENETRATION OF TV SETS ENCOURAGES CONSUMPTION(1)

Almost every French home now has a TV set: 98.2% have at least one, and of these 52% have more than one.

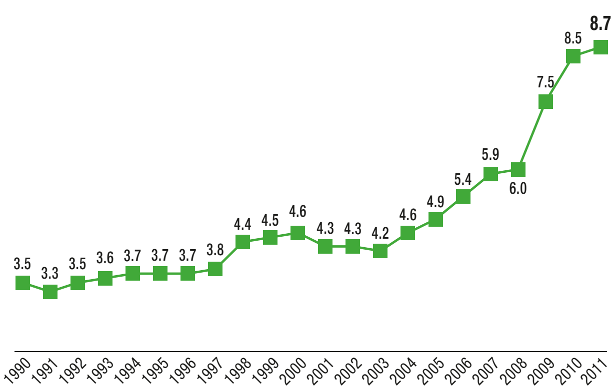
The growing number of sets in French homes is being driven largely by new screen formats: 75% now have a 16/9 set, and 74% a high-definition (HD) set. Penetration rates for both these formats are growing very fast (year-on-year growth of 9 points and 10 points respectively).

While the attractiveness of video equipment continues to rise, growth in audio equipment is relatively flat: 15% of homes have a home cinema system (year-on-year growth of 1 point).

Sales of TV sets hit a new peak of 8.7 million units in 2011, driven by the final phase of the digital switchover.

10 regions switched over in 2010, and 12 in 2011 (including the Greater Paris region on March 8, 2011). Most French people took the switchover in their stride: in the fourth quarter of 2011, 97% of French homes had at least one digital set, and 81% were fully digital (all the sets in the home were digital).

SALES OF TELEVISION SETS, MILLION OF UNITS



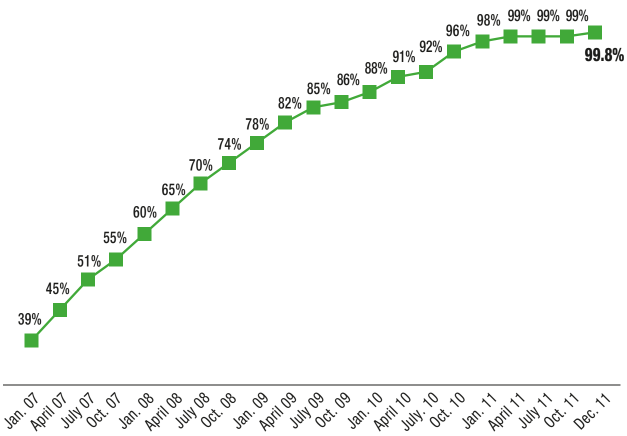
ACCESS TO 19+ CHANNELS NOW THE NORM(1)

By end December 2011, virtually everyone in France (99.8%) could receive at least 19 channels. This huge shift in the French broadcasting landscape has happened rather quickly, and is now complete: at end 2006, only 39% of homes with TV sets could access multi-channel offerings.

Free-to-air has been the sole driver of this growth.

TRENDS IN NUMBER OF CHANNELS RECEIVED BY INDIVIDUALS(2)

Proportion of people receiving 19 or more channels/Individuals aged 4 and over.



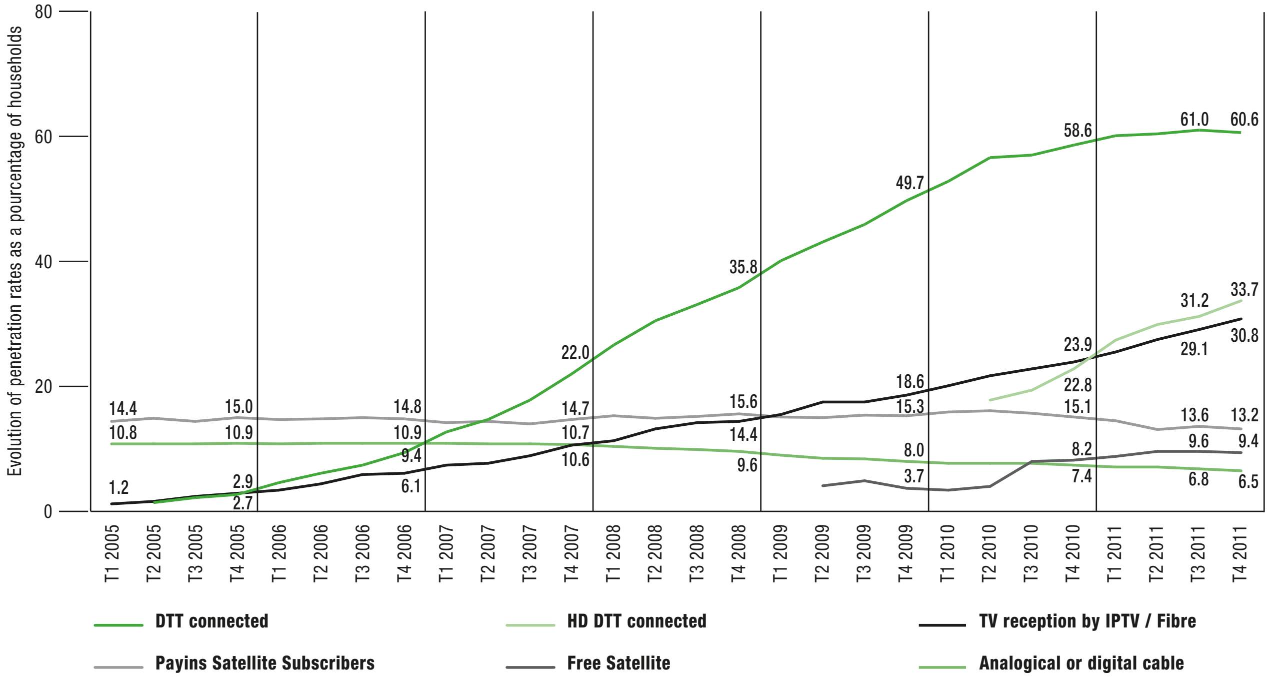
DTT is the most popular way of receiving a multi-channel offering: 61% of homes have a DTT connection (i.e. an external or internal decoder combined with a Yagi aerial). Launched in March 2005, DTT is still growing fast, though the pace is slowing now that the analogue switch-off is complete (2-point growth in 1 year, 12-point growth in 2 years).

ADSL/fibre optic ranks second: 31% of homes are connected, significantly ahead of satellite and cable. It is also the fastest-growing means of access (2-point growth in 1 year, 11-point growth in 2 years).

The more traditional forms of multi-channel access – subscription to a satellite offering (13% of homes) or to a cable offering (7%) – both declined in 2011, by 2 points and 1 point respectively year-on-year.

(1) Source: Médiamétrie/GfK – Référence des Équipements Multimédias – Oct-December 2011 – Base: households wih TV sets.
(2) Source: Médiamétrie/Médiamat.

EVOLUTION OF PENETRATION RATES AS A POURCENTAGE OF HOUSEHOLDS



TELEVISION – THE TOP MEDIA CHOICE, INCLUDING WITH 15-24 YEAR-OLDS[1]

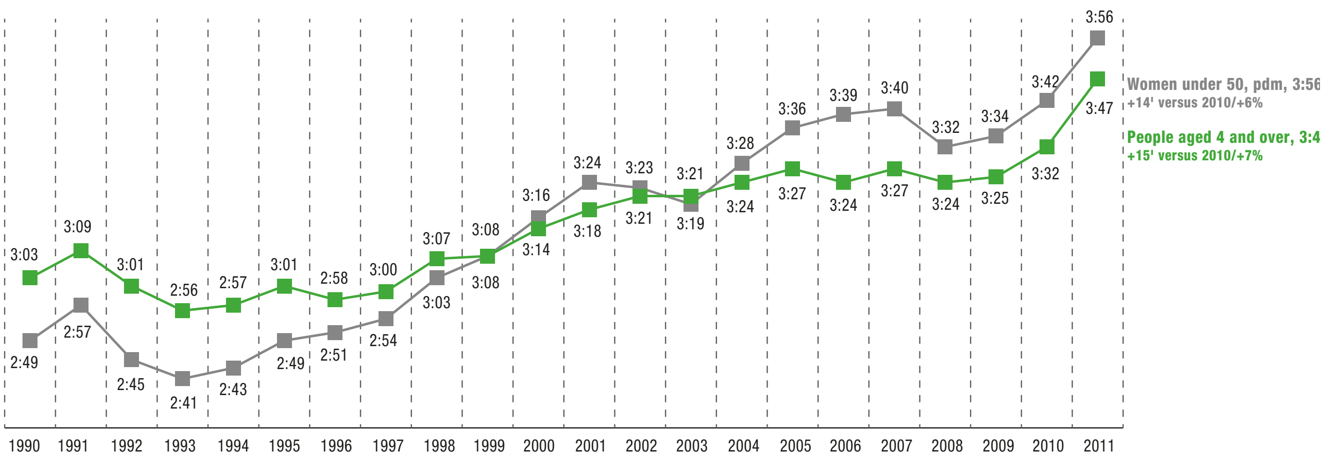
Overall, 81% of French people have at least one contact a day with television, compared with 78% for radio and 42% for the Internet, giving television the broadest reach of all media.

Television also ranked highest in terms of time spent on media consumption by French people during 2011: French people aged 15+ spent an average of 4 hours and 2 minutes a day watching TV, compared with 2 hours and twelve minutes listening to the radio and 32 minutes surfing the Internet.

Television consumption hit a record high in 2011, and advanced across all target markets. It was also the only medium to record growth among 15-24 year-olds (an extra 5 minutes versus 2010, compared with a 1-minute fall for radio and a 3-minute fall for the Internet.

TRENDS IN TELEVISION CONSUMPTION

Viewing time for "Individuals aged 4 and over" and "Women under 50 purchasing decision-makers".



(1) Source: Médiamétrie – Médiamat/126,000 Radio/NetRatings – Full-year 2011.

TV CONSUMPTION METHODS: CHANGING, BUT SLOWLY(1)

New ways to watch TV are developing, but are still only marginal.

French people aged 15+ spend an average of 3 hours, 58 minutes a day watching TV at home, live, on a TV set.

Only 2 minutes a day was spent watching live TV outside the home ("anywhere" viewing), just 0.8% of the level of traditional viewing. For non-TV set devices (computers, smartphones or touchscreen tablets – "any device" viewing) the average viewing time was 1 minute a day, or 0.4% of current TV consumption. As regards "anytime" (non-live) viewing, this now splits into two categories: timeshift viewing of recordings made at home (which since January 2011 has been included in Mediamat statistics, see below), and replay viewing on IPTV (internet), computers, smartphones or tablets.

On January 3, 2011, Médiamétrie rolled out phase 1 of its ATAWAD (AnyTime/AnyWhere/AnyDevice) automatic audience measurement system. Timeshift viewing (watching home recordings, i.e. excluding replay) is now included in daily TV viewing statistics. This upped audience ratings by 1.7% (an extra 3 minutes and 56 seconds per day for French people aged 15+). Over 42% of timeshift viewing is VOSDAL (View on Same Day as Live).

The vast majority of DTT channels are now included in the Médiamat national daily viewing statistics, the only exceptions being LCP-AN/Public Sénat, BFM TV, i<Télé, Direct Star, and France Ô.

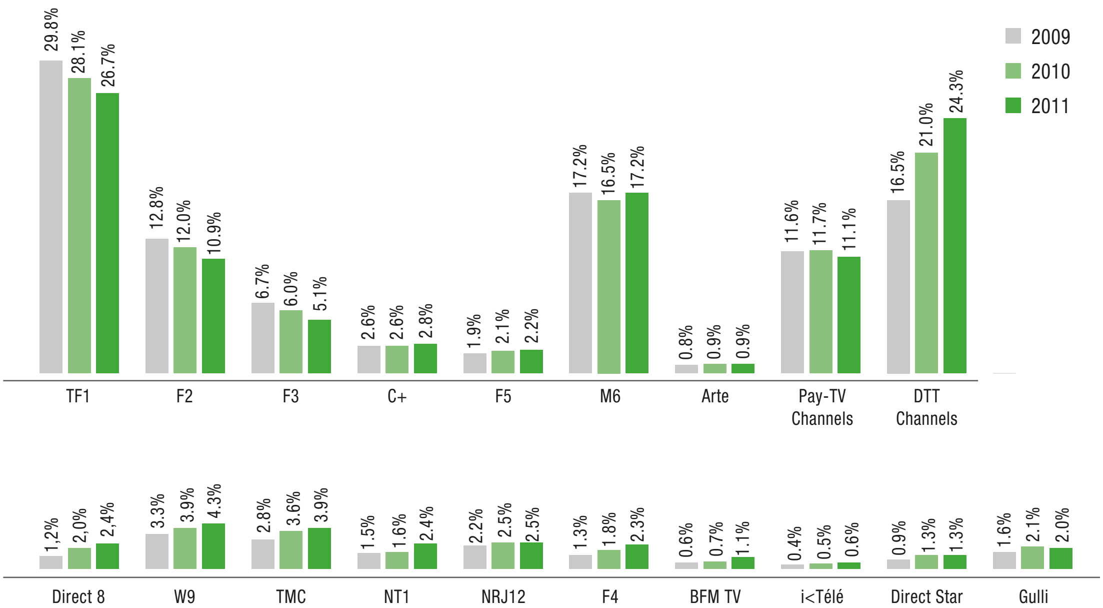
The charts below show how audience shares of the French channels are evolving in response to the explosion in the number of channels available and the changes in the broadcasting landscape.

AUDIENCE SHARE – INDIVIDUALS AGED 4 AND OVER(2)

(1) Source: Médiamétrie / Global TV (aged 15+, first quarter of 2011) / Médiamat

(2) Source: Médiamétrie / Médiamat

AUDIENCE SHARE – WOMEN UNDER 50 PURCHASING DECISION-MAKERS[1]



3.1.2 The Internet and non-live viewing: four access options

Television is expanding beyond the confines of the familiar TV set. Images and programmes are now available on the Internet *via* replay and video on demand (VoD), but also on mobile phones, tablets and IPTV (Internet Protocol Television).

The Internet is now part of the daily lives of French people, who use the Web to access entertainment and ever more news content. Online users expect a full-service video offering to meet all their needs, especially in news and entertainment, while interactivity has become the norm.

As a responsive broadcaster and key industry player, TF1 is adapting its digital offering to new patterns of online behaviour, in particular by refocusing the offering on a single flagship brand: MYTF1.

PENETRATION OF INTERNET ACCESS AMONG FRENCH HOUSEHOLDS[2]

An ever-growing number of French people have internet access: in the fourth quarter of 2011, 19.9 million homes were connected to the Internet (a penetration rate of 73%, up 4 points on the fourth quarter of 2010).

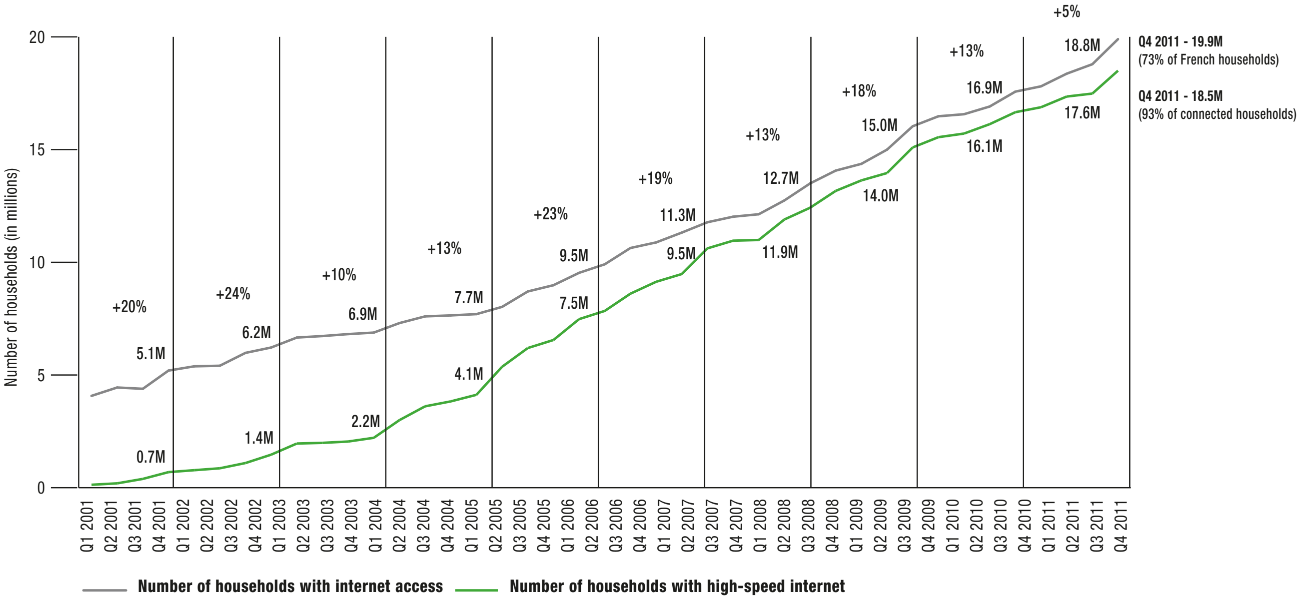
Broadband is by far the most popular means of access, accounting for 93% of households with internet access (18.5 million households).

(1) Source: Médiamétrie/Mediamat

(2) Source: Observatoires Médiamétrie, REM, Q4 2011: French households

BROADBAND INTERNET ACCESS – HISTORICAL DATA 2001-2011

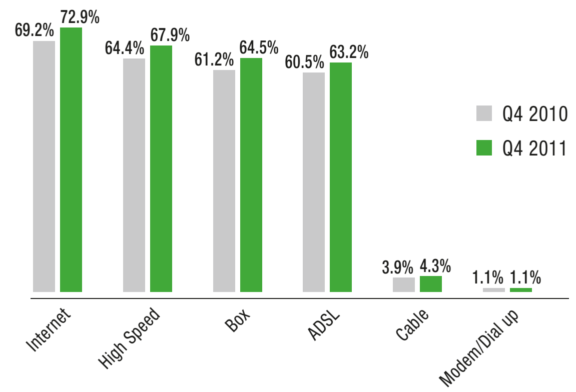
(Basis: 27.3 million French households)



Source: Observatoires Médiamétrie, REM, Q4 2011, basis French households.

TYPE OF INTERNET ACCESS

(Base: 27.3 million households in 2011)

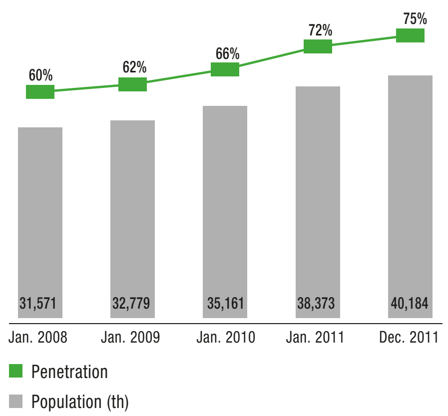


Source: Observatoires Médiamétrie, REM, Q4 2011.

INTERNET USE IN FRANCE(1)

At end 2011, France had 40.2 million internet users (Individuals aged 11 and over), a penetration rate of 75% (up 4 points versus December 2010).

TRENDS IN PROPORTION OF INTERNET USERS AMONG INDIVIDUALS AGED 11 AND OVER



Source: OUI Médiamétrie.

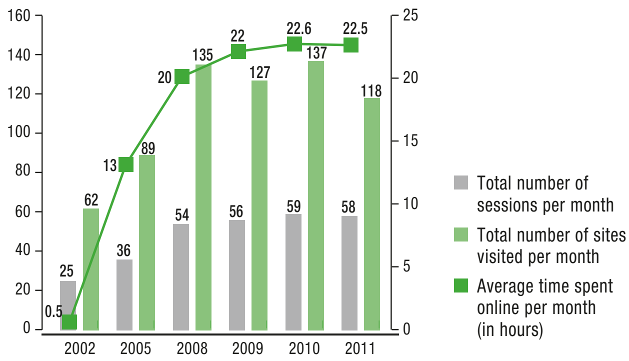
(1) *Sources: NNR Panel, December 2011, all connection sites. Observatoires Médiamétrie OUI, December 2011.*

The number of internet users in France is still rising, but internet usage has slipped back.

In December 2011, French internet users went online an average of 58 times in the month (versus 59 in 2010) and visited an average of 118 different sites (versus 137 in 2010).

There was a similar trend in the average time spent online per month, which fell from 22 hours and 39 minutes in December 2010 to 22 hours and 28 minutes in December 2011.

TRENDS IN MONTHLY USAGE PER UNIQUE VISITOR[(1)]



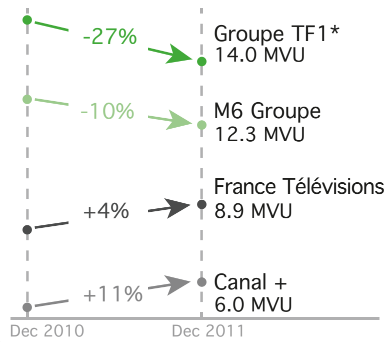
RANKINGS OF WEBSITES IN FRANCE[(2)]

The TF1 group ranks 15th among all groups on the Internet in France and is the no. 1 media group, thanks to sites associated with the TF1 channel (MYTF1 and TF1News) and pure player sites such as WAT, Plurielles.fr and Eurosport.

TF1 15th - ranked group on the web

1	Google	37.7 M UVs
2	Facebook	29.0 M UVs
3	Microsoft	25.6 M UVs
4	Orange	23.3 M UVs
5	CCM Benchmark	19.5 M UVs
6	Pages Jaunes	19.2 M UVs
7	Vivendi Universal	18.0 M UVs
8	Wikimedia	17.9 M UVs
9	Iliad	17.4 M UVs
10	PPR	17.2 M UVs

Competition in television market



TF1 well placed in all key theme areas

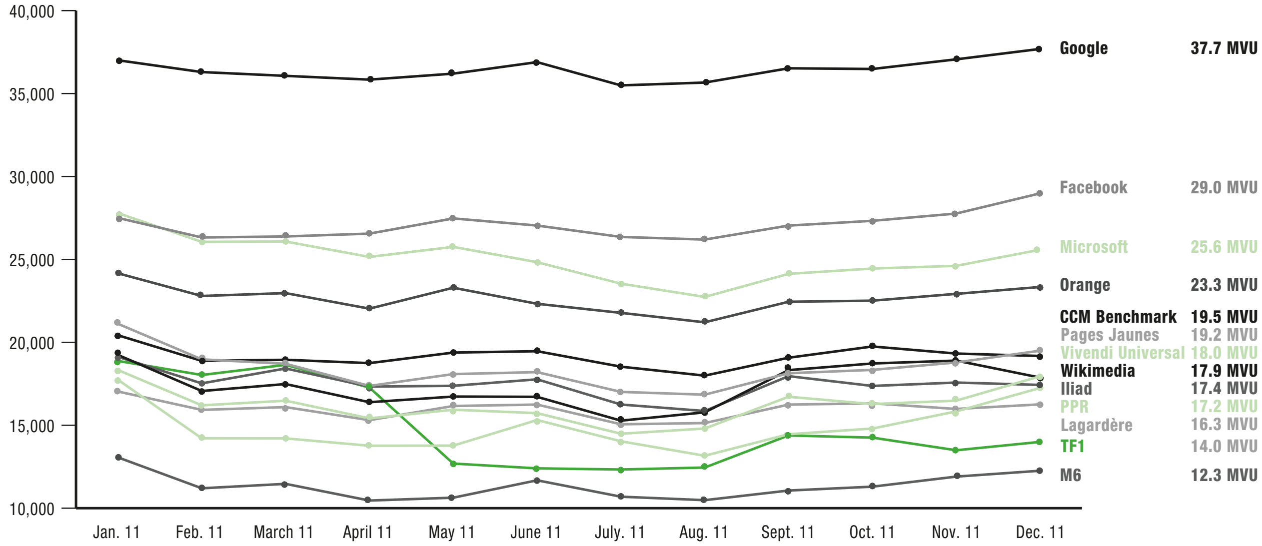
Media	TF1.fr	1st	7.9 MVU
Video	wat	3rd	6.7 MVU
News	TF1 NEWS	11th	3.6 MVU
Sports	EUROSPORT.FR	2nd	3.2 MVU
Women	Plurielles.fr	3rd	3.1 MVU
Cinema	excessif.com	11th	506 kVU
Youth		7th	389 kVU

* Change in measurement scope: the TF1 group no longer records unique visitors for the Overblog and Nomao brands.

(1) Unique Visitors (UVs): - records the total number of individuals visiting a site or using an application at least once in a given month. Individuals visiting the same site or using the same application more than once are only counted once.

(2) Source: NNR Panel, December 2011, all connection sites, excluding internet applications.

TRENDS IN THE TOP 10 PARENTS DURING 2011[(1)]



Source: Médiamétrie/Panel NNR

NON-LIVE VIDEO CONSUMPTION

REPLAY TV[(2)]

Replay viewing is growing in popularity: 85.3% of TF1 programming screened in the 6pm to midnight slot (other than films) was available on MYTF1.fr in 2011.

In France, the average time spent per online video viewer in December 2011 was 3 hours and 19 minutes, and the average number of videos watched was 74. France has 30.3 million online video viewers.

In December 2011, Google/YouTube topped the rankings at 26.1 million unique viewers; Dailymotion was second at 12.6 million. The brand player[(3)] TF1/WAT attracted 7.6 million, putting it in third place, but in second plan regarding total time spent.

VIDEO ON DEMAND – VOD[(4)]

Video on Demand (VoD) was a very fast-growing market in 2011, generating revenue of €220 million, nearly 50% more than in 2010. In 2009, revenue amounted to €80 million.

Consumer familiarity with VoD is on the increase: 78% of households with broadband connections are aware of its existence. Over 80% of VoD is consumed *via* IPTV.

VoD offers not only great opportunities for TV channels to generate fresh growth, but also a new model for the video market. The growth potential in the coming years is huge: VoD revenue (including subscription offerings: SVoD) is forecast to reach €285 million in 2012, and close to €500 million in 2015.

The emergence of new devices (including smart TV sets, games consoles, tablets, etc.) opens up attractive growth prospects, as does the development of new offerings like SVoD or ESTVoD (Electronic Sell-Through VoD, as opposed to rental VoD).

TF1 is already looking at solutions to tomorrow's demand for VoD. The "Live from the USA" Preview VoD offering allows viewers to watch subtitled English-language versions of episodes of thirteen serials only one day after the first screening in the United States. TVoD enables viewers to watch repeats of the French-language versions of these series after they have been broadcast free-to-air in France.

SOCIAL MEDIA TRENDS[(5)]

Usage of social networking sites increased by 44% during 2011 in France, Germany, Spain, Italy and the United Kingdom.

In France, Facebook continued to grow, reaching 29 million unique visitors in December 2011, ahead of Microsoft (26 million) but still behind Google (38 million). However, it overtook Google in terms of time spent per unique visitor, with Facebook users spending an average of more than 5 hours and 20 minutes on the site per month.

(1) Parent (owner group): the entity that controls the Web page or URL measured (this usually means financial control). Source: NNR Panel.

(2) Source: Médiamétrie/NetRatings December 2011.

(3) The Player rankings record (by parent or brand) the number of unique video viewers who watched a video not only on a group or brand's website, but also on a third-party website. Consequently, Player data includes all pages where the player has a presence (in particular, via syndication and Facebook pages).

(4) Source: GFK/NPA Full-year 2011

(5) Sources: Comscore/Mobilens survey, Twitter, Médiamétrie Semiocast survey, Ipsos Profiling survey 2010-2011, NNR Panel.

Facebook now has 870 million users worldwide, including 25 million active users in France.

Twitter, the other social media star, has some 3.3 million users in France out of 263 million registered users worldwide, and attracted 3.5 million unique visitors in December 2011. This ranks France 16th, a long way behind Japan, Brazil, Indonesia and the United Kingdom. Only 36% of French users were truly active on Twitter. The typical Twitter user is male (79.1%) and aged between 15 and 34 (only 20.6% of users are aged over 35).

Google+, the latest social networking site, launched in September 2011 and achieved very rapid growth, reaching 3 million unique visitors in December 2011. Google+ can exploit compatibility with the search engine's other services, especially *via* mobile handsets, to achieve rapid increases in market penetration. Google+ currently claims to have 40 million users worldwide, but remains a long way behind Facebook.

These social networking sites are each used in quite specific ways, and hence require a tailored approach.

TF1 strengthened its alliance with Facebook during 2011, partnering the social media site in all its innovations. In particular, the Group was the first media player to incorporate Web community functions in an iPad/iPhone app.

Through MYTF1VOD, the Group also collaborated with Facebook on the launch of the site's first experiment in social VoD, involving the screening of a show and a film. MYTF1VOD continued the theme with a whole new way of accessing the video offering of American serials with the "Live from the USA" Social Premium VoD Series app on Facebook. Every week, users can rent sub-titled English-language episodes from the new season of their favourite American serials, and watch them on Facebook only a few hours after the first screening in the United States. They can also swap comments and share one or more episodes with their friends, using the full range of social networking options offered by Facebook options.

The TF1 group now has around 7 million fans and around forty fanpages.

The Group has also been an innovator in social TV through its association with Twitter. This began with the integration of content-sharing functions, which encourage online discussion *via* the "Tweet" button, and has continued with a tie-up between the TF1 and Twitter in France to launch the new "Follow" button (which is now incorporated in all content on WAT.tv and MYTF1.fr).

TF1 has also launched Tweet Replay, which enhances the replay offering with comment and reaction posted on Twitter during the screening of a programme. MYTF1.fr provides a simple but innovative response to this demand by synchronising live tweets with replays of a programme on MYTF1.fr.

Traffic sourced from Facebook and Twitter is still growing, and all of the Group's sites have attached a high priority to building and intensifying this traffic.

USAGE AND NEW TECHNOLOGIES

DEVELOPMENTS IN TV SET TECHNOLOGY: MOVING TO EVEN HIGHER-IMPACT TV[(1)]

Connected TV sets

The television market is undergoing profound upheavals. Connected TV sets (also known as smart TVs) raise a number of issues, such as the actual usage of Web-connected (or at least Web-enabled) sets, the raising of market awareness, and features specific to the French market (such as the high proportion of set-top boxes).

Over 1.5 million smart TVs were sold in France in 2011. Some analysts reckon they could account for more than half of all sets sold in 2014.

The HbbTV concept was trialled on DTT during 2011. Since June, the main DTT channels have launched online portals associated with their live programming, with the approval of the CSA (the French audiovisual industry regulator). HbbTV is a technical standard that signals the compatibility of a smart TV with services controlled by participating channels: in association with its video signal, the channel also broadcasts Web pages accessible online in broadcast or internet mode. TF1 was one of the founders of this imitative alongside France Télévisions, the German public-sector channels, and industrial players such as Samsung and Sony.

During 2011, the main TV set manufacturers opted to incorporate the HbbTV standard into more than 90% of their smart TV ranges. In 2012, DTT content producers are expected to offer most of their services using this standard, packaged under the "DTT 2.0" label.

Achieving smart TV penetration is likely to be harder in France than in the US given the competition from the set-top boxes supplied by telecoms operators, which include triple-play – or in some cases quadruple-play (internet, mobile, landline and TV) – as standard in their subscription packages. Telecoms operators have the capacity to remotely manage their services and installed base from end to end, while also handling the customer relations aspects. Apple is faced with the same problem, and in addition does not offer live access to TV channels.

Legal and regulatory issues are also relevant, in that they tend to favour local storage of content: smart TVs do not have local storage capacity.

However, the development of smart TVs could have a considerable effect in terms of reshaping the value chain. Possible scenarios include set manufacturers adding content distribution and subscriber management to their core business; content publishers and producers bypassing broadcasters to sell their material direct to the end user; and network operators being forced to row back to their role as pure infrastructure suppliers.

(1) Source: GFK.

Finally, it will be interesting to observe the social impact of smart TV. The range of services offered will tend to turn the TV set into more of a personal device, with inevitable effects on usage within each target audience group.

3D TV sets

While the industry generally (from film producers to TV channels and ISPs) has redoubled its efforts in 3D TV, it does not seem to have won over the public as yet.

In 2011, only 710,000 of the 8.7 million TV sets sold in France were 3D compatible. Simavelec (the French trade body for the electronic audiovisual equipment industry) is forecasting that sales of 3D sets will reach 1.5 million in 2012, but many obstacles stand in the way of large-scale expansion: uncertainty about consumers' perception of value added, the lack of compatible video content, high prices, the proliferation of technical standards, and the need to wear 3D glasses.

TV ON THE MOVE: HIGHER CONSUMPTION IN PROSPECT[1]

Smartphones, tablets and app stores

New-generation smartphones (such as iPhone, Android and Bada) are democratising mobile internet services, enabling media and Web content producers to grow audiences and revenues. In particular, online smartphone app stores are proving highly successful, although the proliferation of such stores raises the issue of multi-addressing for producers. At present, iTunes still offers the biggest catalogue of any mobile platform.

In 2011, TF1 released a free iPad/iPhone app featuring two modules: live and catch-up TV.

The tablet and smartphone market is set for further growth in the coming years, with tablet sales forecast to rise from 1.5 million units in 2011 to 3 million in 2012, and smartphone sales expected to increase from 11.4 million to 13.9 million over the same period.

Currently, 40% of all mobile phones owned by French consumers are smartphones.

3.1.3 Advertising

After 2010, which saw an upturn in net advertising spend (up 3.9% on 2009), 2011 was a mixed year.

The first half of 2011 showed 2.1% growth in net revenues, but the second half is likely to have been hit by the deterioration in the economy after the summer and the resulting uncertainty. Annual IREP-France Pub net data will be published on March 15, 2012.

In gross terms, the plurimedia market posted 7.7% growth in the first half of 2011 and 3.6% in the second half.

The following data are gross. They should therefore be treated with caution due to the continuing strong pressure on prices in 2011, and hence the differing scope for price negotiation in the various media.

TRENDS IN PLURIMEDIA ADVERTISING SPEND IN 2011[2]

In 2011, gross plurimedia advertising spend rose by 5.5% compared with 2010.

As in 2010, television (excluding sponsorship) was the main focus of advertising spend, with 31.8% of gross plurimedia revenues (up 0.3 of a point). Gross spend on television increased by 6.6% to €8.6 billion (stronger growth in gross terms).

Incumbent television channels were down slightly (by 1.2%) at €5.4 billion. Free-to-air DTT channels were up 28.4% at €2.4 billion, and the cable/satellite market was up 8.8% at €0.9 billion.

In net terms, TV advertising spend was 3.9% higher in the first half of 2011 than in the first half of 2010.

In gross figures, print media was the second biggest market by advertising spend, with revenues of €7.7 billion, up 4.0%. Its market share was 28.3%, down 0.4 of a point. Three categories were mainly responsible for this growth: freesheets (up 24%), which accounted for 71% of the rise; national dailies (up 3.5%), contributing 16%; and magazines (up 2%), adding 24%.

In net figures, in the first half of 2011, spend was 1.2% lower than in the first half of 2010 (including small ads).

Gross spend on internet (display) advertising was €3.6 billion, 8.9% higher than in 2010. This medium accounted for 13.1% of advertising spend, up 0.4 of a point.

On a net basis, in the first half of 2011, display segment spend was up 15.0% on the first half of 2010.

Radio advanced by 6.2% to €4.1 billion, with market share of 15.3% (up 0.1 of a point).

This growth was due to higher spend on music stations (up 5.5%) and general-interest stations (up 6.1%). In the first half of 2011, net spend on national radio was flat (down 0.5%) year on year.

Outdoor advertising saw gross spend level out in 2011 (down 0.7%) at €2.7 billion, with market share of 10.1% (down 0.7 of a point). On a net basis, spend was flat in the first half of 2011 (up 0.4 of a point on the first half of 2010).

(1) Source: GFK.

(2) Sources: gross data - Kantar Media; net data H1 2011 – IREP (annual net data available March 15, 2012).

Cinema spend rose sharply by 27.1% to €0.4 billion (gross), with market share of 1.4% (up 0.2 of a point). In net terms, spend was 40.5% higher in the first half of 2011.

TRENDS IN GROSS PLURIMEDIA ADVERTISING SPEND

	Gross revenues	Change	Market share
	Jan-Dec 2011	Jan-Dec 2011/ Jan-Dec 2010	Jan-Dec 2011
PRESS	€7,675.9m	+4.0%	28.3%
RADIO	€4,151.9m	+6.2%	15.3%
TELEVISION	**€8,634.2m**	**+6.6%**	**31.8%**
o/w incumbent TV	**€5,353.7m**	**-1.2%**	**19.7%**
o/w Theme channels	**€3,280.5m**	**+22.5%**	**12.1%**
Paying Channels	***€875.6m***	***+8.8%***	***3.2%***
Freeview DTT	***€2,404.9m***	***+28.4%***	***8.9%***
INTERNET	€3,553.7m	+8.9%	13.1%
OUTDOOR	€2,747.5m	-0.7%	10.1%
CINEMA	€379.9m	+27.1%	1.4%
TOTAL	**€27,143.2M**	**+5.5%**	**100.0%**

TELEVISION IN 2011(1)

With 37.2% of TV advertising spend, TF1 is the leading channel, with gross revenues of €3.2 billion.

Advertising spend on the DTT free-to-air channels (BFM TV, Direct 8, France 4, Gulli, i<Télé, NRJ12, NT1, TMC, Direct Star and W9) continued to increase in 2011, though at a slightly slower pace (28.4%), to €2.4 billion; this represents 27.9% of gross TV advertising spend.

Cable and satellite advertising spend was up 8.8% at €876 million (gross). TF1 Publicité is the no. 2 advertising airtime sales agency, with 21% of the cable/satellite market.

Gross/net spend conversion rates are not comparable between DTT and cable/satellite on the one hand and incumbent television channels on the other, because gross spend overweights the first two categories in the television total.

MARKET SHARE OF TV CHANNELS

	2011	2010	2009
TOTAL MEDIA TELEVISION	**100.0%**	**100.0%**	**100.0%**
Incumbent TV	62.0%	66.9%	70.5%
TF1	37.2%	40.3%	43.0%
M6	17.1%	18.4%	19.3%
FRANCE 2	3.6%	3.9%	3.5%
CANAL+	2.0%	2.0%	2.2%
FRANCE 3	1.8%	2.0%	2.1%
FRANCE 5	0.4%	0.4%	0.4%
Freeview DTT	27.9%	23.1%	19.0%
Other channels	10.1%	9.9%	10.5%

(1) Source: gross data Kantar Média.

MARKET SHARE OF FREEVIEW DTT CHANNELS

	2011	2010	2009
Freeview DTT	27.9%	23.1%	19.0%
TMC	4.3%	3.9%	3.4%
W9	4.1%	4.1%	3.2%
i<Télé	3.7%	2.7%	1.8%
NRJ12	3.7%	2.6%	2.3%
Direct 8	2.9%	2.3%	1.5%
BFM TV	2.6%	2.0%	1.5%
NT1	2.6%	1.9%	1.8%
Gulli	2.2%	1.9%	1.4%
Direct Star	1.4%	1.4%	1.3%
FRANCE 4	0.3%	0.2%	0.7%

DIGITAL PLATFORMS IN 2011[1]

The Internet display advertising market (excluding search, affiliation, directories, e-mails and comparison sites), saw net spend of €616 million in 2011, a rise of 14%. Meanwhile, growth in mobile internet (websites and apps) accelerated by 37% to €37 million (net).

There were three major trends in 2011:

- Robust growth in **instream** advertising: net advertising in this segment doubled to €60 million in 2011, or nearly 10% of net internet display spend.

  TF1 Publicité is strongly placed in this segment, firstly because of its MYTF1.fr replay offering, which covers virtually all programming between 6pm and midnight (except for films) and its presence in IPTV (MYTF1); and secondly, because of WAT.tv, which offers a bouquet of video channels aimed specifically at the 15-34 age group, who are heavy consumers of video on the Internet.

- Substantial growth in **special operations** across all digital channels: higher advertising budgets for special operations in 2011, with net spend of €55 million, up 22% on 2010.

  These special operations are increasingly multi-screen and multi-site, and have formats that are more engaging and technically more elaborate.

  The food & beverages, telecoms, health & beauty, household cleaning and automotive sectors are wanting more and more special operations around events, media brands and platforms with a high profile for French people.

  With its portfolio of well-known brands (TF1, Eurosport, *MasterChef, Secret Story*, etc.), wide range of digital media (internet, mobile, IPTV and tablets) and creative solutions (website design, video production, etc), TF1 Publicité offers advertisers a wide variety of ways to express and project their brand.

- Growth in advertising on **mobile and tablets**: net spend on the mobile/tablet segment advanced by 37% in 2011.

  Advertisers are increasingly including a mobile/tablet component in their advertising programme to take advantage of the strong growth in smartphone use and apps.

  TF1 Publicité is no. 3 in mobile advertising and has a number of advantages, while occupying a solid position in a fast-growing market.

  In 2012, a large number of developments in digital media are planned: the launch of MYTF1 on Android (mobile and tablet); a MYTF1 mobile site in HTML5; a makeover for MYTF1 on IPTV; development of the "Companion screen" (prolonging the TV advertising contact on a second mobile or tablet screen); and continuing the debate around connected TV and interactivity.

OUTLOOK FOR 2012

The lacklustre economic environment at the start of 2012 makes the plurimedia market an uncertain one.The general wait-and-see atmosphere is being accentuated by the Presidential elections.

Media experts reckon the slowdown in advertising spend is likely to be more or less marked depending on how the second half pans out.

Either way, media preferences are likely to favour television and the Internet (particularly video).

Advertisers are seeking to maximise their spend by focusing on platforms offering the most cost-effective impact on sales.

TF1's mass media strength and rollout of new effectiveness measurement tools are enabling it to retain its leading position in media planning.

(1) Source: Net data – Barometer Capgemini SRI/UDECAM and IREP.

3.1.4 Regulation

COMPENSATORY CHANNELS

Article 103 of Act 2007-309 of March 5, 2007 amending the Act of September 30, 1986 established that the three analogue private channels (TF1, M6, Canal+) would, on the complete close-down of analogue television, be awarded an additional channel, called a "compensatory channel". However, following a complaint, the European Commission addressed a formal demand to France on November 24, 2010 in which it judged the attribution of these compensatory channels incompatible with the European directives that form the European framework applicable to electronic communications networks and services, known as the "Telecoms Package", because it would constitute a prohibited special and exclusive right and would penalise competing operators. In a substantiated opinion dated September 29, 2011, it called on France to take all necessary measures to put an end to this breach.

Taking account of this opinion, the French government decided to repeal this system and on November 30, 2011 submitted Bill No. 4018 on the abrogation of compensatory DTT channels to the French parliament.

3.2 2011 ACTIVITY AND RESULTS

3.2.1 The Group

CONSOLIDATED INCOME STATEMENT IN MANAGEMENT ACCOUNTING FORMAT

(€m)	2011	2010
TF1 channel		
Advertising revenue	1,504.1	1,549.8
Advertising costs	(75.2)	(75.9)
NET BROADCASTING REVENUE	**1,428.9**	**1,473.9**
Royalties and levies		
Royalties	(60.6)	(58.5)
CNC (National Centre for Cinematography)	(82.0)	(84.2)
Tax on broadcast advertising	(6.4)	(6.1)
Broadcasting costs		
TDF, satellites, transmission costs	(25.7)	(44.9)
Programming costs (excluding exceptional sporting events)	**(881.4)**	**(873.6)**
Exceptional sporting events	**(24.1)**	**(77.6)**
GROSS PROFIT	**348.7**	**329.0**
Diversification revenue and other revenue from operations	1,114.7	1,070.9
Other operating expenses	(1,072.2)	(1,064.5)
Depreciation, amortisation, provisions and impairment, net	(108.3)	(105.0)
CURRENT OPERATING PROFIT	**282.9**	**230.4**
Non-current operating income and expenses	-	82.8
OPERATING PROFIT	**282.9**	**313.2**
Cost of net debt	***0.5***	***(18.2)***
Other financial income and expenses	***5.1***	***(2.5)***
Income tax expense	(88.7)	(68.9)
Share of profits/(losses) of associates	(13.7)	5.7
NET PROFIT	**186.1**	**229.3**
ATTRIBUTABLE TO THE GROUP	**182.7**	**228.3**
Attributable to minority interests	3.4	1.0

CONSOLIDATED DATA

(€m)	2011	2010
REVENUE	**2,619.7**	**2,622.4**
TF1 channel advertising revenue	1,504.1	1,549.8
Other activities	1,115.6	1,072.6
CURRENT OPERATING PROFIT	**282.9**	**230.4**
OPERATING PROFIT	**282.9**	**313.2**
NET RESULT	**182.7**	**228.3**

CONSOLIDATED REVENUE

Since 2007, the TF1 group has been faced with structural changes in its competitive, technological and regulatory environment, coupled with volatile economic conditions. The strategy implemented in recent years has made the Group stronger and better able to adapt to these upheavals. It now has a multi-channel free-to-air offering, backed up by a complementary range of pay-TV channels. The revamped digital and internet offering is the most innovative in the market. Diversifications have been rationalised and demonstrate their capacity to deliver fresh growth, thanks to a strong commercial momentum.

So despite the tough economic conditions, TF1 was able to hold full-year revenue steady in 2011 at €2,619.7 million (down €2.7 million, a fall of just 0.1%).

Consolidated revenue for 2011 comprised:

- €1,504.1 million of advertising revenue from the TF1 channel, down €45.7 million (2.9%). This reflects a lower volume of advertising screened (against a particularly tough comparative in 2010), together with new signs of European economic weakness in the second half of 2011;
- €1,115.6 million of diversification revenues, up €43.0 million (4.0%) on 2010.

Diversification revenue for 2011 includes:

- the €47.9 million impact of a change in the scope of consolidation over the first six months of 2011 relating to the newly-acquired equity interests in TMC and NT1 (fully consolidated since the acquisition of control on July 1, 2010);
- €13.0 million for the resale of rights to the 2011 Rugby World Cup, recognised in the third quarter of 2011;
- 100% of the revenue generated by Metro France since July 28, 2011 (€15.4 million).

Bear in mind that 2010 revenue included €33.0 million from the resale of rights to the FIFA 2010 World Cup, recognised in the second quarter of 2010.

Advertising revenue for the TF1 group as a whole reached €1,821.5 million, up €28.2 million (1.6%), driven by the first-time consolidation of TMC and NT1 channels and growth in internet and radio advertising, plus the first-time consolidation of Metro France.

The geographical split of consolidated revenue is 85.0% from France, 13.1% from the rest of the European Union, and 1.9% from other countries.

PROGRAMMING COSTS AND OTHER OPERATING COSTS

TF1 channel programming costs were €905.5 million in 2011 (versus €951.2 million). This net improvement of €45.7 million (4.8%) was attributable to:

- non-recurrence of the FIFA 2010 World Cup, generating savings of €77.6 million, or €63.3 million net of the €14.3 million cost of replacement programmes;
- the €24.1 million cost of the 2011 Rugby World Cup, screened in September and October 2011, or €22.4 million net of the €1.7 million cost of replaced programmes;
- savings of €4.8 million on other programmes.

After excluding exceptional sporting events, TF1 channel programming costs totalled €881.4 million, an increase of €7.8 million on the 2010 figure (€873.6 million); this includes the cost of programmes to replace the FIFA 2010 World Cup matches screened in 2010. This performance illustrates the Group's ability to optimise programming and costs.

Movies and children's programmes posted savings of 6.3% and 7.3% respectively, due to fewer films being shown (and at a lower average cost) and to better use of the back catalogue.

Other genres saw programming costs rise:

- entertainment, gameshows and magazine programmes (+2.7%), due to a rise in the number of entertainment shows broadcast;
- dramas and serials (+0.7%), due to more first-runs and serials being shown (and despite better use of the back catalogue);
- sports (+1.4%), excluding exceptional sporting events, with two more matches involving the French national soccer team screened than in the previous year;
- news (+6.3%), due to repeats or extended versions of highly successful programmes and to a rise in the number of special editions.

In the fourth quarter of 2011, programming costs were €266.1 million, an increase of €8.0 million. This builds in the €10.8 million cost of Rugby World Cup matches broadcast in October, and savings of €0.8 million on replacement programmes.

Operating costs eased by €12.8 million to €1,323.0 million, despite an additional €34.5 million in costs arising from the newly-acquired equity interests in TMC and NT1 and from the acquisition of Rugby World Cup rights that were subsequently resold.

In 2011, the TF1 group generated €12 million of recurring operating cost savings.

Net depreciation, amortisation, provisions and impairment totalled €108.3 million for the year ended December 31, 2011, compared with €105.0 million for the previous year.

OPERATING PROFIT

Current operating profit was €52.5 million (22.8%) higher year-on-year, including €13.4 million from the first-time consolidation of the newly-acquired equity interests in TMC and NT1.

Current operating margin rose to 10.8%, from the 8.8% achieved over 2010 as a whole. This improved profitability reflects the successful adaptation of the TF1 business model, and the benefits of a radical refocusing of the Group.

Bear in mind that the 2010 operating profit figure includes a €95.9 million gain arising from the remeasurement of the previously-held equity interests in TMC and NT1, recognised in non-current operating income.

In addition, the €6.1 million gain arising from the remeasurement of the previously-held equity interest in SPS, initially recognised in the first quarter of 2010 as a component of current operating profit by Broadcasting International, was reclassified as non-current operating income in the fourth quarter.

Finally, the impairment losses taken against the goodwill on SPS and 1001 Listes generated non-current operating expenses of €12.2 million and €7.0 million respectively in 2010.

These various accounting adjustments had a net positive effect of €82.8 million in 2010.

The Group made an operating profit of €282.9 million for the year ended December 31, 2011, against €313.2 million in the previous year.

Each new quarter offers confirmation of the effectiveness of the measures taken to migrate to a more favourable business model.

NET PROFIT

On average over 2011, the TF1 group was in a positive net cash position. Cost of net debt represented a net gain of €0.5 million for the year, against a net expense of €18.2 million in 2010.

Other financial income and expenses showed a net gain of €5.1 million in 2011, versus a net expense of €2.5 million in 2010; the year-on-year change was due to currency hedge remeasurements.

Income tax expense for the year to December 31, 2011 was €88.7 million, up €19.8 million; this was in line with the rise in current operating profit after allowing for a tax gain arising on the sale of SPS.

Associates contributed a net loss of €13.7 million for the year ended December 31, 2011, versus a profit of €5.7 million in the previous year. The year-on-year change was due to the following factors:

- the AB Group ceased to be accounted for as an associate from July 1, 2010;
- an impairment loss of €7.9 million was taken against the interest in Metro France.

Net profit attributable to the Group was €182.7 million in the year ended December 31, 2011, versus €228.3 million for the previous year, a fall of €45.6 million.

Bear in mind that in 2010, net profit attributable to the Group included the effect of the accounting adjustments described under “Operating profit”.

Minority interests amounted to €3.4 million in the year ended December 31, 2011, compared with €1.0 million in the previous year.

Full-year net profit was therefore €186.1 million, versus €229.3 million in 2010.

FINANCIAL POSITION

As of December 31, 2011, shareholders’ equity attributable to the Group stood at €1,575.1 million, out of a balance sheet total of €3,354.4 million.

The TF1 group had net debt of €40.6 million at end 2011, versus net cash of €16.8 million at end 2010.

On December 21, 2011, TF1 paid €58.5 million to acquire a previously rented building occupied by staff from TF1 SA and LCI.

As of December 31, 2011, the TF1 group had confirmed bilateral credit facilities of €1,015 million with various banks. This portfolio of credit facilities is renewed regularly as and when each facility expires (terms of 1 to 6 years, depending on the facility), so that the Group has sufficient liquidity at all times.

Gearing (the ratio of net debt to shareholders’ equity attributable to the Group) stood at 2.6% as of December 31, 2011, indicating the robust financial health of the TF1 group.

On July 22, 2011, Standard & Poor’s upgraded TF1’s credit rating from BBB/positive outlook to BBB+/stable outlook, reflecting the Group’s healthy financial position.

QUARTERLY REVENUE AND OPERATING PROFIT FIGURES

(€m)	Q1 2011	Q1 2010	Q2 2011	Q2 2010	Q3 2011	Q3 2010	Q4 2011	Q4 2010	2011	2010
Broadcasting France	499.4	479.7	552.8	562.2	442.3	424.0	640.3	643.7	2,134.8	2,109.6
Audiovisual Rights	29.0	32.4	21.1	27.6	23.0	22.3	42.4	60.6	115.5	142.9
Broadcasting International	84.5	84.0	89.3	97.2	95.9	93.0	98.2	90.2	367.9	364.4
Other Activities	1.5	0.8	-	0.7	-	2.1	-	1.9	1.5	5.5
CONSOLIDATED REVENUE	**614.4**	**596.9**	**663.2**	**687.7**	**561.2**	**541.4**	**780.9**	**796.4**	**2,619.7**	**2,622.4**
Broadcasting France	62.4	39.0	118.6	45.6	6.6	12.9	78.9	103.8	266.5	201.3
Audiovisual Rights	0.1	(4.5)	(11.2)	(1.1)	(14.5)	(2.4)	(14.5)	2.8	(40.1)	(5.2)
Broadcasting International	10.0	5.3	17.6	21.4	16.9	16.8	20.7	16.4	65.2	59.9
Other Activities	(11.0)	4.0	-	(5.3)	-	(6.8)	2.3	(17.5)	(8.7)	(25.6)
CURRENT OPERATING PROFIT	**61.5**	**43.8**	**125.0**	**60.6**	**9.0**	**20.5**	**87.4**	**105.5**	**282.9**	**230.4**

INCOME STATEMENT CONTRIBUTIONS BY SEGMENT

	Revenue		Current operating profit	
(€m)	2011	2010	2011	2010
BROADCASTING FRANCE	**2,134.8**	**2,109.6**	**266.5**	**201.3**
TF1 SA(1)	1,511.0	1,561.3	177.8	143.3
Téléshopping (Home Shopping)	100.4	101.9	2.9	3.9
Theme Channels – France(2)	308.8	252.5	38.9	27.5
TF1 Entreprises	49.4	43.8	5.7	2.4
Production(3)	26.4	16.7	4.4	(1.9)
e-TF1	85.0	78.2	9.2	2.5
Other(4)	53.8	55.2	27.6	23.6
AUDIOVISUAL RIGHTS	**115.5**	**142.9**	**(40.1)**	**(5.2)**
Catalogue(5)	37.2	54.1	(28.4)	4.3
TF1 Vidéo	78.3	88.8	(11.7)	(9.5)
BROADCASTING INTERNATIONAL	**367.9**	**364.4**	**65.2**	**59.9**
OTHER ACTIVITIES	**1.5**	**5.5**	**(8.7)**	**(25.6)**
SPS(6)	1.5	1.6	(8.7)	(23.6)
1001 Listes(7)	-	3.9	-	(2.0)
TOTAL CONTINUING OPERATIONS	**2,619.7**	**2,622.4**	**282.9**	**230.4**

(1) Includes SNC Aphélie.
(2) Includes Eurosport France, LCI, TV Breizh, TMC, NT1, TF6, Série Club, Stylía, Histoire, Ushuaïa TV and TF1 Thématiques (formerly TF1 Digital).
(3) TV and movie production entities.
(4) Mainly comprises TF1 Publicité, Metro France Publications, and TF1 DS (which carries the resale of sports broadcasting rights).
(5) Mainly comprises TF1 Droits Audiovisuels, TF1 International, and TCM (sold on April 19, 2011).
(6) SPS was sold on May 2, 2011.
(7) 1001 Listes was sold on February 4, 2011.

BROADCASTING FRANCE

Revenue for the Broadcasting France Division was €2,134.8 million in 2011, up €25.2 million (1.2%) on 2010.

Current operating profit advanced by €65.2 million to €266.5 million.

Current operating margin reached 12.5%, versus 9.5% for the previous year, an improvement of 3.0 points.

TF1 CHANNEL

TF1 channel revenue fell by 3.2% (€50.3 million) in 2011, to €1,511.0 million. Advertising revenue was 2.9% lower at €1,504.1 million.

Current operating profit advanced by €34.5 million to €177.8 million, taking current operating margin to 11.8%, an improvement of 2.6 points relative to the 2010 level (9.2%).

TF1[(1)]

A market full of opportunity

In 2011, 8.7 million TV sets were sold in France, driven by the end of the digital switch-off and the screening of exceptional sporting events.

The average daily viewing time for individuals aged 4 and over reached 3 hours, 47 minutes, 15 minutes more than in 2010. Among "women aged under 50 purchasing decision-makers", average daily viewing time was 3 hours 56 minutes, a year-on-year increase of 14 minutes.

The analogue signal was finally switched off in France on November 30, 2011. At end 2011 99.8% of French people had access to at least 19 channels. Access to a multi-channel offering is now the norm in France.

Against this backdrop, DTT and ADSL are seeing rapid growth at the expense of cable and satellite subscriptions. At end December 2011, coverage of French households was as follows:

- 60.6% (+2.0 points year-on-year) connected to DTT;
- 30.8% (+6.9 points) to ADSL or fibre optic;
- 13.2% (-1.9 points) to satellite pay-TV;
- 9.4% (+1.2 points) to free-to-air satellite;
- 6.5% (-0.9 of a point) to cable pay-TV;
- 3.9% (+0.4 of a point) to free-to-air cable.

Market leadership confirmed

The TF1 channel achieved an audience share of 23.7% among individuals aged 4 and over (versus 24.5% in 2010), rising to 26.7% among "women aged under 50 purchasing decision-makers" (versus 28.1%).

TF1 is market leader across all target audiences, 8.8 points ahead of its nearest rival in individuals aged 4 and over, rising to 9.5 points for "women aged under 50 purchasing decision-makers".

TF1 attracted 99 of the top 100 ratings for 2011 (versus 97 in 2010), the channel's second-best performance since Médiamat began in 1989. The record audience in 2011 was 15.4 million for the Rugby World Cup final between France and New Zealand on October 23, 2011.

This confirms TF1's unique market position and must-see status: it was the only French channel to attract over 9 million prime time viewers during 2011 (on 37 occasions), while 4 programmes attracted 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 7pm to 1am period. These slots have high audience potential, and hence high monetisation potential. In this time period, TF1 has a higher audience share than for the day as a whole (25.5% of individuals aged 4 and over), and a wider gap over its nearest rival (11.7 points). The effect is similar for the target audience of "women aged under 50 purchasing decision-makers", with 29.4% of the audience and a 9.4-point lead over the closest rival.

TF1 remains the leading channel in France across all audience segments, and a genuine audiovisual brand builder.

It aims to offer viewers attractive and user-friendly programming, with strong brands and regular must-see shows in entertainment, drama, sport, American serials, movies, and news. The channel is also the broadcaster for major sports events such as the Rugby World Cup. The TF1 editorial policy, built on popular, event-driven programming, has made the channel no. 1 across all genres.

Prime time market leader

Over 2011 as a whole, the TF1 channel attracted an average of 6.2 million prime time viewers (versus 6.3 million in the previous year).

Within TF1's prime time slots, the channel was the most watched on 9 evenings out of 10 (in line with 2010).

So despite audience dispersion, TF1 remains the biggest mass media player in France.

(1) Source: Médiamétrie/Médiamat – Market leadership in TF1 prime time slots (8.45 pm – 10.30 pm).
Source: Médiamétrie/GFK – Multimedia coverage survey – October/December 2011.

No. 1 across all genres[1]

Entertainment: in 2011, TF1 once again delivered must-see programming that attracted huge audiences. The *Les Enfoirés* show on March 11 was watched by 12.5 million viewers, its historical record.

The final of season 11 of *Koh Lanta* attracted 7.9 million viewers on December 16, the show's highest audience rating since 2007.

TF1 is also building strong new brands: the second season 2 of *MasterChef* attracted 7.0 million viewers for the final and 5.3 million viewers, up 0.8 million on the previous year, with a market share of 31% in the target audience for advertisers.

Danse avec les Stars, a new prime time show launched in February 2011, has already clocked up two successive series with an average audience of 5.1 million and 30% market share among "women aged under 50 purchasing decision-makers".

Finally, *Après le 20h, c'est Canteloup* – a daily satire show launched in 2011 – attracted 9.4 million viewers on November 30, 2011.

Sport: the Rugby World Cup was the stand-out event. The France/New Zealand final attracted 15.4 million viewers, or 82% of individuals aged 4 and over, 89% of men aged under 50 and 75% of "women aged under 50 purchasing decision-makers". This is the third-highest rating for a rugby match since Médiamétrie was set up, and the highest rating for any programme in the last four years. The France/Wales semi-final was watched by 9.5 million, while 8.2 million tuned in to the Euro 2012 football qualifier between France and Bosnia Herzegovina on October 11, 2011.

American drama serials: TF1 screened the 7 most-watched American imports during 2011. *Mentalist* attracted its best-ever viewing figures during season 3, with 10.4 million viewers tuning in on August 31. *House* (French title: *Dr House*) and *Criminal Minds* (French title: *Esprits Criminels*) also enjoyed record audiences in 2011, of 9.5 million (June 14) and 9.4 million (March 30) respectively. Audiences for *CSI: Crime Scene Investigation* (French title: *Les Experts*) peaked at 9.1 million for the triple crossover on March 13, with audience share for the three episodes reaching 47% among "women aged under 50 purchasing decision-makers".

The first run of series 6 of *Grey's Anatomy* attracted 7.9 million viewers, and achieved an average 50% audience share among the key advertising target audience (a record for this series), rising to 70% for the final episode.

French drama: during 2011, French drama drew large audiences. *Doc Martin* attracted 9.1 million viewers on January 10, *Bienvenue aux Edelweiss* was watched by 8.9 million people, while *Joséphine, Ange Gardien* attracted an audience of 8.5 million on February 21. *Section de Recherches* achieved its best ratings since 2006 (7.7 million on March 24, 2011).

Movies: TF1 achieved excellent ratings for its movies, especially *De l'Autre Côté du Lit* (9.4 million viewers), *Die Hard 4* (9.0 million, best for an American film since November 2008), *LOL* (8.3 million), *Prête-moi ta main* and *Le Code a changé* (8.1 million each), *RTT* (8.0 million), *Les Bronzés 3* (7.9 million) and *I am Legend* (French title: *Je suis une Légende*, 7.6 million).

News: TF1's regular news bulletins are the most widely-watched in Europe. In 2011, audiences peaked at 12.5 million for the 8pm bulletin (September 18) and at 8.5 million for the 1pm bulletin (March 12).

Timeshift audiences: positive initial results

Since January 3, 2011, the Médiamat ratings published by Médiamétrie have included timeshift viewers (people who record programmes and watch them later *via* videotape or DVD recorders, set-top routers and personal video recorders, or other timeshift technology). Catch-up viewing is not yet captured in the figures.

In 2011, 61% of households with TV also had timeshift capability.

Full-year results were encouraging, with timeshift adding an extra 1.7% to TV consumption on average, or an extra 3 minutes and 39 seconds per day of TV viewing. Of this, 42% is consumed on the day the programme is broadcast.

For example, *Dr House* gained more than 720,000 viewers for a single broadcast thanks to the timeshift audience.

For the advertising target audience, timeshift viewers added an extra 4 minutes and 43 seconds (a gain of 2.1%).

Advertising revenue[2]

Gross plurimedia advertising spend (including the Internet) rose by 5.5% (€1.4bn) in 2011, to €27.1bn, with TV advertising making the largest contribution to growth (37.6%).

Television (national and regional channels, DTT, cable and satellite) was the no. 1 medium in terms of advertising spend, with market share of 31.8% (up 0.3 of a point year-on-year) and full-year gross revenue of €8.6bn (up 6.6% year-on-year).

Advertising spend on free-to-air DTT continues to grow rapidly (up 28.4% to €2.4bn).

Print media still ranks second behind TV in France, with gross advertising revenue of €7.7bn (up 4.0%) in 2011.

Gross advertising revenue for the **TF1 channel** fell by 1.5% over 2011 as a whole. Revenue rose by 3.3% in the first quarter and by 1.0% in the second, but fell by 5.6% in the third and by 4.3% in the fourth. The TF1

(1) *Source: Médiamétrie/Médiamat.*

(2) *Source: Kantar Media Intelligence.*

channel's share of gross advertising revenue across the TV market as a whole was 37.2%.

Gross advertising spend by sector shows a mixed picture due to the downturn in economic activity and a fall in household consumption.

Growth sectors relative to 2010 were: Cosmetics & Beauty (+6.0%), Auto/Transport (+4.8%), Financial Services (+6.5%) and Retail (+6.6%).

Over the same period, some sectors declined: Food (-7.4%), Household Cleaning (-9.9%), Telecoms (-9.6%), Publishing (-20.8%), Healthcare (-7.4%) and Culture/Leisure (-15.4%).

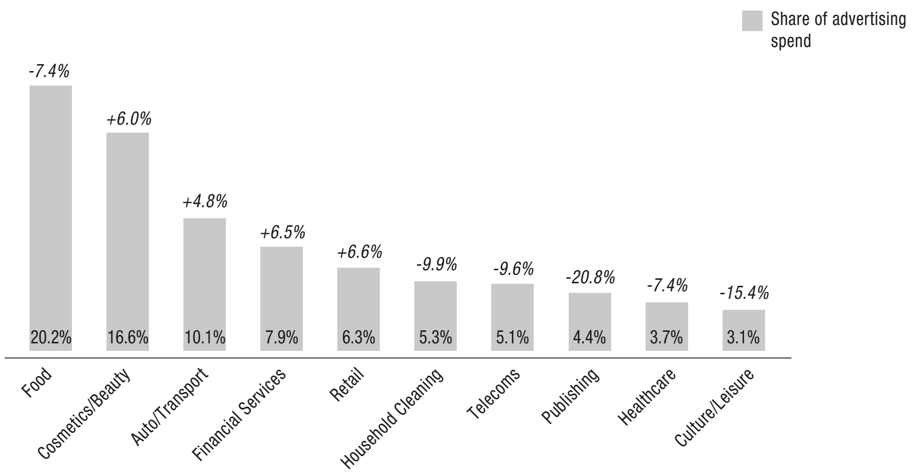
In volume terms, the amount of advertising shown declined in 2011, after strong growth in 2010. Volumes fell sharply in the second half of 2011, after only a slight decline in the first half of the year.

In an uncertain economic climate, advertisers are adopting a wait-and-see attitude, and their spend is more volatile.

The TF1 advertising business is drawing strength from the new distribution methods it has introduced, and is adapting to changes in the market thanks to new negotiating strategies and an improved inventory management.

Full-year net advertising revenue for the TF1 channel was down 2.9% (€45.7 million) at €1,504.1 million. Revenue fell by €9.5 million (2.6%) in the first quarter, then rose by €2.7 million (0.7%) in the second before slipping again by €9.9 million (3.2%) in the third and by €29.0 million (6.1%) in the fourth.

SPLIT OF TF1 GROSS ADVERTISING SPEND BY SECTOR, AND 2011 VS. 2010 GROWTH.



Source: Kantar Média.

2011 Rugby World Cup[(1)]

During the third and fourth quarters of 2011, TF1 broadcast the Rugby World Cup, a major event for the Group. Throughout the tournament, the Group achieved excellent performances and set new records across its various media.

The **TF1 channel** attracted an average audience of 4.2 million for the 20 matches screened, giving a 51% audience share among individuals aged 4 and over.

On average, the six matches featuring the French team were watched by 8.9 million viewers, or 69% of the audience among individuals aged 4 and over. Audience ratings were high for other target segments, with averages of 59% among "women aged under 50 purchasing decision-makers" and 79% among men aged 15-49.

The France/New Zealand final, broadcast on October 23, drew the biggest audience not just for the tournament but for any programme on any channel in the year to date. A total of 15.4 million viewers watched the match, or an audience share of 82% among individuals aged 4 and over. It also proved appealing across the whole spectrum of viewers, attracting not only 89% of men aged 15-49 but also 75% of "women aged under 50 purchasing decision-makers". These are the third best ratings ever for a rugby match since Médiamat was set up, and the highest ratings for any channel and any programme since 2007.

The audience for the *Le Mag' de la Coupe du Monde de Rugby* show peaked on October 15 after the France/Wales match at 6.3 million, or a 51% audience share among individuals aged 4 and over. On average, this magazine pulled in 1.9 million viewers, representing 29% audience share among individuals aged 4 and over, rising to 41% among men aged 15-49.

Programming was rolled out across all the **MYTF1** platform, which offered all the 2011 Rugby matches, catch-up coverage of the 48 matches, exclusive video content, and a wide range of tie-in articles and reports.

The official Rugby World Cup site, deployed jointly by TF1 and Eurosport, attracted 14 million hits and over 40 million page views.

The site also offered the opportunity to view live coverage of the 20 matches carried on TF1 using an innovative player that enabled users to control the live feed, plus a *Cover it live* function offering added editorial content.

More than half of Web users took advantage of these innovative social TV tools. In total, over 2.3 million live sessions were recorded.

Video and highlights packages were also popular with viewers.

The 360 strategy adopted for the tournament proved a resounding success.

In financial terms, the Rugby World Cup will have a full-year impact on TF1 channel programming costs of €24.1 million (including rights and production) for the 20 matches screened, giving an average cost of €1.2 million per match (versus €2.5 million in 2007).

The partial resale of rights to France Télévisions and Canal+ for €13.0 million led to the recognition of a loss on disposal in the third quarter of 2011, though this loss had already been fully provided in the fourth quarter of 2010.

HOME SHOPPING[(2)]

After growing by 2.2% in 2010, the retail sector as a whole shrank by 0.2% in 2011, while the home shopping market contracted by 0.4% over the same period. The most buoyant sectors were shoes, leather goods and non-textile accessories (+16.0%), sports goods and auto accessories (+12.4%), and household electricals (up 8.3%). By contrast, apparel contracted by 2.2% and textile accessories by 10.5%.

Online sales rose by 22.6% in value terms in 2011 to €38bn (versus €31bn in 2010), confirming the buoyancy of e-commerce in France. Websites recorded over 420 million transactions during the year, 80 million more than in 2010.

There is also rapid growth in m-commerce (sales made *via* smartphones and PDAs); sales of this type represented 2% of the revenue of France's leading e-commerce sites in 2011.

There are now 30.7 million online shoppers in France, 3 million more than a year ago.

Over the past twelve months, the number of active e-commerce sites reached a new high of 100,400, a year-on-year increase of 18,000 (23%).

Against this backdrop, the Home Shopping business generated revenue of €100.4 million, down 1.5% on the 2010 figure of €101.9 million. This fall was mainly due to a drop in sales for the flagship Téléshopping brand and a lower average order value for Infomercials; the number of orders rose, but not enough to offset this.

The Place des Tendances business continued its success, with 200 active brands, an impressive 91% rise in the number of customers during the year, and rapid growth in the transformation rate.

Home Shopping made a current operating profit of €2.9 million in 2011, down €1.0 million, with lower revenue from Infomercials failing to offset cost savings.

(1) Source: Médiamétrie – Médiamat set up in 1989.
Source: eStat Streaming TV.

(2) Source: Fevad.

THEME CHANNELS[1]

99.8% of French households can now receive at least 19 channels. By contrast, at end 2006 just 39% of French households with a TV set had access to multi-channel offerings.

The audience share of free-to-air digital terrestrial TV (DTT) channels is still rising, reaching 23.1% in 2011 (individuals aged 4 and over), compared with 19.7% at end December 2010.

The audience share for these channels surged by 30% in 2010, but in 2011 growth was a more modest 17%.

Pay-TV channels had an audience share of 11.7% among individuals aged 4 and over in 2011, down 0.5 of a point year-on-year.

Against this backdrop, the TF1 group's theme channels posted revenue of €308.8 million in 2011, a year-on-year rise of €56.3 million (22.3%). This was largely driven by the effect of consolidating 100% of TMC and NT1 from July 1, 2010, which added €47.9 million of revenue in 2011. On a comparable structure basis, theme channel revenue rose by 3.3% in 2011, driven not only by TMC and NT1 but also by TV Breizh and LCI.

Other revenue – mainly from subscriptions – saw a slight 1.1% rise year-on-year. Theme channel advertising revenue advanced by €54.9 million (42.3%) in 2011, to €184.8 million. Growth on a comparable structure basis was 5.4%. Dynamic performances at TMC, NT1 and LCI more than offset a decline in advertising revenue for the other theme channels as they faced head-on competition from free-to-air DTT channels.

Current operating profit reached €38.9 million in 2011, up €11.4 million. Group operating profit included €13.4 million attributable to the first-time consolidation of the newly-acquired equity interests in TMC and NT1.

Current operating margin came to 12.6%, versus 10.9% in the previous year, boosted by revenue growth, excellent results at TMC and NT1, and careful cost management.

The TF1 group has also secured the distribution of its pay-TV offering by entering into non-exclusive distribution agreements with France's main cable, satellite and ADSL operators. These deals bear witness to the appeal of the Group's pay-TV offering, but also bolster its business model by securing distribution revenue while broadening audience reach.

TMC

In 2011, TMC was once again France's no. 1 DTT channel, and also cemented its status as the no. 5 national TV channel (individuals aged 4 and over) for the second consecutive year.

The channel had an audience share of 3.5% in 2011 among individuals aged 4 and over (versus 3.3% in 2010, up 6%), rising to 3.9% among "women aged under 50 purchasing decision-makers" (versus 3.6% in 2010, up 8%).

TMC attracted an average prime time audience of 900,000 in 2011 (100,000 more than in 2010), and broadcast more than double the number of shows with more than a million viewers (151, versus 65 in 2010).

Three movies drew more than 2 million viewers in 2011: *Lethal Weapon 4* (French title: *L'Arme Fatale 4*), *Dirty Dancing* and *Transformers*.

The channel recorded 31 of the top 100 audience ratings for DTT, thanks to strong programming in movies, magazine shows, entertainment, French drama and American serials.

NT1

NT1 is the fastest-growing of all TV channels among the target audience of "women aged under 50 purchasing decision-makers", with an audience share of 2.4% (50% more than in 2010).

Overall, NT1 has a 1.9% audience share among individuals aged 4 and over (versus 1.6% for the previous year, an increase of 19%).

These impressive growth figures reflect stronger schedules, and joint work with the TF1 group's programming teams.

Since September 2011, NT1 has been the third most popular DTT channel among "women aged under 50 purchasing decision-makers".

NT1 attracted an average prime time audience of 600,000 (an increase of 100,000 year-on-year), with 12 programmes drawing audiences of more than a million. These included the movie *Shooter* (French title: *Shooter, Tireur d'Élite*), which set a new record for the channel with over 1.5 million viewers. And for the first time in its history, NT1 programmes filled two slots in the top 100 DTT ratings.

Eurosport France

The Eurosport France channel had 7.7 million paying subscribers in 2011, up 0.7%.

The channel's audience was 6.4% higher than in 2010, with 30,000 viewers per average quarter-hour. This is an impressive performance, given the tough competition in sports broadcasting, and reflects the drive to strengthen content.

After 2010, which featured a number of sporting events highly attractive to advertisers, there was a sharp fall in advertising revenue; subscription revenue, by contrast, rose slightly year-on-year.

Programming costs rose in 2011, reflecting the decision made at the start of the year to strengthen the channel's content and more intensive use of the rights catalogue. The effect was to some extent mitigated by the non-recurrence in 2011 of rights costs relating to some specific major events screened in 2010.

The drop in advertising revenue underlies the fall in current operating profit in 2011. Eurosport France has acquired the broadcasting rights to "ProD2", the second tier of professional rugby in France, from 2011 to 2015.

TV Breizh

In the first half of 2011, TV Breizh became the no. 1 cable and satellite pay-TV channel among individuals aged 4 and over (pay-TV subscribers) and cemented its market leadership among "women aged under 50 purchasing decision-makers" (pay-TV subscribers), achieving initialised

(1) Sources: Médiamat/Médiaplanning - Médiamat'Thématik - wave 21 versus wave 20/GFK/Multimedia coverage survey.

audience shares of 1.4% (up 0.2 of a point year-on-year) and 1.7% (down 0.1 of a point year-on-year) respectively.

These audience figures have been achieved by attractive family programming, with American films (such as the uncut version of *Lethal Weapon* (French title: *L'Arme Fatale*) and *Jurassic Park*) and American and French drama serials pulling in over 200,000 viewers.

Viewing figures per average quarter-hour were up 26% year-on-year at 39,420.

TV Breizh is accessible to 14.3 million people, and to 24% of households with TV sets.

Despite challenging economic and competitive conditions, TV Breizh maintained excellent margins.

LCI

LCI's editorial repositioning, launched in 2010, has helped the channel achieve significant growth in audiences among individual pay-TV subscribers in higher socio-professional categories, with a 1.0% audience share. The channel gained 0.2 of a point (36% growth for individuals in higher socio-professional categories) versus the previous year, and now ranks fourth among French pay-TV channels.

Audiences per average quarter-hour rose sharply to 23,000 (up 35% year-on-year).

The channel can be received by 15.1 million people and by 26% of households with a TV set.

Recognised by advertisers as a benchmark news channel, LCI saw a rise in advertising revenue in 2011 – a remarkable achievement, given the mounting competition from free-to-air news channels. Ongoing cost optimisation led to further improvements at current operating level.

Découverte Division

In 2011, the Découverte Division affinity channels all continued to enhance their content, and performed well in terms of both revenue and profit.

Histoire is pursuing its editorial policy while it builds brand penetration, and Ushuaïa TV is expanding its must-see HD programming. Stylía, launched in October 2010, is continuing with its upscale editorial policy as it develops its brand.

TF6 and Série Club

In 2011, TF6 – owned 50/50 by M6 and TF1 – had 0.6% audience share among initialised individuals aged 4 and over (unchanged year-on-year).

During 2011, the channel continued to refocus on its advertising target audience in the 15-34 age bracket by screening must-see entertainment shows like *Cauet fait le tour* and age-group favourite serials like *Numb3rs* or *Smallville*. TF6 also shows the best action movies and TV movies, such as *Batman Forever* and *Point Break*.

In a tough competitive environment, advertising revenue contracted, and the effect was only partly offset by higher subscription revenue, leading to lower revenue for the channel overall.

The Série Club channel – also owned 50/50 by M6 and TF1 – increased its audience figures by 22% year-on-year to 16,000 viewers per average quarter-hour. The channel had 0.3% audience share among initialised individuals aged 4 and over in 2011.

The rise of DTT has intensified competition for cable and satellite channels, but Série Club is proving resilient in terms of both audiences and advertising revenue.

Série Club – a specialist serials channel – sought to maintain its appeal in 2011 by bolstering its schedules with US imports like *Mad Men* and *Stargate Atlantis* and popular French dramas like *Louis la Brocante*.

Série Club reported growth in both revenues and margins in 2011.

TF6 and Série Club renegotiated their distribution contracts in 2011, in particular the contract with CanalSat.

TF1 ENTREPRISES

TF1 Entreprises posted revenue of €49.4 million in 2011, 12.8% higher than in the previous year.

This growth, combined with lower operating costs, led to a sharp €3.3 million rise in current operating profit for TF1 Entreprises, from €2.4 million to €5.7 million. Current operating margin was 6.0 points higher at 11.5%.

Games(1)

In 2011, the French games market contracted by 2.8% by value (excluding jigsaw puzzles and trading card games) and by 1.5% by volume.

TF1 Games saw its market share slip from 8.0% in 2010 to 7.7% in 2011, but nonetheless turned in a strong performance as volumes sold rose by 88,000 units year-on-year to 1,860,000, including:

- 465,000 boxed sets from the *Mille Bornes* range;
- 272,000 *Barbapapa* and Gogo's bracelets;
- 128,000 boxed sets of the *Le Cochon qui rit* game.

TF1 Entreprises/Dujardin also launched, in partnership with Française des Jeux, an FDJ-*Mille Bornes* scratchcard, of which 26 million have been sold.

Licences

The Licences business continued to expand in 2011; among the licences developed during the year were *Ushuaïa, Barbapapa, MasterChef* and *Mille Bornes*.

Music(2)

The music and disc market contracted by 3.9% in 2011 compared to the previous year. Physical sales fell by 11.5%, but digital sales rose by 25.7% and now represent 21% of total sales.

After a year of successful musical partnerships in 2010, the trend continued through 2011 with fine performances from Les Prêtres (*Gloria*, 489,000 albums sold in the year), Zaz (455,000), Nolwenn Leroy (800,000) and Johnny Hallyday (300,000).

The tour of *Mozart, the Rock Opera* ended on a high note, with over 1.3 million tickets sold since the show first opened.

(1) Source: NPD data.

(2) Source: SNEP data.

Other

In October 2011, TF1 Entreprises launched a highly popular collection of Tintin figurines, while the Automotocompare.fr website – launched in the third quarter of 2010 – has demonstrated how effectively TF1 is able to exploit its brands.

These two businesses contributed to the division's overall revenue growth.

PRODUCTION

Revenue for the Production business surged by €26.4 million (up 58.1%) in 2011, driven by both TF1 Films Production and TF1 Production. Current operating profit was €4.4 million, an improvement of €6.3 million on the previous year's loss. Current operating margin was 16.7%.

TF1 Films Production[(1)]

Box office entries at French cinemas in 2011 totalled 215.6 million, 4.2% higher than in 2010. This figure is well above the 191.0 million average recorded over the past ten years, and the highest for 45 years (234.2 million in 1966). Cinema attendances were particularly buoyant in the second half (up 14.8% year-on-year), after a 6.2% contraction in the first half.

A significant factor was the growth in box office entries for French films, which rose by 21.4% to 89.6 million. French films also increased their market share to 41.6%, versus 35.7% in 2010.

TF1 Films Production co-produced 21 films in 2011 (versus 13 releases in 2010), 13 of which had topped one million box office entries by the end of the year.

A major success was *Intouchables*, which headed the box office listings with 16.7 million to end 2011. This makes it only the second French film to have topped the box office listings in any year.

Thanks to these successes, revenue and current operating profit at TF1 Films Production both rose year-on-year in 2011.

At end December 2011, the subsidiary had committed a total of €44.7 million to feature films, thereby fulfilling its commitments.

Film	Release date (2011)	Box office entries
INTOUCHABLES*	November 11	16,668,475
RIEN À DÉCLARER	February 2	8,150,825
HOLLYWOO*	December 7	1,906,703
CASE DÉPART	July 6	1,799,734
LA NOUVELLE GUERRE DES BOUTONS	September 21	1,542,331
LES TUCHE	July 1	1,534,020
L'ÉLÈVE DUCOBU	June 22	1,484,628
LA GUERRE DES BOUTONS	September 14	1,454,876
LA FILLE DU PUISATIER	April 20	1,401,319
LARGO WINCH 2	February 16	1,350,999
LE FILS À JO	January 12	1,238,549
LA CHANCE DE MA VIE	January 5	1,047,705
SANS IDENTITÉ	March 2	1,003,307
LA CROISIÈRE	April 20	673,307
COLOMBIANA	July 27	607,574
LE MARQUIS	March 9	515,194
LA PROIE	April 13	354,068
ON NE CHOISIT PAS SA FAMILLE	November 9	345,639
MON PÈRE EST FEMME DE MÉNAGE	April 13	297,713
ET SOUDAIN TOUT LE MONDE ME MANQUE	April 20	240,905
LES ADOPTÉS*	November 23	171,324

** Films still on release as of December 31, 2011.*

(1) Sources: Écran Total – as of January 4, 2012 and CNC.

TF1 Production

In the year to December 31, 2011, TF1 Production delivered around 445 hours of programming to the TF1 group (52 hours or 13% more than in 2010), including 153 hours to TMC and NT1 (57 hours or 41% more than in 2010).

TF1 Production recorded higher revenue year-on-year, and a sharp improvement in current operating profit thanks to tight cost control. TF1 is committed to producing quality programmes, for the Group or third parties, while at the same time optimising production costs.

Highlights for TF1 Production during the year included producing the smash hit *Danse avec les Stars*, Rugby World Cup tie-in shows, and magazine programmes for TMC (especially *90' enquêtes*) and for NT1. TF1 Production also managed the tour by the Les Prêtres singers.

e-TF1[(1)]

The e-TF1 business posted full-year revenue of €85.0 million (up 8.7%) in 2011.

Advertising revenue at e-TF1 advanced by €5.3 million (24.3%) year-on-year to €27.1 million.

A fall in interactivity due to programming effects was more than offset by the rollout of the MYTF1 platform on the four leading ISPs and by the success of advertising around online video. Over 2011 as a whole, 1.2 billion free videos were viewed on the Group's websites, and 547 million were watched in catch-up mode (95 million more than in the comparable period of 2010). In terms of time spent watching on-line video, the TF1 group is the leading player among French media groups, and is in the top 3 in France alongside the major international players[(2)].

TF1 has consolidated its digital offering around a global brand, MYTF1, available across all media. At end December 2011, the MYTF1.fr site was attracting 7.9 million unique visitors[(3)] per month, and is the leading media site in terms of unique visitors.

Revenue growth and cost control, plus better margins at WAT and new contracts with operators for MYTF1, underpinned a €6.7 million rise in current operating profit to €9.2 million. The Group's digital activities are highly profitable: current operating margin was 10.8% over the year as a whole (versus 3.2% in 2010).

OTHER

Revenue recorded on the "Other" line in 2011 totalled €53.8 million, versus €55.2 million in 2010.

The 2011 figure includes revenue of €13.0 million from the resale of 2011 Rugby World Cup rights, booked in the third quarter. This compares with the €33.0 million booked in the second quarter of 2010 for the resale of FIFA 2010 World Cup rights.

It also includes revenue generated by Metro France, 100% of which has been recognised since the acquisition of control on July 28, 2011 (impact: €15.4 million).

Advertising revenue booked on this line totalled €30.6 million, versus €13.7 million in 2010, the increase being mainly due to the consolidation of 100% of the revenue from Metro.

Current operating profit was €27.6 million, up €4.0 million year-on-year.

Third-party advertising airtime sales[(4)]

In 2011, TF1 Publicité sold advertising airtime for the 123 local, regional and themed radio stations in the **Indés Radios** grouping.

This grouping is a strong player in the French radio market, and remains market leader in the target 25-49 age bracket with an offering that reaches 8.3 million listeners a day. The combination of locally-based media and broad audience reach is highly effective for advertisers.

Gross advertising spend on the radio networks on which TF1 Publicité sells airtime rose by 16.6% in 2011, compared with growth of just 6.5% for the national radio market. With market share of 11.7% (1 point higher than in 2010), TF1 Publicité is a major player in the radio advertising market.

TF1 Publicité also sells advertising airtime for a dozen themed, add-on and branded channels, including the Disney and Cartoon channels.

Metro France[(5)]

On July 28, 2011, the TF1 group – which had held a 34.3% interest in Metro France Publications since 2003 – completed the acquisition of the remaining 65.7%. With effect from that date, Metro France has been fully consolidated in the TF1 group consolidated financial statements.

Metro – which produces daily freesheets and internet news content – increased its print runs during 2011. The paper edition is now available in 15 French cities, with 770,000 copies distributed a day. In a market where competition is particularly intense, with two major rivals, Metro ranks no. 2 with two million daily readers.

With the backing of the TF1 group – one of whose missions is to inform across all media – Metro France rolled out an aggressive strategy at end 2011, with a specific focus on digital.

Metro France contributed €15.4 million to TF1 group revenue in 2011; its contribution to operating profit was immaterial.

(1) Source: eStat Streaming TV.

(2) Source: Médiamétrie/NetRatings – December 2011.

(3) Source: NNR Panel, all sites, December 2011.

(4) Sources: Médiamétrie 126 000 Radio – Nov-Dec 2011 – Monday - Friday – 5am – midnight – Target 13 + Kantar Média – Gross advertising spend – National Radio – All sectors – FY 2011 (versus FY 2010).

(5) Source: OJD.

AUDIOVISUAL RIGHTS

The Audiovisual Rights Division posted revenue of €115.5 million in 2011, €27.4 million less than in 2010.

At operating level, the division's performance deteriorated sharply, as the current operating loss increased from €5.2 million to €40.1 million.

CATALOGUE(1)

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

The Catalogue business generated revenue of €37.2 million in 2011, against €54.1 million in the previous year. This decline was due to the sharing of revenues under an agreement signed with UGC, the elimination of intercompany sales to TMC and NT1 (previously recorded as third-party sales), and the sale of the TCM DA catalogue on April 19, 2011.

During 2011, revenue from catalogue sales was not enough to offset the decrease in revenue from new films, with box office entries lower than in 2010 even though three more films were released.

The business made a current operating loss of €28.4 million, including the entire cost relating to the *Miracle at St Anna* dispute (which was reclassified to this division when a mediated settlement was reached on July 25, 2011).

TF1 VIDÉO(2)

Revenue from the Video business was down 11.8% at €78.3 million.

The French video market (DVD, Blu-ray and VoD) shrank by 2.7% in 2011, with French consumers spending a total of €1.5bn. Household spending on physical video fell by some 9%; this was partly due to a smaller offering than in 2010, especially in genres usually popular on video such as action and comedy. Overall, the new DVD release market shrank by 13% in 2011. At the same time, the continuing high levels of video piracy – despite the best efforts of Hadopi (the French copyright enforcement agency) – had a very adverse impact on the video sector, putting a brake on growth in Blu-ray and VoD.

High Definition media are continuing to expand. Blu-ray sales rose by 20% in 2011 to €210 million, equivalent to 10 million units. Blu-ray represented 16% of video sales in 2011 (vs. 12% in 2010).

VoD confirmed its growth potential: the market is worth an estimated €230 million, 50% higher than in 2010.

During 2011, against a backdrop of severe price erosion, TF1 saw a decline in DVD and Blu-ray sales. TF1 Vidéo scored notable hits with *Elle s'appelait Sarah, Nicolas Canteloup* and *L'élève Ducobu,* but sales were lower than in 2010.

Video on demand (MYTF1VOD) saw impressive revenue growth of 38%. The site and brand have received a makeover, with TF1 consolidating its digital offering around a global brand (MYTF1) accessible through all media.

Kiosk sales were higher year-on-year thanks to *Barbie* and *Rien à Déclarer*.

The decline in revenue was partly cushioned by lower overheads, giving a current operating loss of €11.7 million, €2.2 million worse than in the previous year.

BROADCASTING INTERNATIONAL(3)

EUROSPORT INTERNATIONAL

The Eurosport channel can be received by 128.8 million households in Europe (up 5.8 million year-on-year), in 59 countries and 20 languages. The Asia-Pacific rollout of the channel is ongoing, with the subscriber base reaching 4.9 million at end 2011 (10.0% year-on-year growth).

Revenue for the Eurosport International group rose by €3.5 million (1.0%) to €367.9 million in the year ended December 31, 2011. Subscription revenue advanced by 4.0%, while advertising revenue fell by 4.1% to €74.9 million. This was largely due to the non-recurrence of the major sporting events screened in 2010 (such as the 2010 FIFA World Cup, the Olympic Games and the Africa Cup of Nations), and to the gloomy state of the global economy. Current operating profit was up €5.3 million at €65.2 million.

Eurosport International achieved current operating margin of 17.7% in 2011, an improvement of 1.3 points on the previous year. The key factors were tight cost control, and a reduced number of major sporting events.

The Eurosport International paying subscriber base grew by 7.6%, driven by the expansion of the channel in Russia, Poland and the United Kingdom, along with the HD offering and the development of Eurosport 2.

The success of the Eurosport HD channel (5.0 million new subscribers) confirms the commercial appeal of HD.

Growth in the subscriber base for Eurosport 2 (57.1 million subscribers, up 9.2 million year-on-year) and Eurosport 2 HD (1.8 million subscribers) is being largely driven by Mediterranean countries and Scandinavia. Eurosport 2, which offers joint broadcasting of major events including team sports and new-generation sports, has now passed the 55-million subscriber mark.

Audience figures for the Eurosport International channel fell sharply in the first quarter of 2011, due to the non-recurrence of the major sporting

(1) Source: CNC.

(2) Source: SEVN-GFK.

(3) Source: cumulative audiences for Eurosport channels in European countries.

events screened in 2010. However, audiences recovered in the next three quarters thanks largely to cycling, tennis and snooker, and to expansion of the live offering.

Average audiences rose by 3.0% over 2011 as a whole, despite more intense competition from other sports channels and from some national general-interest channels.

Eurosport 2 audiences surged by 48.3%, helping to maintain the Eurosport channels' overall audience ratings.

Internet viewing figures remained buoyant (15.0% higher than in 2010), putting Eurosport in the top rank of European sports network websites. Available in 14 local versions worldwide, the Eurosport website attracted a daily average of 2.7 million(1) unique visitors to end December 2011.

Eurosport's websites can also be accessed *via* smartphones and tablets in 10 languages. The iPhone app was downloaded by 5.4 million users (74.2% more than in 2010) and consulted by 520,000 users.

In addition, the channel was distributed over the Internet to a monthly average of 71,000 customers (up 86.6%).

OTHER ACTIVITIES

The TF1 group continued with the rationalisation of its diversification activities during 2011, starting with the sale of its entire interest in 1001 Listes to Galeries Lafayette on February 4, 2011.

On May 2, 2011, TF1 sold 100% of its shares in its online gaming and sports betting subsidiary SPS to Solfive, a company whose shareholders include the Chief Executive Officer of SPS.

In the fourth quarter of 2011, Solfive sold the SPS group on to the Unibet group. In accordance with the terms of the sale agreement between the TF1 group and Solfive, a gain of €2.4 million was paid over to the TF1 group.

Revenue recognised for SPS in 2011 amounted to €1.5 million, compared with €1.6 million in the previous year. 1001 Listes generated revenue of €3.9 million in 2010.

Overall, Other Activities reported an operating loss of €8.7 million for 2011, compared with €25.6 million for the previous year.

3.2.2 Outlook

The economy remains unstable in 2012, and the resulting uncertainty is generating significant volatility in decision-making by advertisers.

In the circumstances, we are working on the assumption that consolidated revenue will remain flat in 2012. We are also maintaining our objective for control over TF1 channel programming costs, which we expect to average €930 million in 2012 and 2013.

Nevertheless, we have solid fundamentals. Aware the environment is unstable, we have radically transformed our organisation, leaving us ready to face new challenges.

We will continue to develop our multi-channel offerings to the benefit of viewers and advertisers alike, drawing on our pro-active and innovative advertising sales teams.

We have high ambitions for new media in 2012, built notably on a solid and proven growth model for our digital activities.

Our pay-TV business model has been secured for the next three years, and rationalisation of our diversification activities is now largely complete.

Cost control remains a priority, and our robust financial position is a major asset amid the current uncertainty.

We will also pursue our corporate citizenship and corporate responsibility initiatives, playing our part in promoting social cohesion and diversity.

3.2.3 Post balance sheet events

There are no post balance sheet events to report.

3.2.4 The role of TF1 *vis-à-vis* its subsidiaries and relations with the parent company

The positions held by TF1 Executive Directors in the principal subsidiaries are disclosed on page 6 of the registration document and Annual Financial Report.

The TF1 group comprises about 40 directly or indirectly owned operating subsidiaries (see the organisation chart on page 7 of this registration document), most of them located in France.

The role of TF1 is to define the overall strategic priorities of the Group, and to provide leadership in areas such as identifying synergies and standardising procedures.

It also provides corporate support functions to its subsidiaries in fields such as management, human resources, advisory services and finance. These services are invoiced by TF1 to the subsidiaries involved; for

(1) *Source: ComScore Networks/unique visitor cookies/November 2011.*

details, refer to the disclosures about related-party agreements on page 267 of the registration document and Annual Financial Report and to the Statutory Auditors' report on such agreements (page 186 of the registration document and annual financial report).

For information about services provided by Bouygues to TF1, refer to the disclosures about related-party agreements on page 267 of the registration document and Annual Financial Report and to the Statutory Auditors' report on such agreements (page 186 of the registration document and annual financial report).

From a financial standpoint, TF1's Treasury Department manages and pools the cash positions of all the Group's subsidiaries except for Série Club, for which treasury management and financing are handled by M6.

3.2.5 The TF1 parent company

RESULTS OF TF1 SA

In 2011, TF1 SA (the parent company) generated revenue of €1,447.2 million (down 2.5%), comprising €1,435.2 million of advertising revenue (down 2.6%) and €12.0 million of other revenue (up 12.1%). Operating profit for the year rose by €43.4 million to €197.5 million.

The parent company reported net financial expense of €12.7 million in 2011, compared with net financial income of €50.8 million in the previous year.

Net profit for the year was 27.2% lower at €114.5 million.

Expenses falling within the scope of Article 39-4 of the French General Tax Code, which are non-deductible for corporate income tax purposes, amounted to €249,880 in the year ended December 31, 2011. These expenses will be submitted to the Annual General Meeting for approval, in accordance with Article 223 *quater* of the French General Tax Code.

APPROPRIATION OF PROFITS

In the resolutions submitted for your approval, we are asking you to approve the individual financial statements and the consolidated financial statements for the year ended December 31, 2011, and, having noted the existence of distributable profits of €405,144,172.01, comprising net profit for the period of €114,484,653.43 and retained earnings of €290,659,518.58, to appropriate this sum as follows, as proposed by the Board of Directors:

- distribution of a cash dividend of €116,013,151.65 (*i.e.* a dividend of €0.55 per €0.20 par value share);
- the balance of €289,131,020.36 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 26, 2012. The date of record (i.e. the day at the end of which the post-settlement positions entitled to the dividend are determined) will be April 30, 2012. The payment date of the dividend will be May 2, 2012.

In accordance with paragraph 2, section 3 of Article 158.3.2 of the French General Tax Code, this dividend is fully eligible for the 40% relief available to individuals tax-resident in France.

The General Meeting recognises that it has been informed that individuals tax-resident in France whose dividend income is eligible for this relief may elect to have these revenues taxed at the flat rate of 21% specified in Article 117 *quater* of the French General Tax Code. This election must be made each time a dividend is received, is irrevocable, and cannot be made retrospectively.

We are also asking for your authority to transfer to retained earnings the amount of dividend accruing to any of its own shares that TF1 may hold, in accordance with Article L. 225-210 of the French Commercial Code.

The amount of dividend distributed in respect of the three previous financial years was as follows:

Year ended	Net dividend per share	Allowance[1]
December 31, 2008	€0.47	yes
December 31, 2009	€0.43	yes
December 31, 2010	€0.55	yes

(1) Eligible for the 40% tax relief available to individuals tax-resident in France under Article 158.3.2 of the French General Tax Code.

ANALYSIS OF TF1 SA TRADE CREDITORS BY DUE DATE

The table below gives disclosures about trade creditors by due date, as required by Articles L. 441-6-1 and D. 441-4 of the French Commercial Code.

In most cases, TF1 SA applies agreed payment terms of 45 days from the end of the month in which the supplier invoice was issued.

(€m)	Dec. 31, 2011	Dec. 31, 2010
Total trade creditors	**327.9**	**318.0**
Total trade creditors used in the analysis(1)	**289.7**	**266.6**
Of which non past due	269.5	257.1
Of which past due	20.2	9.5
Of which past due by less than 30 days	*6.2*	*4.9*
Of which past due by between 30 and 90 days	*7.0*	*2.3*
Of which past due by more than 90 days	*7.0*	*2.3*

(1) The trade creditors total included in the analysis as of December 31, 2011 comprises all trade creditors except for trade bills payable, which amounted to €38.2 million (compared with €51.4 million as of December 31, 2010).

3.2.6 Principal acquisitions and divestments

NEWLY CONSOLIDATED ENTITIES, CHANGES IN SCOPE OF CONSOLIDATION AND ACQUISITIONS OF EQUITY INTERESTS

ACQUISITION OF METRO FRANCE PUBLICATIONS

The acquisition of an additional 65.7% equity interest in Metro France Publications from Metro International on July 28, 2011 gave the TF1 group exclusive control over Metro France Publications. In the consolidated financial statements for the year ended December 31, 2011, the interest in Metro France Publications – previously accounted for as an associate by the equity method – has been fully consolidated with effect from July 28, 2011.

DIVESTMENT OF THE SPS GROUP

Following the sale on May 2, 2011 of the TF1 group's entire interest in the SPS Group, the companies of the SPS Group ceased to be included in the scope of consolidation with effect from that date.

DIVESTMENT OF TCM GESTION AND TCM DA

The 50% equity interests held in TCM DA and TCM Gestion were sold on April 19, 2011. These entities, previously accounted for by the proportionate consolidation method, were deconsolidated as of that date.

DIVESTMENT OF THE 1001 LISTES COMPANIES

Following completion of the sale of 1001 Listes and 1001 Listes Belgium on February 4, 2011, these two entities were deconsolidated with effect from January 1, 2011.

INTERNAL REORGANISATIONS WITH NO IMPACT ON CONSOLIDATION

As part of the ongoing rationalisation of the legal structure of the TF1 group, the following transactions were carried out in 2011: merger of Infoshopping into EZ Trading, followed by the merger of EZ Trading into Téléshopping; merger of Eurosport Events into Eurosport SA; and merger of Baxter into Une Musique.

TF1 SA OTHER COMMITMENTS

None.

3.3 AVAILABLE INFORMATION IN OTHER PART OF THE REGISTRATION DOCUMENT

3.3.1 Risks factors and Report on remuneration

With regard to risk factors and compensation of the Executive Director, see chapter 2, pages 51-64 of the registration document.

3.3.2 Human resources and environment update

With regard to human resources and environment update, see chapter 1, pages 215-261 of the registration document.

3.3.3 Information concerning the TF1 company and its capital

With regard to Information concerning the TF1 company and its capital, see chapter 6, pages 191-213 of the registration document.

3.4 STATEMENT OF COMPANY OPERATIONS OVER THE LAST FIVE BUSINESS YEARS

Nature of indicators *(in €)*	2007	2008	2009	2010	2011
I - End of year financial position					
a) Company capital	42,682,098	42,682,098	42,682,098	42,682,098	42,206,601
b) Number of shares issued	213,410,492	213,410,492	213,410,492	213,410,492	211,033,003
c) Number of convertible bonds					
II - Overall operational results					
a) Turnover excluding taxes	1,651,380,074	1,578,094,919	1,376,578,316	1,484,569,148	1,447,246,247
b) Profits before tax, employee participation, liquidations and provisions	331,000,742	231,461,449	201,671,020	225,847,859	210,521,154
c) Tax on profits	71,971,099	23,176,898	(17,671,273)	33,468,225	45,163,305
d) Employee participation	7,978,095	3,605,647	256,981	4,645,162	4,620,881
e) Profits after tax, employee participation, liquidations and provisions	203,747,738	138,921,498	198,396,034	157,208,740	114,484,653
f) Amount of profits distributed	181,386,487	100,302,931	91,766,512	117,375,771 (1)	116,013,152 (1)
III - Operational results per share					
a) Profits after tax and employee participation but before liquidations and provisions	1.18	0.96	1.03	0,88	0.76
b) Aggregate employment earnings	0.95	0.65	0.93	0,74	0.54
c) Expenditure on benefits	0.85	0.47	0.43	0,55 (1)	0.55 (1)
IV - Employees					
a) Number of employees	1,573	1,536	1,597	1,604	1,633
b) Total payroll costs	116,739,407	121,186,526	118,312,622	120,882,687	124,695,330
c) Total of employee benefit costs	57,127,130	54,153,178	69,307,854	64,780,999	61,269,845

(1) Dividend submitted for approval to the General Meeting of April 19, 2012.

1.6 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development (R&D) activities at TF1 derive mainly from experimental development. Most R&D expenditure is incurred with a view to marketing a new product or service, or broadcasting a new programme.

In parallel, TF1 develops software and systems designed to make gains in performance.

The TF1 group spent €7.4 million on Research and Development in 2011.

The new products, services and programmes on which R&D expenditure was incurred are described below.

R&D expenditure on programmes

Our activities call for substantial investment in creativity and innovation, both in entertainment and drama programmes and in film production, the results of which may be uncertain. The creative process involved in developing new programme concepts includes the following stages:

- buying in a programme format or concept, or screen rights to literary works;
- sociological research of new programmes with viewers;
- consultancy services;
- location scouting, casting, set design and production of a pilot episode.

Consequently, R&D expenditure on programmes includes:

- expenditure incurred on new drama and entertainment formats never previously broadcast in that form on the TF1 channel, whether or not they are available for broadcast, as recognised in profit or loss for the period (written off, or expensed on transmission);
- the cost of buying screen rights for new concepts that are never broadcast on the TF1 channel, and are written off during the year.

R&D expenditure on technological innovation projects

The Group enjoyed a strong year of innovation in 2011:

- MYTF1 app for iPhones and iPads;
- MYTF1 portal on the Free and SFR routers;
- *Social VoD* on MYTF1VOD;
- launch of the TF1News, TFou, *Mille Bornes* and Eurosport live score apps for iPhones and iPads;
- launch of the *Play Along* app during the broadcast of Money Drop that enables users to play in the same conditions as the contestant;
- launch of TF1 services in HBBTV on connected TVs;
- Tweet Replay on MYTF1.

In 2011 more than 1.2 billion videos were watched on the Group's MYTF1.fr and WAT.tv sites.

In July 2011 TF1 organised its first "Innovation" summer university, drawing over 450 Group employees.

In September 2011 TF1 grouped its digital offering under a single brand, MYTF1, available on all screens. TF1 Vision was renamed MYTF1VOD.

Analogue broadcasting came to an end in France on November 29 with the switchover to all-digital of the final region, Languedoc-Roussillon, and the AB3 analogue satellite.

TF1 held its **annual innovation days** in late November, consisting of 80 demonstrations and mobilising 1,700 employees and 300 non-company guests. The event was an opportunity to present TF1's new digital strategy and demonstrate future uses of technology through numerous proofs of concept.

A considerable number of innovations are also planned for 2012:

- new screens for TMC and NT1;
- a new look for MYTF1;
- development of the Group's multi-screen experience: *social TV*, synchronized interactivity (*TV companion*);
- multi-screen distribution for MYTF1VOD (XBOX, iPad, connected TVs);
- launch of TNT 2.0 project (HBBTV and DRM) with manufacturers.

TF1 will pursue its drive to stimulate and foster innovation in 2012, with annual innovation days, the summer university, customer demonstrations and tighter contacts with manufacturers.

In-house software development

In 2011 TF1 finalised the production launch of the HD news production tool for the three Group entities, TF1, LCI and e-TF1, enabling TF1 to produce 100% of its news programmes from capture (camera) to editing (creating stories) *via* broadcasting (HD digital DTT) and distribution on other media, including the Internet, tablets and telephones.

TF1 continued its work on converting workflow management to all-digital files, gradually discontinuing the use of cassettes, introducing a digital storage database for all its videos, and implementing a tool to make videos more easily accessible for its internet networks (IP protocol). In particular, TF1 made the commitment to make all the videos of Rugby World Cup matches available in replay on MYTF1 less than 15 minutes after the end of each first half.

TF1 launched a plan to better control the image and sound quality of the videos it broadcasts (video feedback mosaic, a tool for analysing audio loss or distortion).

As part of its forward-looking work, TF1 continued its tests on 3D production, notably producing 3D snowfall reports and posting them on MYTF1. TF1 is also keeping a close watch on manufacturer developments in ultra-High Definition (4K).

TF1 places particular emphasis on responsible development, by contributing to the Group's CSR efforts. In 2011 TF1 launched a wide-ranging operation to optimise the energy consumption of employee workstations through intelligent remote management of PCs, the aim being to economise 60% to 75% of the electricity consumption of workstations on migration to Windows 7.

TF1 is also working to make workstation communication between employees easier, with instant messaging, file sharing, and the organisation of audio/video conferences.

INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

6

6.1 INFORMATION ABOUT TF1

6.1.1 General information

Corporate name: TÉLÉVISION FRANÇAISE 1 - TF1

Registered office: 1, quai du Point du Jour - 92100 Boulogne-Billancourt, France

Trade & Companies register number: 326 300 159 RCS Nanterre

SIRET number: 326 300 159 00067

Industry segment code: 6020A

Company type: Société Anonyme (public limited company) under French law with a Board of Directors

Date of incorporation: September 17, 1982

Date of expiration: January 31, 2082

Financial year: January 1 to December 31

6.1.2 Company object

The purpose of the company is to operate an audiovisual communication service, as authorised by the laws and regulations in force, comprising the conception, production, programming and broadcasting of television programmes, and including all advertising messages and announcements.

To carry out any industrial, commercial, financial, securities or property operations, within or outside France, directly or indirectly connected to this activity and to any similar, related or complementary objects, or any operations likely to facilitate their realisation or development or to any company asset, including:

- devising, producing, acquiring, selling, renting and exploiting all recordings of images and/or sound, news reports, and films intended for television, the cinema or broadcasting;
- undertaking advertising sales transactions;
- providing services of all kinds for sound broadcasting and television,

all of these directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contributions, limited partnerships, subscriptions, the purchase of company shares or rights, mergers, partnerships, joint ventures, acquisitions, gifts or the management of any property or rights, or otherwise.

Its action is undertaken in compliance with its contract conditions and the prevailing laws.

6.1.3 Statutory appropriation of income

Five percent shall be deducted from net profits, after deduction of any previous losses, and appropriated to the legal reserve fund. This is no longer compulsory when the legal reserve reaches one-tenth of the registered capital. This deduction shall be resumed if for any reason the legal reserve falls below one-tenth of registered capital.

Distributable income comprises the year’s profits plus retained earnings brought forward, minus previous losses and amounts credited to reserves, as required by law and these Articles of Incorporation.

This income shall be distributed between all shareholders in proportion to the number of shares they each own.

6.1.4. Crossing statutory thresholds

All persons, acting alone or in concert, who acquire at least 1%, 2%, 3% or 4% of the capital or voting rights shall be bound, within five days of the registration on their account of the shares causing them to attain or exceed this threshold, to declare to the company the total number of shares and the number of voting rights they possess by means of a return-receipted registered letter sent to the registered office.

This declaration must be undertaken under the conditions stipulated above every time the threshold of 1%, 2%, 3% or 4% is overstepped in either direction.

If they have not been declared in accordance with the above conditions, shares exceeding the proportion that should have been declared shall forfeit their voting rights as provided by law, if one or several shareholders holding at least 5% of the capital so request during the General Meeting.

6.1.5 Articles of Incorporation

Updated on February 15, 2012.

ARTICLE 1

LEGAL FORM

A public limited company governed by current and future legislation in force and by these Articles of Incorporation has been formed between the owners of shares hereinafter created and of any shares subsequently created.

ARTICLE 2

CORPORATE PURPOSE

The purpose of the company is:

To operate an audiovisual communication service, as authorised by the laws and regulations in force, comprising the conception, production, programming and broadcasting of television programmes, and including all advertising messages and announcements.

To carry out any industrial, commercial, financial, securities or property operations, within or outside France, directly or indirectly connected to this activity and to any similar, related or complementary objects, or any operations likely to facilitate their realisation or development or to any company asset, including:

- devising, producing, acquiring, selling, renting and exploiting all recordings of images and/or sound, news reports, and films intended for television, the cinema or broadcasting;
- undertaking advertising sales transactions;
- providing services of all kinds for sound broadcasting and television,

all of these directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contributions, limited partnerships, subscriptions, the purchase of company shares or rights, mergers, partnerships, joint ventures, acquisitions, gifts or the management of any property or rights, or otherwise.

Its action is undertaken in compliance with its contract conditions and the prevailing laws.

ARTICLE 3

NAME

Its corporate name is: “Télévision Française 1” or its abbreviated form: “TF1.”

All legal and other documents issued by the company must mention the corporate name, immediately preceded or followed by the words Société anonyme (“public limited company”) or the corresponding French initials “SA” and the share capital amount.

ARTICLE 4

REGISTERED OFFICE

The Registered office is located at Boulogne (92100) – 1, quai du Point du Jour.

It may be transferred to any other location in the same or an adjoining “department” (French administrative unit) by the decision of the Board of Directors, subject to ratification by the next Ordinary General Meeting, or anywhere else in France through a decision by the Extraordinary General Meeting of Shareholders.

If a transfer is decided by the Board of Directors, the latter shall be authorised to modify the Articles of Incorporation in consequence.

ARTICLE 5

DURATION

The duration of the company is set at ninety-nine (99) years as from the date of its registration in the Trade and Companies Register, except in the event of earlier dissolution or an extension decided by the Extraordinary General Meeting of Shareholders.

ARTICLE 6

AUTHORISED CAPITAL

The authorised capital is set at €42,186.600.60 divided into 210,933,003 shares, each with a par value of €0.20.

ARTICLE 7

FORM – PAYMENT – FRACTIONAL SHARES

I. The company's shares may be registered or bearer shares.

The shares and all other securities issued by the company shall be registered in their holders' names or, if appropriate, in the name of an intermediary, under the conditions set forth in the applicable legal and regulatory texts.

II. To identify holders of bearer shares, the company reserves the right, under the legal and regulatory conditions in force, to request at any time and at its own expense, that the central custodian responsible for keeping the account of shares in issue (hereafter the "central custodian") provide the name of the person or entity, nationality, year of birth or constitution, and address of any holder of securities conferring, immediately or at a later time, the right to vote at its General Meetings. It may also request from the central custodian information as to the quantity of shares held by each shareholder, and if appropriate any restrictions that may apply to the shares.

With respect to the list transmitted to the company by the central custodian, the company may request either from the central custodian or directly from the persons on this list whom the company believes may be registered as intermediaries for third-party accounts holding securities, the information noted in the previous paragraph concerning the owners of the securities.

These persons are required, if acting as intermediaries, to reveal the identities of the owners of the securities. The information shall be provided directly to the authorised account-keeping financial intermediary, who is responsible for transmitting it, as appropriate, to the issuing company or the central custodian.

With regard to securities in registered form, the company also reserves the right at any time to request that the registered intermediary for a third-party securities account reveal the identity of an owner of these securities.

For as long as the company believes that certain holders of its securities in either bearer or registered form, of whose identities it has been informed, are acting on behalf of third-party owners of the securities, it may request that these holders reveal the identities of the owners of these securities subject to the conditions stated above.

Following requests for information described above, the company may request any legal entity that is an owner of the company's shares representing more than one-fortieth of the share capital or voting rights to reveal to it the identity of persons holding directly or indirectly more than one-third of that legal entity's share capital or voting rights exercised at its General Meetings.

If a request is made pursuant to the stipulations of this Article 7. b and the information requested has not been transmitted within the legal and regulatory time limits, or if information transmitted is incomplete or erroneous with respect to the requested party's own status or the owners of the securities, then the shares or other securities conferring immediate or subsequent access to the capital and for which this person was registered shall forfeit their voting right for any General Meeting that may take place until the matter of identity is settled. Payment of any dividend is postponed until that date.

Furthermore, in the event that the registered person knowingly disregards the above stipulations, the court of competent jurisdiction in the area of the entity's registered office may, upon request by the company or one or more shareholders representing at least 5% of the share capital, decree the forfeit of all or part of the voting rights from the shares concerned for a period not to exceed five years. The court may also deprive the shares of the corresponding dividend for the same period.

III. This provision is in addition to the legal provisions for declarations relative to the overstepping of shareholding thresholds.

IV. Cash shares shall be paid up under legal conditions.

V. Holders of fractional shares resulting from the exchange, consolidation, allotment or subscription of shares shall be responsible for their aggregation and any necessary purchases or sales of shares and/or rights.

ARTICLE 8

ASSIGNMENT AND TRANSFER OF SHARES

Shares shall be freely negotiable within the limit of the laws or regulations in force, including the conditions stipulated by Acts 86-1067 of September 30, 1986, 86-1210 of November 27, 1986 and 89-25 of January 17, 1989.

Subject to the international commitments made by France, no person of foreign nationality within the meaning of Article 40 of Act 86-1067 of September 30, 1986 may undertake an acquisition whose effect is to directly or indirectly increase the share of capital held by foreigners to more than 20 percent of the share capital or voting rights in the company's General Meetings.

Furthermore, a single natural person or legal entity may not directly or indirectly own a participation greater than that stipulated by the laws and regulations in force.

More generally, shareholders are bound to respect the specific provisions of the laws in force relative to the ownership or acquisition of the company's shares.

ARTICLE 9

RIGHTS AND OBLIGATIONS PERTAINING TO SHARES

I. All shares include a right to a share of the company's profits and assets in proportion to the portion of equity they represent.

In addition, they include the right to vote and to be represented in General Meetings pursuant to the laws and regulations in force.

All shares include the right, during the company's existence and in the event of liquidation, to payment of the same net amount with every allotment or repayment, so that, should the occasion arise, all shares shall be treated as one indistinct entity regarding any tax exemptions and any tax which may be borne by the company.

II. Shareholders shall be liable up to the nominal amount of the shares they possess: above this sum, all calls for capital shall be prohibited.

Rights and obligations shall be attached to the share, whoever the owner. Ownership of a share shall, as a matter of law, involve acceptance of the company's Articles of Incorporation and the decisions of the General Meeting.

ARTICLE 10

BOARD OF DIRECTORS

I. The company shall be managed by a Board of Directors of twelve members subject to the dispensations provided by law. In application of Article 66 of Act 86-1067 of September 30, 1986, two seats on the Board of Directors shall be allocated to staff representatives; one of these two seats shall be reserved for engineers, executives and those in a similar category.

II. During the existence of the company, Board members who are not staff representatives shall be appointed or reappointed to their duties by the Ordinary General Meeting of Shareholders.

III. The term of office of a Board member shall be two years.

The duties of a member who is not a staff representative shall terminate at the end of the Ordinary General Meeting ruling on the accounts of the previous business year, held during the year during which the Board member's term of office expires.

The duties of a member who is a staff representative shall terminate after the announcement of the votes of the electoral colleges appointing Board members representing the staff; this appointment must normally take place within the two weeks preceding the General Meeting covering the previous business year, held during the year in which the Board member's term of office expires.

Members of the Board may always stand for re-election.

Board members who are not staff representatives may be dismissed at any time by the Ordinary General Meeting.

Board members representing the staff may only be dismissed through the decision of the President of the Regional Court, sitting in relief proceedings, for misconduct during the exercise of their duties, at the request of the majority of the members of the Board. The decision shall be immediately enforceable.

Except in the event of termination at the employee's initiative, the termination of an employment contract of a Board member elected by the employees may only be pronounced by the trial Board of the Industrial Tribunal sitting in relief proceedings. The decision shall be immediately enforceable.

IV. Board members who are not staff representatives may be natural persons or legal entities; upon their appointment, the latter must name a permanent representative who shall be subject to the same conditions and obligations and assume the same responsibilities as if he were a member of the Board in his own right, without prejudice to the joint and several liability of the legal entity he represents; the permanent representative's term of office shall run for the duration of that of the legal entity he represents; he must be reappointed each time such legal entity's term of office is renewed.

If the legal entity terminates the term of office of its representative, it shall be bound to notify such cancellation to the company immediately by registered letter, together with the identity of its new permanent representative; likewise in the event of the permanent representative's death, resignation or prolonged indisposition.

V. If one or several seats of members of the Board who are not staff representatives become vacant between two General Meetings due to their death or resignation, the Board of Directors may appoint one or more members on a temporary basis.

If one or several seats of members of the Board who are staff representatives become vacant between two General Meetings due to their death, resignation, dismissal or the termination of their employment contract, the vacant seat shall be filled by the alternate.

Appointments of members of the Board made by the Board of Directors shall be subject to ratification by the next Ordinary General Meeting. Should no such ratification take place, decisions taken and acts accomplished previously by the Board shall remain valid.

Should only one or two members of the Board remain at their post(s), he or they, or failing this the Statutory Auditor(s), must immediately convene an Ordinary General Meeting of Shareholders in order to fill the vacant positions on the Board.

Any member of the Board appointed to replace another shall only do so for the remaining period of his predecessor's term of office.

ARTICLE 11

SHARES OF MEMBERS OF THE BOARD

Members of the Board must each own one share.

Members of the Board appointed during the existence of the company need not own any shares at the time they are appointed, but must become shareholders within three months, failing which they will automatically be considered to have resigned.

ARTICLE 12

OFFICERS OF THE BOARD

The Board of Directors shall appoint one of its members who is a natural person as Chairman, and set the period of his duties, though this may not exceed his term of office as a member of the Board.

The Chairman of the Board of Directors shall organise and direct the work of the Board, and report on this to the General Meeting of Shareholders. He shall ensure the proper functioning of the company's management bodies, and in particular ensure that the members of the Board are capable of fulfilling their duties.

If it sees fit, the Board of Directors may appoint one or several Vice Chairmen, whose period of duties it shall also fix without this exceeding their terms of office.

The Board may also appoint a Secretary, who need not be one of its members.

In the absence or indisposition of the Chairman, a Board Meeting may be chaired by the Vice Chairman fulfilling the duties of Chief Executive Officer, or the longest-serving Vice Chairman. Failing this, the Board shall appoint one of its members to act as Chairman for the Meeting.

The Chairman, Vice Chairmen and Secretary may all stand for re-election.

As from the date when shares are admitted to the official listing or to the Second Market of the Paris Stock Exchange, the age limit for performing the duties of Chairman of the Board of Directors is set at 68.

ARTICLE 13

DELIBERATIONS OF THE BOARD

I. The Board of Directors shall meet as often as the interests of the company require, at the behest of its Chairman. The Chairman of the Board must also, as provided by law, convene such a Meeting at the request of a third of its members or of the Chief Executive Officer, if the latter's duties are not assumed by the Chairman of the Board, even if the last Meeting was held less than two months previously.

The Meeting shall take place at the Registered office, or in any other place indicated in the notification to attend.

Notifications to attend may be communicated by any means, and may even be oral.

II. For deliberations to be valid, the effective presence of at least half the members of the Board shall be required.

Decisions shall be taken with a majority of votes from the members present or represented; each Board member shall dispose of one vote, and may not represent more than one of his colleagues.

Should there be an equal number of votes, the Chairman shall have the deciding vote.

Members of the Board may participate in Board Meetings by means of videoconference or telecommunications facilities, as provided by the laws and regulations.

For the calculation of the quorum and majority, Board members participating in Board Meetings *via* videoconference facilities shall be considered as present.

ARTICLE 14

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall decide upon the strategic directions for the company's activities and ensure that they are put into practice.

Subject to the powers expressly conferred by law on Shareholders' Meetings or the Chairman of the Board of Directors or the Chief Executive Officer, if the latter's duties are not assumed by the Chairman of the Board, and within the limits of the corporate purpose, it shall deal with all matters relating to the proper functioning of the company and settle any related decisions through its deliberations. It shall undertake any checks and verifications that it deems appropriate.

In general, it shall take any decisions and exercise any prerogatives falling within the scope of its competence by virtue of the laws and regulations in force or these Articles of Incorporation.

It may decide to create committees in charge of examining questions that it or its Chairman submits for their opinion. It shall fix the composition and remit of such committees.

It may entrust to one or several of its members' special duties for one or several determined purposes.

ARTICLE 15

REMUNERATION OF MEMBERS OF THE BOARD

I. Members of the Board may receive Directors' fees whose amount, fixed by the Ordinary General Meeting of Shareholders, shall be maintained until a decision is made to the contrary and which shall be posted in the accounts under operating expenses.

II. The Board shall decide by a majority vote upon the division of these fees between its members, in a manner it considers appropriate.

III. Members of the Board may also have the right to special remuneration authorised by the Board and submitted to the approval of the General Meeting, subject to a special report by the Statutory Auditors, for assignments or mandates entrusted to them, and to the reimbursement of their travelling expenses occasioned by management requirements.

ARTICLE 16

GENERAL MANAGEMENT – DELEGATION OF POWERS

I. The General Management of the company is assumed, under his responsibility, either by the Chairman of the Board of Directors, who shall then take the title of Chairman and Chief Executive Officer, or by another natural person, whether or not a member of the Board, appointed by the Board of Directors, for whom it shall set the period of his duties, this person taking the title of Chief Executive Officer. The Chief Executive Officer may be dismissed at any time by the Board of Directors.

The Board of Directors shall choose between these two methods of General Management upon each appointment/reappointment of the Chairman of the Board or of the Chief Executive Officer if the latter's duties are not assumed by the Chairman of the Board.

This choice shall remain valid until the expiry of one of these terms of office or, should the case arise, until the Chairman of the Board decides to no longer assume the functions of Chief Executive Officer, or upon the decision of the Board of Directors for a shorter period, which may not be less than one year.

Any change in the General Management method shall not entail a modification of the Articles of Incorporation.

II. The Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, shall be vested with the widest powers to act on behalf of the company in all circumstances. He shall exercise these powers within the limits of the corporate purpose and subject to the powers expressly accorded to Shareholders' Meetings and the Board of Directors. He shall represent the company in its relations with third parties.

He may delegate any powers to any proxy of his choice within the limit of those conferred by law and the Articles of Incorporation herein. Any limitation of such powers by the decision of the Board of Directors shall be without effect as regards third parties.

III. The Board of Directors may, on the proposal of the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, mandate a natural person, whether or not a member of the Board, to assist the former; this person shall have the title of Deputy Chief Executive Officer.

The maximum number of Deputy Chief Executive Officers appointed in this way is that fixed by the prevailing legislation.

Each Deputy Chief Executive Officer may be dismissed at any time by the Board of Directors on the proposal of the Chief Executive Officer, or the Chairman of the Board, if he assumes the duties of Chief Executive Officer. In the event of the death, resignation or dismissal of the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, each Deputy Chief Executive Officer shall retain his functions and remit, unless the Board of Directors decides otherwise, until the appointment of another person assuming the duties of Chief Executive Officer.

In agreement with the Chief Executive Officer, or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, the Board of Directors shall decide on the scope and duration of the powers delegated to each Deputy Chief Executive Officer.

As regards third parties, each Deputy Chief Executive Officer shall possess the same powers as the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer.

ARTICLE 17

REGULATED AGREEMENTS

Any agreement made, whether directly or *via* an intermediary, between the company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its Board members, one of its shareholders possessing a proportion of voting rights greater than 10% or, if it involves a shareholding company, the company controlling it within the meaning of Article L. 233-3, must have obtained the prior authorisation of the Board of Directors, if it does not relate to a standard transaction or is not made under normal terms and conditions.

The same shall apply to any agreements (other than those concerning a standard transaction or made under normal terms and conditions) in which any of the persons indicated in the preceding paragraph has an indirect interest.

Prior authorisation shall also be required for any agreements (other than those concerning a standard transaction or made under normal terms and conditions) taking place between the company and another company if one of the company's Board members, the Chief Executive Officer or one of the Deputy Chief Executive Officers is the owner, an associate with unlimited liability, manager, member of the Board, member of the Supervisory Board or, in general, an executive of the other company.

Prior authorisation shall also be required for any commitment benefiting the Chairman or Chief Executive Officer or one of the Deputy Chief Executive Officers made by the company or any controlled company or company controlling it within the meaning of paragraphs II and III of Article L. 233-16 and corresponding to elements of remuneration, allowance or perquisite due or likely to be due resulting from the discontinuation or change of function or subsequent to it.

In the case of the nomination to the position of Chairman or Chief Executive Officer or Deputy Chief Executive Officer of a person bound by a work contract to the company or any controlled company or company controlling it within the meaning of paragraphs II and III or Article L. 233-16, the provisions of said contract that may correspond to elements of remuneration, allowance or perquisite due or likely to be due resulting from the discontinuation or change of function or subsequent to it also require prior authorisation.

ARTICLE 18

STATUTORY AUDITORS

The company shall be audited by two Statutory Auditors who shall be appointed and exercise their assignment in accordance with the law.

Two Alternate Statutory Auditors shall also be appointed to take the place of the Statutory Auditors in the event of refusal, unforeseen difficulty, resignation or death.

ARTICLE 19

GENERAL MEETINGS

Collective decisions of the shareholders shall be taken in General Meetings, qualified as Ordinary or Extraordinary depending on the nature of the decisions they are required to take.

Each regularly constituted General Meeting shall represent the shareholders as a whole.

The deliberations of General Meetings shall be binding on all shareholders, even if absent, dissenting or legally incapable.

ARTICLE 20

NOTIFICATION TO ATTEND AND VENUE FOR GENERAL MEETINGS

General Meetings shall be convened and reach decisions as provided by law.

General Meetings shall be held at the Registered Office or any other place indicated in the notification to attend.

ARTICLE 21

ACCESS TO GENERAL MEETINGS – POWERS

All shareholders may participate in General Meetings, irrespective of the number of shares they own, in person or by proxy, on condition that they provide proof of identity and of ownership of their shares, in the form and place indicated in the notification of the Meeting, at least five days before the date of the General Meeting, as provided by law regarding the participation of shareholders in General Meetings. However, the Board of Directors may reduce or waive this time limit provided that it does so for all shareholders.

Shareholders may only be represented by their spouse or by another shareholder duly mandated as their proxy or, in the case of shareholders not resident in French territory, by an intermediary registered as a shareholder pursuant to Article L. 228-1 of the French *Code of Commerce*.

Shareholders that are legal entities shall participate in Meetings through their legal representatives or any person appointed for this purpose by the latter.

Any shareholder may, as provided by the law and regulations, vote by proxy or by correspondence at any General Meeting, either on paper or – upon the decision of the Board of Directors published in the notification of the Meeting and notification to attend, or, should the case arise, in the personal notification of the Meeting – by remote transmission.

ARTICLE 22

QUORUM – VOTING – NUMBER OF VOTES

I. In Ordinary and Extraordinary General Meetings, the quorum shall be calculated on the entire number of shares constituting the authorised capital, excluding non-voting shares as provided by law.

Where votes by correspondence are concerned, only slips received by the company before the Meeting, within the time limit and pursuant to the conditions provided by law, shall be taken into consideration for calculating the quorum.

Shareholders participating in the Meeting by videoconference, internet or by telecommunication means enabling them to be identified, the nature and conditions of which comply with the prevailing laws and regulations, shall be considered as present for the purposes of calculating the quorum and the majority.

II. Voting rights attached to shares are proportional to the capital they represent. At equal nominal value, each equity or dividend share entitles the holder to one vote.

III. If shares are held in usufruct, the voting rights attached to these shares shall belong to the beneficial owners in Ordinary General Meetings and to the bare owners in Extraordinary General Meetings.

ARTICLE 23

ORDINARY GENERAL MEETINGS

I. The Ordinary General Meeting shall be called upon to take all decisions that do not modify the Articles of Incorporation.

It shall meet at least once a year, within the time limits indicated by the prevailing laws and regulations, to rule on the financial statements of the previous business year.

II. The Ordinary General Meeting may not deliberate validly, upon the first notification to attend, unless the shareholders present, represented or having voted by correspondence possess at least one-fifth of the voting shares.

Upon a second notification to attend, no quorum shall be required.

It shall rule with a majority of the votes at the disposal of the shareholders present or represented, including shareholders having voted by correspondence.

ARTICLE 24

EXTRAORDINARY GENERAL MEETING

I. The Extraordinary General Meeting shall have the sole power to modify the Articles of Incorporation in all their provisions. However, it may not increase the commitments of shareholders, subject to operations resulting from the exchange or consolidation of shares decided and carried out in accordance with regulatory requirements.

II. In the absence of specific legal provisions, the Extraordinary General Meeting may not deliberate validly, unless the shareholders present, represented or having voted by correspondence possess, upon the first notification to attend, at least one-quarter, and upon the second notification, at least one-fifth of the voting shares.

Failing this latter quorum, the second Meeting may be adjourned to another date no later than two months after the original date for which it was convened.

Subject to the same specific provisions, it shall rule with a two-thirds majority of the votes at the disposal of the shareholders present or represented, including shareholders having voted by correspondence.

ARTICLE 25

BUSINESS YEAR

The business year shall begin on January 1 and end on December 31 each year.

Exceptionally, the current year shall extend from September 1, 1987 to December 31, 1988.

ARTICLE 26

DETERMINATION, APPROPRIATION AND DISTRIBUTION OF PROFITS

After the deduction of amortisation and provisions, any credit balance on the profit and loss account, summarising the revenues and charges for the year, represents the profit for the year.

Five percent shall be deducted from profits, after deduction of any previous losses, and appropriated to the legal reserve fund. This is no longer compulsory when the legal reserve reaches one-tenth of the registered capital. This deduction shall be resumed if for any reason the legal reserve falls below this one-tenth.

Distributable income shall comprise the year’s profits plus retained earnings brought forward, minus previous losses and amounts credited to reserves, as required by law and these Articles of Incorporation.

This income shall be distributed between all shareholders in proportion to the number of shares they each own.

However, after deduction of the appropriations to reserves required by law, the General Meeting may appropriate any amount it deems necessary to any optional ordinary or extraordinary reserve funds, or carry it forward to future years.

Dividends are primarily taken out of the year’s profits. The General Meeting may, in addition, decide to appropriate sums from available reserves, provided it explicitly specifies the reserves in question.

The Ordinary General Meeting of Shareholders may grant shareholders, in respect of all or part of the dividend and interim dividend, the option of taking the dividend and interim dividend in the form of either cash or shares.

Except in the case of a reduction in capital, no distribution to shareholders shall be allowed if the effect is or would be to reduce shareholders' equity below the amount of capital plus reserves required by the law and by these Articles of Incorporation for any distribution to be permitted. Revaluation reserves are not distributable but can be partially or fully incorporated into capital.

Any loss shall be carried forward, following the General Meeting's approval, and shall be deducted from the profits of subsequent years until such time as it is extinguished.

ARTICLE 27

DISSOLUTION-LIQUIDATION

Apart from dissolution provided for by law, the company shall be dissolved on expiry of the term as defined in the Articles of Incorporation or by the decision of the Extraordinary General Meeting of Shareholders.

One or several liquidators shall then be appointed by this Extraordinary General Meeting acting under the quorum and majority conditions stipulated for Ordinary General Meetings.

The liquidator shall represent the company. He shall be invested with the widest powers to realise the assets, even by private treaty. He shall be authorised to pay creditors and distribute the remaining balance.

The General Meeting of Shareholders may authorise him to continue any ongoing business or to undertake new business transactions for the purposes of liquidation.

The net assets remaining after repayment of the shares at their par value shall be distributed between the shareholders in the same proportions as their interest in capital.

ARTICLE 28

DISPUTES

All disputes in connection with company matters arising during the company's existence or during liquidation, either between the shareholders and the company or the members of its Board, or between the company and the members of its Board, or between the shareholders themselves and relating to company matters, will be referred to the competent courts of the registered office.

6.2 LEGAL FRAMEWORK

6.2.1 Share ownership

Under the terms of Article 39 of Act 86-1067 of September 30, 1986 as amended, an individual or entity, acting alone or with others, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a domestic free-to-air terrestrial television service whose average annual audience (terrestrial, cable and satellite combined) is above 8% of the total television audience. A Council of State decree must define how channel audiences are to be calculated.

Under the terms of Article 39 of Act 86-1067 of September 30, 1986 as amended, when an individual or entity holds, directly or indirectly, more than 15% of the capital or voting rights of a company licensed to operate a national free-to-air television service, the same individual or entity shall not hold, directly or indirectly, more than 15% of the capital of another company holding a similar authorisation.

Under the terms of Article 40 of Act 86-1067 of September 30, 1986 as amended, no individual or entity of foreign nationality shall purchase an interest leading to foreign nationals holding, directly or indirectly, more than 20% of the capital of a company licensed to operate a domestic free-to-air television service.

Under the terms of Article 41 of the Act of September 30, 1986, as amended by the Act of July 9, 2004, one and the same person can hold, directly or indirectly, a maximum number of seven authorisations for a domestic free-to-air digital television service.

6.2.2 Licence conditions

TF1 is an audiovisual communications service subject to licence. The initial period of licence for use of frequencies, for a duration of 10 years from April 4, 1987 (Act of September 30, 1986), expired in 1997.

By reason of decision no. 96-614 of September 17, 1996, TF1 received a first renewal of its licence on April 16, 1997, without other candidates being considered, for five years.

In compliance with Article 28-1 of the Act of September 30, 1986, as modified by the Act of August 1, 2000, TF1 benefited from a second "automatic" renewal of its licence for the years 2002 to 2007, by decision of the CSA (the French audiovisual regulatory body) on November 20, 2001.

Under the terms of Article 82 of the Act of September 30, 1986, as amended, this authorisation can be automatically extended for five years (to 2012), by reason of the simultaneous broadcasting ("simulcast") of the channel's programmes by digital terrestrial transmission. By a decision of June 10, 2003, the CSA has modified TF1's licence in order to incorporate the provisions relating to the broadcasting of programmes on Digital Terrestrial Television.

Under the terms of Article 99 of the Act of September 30, 1986, as amended by Act 2007-309 of March 5, 2007, this authorisation is automatically extended for five years provided the channel is a member of a public interest group responsible for implementing the measures to discontinue analogue broadcasting and to ensure continued reception of the channels by viewers; on April 26, 2007, TF1 signed the agreement creating said public interest group.

Furthermore, under the terms of Article 96-2 of the Act of September 30, 1986, as amended by Act 2007-309 of March 5, 2007, this authorisation is also automatically extended by five years as of the discontinuation of analogue broadcasting provided the channel commits to ensuring the broadcasting of its programmes *via* digital free-to-air transmission to 95% of the French population. TF1 has already made this commitment to the CSA.

Consequently, the TF1 licence, according to the Act of March 5, 2007, stands as follows:

1. the term of the TF1 authorisation: 2012;
2. extension of the authorisation by 5 years under Article 99: 2017;
3. extension of the authorisation by 5 years under Article 96-2: 2022.

6.2.3 Main legal provisions and obligations

THE TEXTS

- contract conditions set forth by Decree no. 87-43 of January 30, 1987 and the Decision regarding licensed use of frequencies of November 20, 2001, given to Télévision Française 1, complemented by the decision of June 10, 2003 and extended by the decision of February 20, 2007;
- act 86-1067 of September 30, 1986 amended by Act 94-88 of February 1, 1994, by Act 2000-719 of August 1, 2000, by Act 2005-102 of February 11, 2005, by Act 2007-309 of March 5, 2007, and by Act 2009-258 of March 5, 2009;
- european Directive on Television Without Borders of October 3, 1989 amended (latest amendment on December 11, 2007);
- decree no. 2010-747 of July 2, 2010 on the contribution to the production of cinematographic and audiovisual works for terrestrial broadcast;
- decree no. 90-66 of January 17, 1990, as amended by Decree no. 92-279 of March 27, 1992, by Decree no. 2001-1330 of December 28, 2001 and by Decree no. 2009-1271 of October 21, 2009 (broadcasting obligation);
- decree no. 92-280 of March 27, 1992 as amended by Decree no. 2001-1331 of December 28, 2001, by Decree no. 2003-960 of October 7, 2003 and by Decree no. 2008-1392 of December 19, 2008 (obligations relating to advertising and sponsorship).

In terms of general obligations concerning broadcasting and investment in production, the main prevailing provisions are the following:

- a maximum of 192 cinema films per year may be broadcast, of which a maximum of 104 shall begin between 8.30pm and 10.30pm No cinema film shall be broadcast on Wednesday and Friday evenings, Saturday all day, or Sunday before 8.30pm;
- broadcasting quotas apply for the whole broadcasting time and for peak viewing hours, to cinema and audiovisual works. 60% of broadcast material shall be of European origin and 40% of French origin;
- a minimum of two-thirds of the annual broadcasting airtime shall be devoted to French-speaking programmes;
- obligation to broadcast annually a minimum of 1,000 hours of children's programmes including 50 hours of magazines and documentaries;
- obligation to broadcast annually 800 hours of television news bulletins and television news magazines;
- obligation to commission audiovisual products: invest 12.5% of the previous year's net annual advertising turnover for the commissioning of national heritage audiovisual works, of which at least 9.25% from independent producers, and to broadcast 120 hours of French-speaking or European unreleased audiovisual works (including 30 hours of rebroadcast), starting between 8pm and 9pm;
- obligation to invest 0.6% of the previous year's net advertising turnover for the commissioning of French-speaking and European cartoons (obligation as to French-speaking content included in the previous 12.5%), including at least 0.45% by independent producers;
- obligation to invest 3.2% of the previous year's net annual advertising turnover (with at least 2.5% dedicated to French-speaking cinema works and at least 75% commissioned from independent producers) in the co-production of European cinema works. This investment is to be achieved through a subsidiary of the broadcaster (TF1 Films Production) operating as a minority participator. The co-production element must be approximately equal to the broadcasting right element;
- obligation, within a period of five years following the publication of Act 2005-102 of February 11, 2005, to make accessible to the deaf and hearing-impaired all of the channel's programmes, with the exception of advertising. It is to be noted that the CSA (French audiovisual industry regulator) may exempt a section of programming from this obligation due to its nature (this concession is included in the agreement).

Respect of these legal obligations is monitored. The CSA can impose fines in compliance with the provisions of Articles 42 to 42-11 of the above Act of September 30, 1986.

In view of the need to protect children and young people, the TF1 channel has committed to adopt a 5-category signage code enabling viewers to gauge the acceptability of broadcast programmes.

6.2.4 Discontinuation of analogue broadcasting on November 30, 2011

Act 2007-309 of March 5, 2007 amending Act of September 30, 1986 established the principal and organised the schedule for discontinuing analogue free-to-air broadcasting on November 30, 2011.

According to this law, a gradual closing down of analogue free-to-air broadcasting would start as of March 31, 2008. Initial close-downs began in early 2010 and the last close-down on November 29, 2011. In the space of 22 months, over 26 million French households had gone fully digital.

The text also sets the conditions for the extension of digital broadcasting. Analogue free-to-air channels should cover 95% of the population with digital free-to-air; the new DTT channels will benefit from an automatic 5-year extension of their licence provided they make additional commitments to broadcast beyond the zone specified in their licence. Note that all DTT channels have made this commitment.

All the free DTT channels must be broadcast over 100% of the territory, whatever the mode of reception, and be included in a common satellite bundle.

Total coverage of DTT broadcasts is currently 97%, exceeding the objective set by the text.

6.2.5 High Definition and personal mobile television

On July 3, 2007, the CSA (French audiovisual industry regulator) launched a tender for candidates for the use of a radio-electric resource dedicated to broadcasting nationwide high-definition Digital Terrestrial Television services.

On November 21, 2007, the CSA selected TF1. The TF1 agreement was subsequently modified on May 6, 2008 (published in the Official Journal on May 31, 2008).

On November 8, 2007, the CSA launched a tender for candidates for personal mobile television services. On May 27, 2008, the CSA selected 13 candidates, including TF1.

The CSA launched a call for candidates on October 27, 2011 for six new high-definition terrestrial television channels (in DVB-T MPEG 4) on the R7 and R8 multiplexes. Authorisations will be granted in first-half 2012 for a planned launch in late 2012. On launch, the new channels will be accessible *via* terrestrial broadcast for roughly 25% of the population. In the long term, by no later than 2014 according to the CSA schedule, they will be accessible for over 95% of the population.

6.3 CAPITAL

Relating to Article 6 of the Articles of Incorporation.

6.3.1 Amount/Category of shares

Since February 15, 2012 TF1 has had capital of €42,186,600.60, divided into 210,933,003 shares, each with a per value of €0.20.

The shares in issue represent 100% of the existing capital and voting rights.

There are no founder shares, beneficiary shares, convertible/exchangeable bonds, voting right certificates, or double voting rights.

Shares are freely negotiable within the limit of the laws or regulations in force, including the conditions stipulated by Acts 86-1067 of September 30, 1986, 86-1210 of November 27, 1986 and 89-25 of January 17, 1989. Shareholders are bound to respect the specific provisions of the laws in force relative to the ownership or acquisition of the company's shares.

The company is authorised to make use of legal provisions on the identification of holders of shares granting the right to vote in its own Shareholder Meetings immediately or at a later date. To know the geographical location of holders of its capital, TF1 periodically reviews its registered and bearer shareholder base, identified through Euroclear.

6.3.2 Purchase on the stock market

USE IN 2011 OF THE SHARE BUYBACK PROGRAMMES VOTED BY THE COMBINED ANNUAL GENERAL MEETINGS OF 2010 AND 2011

The Combined Annual General Meetings of April 15, 2010 and April 14, 2011 authorised the Board of Directors to buy shares in the company up to a limit of 10% of the number of shares making up the share capital on the date of exercise of the share buyback programme. These authorisations permit the Board of Directors to buy shares in the company to cancel them.

The Combined Annual General Meeting of April 14, 2011 authorised the Board of Directors to reduce the share capital by cancelling purchased shares, up to a limit of 10% of the share capital per 24-month period.

Under the aforementioned authorisations, TF1 acquired 2,473,975 TF1 shares in 2011 at the average weighted price of €10.73 per share, for a total cost of €26.6 million, of which €25,396 in trading frees after company tax.

It cancelled all of the shares bought by the company on November 10, 2011 and February 15, 2012, the second cancellation bringing the number of shares and voting rights to 210,933,003.

The table below, drawn up in compliance with Article L. 225-211 of the Commercial Code, recapitulates the transactions made as part of these authorisations.

TRANSACTIONS MADE BY TF1 ON ITS OWN SHARES IN 2011

	Number of shares	Percentage of share capital
Number of shares held by the company on December 31, 2010	**14,625**	**0.01%**
Number of shares purchased in the year	2,473,975	1.2%
Number of shares cancelled in the year	(2,388,600)	1.1%
Number of shares sold in the year	-	-
Number of shares transfered in the year (1)	-	-
Purchase from third parties holding more than 10% of the share capital or from executives in the year	-	-
Number of shares held by the company on December 31, 2011	**100,000**	**0.05%**
Book value of shares held by the company on December 31, 2011	€740,370	-
Portfolio value on December 31, 2011 on the basis of the closing price of the share on that date	€754,200	-

(1) Exercise of options granted to employees, debt instruments giving access to capital, and others.

TRANSACTIONS MADE BY TF1 ON ITS OWN SHARES IN 2012 (AS AT FEBRUARY 15, 2012)

	Number of shares	Percentage of share capital
Number of shares held by the company on December 31, 2011	**100,000**	**0.05%**
Number of shares purchased as at February 15, 2012	0	-
Number of shares cancelled as at February 15, 2012	(100,000)	0.05%
Number of shares sold as at February 15, 2012	0	-
Number of shares transfered at February 15,2012 [(1)]	0	-
Purchase from third parties holding more than 10% of those share capital or from executives at February 15,2012	0	-
Number of shares held by the company on February 15, 2012	**0**	**-**

(1) Exercise of options granted to employees, debt instruments giving access to capital, and others.

DETAIL OF TRANSACTIONS BY PURPOSE

	Number of shares	Percentage of capital	Par value
Share cancellation			
Number of shares cancelled in 2011	2,388,600	1.1%	€477,720
Number of shares cancelled in 2012 – as at 15/02/2012	100,000	0.05%	€20,000
Reallocations to other objectives	**-**	**-**	**-**
Liquidity contract	**-**	**-**	**-**

With the authorisation to buy back shares granted by the Combined Annual General Meeting of April 14, 2011 expiring on October 14, 2012, a proposal will be submitted to the next Annual General Meeting of February 19, 2012 to renew that authorisation in compliance with the methods described below.

TRADING IN TF1 SHARES IN 2011 BY SENIOR MANAGERS OR BY THE PERSONS REFERRED TO IN ARTICLE L. 621-18-2 OF THE MONETARY AND FINANCIAL CODE

Claude Berda, Director, sold 170,515 TF1 shares on September 12, 2011 for a total €1,644,636.77.

6.3.3 Description of the new share buyback programme submitted for vote to the Combined Annual General Meeting on April 19, 2012

Pursuant to Articles 241-1 and 241-3 of the AMF General Regulation and in accordance with European Regulation 2273/2003 of December 22, 2003, the company hereby provides a description of the share buyback programme that will be submitted for the approval of the Combined Annual General Meeting of April 19, 2012.

MAXIMUM PERCENTAGE OF CAPITAL – MAXIMUM NUMBER AND CHARACTERISTICS OF THE SHARES THAT THE COMPANY IS PROPOSING TO ACQUIRE – MAXIMUM PURCHASE PRICE

TF1 has decided to drop from 10% to 5% the total number of shares it may acquire, viewing the uses of financial delegations.

TF1 will be empowered to acquire 5% of the total number of shares making up its share capital at the buyback date. As an illustration, based on the share capital at February 15, 2012, 10,546,650 shares.

TF1 has set the maximum amount allocated to the programme at €150 million.

Since the programme's main goal is the cancellation of shares, this maximum amount is unlikely to be reached. However, TF1 reserves the option of using the entire allocation.

As at February 15, 2012, the company owns none of its shares. It has no open position on derivatives.

GOALS OF THE BUYBACK PROGRAMME

Shares bought back under the programme may be used for the following purposes:

- cancel shares under the conditions provided for by law, subject to authorisation from the Extraordinary General Meeting;
- allocate shares to employees or corporate officers of the company or of related companies, in accordance with the requirements and procedures provided for by law, and particularly in connection with profit-sharing or stock option plans, or *via* company or intercompany savings schemes, or *via* the allocation of shares;
- ensure liquidity and make a market in the company's shares, through an investment services provider operating within the framework of a liquidity agreement that complies with an AMF-recognised Code of Conduct;
- hold shares and, as the case may be, use them as a means of payment or exchange in acquisitions;
- hold shares and, as the case may be, allocate them following the exercise of rights attached to securities giving access to the company's capital;
- implement any market practice accepted by the AMF and, more generally, conduct any transaction that complies with current regulations.

Shares may be acquired, sold, transferred or exchanged by any means allowed by the current regulations, *i.e.* on- or off-exchange, including over the counter and by means of derivative financial instruments, and at any time, except during a public purchase, exchange or standing market offer. The proportion of the programme that may be executed through block trades is not limited and may account for the entire programme.

The purchase price may not exceed €20 per share and the sale price may not be less than €7 per share, subject to adjustments relating to transactions involving the company's capital.

The total number of shares held at given date may not exceed 5% of the share capital at that same date.

DURATION OF THE BUYBACK PROGRAMME

Eighteen months starting from the Combined Annual General Meeting of April 19, 2012.

6.3.4 Financial authorisations submitted for approval to the Combined Annual General Meeting of April 19, 2012

DELEGATIONS AND FINANCIAL AUTHORISATIONS STILL IN EFFECT

In accordance with Article L. 225-100 of the Commercial Code, the following table summarises the delegations and authorisations still in effect and granted by the General Meeting to the Board of Directors, and the use made of such delegations and authorisations in full year 2011.

The maximum nominal amount of immediate and/or deferred capital increases that can be made by virtue of authorisations granted is fixed at €8.6 million with preferential subscription rights and €4.3 million without preferential subscription rights. The overall ceiling on financial delegations is €8.6 million, *i.e.* 20% of the company's capital at April 14, 2011.

Alongside this overall ceiling, a sub-ceiling of €4.3 million, or 10% of the capital at April 14, 2011, is applicable and is shared with other issues depending on the type of transactions planned. These possibilities are limited by the overall ceiling. The maximum nominal amount of debt securities that may be issued under the authorisations would be €900 million.

The following amounts will be deducted from the sub-ceiling:

- issues without preferential subscription rights (21st and 22nd resolutions – capital increase without preferential subscription rights through the issuance of shares or securities *via* public offer or private placement);
- additional issues by application of the green-shoe clause, if the issue is organised without subscription rights (23rd resolution);
- issues for in-kind contributions (25th resolution);
- issues for contributions of shares (26th resolution).

A common overall ceiling equal to 3% of the share capital is provided for in the 28th and 29th resolutions.

The authorisations on share buybacks and reductions of share capital approved by the Annual General Meeting of April 14, 2011 expire in 2012.

Authorisation	Maximum nominal amount of capital increases	Maximum nominal amount of debt instruments	Validity of authorisation	Time remaining[(1)]	Combined Annual General Meeting	Resolution no.	Use made of authorisation during the year
Share buyback and reduction of share capital							
Purchase by the company of its own shares	10% of capital		18 months	6 months	14/04/2011	17	The company bought 2,473,975 shares in 2011
Capital reduction through cancellation of shares	10% of capital per 24-month period		18 months	6 months	14/04/2011	18	2,488,600 shares were cancelled[(2)]
Issuance of securities							
Capital increase with PSR[(3)] through issuance of shares or securities	€8.6 million	€900 million	26 months	14 months	14/04/2011	19	This authorisation was not used
Capital increase through incorporation of issuance premiums, profits or reserves	€400 million		26 months	14 months	14/04/2011	20	This authorisation was not used
Capital increase without PSR[(3)] through issuance of shares or securities by public offer	€4.3 million	€900 million	26 months	14 months	14/04/2011	21	This authorisation was not used
Capital increase without PSR[(3)] through issuance of shares or securities in connection with a private placement	€4.3 million	€900 million	26 months	14 months	14/04/2011	22	This authorisation was not used
Increase in the number of securities to be issued in the event of a capital increase with or without PSR[(3)]	15% of the initial issue		26 months	14 months	14/04/2011	23	This authorisation was not used
Setting of issue price, without PSR[(3)], of shares or securities	10% of capital		26 months	14 months	14/04/2011	24	This authorisation was not used
Capital increase intended to remunerate in-kind contributions made up of the securities of a company or securities giving access to capital	10% of capital	€900 million	26 months	14 months	14/04/2011	25	This authorisation was not used
Capital increase without PSR[(3)] to remunerate securities tendered as part of a public exchange offer	€4.3 million		26 months	14 months	14/04/2011	26	This authorisation was not used
Issues reserved for employees and senior managers							
Grants of options to subscribe to and/or purchase shares	3% of capital		38 months	26 months	14/04/2011	28	The Board granted 1,500,000 options to subscribe to shares[(4)]
Free allotment of existing shares or shares to be issued in the future	3% of capital		38 months	26 months	14/04/2011	29	This authorisation was not used
Capital increase reserved for employees or corporate officers participating in a company savings scheme (PEE)	2% of capital		26 months	14 months	14/04/2011	30	This authorisation was not used

(1) As from the vote of the AGM on April 19, 2012.
(2) o/w 2,388,600 on November 10, 2011 and 100,000 on February 15, 2012.
(3) PSR: preferential subscription rights.
(4) See the report on stock options in chapter 2, page 53 of this registration document and annual financial report.

DELEGATIONS AND FINANCIAL AUTHORISATIONS SUBMITTED TO THE COMBINED ANNUAL GENERAL MEETING OF APRIL 19, 2012

The authorisations and delegations granted by the Combined Annual General Meeting of April 14, 2011 will not expire before the 2013 Annual General Meeting, except for the authorisations concerning the purchase by the company of its own shares and the capital reduction through cancellation of shares, which relate to the 17th and 18th resolutions of the Combined Annual General Meeting of April 14, 2011, and which will expire on October 14, 2012.

The authorisations and delegations granted by the Combined Annual General Meeting of April 14, 2011 are mentioned in the table above.

The table below sets out the delegations and financial authorisations to be entrusted to the Board of Directors by the Combined Annual General Meeting of April 19, 2012.

Note that the company is not allowed to buy back its own shares during a public purchase, exchange or standing market offer. Moreover, derivatives will not be used for these purchases.

Authorisation	Maximum nominal amount of capital increases	Validity of authorisation	Time remaining[(1)]	Combined Annual General Meeting	Resolution no.
Share buybacks and reduction of share capital					
Purchase by the company of its own shares	5% of capital	18 months	18 months	19/04/2012	8
Capital reduction through cancellation of shares	5% of capital per 24-month period	18 months	18 months	19/04/2012	9

(1) As from the vote of the AGM on April 19, 2012.

6.3.5 Potential capital

At February 15, 2012, there were no truly exercisable TF1 share subscription options (those no longer in lock-up period and whose exercise price was lower, at that date, than the market price).

There is no other form of potential capital.

Options remaining valid appear in chapter 2, note 2.3.2, page 53 of this registration document and annual financial report.

6.3.6 Change in capital over the last five years

CHANGE IN CAPITAL AS OF FEBRUARY 15, 2012

Date	Corporate action	Number of shares	Increase/decrease in capital *(in euros)* Nominal	Premium	Total share capital after increase *(in euros)*	New shares outstanding
20/02/2007	Cancellation of shares bought by the company	(251,537)	(50,307)	-	42,774,118	213,870,592
From 24/01/2007 to 16/07/2007	Exercise of share options in plan no. 7 at €20.20	339,900	67,980	6,798,000		
	Exercise of share options in plan no. 7 at €21.26[1]	100,000	20,000	2,106,000	42,862,098	214,310,492
12/11/2007	Cancellation of shares bought by the company	(900,000)	(180,000)	-	42,682,098	213,410,492
From 17/05/2011 to 19/08/2011	Exercise of share options in plan no. 11 at €5.98	8,311	1,662	48,038	42,683,760	213,418,803
10/11/2011	Cancellation of shares bought by the company	(2,388,600)	(477,720)	-	42,206,040	211,030,203
21/11/2011	Exercise of share options in plan no. 11 at €5.98	2,800	560	16,184	42,206,600	211,033,003
15/02/2012	Cancellation of shares bought by the company	(100,000)	(20,000)	-	42,186,600	210,933,003

(1) The 5% discount was not applied to stock options awarded to Executive Directors.

6.4 OWNERSHIP STRUCTURE

6.4.1 Description of TF1 shares

TF1, as issuing company, manages its own registrar and paying agent services.

6.4.2 Shareholders' agreements

TF1 has signed several shareholders agreements, the most significant of which is reviewed below.

SHAREHOLDERS' AGREEMENTS WITH GROUPE AB – JUNE 11, 2010

Since 2007, the TF1 group had held a 33.5% interest in the AB Group, which in turn held investments including a 40% interest in TMC and a 100% interest in NT1. TF1 also held a 40% direct interest in TMC, acquired in 2005.

On June 11, 2010, TF1 and the AB Group finalized the implementation of the agreement signed on June 10, 2009, as a result of which TF1 acquired from the other AB Group shareholders their remaining 66.5% stake in the AB Group's 40% interest in TMC and the 100% interest in NT1 held by the AB Group, for a total price of €194.9 million. As a result, the TMC and NT1 channels have been fully consolidated by the TF1 group since July 1, 2010.

TF1 has retained the same interest in the other activities of the AB Group (33.5%) as it held prior to this transaction; this interest is valued at €155 million. The AB Group management team (Port Noir Investment) has been granted a call option over this interest, exercisable at any time during a two-year period starting June 11, 2010 at a price of €155 million.

TF1, Port Noir Investment and Claude Berda signed a agreement on their shareholding in the newly formed company Groupe AB. The salient points of agreement are as follows:

- TF1 is entitled to appoint a number of members to Groupe AB's Boards that is proportional to its holding, *i.e.* one-third of the members;
- TF1 has a pre-emptive right in the event of disposal of Groupe AB's assets or key business rights or of any ownership interests that the company might sell;
- TF1 has a joint right of disposal, notably if the controlling interest in Groupe AB is sold.

6.4.3 Action in concert

There is no concerted action to report relative to TF1.

6.4.4 Shareholders and ownership structure

EVOLUTION OF SHARE OWNERSHIP STRUCTURE

To the best knowledge of the Board of Directors, the company's share ownership is broken down as follows:

	December 31, 2011			December 31, 2010			December 31, 2009		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Bouygues	91,946,297	43.6%	43.6%	91,946,297	43.1%	43.1%	91,806,565	43.0%	43.0%
Treasury shares	100,000	0.05%	0.05%	14,625	0.01%	-	14,625	0.01%	-
TF1 employees	13,159,913	6.2%	6.2%	12,149,695	5.7%	5.7%	11,466,260	5.4%	5.4%
via the FCPE TF1 fund(1)	13,071,427	6.2%	6.2%	12,025,780	5.6%	5.6%	11,341,320	5.3%	5.3%
as registered shares	88,486	0.0%	0.0%	123,915	0.1%	0.1%	124,940	0.1%	0.1%
Free float – France(2)(3)	28,873,082	13.7%	13.7%	34,833,010	16.3%	16.3%	37,348,254	17.5%	17.5%
Free float – rest of world(3)	76,953,711	36.5%	36.5%	74,466,865	34.9%	34.9%	72,774,788	34.1%	34.1%
TOTAL	**211,033,003**	**100.0%**	**100.0%**	**213,410,492**	**100.0%**	**100.0%**	**213,410,492**	**100.0%**	**100.0%**

(1) Employee shareholders members of the company savings scheme. The FCPE TF1 Shares Supervisory Board exercises the voting rights attached to the securities in the portfolio and decides how many securities to include in the case of a public share issue.
(2) Including non-identified holders.
(3) Estimates by Euroclear.

The number of shareholders is estimated at more than 100,000.

There are no double voting rights.

To the best knowledge of the company, there are no TF1 shares pledged and TF1 has pledged none of its subsidiaries' shares.

To the best knowledge of the company, there has been no material change in the ownership structure since December 31, 2011.

The 100,000 treasury shares held at December 31, 2011 were acquired in November and December 2011 by TF1 as part of the authorisation given by the Annual General Meeting to the Board of Directors. These shares were cancelled on February 15, 2012 in accordance with the authorisation given by the Annual General Meeting.

The control structure of the company is described above. However, the company considers that there is no risk of abuse of control. The company refers to the recommendations of the Code of Corporate Governance published in December 2008 by AFEP and MEDEF. These recommendations have been incorporated into the Board's rules of procedure.

MAJOR HOLDING NOTIFICATIONS

Major holding notifications made by listed intermediaries or fund managers brought to the notice of TF1 in 2011, including the legal notifications brought to the notice of the AMF, were as follows:

Date of notification	Date of operation	Listed intermediary or fund manager	Statutory or legal threshhold	Change in shareholding	Number of shares	% of capital	Total number of votes	% of total votes
03/02/2011	01/02/2011	Harris Associates L.P.	10%	Down	20,765,100	9.7%	20,765,100	9.7%
10/02/2011	09/02/2011	Amundi Asset Management	1%	Down	2,078,868	1.0%	2,078,868	1.0%
10/03/2011	09/03/2011	Amundi Asset Management	1%	Up	2,266,938	1.1%	2,266,938	1.1%
16/03/2011	16/03/2011	Artisan Partners	2%	Up	4,485,524	2.1%	4,485,524	2.1%
08/04/2011	07/04/2011	Amundi Asset Management	2%	Up	4,506,169	2.1%	4,506,169	2.1%
21/04/2011	18/04/2011	Orbis Investment Management Limited	2%	Down	4,148,001	1.9%	4,148,001	1.9%
22/04/2011	21/04/2011	Amundi Asset Management	2%	Down	3,166,572	1.5%	3,166,572	1.5%
18/05/2011	17/05/2011	Orbis Investment Management Limited	1%	Down	2,048,896	1.0%	2,048,896	1.0%
20/05/2011	16/05/2011	First Eagle Investment Management LLC	1%	Up	2,256,700	1.1%	2,256,700	1.1%
31/05/2011	24/05/2011	First Eagle Investment Management LLC	2%	Up	4,335,534	2.0%	4,335,534	2.0%
13/06/2011	06/06/2011	First Eagle Investment Management LLC	3%	Up	6,587,501	3.1%	6,587,501	3.1%
30/06/2011	24/06/2011	First Eagle Investment Management LLC	4%	Up	8,604,297	4.0%	8,604,297	4.0%
11/07/2011	06/07/2011	DNCA Finance	1%	Down	2,108,000	1.0%	2,108,000	1.0%
26/07/2011	26/07/2011	Artisan Partners	2%	Down	4,060,068	1.9%	4,060,068	1.9%
09/08/2011	04/08/2011	First Eagle Investment Management LLC	5%	Up	11,827,285	5.5%	11,827,285	5.5%
19/10/2011	18/10/2011	Harris Associates L.P.	5%	Down	10,505,366	4.9%	10,505,366	4.9%
21/10/2011	20/10/2011	Harris Associates L.P.	4%	Down	7,089,873	3.3%	7,089,873	3.3%
01/12/2011	29/11 and 30/11/2011	Harris Associates L.P.	3% and 2%	Down	3,190,000	1.4%	3,190,000	1.5%
02/12/2011	01/12/2011	Harris Associates L.P.	1%	Down	2,000,000	0.9%	2,000,000	0.9%

To the best knowledge of the company, there are no shareholders other than Bouygues, FCPE TF1 Actions, Manning & Napier and First Eagle Investment Management holding more than 5% of the capital or voting rights.

The FCPE TF1 Actions, which is the employee share ownership scheme of the TF1 group, held 6.2% of the capital at December 31, 2011.

On January 31, 2012, Manning & Napier Advisors, LLC which acts on behalf of funds and customers to which it provides management services, declared that it reached the 10% threshold of TF1 capital and of voting rights the January 30, 2012. Manning & Napier Advisors, LLC declared it held on behalf of these funds 21,377,393 TF1 shares which represented 10.1% of TF1 capital and voting rights. The acquisition of TF1 shares by Manning & Napier Advisors, LLC comes within the normal scope of its fund managing activity, with no intention to implement a specific strategy regarding TF1 nor to have specific influence on the management of the company. Manning & Napier Advisors, LLC does not act in concert with a third party and has no intention to take over control of TF1 nor to request the nomination of one or several Directors at the Board.

6.5 STOCK MARKET INFORMATION

6.5.1 Description of TF1 shares

TF1 shares are quoted on Euronext Paris, compartment A.

ISIN code: FR0000054900, CFI: ESVUFB, ICB: 5553 – Audiovisual and entertainment, Mnemo: TFI.

At December 31, 2011, TF1 shares were included in the following stock market indices: SBF 120, EURO STOXX® Media, CAC MID 60, NEXT 150® and CAC Média.

TF1 shares are also included in the following Environmental, Social and Governance (ESG) indices: ASPI Eurozone®, FTSE4Good Index, Euronext FAS IAS, Ethibel PIONEER and Ethibel EXCELLENCE Investment Register, Dow Jones Sustainability World Index and Dow Jones Sustainability Europe Index.

There is currently no request for admission to another stock exchange.

6.5.2 Price and volumes

At December 30, 2011, the last trading day in 2011, TF1 closed at €7.54, a year-on-year decrease of 42%, compared with a 17% decrease for the CAC 40 index and a 16% decrease for the SBF120.

Media indices also fell sharply in 2011, with EURO STOXX® Media and CAC Média losing 17% and 16%, respectively.

In 2011 daily turnover of TF1 shares averaged out at 753,939, up 11% on 2010. The biggest turnover day of the period was July 26, 2011 when a total of 3,682,237 shares were exchanged.

The stock market valuation of the TF1 group was €1.6 billion at December 30, 2011. PER (based on 2011 net income Group share) was 9 compared with 12 at December 31, 2010.

TF1 (ISIN code: FR0000054900) share price and transaction volumes over the year:

Month	Highest(1) Euros	Lowest(1) Euros	Last Euros	Number of shares exchanged(2)	Capitalisation(3) *(€ million)*
January	14.69	13.04	14.19	9,344,503	3,027
February	15.19	13.43	14.08	13,394,740	3,005
March	14.47	12.83	12.96	17,352,409	2,765
April	13.41	11.86	12.67	17,689,221	2,704
May	13.22	12.08	12.45	18,187,062	2,657
June	12.74	11.87	12.54	17,271,714	2,676
July	14.15	11.62	13.32	18,501,093	2,842
August	13.73	9.92	11.05	24,354,422	2,357
September	11.09	8.37	9.38	19,859,622	2,002
October	10.27	8.71	9.77	12,400,771	2,084
November	9.64	7.24	7.69	15,433,024	1,623
December	8.43	7.09	7.54	9,973,720	1,591

Source: NYSE Euronext.
(1) The highest and lowest prices quoted refer to extreme values achieved during the session.
(2) Volumes exchanged refer to transactions taking place on NYSE Euronext.
(3) Calculation based on last price of the month multiplied by the number of shares reported at the end of the month.

6.5.3 Dividends and returns

No interim dividends were paid out of 2011 profits.

Dividends are available to shareholders from their date of payment, either at TF1 for registered shares or at financial institutions for managed registered shares and bearer shares.

Dividends that are not claimed within five years are remitted to the government.

Year	Number of share as of December 31	Dividends[(1)] paid in the business year *(net in euros)*	Paid	Stock market price[(1)] *(in euros)* Closing price			Gross return based on last price
				Highest	Lowest	Last	
2007	213,410,492	0.85	April 30, 2008	28.5	17.5	18.3	4.6%
2008	213,410,492	0.47	April 27, 2009	19.2	9.1	10.4	4.5%
2009	213,410,492	0.43	May 03, 2010	12.9	5.2	12.9	3.3%
2010	213,410,492	0.55	April 26, 2011	14.6	10.2	13.0	4.2%
2011	211,033,003	0.55[(1)]	May 2, 2012	15.0	7.1	7.5	7.3%

(1) Dividends submitted to General Meeting for approval on April 19, 2012.

INFORMATION ON THE CSR POLICY

7

7.1 THE CSR APPROACH AND REPORTING

7.1.1 Strategy and commitments

MESSAGE FROM GILLES MAUGARS

Executive Vice President, Technologies, Information Systems, Internal Resources and Corporate Responsibility

Following privatisation in 1987, TF1 immediately assumed its responsibility as a leading media organisation in France. The company not only respected the commitments made to local authorities on programme compliance but also developed a number of proposals that were approved by the regulatory authority. It raised public awareness of the environment through news programmes and the *Ushuaïa* show and opened its doors wide to associations and major national causes.

But Corporate Responsibility is now a global approach and TF1 has become a diversified media group. Our Corporate Social Responsibility policy today includes respecting transparency and governance principles, integrating dialogue with stakeholders and introducing sustainable development principles in production, distribution and the values we convey. It also involves focusing on the diversity of talents, new media uses and changes in employee expectations. And because it has to be applied across the entire value chain of the Group, it concerns our suppliers, producers and advertisers and all our partners.

The CSR dynamic is based on three main points.

The first is making each department more responsible on the issues that concern it, including the ethics of news coverage for the News Department, the responsible purchasing policy for the Purchasing Department, *Label Diversité* commitments for the Human Relations Department, and the analysis of changing consumption practices for TF1 Publicité and its advertiser customers. The work achieved in 2011 on our new CSR vision shows that the policy is now central to our businesses and plays a role in global company strategy.

The second point is the drafting of CSR guidelines for the media. This is currently being undertaken by France's major media players with the active contribution of TF1, mindful of its role as a social link and its everyday presence with the general public.

Lastly, we are increasing our rigour in reporting, both in terms of transparency and the exhaustiveness of the information we provide on our activities.

This document and the www.groupe-tf1.fr website reflect the rich and varied day-to-day efforts of the Group in 2011 to entertain and inform the French population, through a comprehensive range of channels, uses and services. CSR is an integral part of the actions undertaken not just by Group management but by each of the men and women who work at TF1.

MAJOR IMPACTS, RISKS AND OPPORTUNITIES

In 2011 the CSR Department launched an upgrade of the corporate social responsibility policy with a view to better integrating it in the business lines and Group strategy. The review carried out by the Department, combined with the new ISO 26000 guidelines and the media sector supplement of the Global Reporting Initiative (GRI), highlighted the major impacts, risks and opportunities for the Group in terms of social responsibility. The nature of the company's economic, social and employment impacts is linked to the ecosystem of the Group:

- **TF1 is the leading channel in France** – TF1 has a highly influential position and the corresponding responsibility;
- **TF1 has a preponderant role in content creation France** – TF1 plays a leading social and economic role in the development of audiovisual production;
- **TF1 carries out its activities within a value chain** – TF1 has to involve all players in its social responsibility policy;
- **TF1 works in an environment subject to strict regulation** – TF1 has to be exemplary in terms of respect for regulations and contribute to drafting regulations;
- **TF1 is positioned at the interface with consumer society (advertising and e-tailing)** – TF1 has to discuss trends in advertising and consumption with advertisers and the entire sector;
- **TF1 works in a market and technological environment subject to strong change** – TF1 has to make a positive contribution to changes in its sector, develop the skills of its employees, and innovate.

The Group's CSR policy and the quality of its CSR reporting have to contribute to objectivising and strengthening dialogue with its publics. The CSR policy has to win the trust of stakeholders to reinforce closeness and buy-in and, hence, the long-term success of the business.

The review made in 2011 identified 62 key issues in nine functional and operational areas. These issues will be assessed and prioritised with the relevant departments in 2012 so as to revise their road maps.

A global vision of these issues and commitments is presented on page 222 of this chapter in the management chart of CSR actions.

CSR POLICY VISION AND COMMITMENTS

The formulation of the commitments in the CSR policy, as revised and approved by the entire Executive Committee, sets out four topics that will serve as bases for the road map:

ETHICS AND TRANSPARENCY

The TF1 group applies ethical and responsible principles be it regarding the regulator, the public, customers, suppliers or its employees. The Group reports on its activities to the community in an exhaustive and transparent manner.

DIALOGUE AND COMMUNITY

The TF1 group ensures the diversity of its programmes and proposed representations, their inclusive and non-discriminating character, the promotion of solidarity and social bonds, and the raising of environmental awareness, and seeks to maintain continuous dialogue with all stakeholders.

TALENTS AND PROFESSIONAL WELL-BEING

The TF1 group encourages the creativity and involvement of its employees, develops their skills, fosters their professional growth and offers them a top-quality work environment.

INCLUDING SUSTAINABLE DEVELOPMENT IN PRODUCTS AND ACTIVITIES

The TF1 group factors sustainable development considerations into the design and use of its productions, products and innovations and into the management of its head offices.

This policy extends to the Group's value chain, and in particular to suppliers, through the "**Sustainable Purchasing**" policy.

7.1.2 Company profile

This document presents: the operational structure of the organisation and the management team (chapter 1, page 6); the capital structure and legal status of the TF1 group (chapter 1 and chapter 6, pages 7 and 192); the activities and size of the Group (chapter 1, page 8); and the market and market trends (chapter 3, page 67).

The TF1 group makes 85% of its revenues in France, 13% in the European Union and 2% in other countries.

7.1.3 Organisation and company players

The policy, introduced in 2005, is coordinated by Gilles Maugars, Executive Vice President at the TF1 group. An employee works full-time on coordinating actions and reporting. The CSR Department can be contacted at: rse@tf1.fr.

Each functional and operational entity of the Group develops its own road map so as to place CSR at the heart of its business.

Three cross-functional committees have been set up: the Solidarity Committee (in 2001), the Responsible Purchasing Committee (2007) and the Diversity Committee (2007).

All the staff involved, including the Communication Departments and the correspondents at subsidiaries, meet twice a year at a CSR Committee Meeting, where they present their respective road maps, share information on regulatory watch and benchmarks, and approve new strategies for the CSR policy and the corresponding communication.

The agenda of the Board of Directors now includes an item on CSR actions.

Intra-group committees have been introduced to work on cross-functional topics at the Bouygues group, including non-financial indicators and communication, responsible purchasing, green IT, carbon assessments and measurement tools, sustainable development management and responsible communication. TF1 systematically delegates a representative and contributes to all the work in this area, including the consolidation of indicators.

CSR players at the TF1 group:

CSR topic	Main TF1 departments concerned
Ethics	General Secretariat
Programme compliance	Broadcasting, News
Public awareness	TF1 Programme Units, theme channels
Employment and diversity	HR, Social Affairs, HR Development, Diversity Committee
Staff awareness	Internal Communication
Environment	Technology and Information Systems
Responsible advertising and consumption	TF1 Publicité
Responsible purchasing	Purchasing, Responsible Purchasing Committee
Specific topics at subsidiaries	CSR correspondents
Specific actions, community initiatives	Company Foundation, Solidarity Committee

Policy coordination	CSR Department, CSR Committee
Non-financial reporting	Investor Relations/CSR Department

7.1.4 Reporting and verifying information

DEVELOPMENTS IN REPORTING IN 2011

The non-financial reporting covering all Group CSR issues – apart from the employment and environmental sections of the NRE Law – is now presented in the registration document. In 2011, TF1 brought reporting more in to line with integrated reporting. In particular, changes were made to take account of:

- new international CSR guidelines (ISO 26000 the media sector supplement of the GRI due in March 2012), a cross-reference table being presented on page 283 of this registration document;
- French regulatory requirements (exhaustiveness and rereading handled by third party, Article 225 of Grenelle II Act applicable in 2013 for 2012 reporting);
- the increasingly sector-based expectations of non-financial rating agencies.

PERIOD UNDER CONSIDERATION

The reporting covers the period from January to December 2011 for all topics, excluding programme compliance, for which the period is 2010. The report published by the French audiovisual regulator, CSA, providing confirmed data, is released only in September of the following year. Data on the respect of 2011 commitments will be posted on line at www.groupe-tf1.fr/rse/ following CSA's publication in September 2012.

CHANGES MADE TO NON-FINANCIAL INDICATORS

This report is made on the basis of legal indicators or indicators from CSR guidelines, completed using internal reporting tools, and in particular a Human Relations management chart which updates a broad set of data every month.

Substantial changes have been made to the indicators to bring them in to line with the new formulation of Group commitments and because they now have to be approved by a third party. Some indicators – for example on HR, responsible purchasing and carbon assessment – have been harmonised to make consolidation easier for the Bouygues group and reading more coherent for observers. All revised indicators have been recalculated so as to establish a history for the 2009, 2010 and 2011 years, and so disparities may exist in relation to the indicators presented in reporting in 2009 and 2010. A document explaining the collection and calculation methodology is available at: www.groupe-tf1.fr/rse/.

SCOPE AND GENERAL PRINCIPLE OF COMPANY CONSOLIDATION

The reporting concerns the entire Group. However, some indicators are available only for a restricted scope. The scope accounted for is always mentioned, and assessed as a share of revenues. The scope for:

- data on ethics and governance: the Group;
- programme compliance: TF1 for 2009 and 2010, and TF1, NT1 and TMC from 2011;
- employment: the Group or France (85% of revenues);

- the environment: Environmental Management System (the buildings in Boulogne and Issy-les-Moulineaux housing 88% of Group employees);
- responsible purchasing: all purchasing excluding Rights.

The TF1 group – which had held a 34.3% interest in Metro France Publications since 2003 – completed the acquisition of the remaining 65.7%. Employment data factors in this subsidiary but environmental indicators, which are unavailable, will not be integrated before the reporting in 2012.

Wholly and partially integrated companies are included in the reporting unless TF1 does not operate the company (managerial responsibility).

An entity has managerial responsibility when it has the power to make decisions on the operational procedures of this entity.

DOCUMENTS

The entire policy is presented in the registration document. The following documents are available in their entirety at www.groupe-tf1.fr/rse/: an explanation of indicators, details on the methodology used for the Bilan Carbone® carbon assessment, an interview with a series of stakeholders, and the latest Group CSR news.

7.1.5 Recognition of non-financial performance

SUSTAINABILITY INDICES

DJSI WORLD INDEX AND DJSI EUROPE INDEX

In 2011 TF1 was included on the DJSI World Index and DJSI Europe Index (Dow Jones Sustainability Indexes). The Sustainable Asset Management (SAM) agency assesses the performance of companies and analyses the world's 2,000 biggest companies in terms of capitalisation. TF1 is the only French media company in the DJSI World Index among the 342 companies in the index. The index includes 25 French companies and 11 media companies.

- Dow Jones Sustainability Index site: http://www.sustainability-indexes.com/07_htmle/indexes/djsi.html
- SAM Group site: http://www.sam-group.com/en/index.jsp

FTSE4GOOD INDEX SERIES

TF1 has been listed on the FTSE4Good index since 2002. This index, built on the basis of ratings by the UK non-financial agency EIRIS (Ethical Investment Research Service), identifies and measures the performance of companies working on sustainable environmental protection, developing constructive relations with all stakeholders and striving to foster the respect of human rights.

- FTSE4Good site: http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp
- EIRIS site: http://www.eiris.org/

ASPI EUROZONE

ASPI Eurozone® (Advanced Sustainable Performance Indices) is composed of the 120 listed companies in the eurozone with the best performance on sustainable development criteria. The companies included in the ASPI index are selected on the basis of assessments made by Vigeo.

- Web information: http://www.vigeo.com/csr-rating-agency/fr/indiceaspi

ETHIBEL PIONEER & EXCELLENCE, ESI EUROPE & GLOBAL

The Ethibel indices are constructed on the basis of ethical and sustainability criteria. They provide institutional investors, asset managers, banks and investors a global view of the financial services of the leading companies in sustainable management. The indices notably use Vigeo analysis.

- Website: http://forumethibel.org/content/home.html

TF1 TOP TEN IN EUROPE ON DIVERSITY

Vigeo ranks four French companies, including TF1, in the top ten European companies with the best performance on diversity. Carried out by Bureau International du Travail (BIT) and published in September 2011, this study, focusing on non-discrimination and equal opportunities, analysed the performance of 539 EuroStoxx 600 companies accounting for 80% of the European market. The scope is particularly broad, ranging from ethnicity, skin colour, national origin and nationality to sex, gender and sexual preference, age, state of health, pregnancy, maternity and family responsibilities to political opinions, religious beliefs, trade unionism and social origin.

Source: Les Echos.

FINANCIAL INFORMATION TRANSPARENCY PRIZE

TF1 won the *Prix de la Transparence* transparency prize in the consumer services sector and the registration document prize. These distinctions recognise the best practices of issuers in the French financial centre relating to regulated financial information and financial communication.

TF1 JOURNALIST RECEIVES "STOP AUX CLICHÉS SUR LES JEUNES" PRIZE

TF1 journalist Anne-Claire Coudray won the 2011 *Stop aux clichés sur les jeunes* ("No more clichés about young people") prize in the television category for her investigation into employment issues for young people living in the Paris suburb of Clichy-sous-Bois. Winners are chosen by a jury of young people involved in community councils, “Junior Association” associations and high school newspapers.

Several other journalists from the TF1 news team won awards in a range of categories for news reports broadcast on the 8 o’clock news show and the Reportages programme, including at the Festival International du Film d’Exploration, Prix Bayeux-Calvados war correspondent awards, Prix Média de la Fondation pour l’Enfance, Prix de l’Actualité in the video category and Micros d’Or.

7.1.6 Dialogue with stakeholders

OVERVIEW OF STAKEHOLDERS AND DIALOGUE METHODS

Stakeholders	TF1 player	Dialogue methods	Actions in 2011
Regulatory authorities: CSA[1], ARPP[2], Competition Authority	Compliance Department, General Secretariat, Broadcasting, TF1 Publicité	Participation in working groups, production of reports, proposals	Production of charters and amendments (online gaming, subtitle quality, audio description)
Public	External Communication Department (including Public Relations Department), News mediator, News Team journalists	Personalised answers to emails, phone calls and letters, debates with channel personalities	Public Relations Department on Facebook
Advertisers	Sales Department, TF1 Publicité Business Development Department	General sales conditions posted on line, www.tf1pub.fr website, *Références* magazine	2 editions of TF1 Publicité “Campus”
Audiovisual content creators	Programme units	Creation workshops	Commission for adult training for creators
Employees and trade unions	Management, Social Affairs and HR Directors	Negotiation of agreements with trade unions, internal communication publications, satisfaction barometer, annual performance review	“Innovation Days”, new-employee induction days, Group convention
Associations, NGOs	Broadcasting, Solidarity Committee, Social Affairs, incl. Mission Handicap	Free spaces provided *via* SNPTV, donations in kind, multi-year contracts and partnerships	Participation in numerous events on disabilities and diversity with associations
Suppliers and service providers	Central Purchasing Department	Questionnaires on CSR policy, including sustainable development in specifications	Work Meetings on diversity, sharing of best practices
Shareholders and financial community, non-financial rating agencies	Financial Communication, CSR coordination	Annual General Meeting, annual report, road shows with institutional investors, Meetings and tele-conferences with analysts, regular phone contact, website	Investor Day

(1) French audiovisual regulator.
(2) French advertising regulation authority.

More in-depth information on public dialogue can be found in the paragraph entitled “TF1 and society: dialogue, diversity and philanthropy” on page 232.

RELATIONS WITH REGULATORY AUTHORITIES

The Programme Compliance Department is responsible for the respect of commitments made in agreements signed by TF1, TMC and NT1 and for dialogue with the CSA audiovisual authority. Dialogue is conducted through hearings and written contributions, giving rise to quantified requests and proposals for commitments and the drafting of reports.

Dialogue consistently maintains a strong focus on community needs. It includes other departments whenever these are concerned by the topic. In view of TF1's leadership position, the Group places great emphasis on respecting its commitments while remaining open to discussion, an approach welcomed by the CSA on many occasions. In 2011, for example, discussions led to the drafting of an Online Gaming Charter aimed at providing a framework for referring to gambling in television programmes, especially sports shows. The Group also signed a charter on the quality of subtitles and an amendment on audio description. New commitments on the representation of diversity were accepted by the CSA. Other topics covered in 2011 included the measurement of air time for political parties, the representation of national diversity, reality TV and the media presence of associations.

The General Secretariat is responsible for dialogue with the CSA when the topic concerns the Group as a whole rather than the channels themselves.

RELATIONS WITH ADVERTISERS

TF1 Publicité provides its customers and partners with a website, www.tf1pub.fr/, on which it publishes its general conditions of sale, a newsletter, the latest sector news and numerous proposals for innovations in advertising. The magazine *Références*, targeting marketing and communication professionals, is published every quarter. TF1 Publicité organises unifying events year round, including the "Campus" meets that bring together sector professionals, advertisers, media agencies, consultancies and journalists.

Seeking to open its screens up to small- and medium-sized companies, TF1 Publicité has initiated in-depth dialogue with their representatives to created an adapted offer. Small- and medium-sized companies are dynamic businesses that play a vital role in our economic tissue, creating employment and top-quality products. Access to TF1, a media traditionally associated with large groups, strengthens the credibility of these companies and their negotiating power with mass retailers.

RELATIONS WITH FRENCH AUDIOVISUAL CONTENT CREATORS

The amount of investment in national heritage audiovisual works for TF1 performed each year (177 million euros in 2010 and 202 million euros in 2011) made the TF1 group a major player in the French production. Units TF1 programs, particularly those of fiction, are in constant contact with industry professionals. In 2011, 151 writers, 1,252 actors, 46 directors and 18 producers have directly contributed to the French drama implemented for the channel.

In 2011 TF1 signed an agreement with the main trade unions on professional training for content creators (who previously have had no specific training system) for an amount of €120,000. Following a call for bids, 26 training projects were approved. The objective is to help creators further strengthen their television writing abilities.

TF1's Drama Department, the Company Foundation and ACSE[1] are working together on a project to script comedies with writers from "non-traditional" sectors. The aim is to help all kinds of talents, regardless of their background, get a firmer grasp of writing styles that address the greatest number of viewers, and also to develop projects with these talents. In 2011 six writers from disadvantaged neighbourhoods received the support of advisors from the Drama Department to write their first synopsis.

TF1 also partners the La Rochelle TV Drama Festival.

RELATIONS WITH EMPLOYEES

Each employee benefits from personalised monitoring, described in the "Talents and Employee Conditions" section on page 236.

IN-HOUSE PUBLICATIONS

The Déclic intranet site enables each employee to keep abreast of the latest Group news and also to find useful information on their work environment and professional careers. The Group publishes a quarterly newsletter, *Regards*, to share the expertise and experience of employees in the shape of testimonials and interviews. The newsletter also covers Group projects. *Regards* is supplemented by a monthly newsletter, *Coups d'oeil*, which reviews news from all the Group's activities. *TF1 Inside*, a video magazine, focuses each month on the work of employees at the TF1 group.

OPINION BAROMETER

TF1 launched its first staff opinion barometer in 2010. In a time of major change, the Executive Committee wanted to hear employees' opinions on the major issues concerning the TF1 group, their work and their workplace. A full 68% of staff responded to the survey, *via* an anonymous questionnaire posted on the intranet. The results were fed back to staff by managers and on the intranet. The 2012 barometer will begin in March.

"INNOVATION SUMMER UNIVERSITY" FOR GROUP EMPLOYEES

The "Innovation Summer University" is an annual highlight for employees, designed to respond to their interest in new technologies, to raise awareness on new digital issues for the TF1 group and to rally staff together around the Group's 360°strategy. Over three days, conferences, creative workshops and showroom exhibition events are organised with the input of experts from TF1, Bouygues Telecom and external partners. The University always proposes topics of real-life concern to Group businesses. The event, which has proved highly

(1) ACSE: National agency for social cohesion and equal opportunities.

successful, is founded on the sharing of knowledge and feedback and stimulating dialogue among employees.

RELATIONS WITH SUPPLIERS

With the introduction of the Responsible Purchasing policy by the Purchasing Department, created in 2008, dialogue with suppliers has become vital to understanding the Group's objectives. Including sustainable development criteria in calls for bids and assessing suppliers on CSR policies using Ecovadis software give rise to increased contact between the Group and its suppliers. In 2011 two debates were organised with TF1 group service providers on diversity and purchasing to discuss initiatives and objectives in those areas. (More information in the "Responsible Purchasing" section on page 260.)

RELATIONS WITH FINANCIAL AND NON-FINANCIAL INVESTORS

TF1's Investor Relations and CSR Departments are responsible for relations with non-financial rating agencies. Every year TF1 sends the agencies questionnaires, which they fill out as exhaustively as possible. Meetings are arranged with the agencies to provide them with more detailed information on Group policies and methodologies.

The Financial Department organised such a Meeting in 2011 to make a real-life presentation to the financial community of the Group's growth levers, business-line innovations and technological advance, as well as its new sales approach and diversification strategy. The analysts present at the Meeting applauded the quality of the presentations, the precision and skills of the speakers, and the discussions with operational experts.

7.1.7 Management chart on CSR actions

Objective	Indicator	Unit	2011	2010	2011 review – current trends	2012 objective
Governance and business ethics						
Ensure that ethical principles are applied regarding all stakeholders, help to draw up regulations	CSA intervention (warnings, formal notices, enforcement procedures) on programme production and broadcasts (2010* report)	No.	-	1	Ongoing dialogue with CSA, writing of "Online Gaming Charter", amendment to audio description, new commitments on the representation of diversity accepted by the regulatory authority	Continue reinforcing vigilance on the respect of commitments. For advertising messages, apply the same obligations for channels to all Group websites with editorial content
TF1 and society: dialogue, diversity and philanthropy						
Develop dialogue with the public and other stakeholders	Contacts via the Audience Relations Department	No.	143,954	231,000	Quantitative fall in email and postal contacts, qualitative increase in Twitter dialogue	Maintain high-quality, close relations and trust with public
	Twitter subscribers	No.	650,000	-		
Ensure the diversity of programmes and representations; ensure that programmes are accessible to all	Share of subtitled programmes (TF1 channel) on average per year	%	100	95	TF1 programme 100% subtitled, signature of a charter on subtitle quality	Develop audio description and dialogue with the relevant associations
Promote links with the community and society on Group channels	Total value of community-based initiatives**	€M	22.9	22.6	Channels rally around prime time operations (Restos du Coeur, Pièces Jaunes, Sidaction)	Diversify associations receiving donations

Objective	Indicator	Unit	2011	2010	2011 review – current trends	2012 objective
Skills and employee benefits						
Promoting diversity at the company	Employees having attended training:	No.	459	404	Continued training on diversity for managers and employees contributing to the production of programmes	Publish 2nd annual diversity report Train 350 extra employees
	Disabled people hired:	No.	13	19	Signature of 2nd three-year agreement on hiring disabled workers and keeping them in employment	Hire 10 disabled people on open-ended or fixed-term contracts of over 6 months
	Young people from disadvantaged areas welcomed by TF1 Foundation	No.	12	10	2 young people from 2009 Foundation class hired on open-ended contracts	Recruit at least people from 2010 class
					Signature of a partnership with Mozaïk RH to diversify our recruitment	Hire two interns and 2 people on work-study programmes
Sustainable development into activities and products						
Control the consumption of raw materials and energy in Group offices and activities	Electricity consumption	MW	31,640	32,171	1% reduction in consumption for 2nd year running. Energy savings resulted in part from end of dual-process for news production	Maintain 1% reduction objective in 2012 Launch 1st HQE Exploitation policy for Group building
					Implementation of recommendations Ecoprod*** in filming of in-house productions R.I.S. and Interpol	Apply Ecoprod to other TF1 Production shoots
Responsible Purchasing						
Assess CSR policies of main suppliers	No. of suppliers audited with Ecovadis	No.	148	89	Continuous progress on dialogue with suppliers after assessments; suppliers commit to the topic of diversity	Sign the “Charter of Good Practices in Purchasing” under the auspices of the French Ministry of Economy and Finance

* *The report by the CSA audiovisual regulator with confirmed data is released only in the following September. Data on the respect of 2011 commitments will be posted on http://www.groupe-tf1.fr/rse/ when the CSA publishes its report on TF1 in September 2012.*

** *Value of institutional films, cost of trailers, special programmes and donations made on game shows and programmes, advertising slots provided for free campaigns, donations in kind, donations to TF1 and Bouygues Foundations and Fondation pour la Nature et l'Homme.*

*** *Go to www.Ecoprod.com*

7.1.8 Summary table of CSR indicators

All the indicators have been included in this report. However, a summary table of the Group's CSR indicators is available on line at www.groupe-tf1.fr/rse/.

7.2. GOVERNANCE AND BUSINESS ETHICS

Group commitment: the TF1 group applies ethical and responsible principles regarding the regulator, its audiences, customers, suppliers, employees and shareholders. It reports exhaustively and transparently on its activities to the community.

7.2.1 Legal framework for the Group's activities

The Group operates in a complex legal environment. The main legal provisions to which it is subject are detailed in chapter 6, note 6.2, page 200 of this registration document.

The TF1 group has made a public commitment that its broadcasting will comply with the ethical and compliance principles set out in the agreement signed with the CSA.

- CSA website: http://www.csa.fr/
- TF1 agreement: http://www.csa.fr/infos/textes/textes_detail.php?id=8169

Advertising is covered by a co-regulation framework set up by France's advertising watchdog, ARPP: http://www.arpp-pub.org/

TF1 also pays close heed to the specific interpretations of competent authorities. In 2010 TF1 took exclusive control of the TMC and NT1 channels in a deal authorised by the Competition Authority and the CSA, subject to compliance by the Group with a number of commitments (see page 63).

7.2.2 Charters, principles and initiatives

GLOBAL COMPACT

In 2010 the TF1 group reaffirmed its commitment, alongside other French and international companies, to comply with and promote the ten principles of the Global Compact on human rights, labour rights, the environment and the fight against corruption. In 2010 Nonce Paolini presented the TF1 group's social responsibility policy to the leaders of France's Global Compact signatories.

UPHOLDING THE TF1 AND BOUYGUES CHARTERS

The ethical rules that apply to all employees are designed to ensure compliance with the law and respect for suppliers, people and employees, preserve the Group's interests, ensure transparent disclosures, safeguard the environment and set up whistleblowing systems.

TF1 upholds the values of the Bouygues group and in particular applies the following codes and charters:

- the Bouygues group Code of Ethics;
- the Supplier CSR Charter;
- the Human Resources Charter.

These documents are available at: http://www.bouygues.com/fr/developpement/publications.asp.

TF1 employees can access company agreements and rules of procedure on the intranet.

The Bouygues group Code of Ethics applies to all TF1 employees.

Among other things, the company rules require employees to refuse any gift, bonus or benefit that could compromise their objectivity or personal ethics.

The rules also stipulate that employees must report any form of sexual or moral harassment.

Employees facing compliance issues should report this to their immediate superior or to the senior executive of the company. They should act sufficiently promptly to give their superiors time to provide suitable advice or take necessary action. Managers and senior executives are responsible for helping their employees resolve any difficulties they may encounter. If they are uncertain about a situation, they may contact the Legal and HR Departments, as well as outside consultants if need be.

The Eticnet Charter developed by TF1 applies to using the company's multimedia tools. A central concept of the charter is that the distribution of information is subject to specific rules. The document states that cinematographic, audiovisual and musical works are protected, and that using them or copying them on any medium whatsoever is strictly prohibited.

The rules of procedure of the Board of Directors set down ethical principles. Directors undertake to inform the Chairman of the Board of any actual or potential conflict of interests between their duties towards the company and their private interests and/or other duties.

7.2.3 Corporate governance

This chapter describes TF1's governance policy, which is designed to uphold shareholders' interests. chapter 2 of this registration document and annual financial report, page 23, contains the full corporate governance report. However, certain points, which illustrate TF1's fair treatment of shareholders, deserve to be singled out.

SHAREHOLDERS

The shareholder and investor relations teams, legal specialists, and senior management work day-in, day-out to improve dialogue with shareholders.

Every shareholder enjoys the following arrangements:

- each share carries one voting right. There are no double voting rights;
- every shareholder may attend or send a representative to any General Meeting of shareholders;
- regulated agreements with the major shareholder are subject to the approval of the Ordinary Meeting of shareholders;
- shareholders are asked to give their opinion on Director appointments, delegations and financial authorisations, on approving the financial statements and on grants of options and free shares;
- any person holding more than 1% of the capital, in accordance with Article R. 225-71 of the Commercial Code, may submit a resolution to the General Meeting of shareholders.

See chapter 8, page 264 for information about taking part in Combined General Meetings of shareholders and a description of the regulated agreements.

BOARD OF DIRECTORS

The Board determines the policies that govern the company's activity and ensures that they are applied. A CSR update is provided during Board Meetings.

All of the following points are covered in chapter 2 of this registration document and annual financial report:

- composition of the Board of Directors and of the Audit, Compensation and Director Selection Committees, pages 25 and 33;
- gender balance and independence of the Board, page 35;
- Board assessment and training, page 36;
- separation of the duties of Chairman and Chief Executive Officer, page 38;
- role of committees, page 39 and 40;
- management of potential conflicts of interest, page 38.

COMPENSATION OF SENIOR EXECUTIVES

TF1 provides details of its compensation policy for corporate officers and the Executive Director in this registration document and annual financial report.

See chapter 2, page 51.

7.2.4 Internal control and risk management

TF1 enhances company management by analysing and anticipating risks. At Board level, the Audit Committee has been expanded and now has three members, two of whom are considered by TF1 to be independent. chapter 2 contains the internal control report, page 41, and presents risk factors for the Group, page 58.

7.2.5 Ethics and business conduct

This section explains TF1's rules of business conduct.

LOBBYING

TF1 engages in standard, legal lobbying activities. In particular, TF1 dialogues with Brussels and the government within a strictly professional framework, in order to share information about market and regulatory developments. Because news and entertainment are its core businesses, TF1 makes a point of acting transparently and refrains from exerting pressure of any sort.

Since it was privatised in 1987, TF1 has paid additional levies above and beyond corporate income tax and is required to meet a set of obligations, notably in terms of investing in French production. See page 201, chapter 6 of this report for more information on the obligations to which TF1 is subject. TF1 does not receive any exceptional subsidies except those of the bottom support of the CNC.

ANTITRUST POSITION

The Legal Department and the General Secretariat are involved in all external acquisitions. Helped by expert consultants, they ensure that every transaction complies with the rules on competition and dominant positions. They also support operational staff, giving guidance about the regulatory framework in which they operate.

The Competition Authority and the CSA were involved in the 100% and 80% takeovers of NT1 and TMC respectively. They determined the commitments that the Group had to meet and approved TF1's acquisition of the two channels. All staff who work at TF1 Publicité and TMC sales agencies or directly or indirectly with TMC and NT1 received a presentation about TF1's commitments. An authorised and independent representative conducts daily monitoring to make sure that TF1 is abiding by its commitments.

In addition to complying with the responsible purchasing policy, TF1 requires employees to organise a call for bids whenever they renew supplier contracts. All suppliers are free to take part in these calls and will receive the same information and the same bid outline.

The TF1 Advertising Department is the market leader. Salespersons are therefore required to comply strictly with the internal control rules and laws in place.

Internal Audit ensures that the processes put in place are applied and cannot be circumvented.

7.2.6 Purchasing policy

PURCHASING DEPARTMENT ORGANISATION AND TASKS

The TF1 group's Purchasing Department, which is part of the Finance and Purchasing Division, handles all the TF1 group's external expenditures (excluding rights). This amounts to an annual order volume of around €650 million.

Expenditures span a wide range of areas, from technical, broadcasting, IT, internet, telecoms, networks, HR, general business and intellectual services to more specific areas, such as procurement by the News, Sports, Audiovisual Production (TF1 Production) and Broadcasting Departments. Group Purchasing is responsible for optimising the Group's contractual terms while maintaining the quality of the goods and services purchased.

GROUP POLICY AND CHARTERS

The Purchasing Department upholds the following values, which are posted for employees on the dedicated intranet: ethics and compliance (as expressed in the TF1 Purchasing Code of Ethics), a clear and objective purchasing process, global management of supplier relations, two-way respect for contractual commitments, a cross-functional approach and synergy at Group level, responsible purchasing and diversity (see Responsible Purchasing Policy, page 260).

The TF1 Purchasing Code of Ethics is based on demonstrating respect for suppliers and partnerships, having an efficient and secure purchasing process, and ensuring the independence and compliance of buyers. It is consistent with the Bouygues group Code of Ethics and is posted on the employee intranet site.

A section of the Responsible Purchasing Policy covers subcontractors' commitments to comply with the company's labour agreements and uphold its values.

7.2.7 Compliance with production and broadcasting commitments

INTERNAL ORGANISATION TO ENSURE THAT COMMITMENTS ARE MET

The Programme Compliance Department is responsible for ensuring compliance with the commitments made in the agreements signed by TF1, TMC and NT1. These commitments include programming obligations, broadcasting quotas, a section on ethics and compliance (audiovisual content pluralism and compliance, protection of minors), programme accessibility targets and a framework for advertising, sponsorship and teleshopping.

The commitments also cover contributions to French and European production. The department makes sure that they are met.

OBEYING ETHICAL AND COMPLIANCE RULES

The information published below on TF1's compliance with its commitments is taken from the 2010 assessment by the CSA. The complete assessment is available on the CSA website at http://www.csa.fr/Etudes-et-publications/Les-bilans/Les-bilans-des-chaines-de-television-publiques-et-privees/Bilan-de-la-societe-TF1-Annee-2010.

The CSA's review of TF1 programmes gave rise to five actions, including four letters and one warning. No penalties were imposed for FY2010. For the record, the channel broadcast 7,200 hours of programming (excluding advertising and self-promotion) and covered more than 15,000 items in its TV newscasts.

INDICATOR: NUMBER AND TYPE OF CSA ACTIONS IN 2010

Subject	Programme	Type of breach	CSA action
News compliance	*7 à 8*	Failure to express different points of view	Letter
Failure to respect personal privacy	*Newscast*	Misrepresentation of an interviewee	Letter
Programme Compliance	*Secret Story 4*	Defamatory language used by participants towards each other	Letter
Application of content rating signage system	Episode from *Ghost Whisperer* series	Request for category II classification (not recommended for children under the age of ten)	Letter
Surreptitious advertising	Programme with Bernard Tapie	Promotion of a website in a live programme other than during advertising sequences	Warning

Scale of CSA measures: Letter – Warning – Caution – Penalty.

CHILD PROTECTION: PROCEDURES FOR DISPLAYING CONTENT RATING INFORMATION

Since 2002 terrestrial television channels have been required to display content rating signage during all non-advertising programmes that are not recommended for general viewing. Each channel is responsible for introducing the signage system and informs the CSA of its composition but remains solely responsible for rating decisions. The signage provides practical guidelines about age appropriateness for each of the five categories (general, -10, -12, -16, -18). The TF1 channel does not broadcast any -18 rated programmes.

The Viewing Committee set up by TF1 brings together the heads of broadcasting, programming, programme compliance, acquisitions and youth programming. To see all the child protection commitments made by TF1, see the requirements for applying the CSA's content rating signage system at http://www.csa.fr/infos/controle/television_signaletique_C.php

QUANTITATIVE COMMITMENTS FOR PRODUCTION AND BROADCASTING

TF1 met all its quantitative obligations except in terms of its overall contribution to European or French-language heritage audiovisual works. Owing to a difference in interpretation concerning the classification of works in this category, TF1 recorded a €11.5 million shortfall in 2010 for this contribution. TF1 has therefore made two commitments, with the agreement of the unions:

- to spend €1.3 million between 2012 and 2015, with five years to commit the spending;
- to create an additional budget within development expenditures for heritage audiovisual works, to be used by producers to pay original-material bonuses to authors/creators.

INDICATOR: TABLE OF QUANTITATIVE COMMITMENTS

BROADCASTING	Obligation	Actual
Audiovisual works, all broadcasting (24/24)		
Europe	60%	60.8%
Original French-language works	40%	49.3%
Cinematographic works		
Maximum number of cinematographic films	192	145
Newscasts and magazines	800 hours	934 hours
Children	**1,000 hours**	**1,143 hours**
Music		
Drama, music and dance performances	12	12

PRODUCTION	Obligation	Actual
European/French-language audiovisual works		
Overall obligation, heritage works	12.5% of revenues +€11.5 million (2009 carryover) = €188.2 million	€176.7 million
Original works	2/3 of overall obligation, i.e. €125.5 million	€159.5 million
Independent works	9.25% of revenues +€8.5 million (2009 carryover) = €139.3 million	€139.7 million
Works produced in native HD	90% of spending on original fiction and animation production, €124.7 million	€138.5 million
Original animated works	0.6% of revenues, €8.4 million	€9.4 million
Programming of French-language/European works beginning between 8 and 9pm.	120 hours	148 hours 42 mins

€m: million euro – 2010.

7.2.8 News

CHARTER OF PROFESSIONAL ETHICS FOR JOURNALISTS

The main unions representing journalists in France have adopted the Charter of Professional Ethics for Journalists, which is posted on the website of the National Union of Journalists (SNJ): www.snj.fr/IMG/pdf/Charte2011-SNJ.pdf.

The national collective labour agreement for journalists (CCNTJ), which applies to all 37,000 press card-carrying journalists in France, also establishes ethical principles.

The journalists of the Group's editorial teams have *de facto* adopted these rules and principles.

INTERNAL ORGANISATION: NEWS DEPARTMENT, SOCIETY OF JOURNALISTS

The News Department is in charge of ensuring that the ethical principles of the profession are applied.

It ensures the independence of the editorial staff. Through dialogue and debate, it creates a barrier against any attempt to breach the ethical boundaries of journalism. The editorial staff may tackle any issue and strive to treat each one in a balanced fashion, taking an approach that is commensurate with the importance of the news.

The Society of Journalists, which was created following the privatisation of TF1, has 185 members out of the 230 or so journalists who make up the editorial team. Presenters and the News and Information and Editorial Team Directors do not belong. The Society's role is to create a space for dialogue in which members of the editorial staff may broach any question concerning compliance in journalistic practice and the integrity and independence of journalists. The News Department will meet with the Society whenever it requests.

CRITICAL REVIEW

After each 1pm and 8pm newscast, all the departments that participated in preparing the programme hold a critical review. Each week all managers take part in a weekly forecasting meeting led by the Director of the Editorial Team. The Director of News and Information leads the News Update, a meeting open to all TF1 staff, at which all news-related subjects may be raised.

NEWS ITEM: VIEWING AND ERROR CORRECTION

Each news item is viewed by at least five people, including the head of the department concerned by the topic covered, the presenter, the managing editor, the chief editor and the assistant chief editor. The Director of the Editorial Team also views many stories. If a mistake is made on air, it is often corrected before the end of the programme by the presenter.

PRESS TRIPS AND EMBEDDED JOURNALISTS

The News Department does not allow press trips, other than to certain medical conferences featuring presentations by specialist speakers. Journalists attend during work time, and the channel meets travel costs. In the case of trips relating to political events, the channel will reimburse journalists' expenses.

TF1 sometimes sends embedded journalists with the armed forces of France or certain other countries, because this offers a way to get physically closer to war zones. The journalist is rarely the only special correspondent on the ground. TF1 always tries to do stories on peripheral topics outside the army.

TREATMENT OF HUMAN INTEREST STORIES, PREVENTION OF UPSETTING IMAGES

TF1 does not cover human interest stories unless they link to a wider social issue. The Editorial team endeavours to gauge this dimension by reading dispatches and conducting preliminary investigations.

One of the Editorial Department's principles is to avoid showing gratuitous violent images. If a story may be difficult to watch, the presenter will warn viewers, saying that "some of the following issues may be upsetting". Sources are always given for images. Also, images are never modified, except to add graphics.

QUALITY OF IMAGE SOURCES, AMATEUR VIDEO

The Editorial team pays very close attention to the quality of image sources, and the use of home videos is banned unless the source can be properly checked. When such materials are used, the words "Home Video" are displayed and if necessary, the date when the video was shot will be shown. Since demands for payment are on the increase, TF1 has established a scale that takes into account the event, video quality and duration.

STATUS OF GROUP JOURNALISTS' BLOGS

If a journalist writes in the name of the channel, the Editorial Department considers that his or her contributions to blogs or social networks create exposure to personal and corporate liability. The rules that apply on air also apply to blogs, and any failure to act impartially will not be tolerated. Some blogs are deemed to be an extension of the broadcast, and journalists are welcome to use their blogs to provide information that could not be conveyed on air because of time restrictions.

UNDERCOVER WORK

The editorial team considers that it is the duty of journalists to report what goes on even in closed countries. Outside war zones, the TF1 Investigations unit may work undercover if the topic warrants it. Seasoned journalists are selected to join this unit. Undercover work is done only with the authorisation of the Editorial Department.

TRAINING PERSONNEL ON MEETING THEIR OBLIGATIONS

The Legal and Regulatory Affairs Department organises regular seminars on freedom and responsibility for all staff members involved in preparing reports for TF1 televised news broadcasts. Participants are reminded of the laws that apply to them in their role as news providers. In addition to the rights of the press, the seminars also discuss CSA rules and oversight.

7.2.9 Programme accessibility

As a leading family-oriented channel, TF1 has to ensure that its programmes are accessible to everyone, particularly people with impaired hearing or vision.

SUBTITLING

Since September 2010 all TF1 programmes have been subtitled, in accordance with the Act of February 2005. In the case of news programmes, a special system has been introduced to deliver quick service combined with excellent quality when transcribing news item commentaries or what the journalist is saying in the studio. The system operates using a team of three people and voice recognition software. On December 12, 2011 TF1 signed the CSA's Charter on Subtitling Quality.

The Group's theme channels go beyond their subtitling obligations.

INDICATOR: COMPLIANCE WITH SUBTITLING OBLIGATIONS BY GROUP CHANNELS

Channel	Obligation	Actual (2011)	Comments
TF1	100%*	100%	
TMC	100%*	98%	99.6% in December 2011
NT1	50%	69%	
Stylía	10%	15.7%	
Ushuaïa TV	10%	11.9%	
Histoire	5%	19%	
TV Breizh	20%	25.61%	
LCI	Subtitling: 3 daily newscasts, 1 weekend newscast at 3pm	In line with obligations	

* % are given excluding exemption. CSA exemptions cover advertising, trailers and teleshopping.

AUDIO DESCRIPTION

To serve the one million people in France suffering from impaired vision, TF1 offers programmes with audio description, a technique developed by the Valentin Haüy Association (a charity that advocates for the blind and visually impaired) that allows people to "see" what is going on through an audio description of the action and setting.

In 2011 TF1 screened 36 audio described programmes, including 17 that had never been shown before with audio description.

TF1 staff have worked to address requests for improved audio description accessibility by collaborating with manufacturers to standardise the audio description button on the remote controls of new TVs. Improvements have also been made to the provision of information about the titles and times of audio described programmes.

TF1 has committed itself to screening 52 audio described programmes in 2013, including 20 that have never been shown before with audio description.

INDICATOR: COMPLIANCE WITH AUDIO DESCRIPTION OBLIGATIONS BY TF1 AND TMC CHANNELS

Channel	Obligation in 2011	Actual (2011)	Obligation in 2012	Obligation in 2013
TF1	12 new programmes with audio description	36 audio described programmes including 17 new programmes with audio description	12 new programmes with audio description	52 audio described programmes including 20 new programmes with audio description
TMC	1 new programme with audio-description	1 new programme with audio description	6 new programmes with audio description	12 new programmes with audio description

7.2.10 Ethical and compliance issues in advertising

COMPLIANCE WITH REGULATIONS

Advertising messages broadcast on Group channels are subject to General Regulations, sector co-regulation via the ARPP, and CSR opinions. These advertising regulations and compliance rules apply to all advertising messages, whatever the medium and broadcasting format. In particular, since January 1, 2012 TF1 has applied the ARPP ruling, which seeks to extend the commitments made to the CSA in 1990 for the channel (advance filing with the ARPP, internal viewing of advertising messages) to include advertising messages on Group on-demand audiovisual media services (MYTF1.fr, MYTF1 on IPTV, MYTF1 apps on smartphones).

The prior opinion of the ARPP is always taken into account before broadcasting advertisements on television. TF1 Publicité's Programming and Broadcasting Department, aided by the Legal Department where required, views or listens to every TV, radio or internet advertising message before it goes out.

TF1 Publicité's advertising airtime sales agency may refuse a message, even if the ARPP has approved it, or impose special broadcasting conditions if the message does not seem appropriate for the editorial line of the media on which it is to be aired, and particularly for TF1's family audience. In this case, a letter is sent to the person, advertiser or PR agency that created the message. A solution is sought to adjust the message or its time slot to fit the editorial line of the medium. If no solution can be found, the message does not go out. The general terms and conditions of sale address such situations.

PARTICIPATION IN SECTOR SELF-REGULATION AND PROMOTION OF RESPONSIBLE ADVERTISING

TF1 Publicité is represented on the ARPP Board and in the main joint negotiating organisations (SNPTV, CESP, EDI). The Group thus plays a part in building the ethical and compliance framework for the industry.

7.2.11 Challenges relating to new media

CHILD PROTECTION ON THE TFOU WEBSITE

TFou.fr is the Group's website for children and young people. It comprises three separate sites, which cater to different ages and needs. TFou.fr currently attracts around 389,000 unique visitors each month. TFou.fr spaces are subject to special security. The main goal is to ensure that children cannot go from TFou to a non-approved site. All community spaces are controlled: forums are moderated before being published and chatrooms use a pre-selected lexicon. Children thus get to use the internet in a fun way that lets them express their feelings while sticking to expressions and language that are acceptable to everyone. A parents charter, drawn up in partnership with Action Innocence, a non-governmental organisation, informs and advises parents about responsible behaviour. TFou also partners the main associations that are involved in promoting online security for children, such as Action Innocence in Europe (www.actioninnocence.org), *Protège ton ordi* (www.protegestonordi.com), e-enfance (www.e-enfance.org) and *Internet Sans Crainte* (www.internetsanscrainte.fr).

Source: Panel NNR.

CONTENT PROTECTION

To protect broadcasting content, in 2009 TF1 introduced Signature, a fingerprinting technology developed by France's National Audiovisual Institute (INA). Signature is based on the generation and recognition of video fingerprints. All content that has been protected and signed by TF1 in the INA's database is therefore automatically detected and rejected before being placed on online platforms such as Dailymotion, WAT and Kewego.

In January 2012 TF1 signed an agreement on content management and identification with Google Ireland Limited that will allow TF1 to use YouTube and Google Video proprietary digital fingerprinting technologies and thus protect its content on those content-sharing sites.

ROYALTIES AND ANTI-PIRACY MEASURES

EXTENSION OF ROYALTIES TO COVER WAT USERS

After signing a historic agreement with several associations representing writers, artists, composers and other creators (SACEM, SDRM and SESAM), WAT negotiated another agreement in early 2012 with several similar associations (SACD, SCAM and ADAGP). Under the agreement, WAT pays royalties to these associations in the name of and on behalf of platform users, backdated to the founding of WAT (2006) through to December 31, 2012.

PROTECTION OF PERSONAL DATA

Group websites comply with all legal provisions, which are available on the website of the France's Data Privacy Commission (*Commission Nationale de l'Informatique et des Libertés*): http://www.cnil.fr/. The policy governing the confidentiality of consumers' personal data is online at http://www-compat.tf1.fr/confidentialite.html.

7.3. TF1 AND SOCIETY: DIALOGUE, DIVERSITY AND PHILANTHROPY

Group commitment: the TF1 group ensures that programmes and representations are diverse, inclusive and non-discriminatory, promotes philanthropy, social ties and sustainable development issues, while constantly striving to keep the channels of communication open with all stakeholders.

7.3.1 Relations with the public

TF1 offers its viewers major news and entertainment events. But TF1 is also an accessible broadcaster that promotes dialogue and interaction with viewers. Having close ties to the public is a key aspect of the Group's communication policy.

The 14-person Audience Relations Department was set up to boost the number of initiatives aimed at forging long-lasting ties with the public, both around the country and on social networks. The Group wants to raise the channel's profile and share its values with viewers and reviewers alike. These links enabled TF1 to dialogue with over two million people on a range of different media in 2011.

MEETING WITH PEOPLE ON THE GROUND

As part of efforts to build strong ties to its audiences, TF1 travelled to 38 cities around France in 2011, meeting more than 35,000 people. These trips were chiefly devoted to meeting with schoolchildren and talking to TV viewers and local media.

Other initiatives included nationwide auditions in 12 regions to pick an amateur actor to be in one of the channel's fiction programmes and a summer tour of 12 coastal cities. These local initiatives provided opportunities for presenters and senior management to meet with TF1 viewers and talk about the channel's values and goals.

SOCIAL NETWORKS

TF1's presence on social networks, such as Twitter, Facebook and, more recently, Google +, is part of the same drive to build local presence, by offering people a unique space in which to dialogue and interact. Every day, TF1 community managers lead and take part in discussions with the more-than 250,000 online users that have opened TF1 group accounts. These subscribers get exclusive programme information and loyalty offers (invitations, goodies, advance showings, etc.). They can also share their views on programmes and services. The Group is also on Twitter, where many presenters keep in touch with their subscribers. In December 2011 more than 650,000 people had taken out TF1 Twitter accounts. TF1 also has a worldwide community of over 6,000,000 fans on Facebook.

TF1&VOUS

The TF1&Vous section can be reached from the MYTF1.fr homepage. TF1&Vous is based around four areas of contact: presenters, TF1 programmes, interaction with the online community, and TF1 group news. Averaging around 300,000 visits per month in 2011, 131% more than in 2010, TF1&Vous offers a constantly changing line-up of exclusive content, videos, news and photos. TF1&Vous embarked on a new chapter in 2011, offering more interactive features and perks related to the brand, programmes and the channel's stars. TF1&Vous wants to be a central hub for content offered by TF1 to its audiences.

RELATIONS WITH TV VIEWERS/ONLINE USERS

TV viewers and online users can contact TF1 group channels through a dedicated space on the website of each channel (TF1, LCI, TMC, NT1, etc.), or by writing or calling. TV viewers can ask questions at any time, express opinions and make suggestions about any programme or service offered by the TF1 group. The aim is to build a close, strong relationship of trust with the Group's audiences.

INDICATORS: AUDIENCE RELATIONS

At 31/12	2011	2010	2009
Emails, letter or calls received by the Audience Relations Department (number of)	143,954	231,000	245,000
Twitter subscribers	650,000	-	-

INTERACTIVE APPROACH ON TF1 NEWS

The editorial and technical staff of TF1 news are constantly developing new ways to exchange views and information. Internet users can respond to the news online, dialogue with the News Ombudsman, get to know journalists better through their blogs, and offer content, all of which provides benefits for the Group's editorial teams.

NEWS OMBUDSMAN

News ombudsman Françoise-Marie Morel receives the public's opinions, requests for explanations and complaints via the Audience Relations Department (on tf1.info). She listens to comments about presenters and the treatment (or non-treatment) of news stories, and then replies on her webpage and Twitter account. She explains how *newscasts* are put together and what the rules are. She can also reply to individual queries. She advises the Editorial team when many people express similar reactions on a given issue.

7.3.2 Promoting diversity

The TF1 group has two goals when it comes to promoting diversity:

- as the leading French audiovisual media company, it wants to reflect the diversity of French society on air and in its content;
- as a company, the Group firmly believes that diversity enhances performance and creativity. It seeks to promote open and respectful relations between employees and rejects discriminatory ideas or practices.

DIVERSITY COMMITTEE

Chaired by Publications Metro France Chairman Edouard Boccon Gibod, the Diversity Committee, set up in 2007, comprises the senior managers of the channel, HR, purchasing, the Corporate Foundation and CSR. It decides on and coordinates the diversity policy for the Group's channels, HR and TF1's work with the CSA on developing the regulatory framework.

LABEL DIVERSITÉ

Awarded on December 21, 2010, *Label Diversité* is an accreditation given to truly exemplary companies and constitutes formal recognition by an independent body – in this instance Afnor Certification – of the compliance and effectiveness of the firm's equal-opportunity and anti-discrimination procedures. The certification looks at how these criteria are integrated into relations with customers and service providers, communication and, above all, HR management. The Group's observance of its commitments under the label are described in the section of this report that deals with the TF1 workforce, p. 243. The Diversity Committee and Development Human Resources Department coordinates all measures taken in this area.

REPRESENTING NATIONAL DIVERSITY ON GROUP CHANNELS

The channel works continuously to represent a variety of cultures and backgrounds. In 2010 and 2011 the Group proposed a new series of commitments on representing national diversity that were endorsed by the CSA and that concern all types of programmes. Game shows, entertainment programmes and magazines are a natural and fun setting in which to represent minority groups. In French fiction, TF1 exerts a direct influence in its dealings with producers and casting agencies. As well as including a growing number of journalists from minority groups, news programmes, particularly the *Harry Roselmack en immersion* magazine, look at integration issues and the struggles facing a section of the French population.

All staff members involved in creating programmes take a special training course on taking account of diversity.

GETTING CHILDREN TO THINK ABOUT DIVERSITY WITH TFOU

TFou, TF1's children's channel, broadcasts 1,000 hours of children's programmes every year, including cartoons, short fictions, magazines, community campaigns, game shows and events, of which 75% are of European origin. Over the last ten years, TFou has been organising special campaigns to raise awareness among children about different civic topics. With the *Cécile et Kevin* series of short programmes launched in 2011 in partnership with UNICEF, TFou wants to highlight the value of diversity and promote tolerance. To talk about and celebrate diversity, the programme encourages children to put themselves in someone else's shoes through 20 short stories that dismantle preconceptions and clichés. http://www.tfou.fr/coin-parents/solidarite/cecile-et-kevin-6934322-739.html

CORPORATE FOUNDATION INITIATIVES

The TF1 Corporate Foundation, set up in 2007, focuses its work on diversity and professional integration. Every year, the Foundation holds a competition to hire people aged between 18 and 30 from disadvantaged areas. Candidates are selected by a jury of professionals and are offered a two-year apprenticeship with the TF1 group, along with training and individual tutoring. Each person is mentored by a company employee, who provides the benefit of his or her own network and experience. Since inception, the Foundation has taken on 40 young people, guided by 40 volunteer mentors from the company. The scheme spans 17 professions.

For the 2011 class, 12 young people were hired on September 1, 2011, after being selected out of 500 applications and 60 interviews. Of the 2011 "graduates", six obtained permanent contracts, one was given a six-month contracts.

The Foundation supports in the company in a variety of initiatives combining grassroots presence and diversity. Examples include holding meetings in schools, sponsoring schoolchildren, providing work placements for two classes of third-year students, taking kids behind the scenes of a news broadcast, and organising staff participation in job fairs.

The Foundation has also signed an agreement with the General Council of Seine Saint Denis on the professional integration of local young people. Corporate Foundation website: http://www.fondationtf1.fr/.

INDICATORS: CORPORATE FOUNDATION INITIATIVES

At 31/12	2011	2010	2009
Young people from disadvantaged areas taken on by the TF1 Corporate Foundation	12	10	9
Schools visited (number of students involved)	20 (2,300)	18 (2,100)	12 (1,530)
Number of employees mentoring schoolchildren	60	60	60

7.3.3 Philanthropy

SOLIDARITY COMMITTEE

Chaired by Frédéric Ivernel, Head of External Communication, the Solidarity Committee, which was set up in 2001, provides a company-wide forum (the channel, advertising, HR, the Corporate Foundation and CSR), coordinates TF1's philanthropic activities, reaffirms the company's social responsibility vis-à-vis the wider public and organises responses to requests from charities and non-profit organisations.

The main operational principles and criteria of the Solidarity Committee are available at http://www.fondationtf1.fr/index.php?comite-de-solidarite.

SOLIDARITY ON THE AIRWAVES, DONATIONS TO NON-PROFITS

TF1 Publicité and the TF1 channel provide direct assistance to non-profit organisations and help them to raise their profile through special prime time operations, the production and free airing of commercials, donations of game show winnings, and cash donations. Managed by the Solidarity Committee, these measures are among the initiatives that TF1 uses to make a difference across a broad spectrum of social issues.

TF1 gives airtime to a wide variety of causes and non-profit organisations, supporting regular large-scale campaigns such as Les Pièces Jaunes (for children in hospital), Les Restos du Coeur (meals for the needy), Sidaction (AIDS research and prevention) and ELA (leukodystrophy campaign), and providing visibility for smaller organisations during game shows, with donations of winnings. The programme schedule can be rearranged in the event of a major humanitarian disaster – all programming possibilities are taken into consideration. In 2011 the Group's total donations were valued at €22.9 million.

TMC broadcasts *Extreme Makeover: Home Edition* (French Title: *Les Maçons du Coeur*), a show of solidarity in which the production, assisted by volunteers mobilizes to help households in precarious situations.

PHILANTHROPY INDICATORS: NUMBER OF ORGANISATIONS INVOLVED, NATURE AND AMOUNT OF DONATIONS

At 31/12	2011	2010	2009
Number of organisations that received donations	125	141	165
Cash donations to organisations (€000) (via the Solidarity Committee)	250	1,033	1,852
Donations in kind (*value in €000)	21,066	20,008	18,895
Sponsorship administrative costs	155	150	145
Contributions to Foundations	1,418	1,418	1,418
Volunteer leave (in the process of being introduced)	-	-	-
Total value of initiatives (€000)	**22,889**	**22,609**	**22,310**
% of budget devoted to long-term initiatives	7%	7%	7%
% of budget devoted to one-off initiatives	93%	93%	93%

* *Valuation of airtime, donations of game show winnings, free advertising time.*

SPECIAL INITIATIVES BY THE NEWS DEPARTMENT

FOURTH AND FIFTH ROUNDS OF THE *UNE SEMAINE POUR L'EMPLOI* INITIATIVE

Building on the success of the last three *Une Semaine pour l'Emploi* job-promotion campaigns, in May and November 2011 the News Department of the TF1 group once again had all its channels (TF1, LCI, TF1 News) as well as Metro focus squarely on the number-one concern of people in France: employment. On TF1, reports and investigations on the theme of employment were featured in all the 1pm, 8pm and weekend news bulletins. Anchors Claire Chazal, Laurence Ferrari and Jean-Pierre Pernaut spent a large part of their shows looking at real-life situations, flagship regional initiatives and job-related facts and figures. In the fourth round of the initiative, the *1pm newscast* presented by Jean-Pierre Pernaut highlighted the question of senior employment, while the fifth round, held in the autumn, focused on employment among women.

Since the first initiative in November 2009, almost 12,000 work contracts have been signed, 60% of which have been permanent contracts.

SOS VILLAGES

The *1pm newscast*, LCI and TF1 News are teaming up to save rural businesses. The SOS Villages campaign, which was previously held once before in 1993, is about putting people who want to sell a business in touch with potential buyers, in an effort to breathe new life into rural communities. The website of Jean-Pierre Pernaut's *1pm newscast* has added a section where sellers and local councils can place ads free of charge. The show also includes a mini news section on the campaign, presented by Sylvie Cenci, which provides features about the topic. Buyers have been found for several dozen businesses as part of this initiative.

7.3.4 Raising public awareness about efforts to combat climate change

A media group can have a real impact on the environment through its ability to make people aware of the big issues. The channels and websites of the TF1 group work all year round to raise awareness about the need to protect the environment, through a variety of programme categories, including weather forecasts, theme channels (Ushuaïa TV), and a campaign for children on TFou.

NEWSCAST COVERAGE OF THE ENVIRONMENT WITH THE ECO2CLIMAT INDICATOR

According to the INA Stat barometer, which measures coverage of different topics by the nationwide news bulletins, TF1, with more than one item a day, or 6.5% of the total, places the most importance on the environment. http://www.ina-sup.com/sites/default/files/Ina_Stat_ndeg_22_-_juin_2011.pdf.

In December 2009 the News Department began broadcasting the Eco2climat indicator, which tracks France's carbon consumption as measured by Carbone 4, a specialist consultancy. The indicator, which is the first of its kind in Europe, is shown monthly during the *8pm newscast*. It is designed to keep step with the public in the drive to cut greenhouse gas emissions. It also enables TF1 to improve the quality and consistency of its reporting on sustainable development. http://lci.tf1.fr/eco-climat/.

USHUAÏA TV

Ushuaïa TV is the only French channel that is entirely devoted to sustainable development. It has been broadcast in HD since 2008. The channel's programmes include *Passage au vert*, which covers the opportunities opened up by environmentally-friendly approaches, *Bougez vert*, which talks about what is going on in sustainable development, and *Green Trip*, which reports on eco-tourism, along with specials and outstanding documentaries.

ADVERTISING AND SUSTAINABLE CONSUMPTION

TF1 Publicité, which acts as a Meeting point for brands and consumers, and which is engaged in its own CSR approach, wants to help provide consumers with more information on the carbon and social footprint of products. This is the goal of the consumer information tag developed in 2010 by TF1 Publicité, which allows advertisers that follow sustainable development policies and that offer products that are certified as sustainable consumer products, to provide consumers with information on a dedicated space on the TF1Conso website. By reserving this service for products that meet a stringent set of requirements, TF1 Publicité is contributing to the push for more transparency called for by public policymakers and consumers alike.

The site also provides editorial content on sorting, green purchasing, organic farming, fair trade, and environmental labelling. http://www.tf1conso.fr/tag-conso-responsable/.

7.4. SKILLS AND EMPLOYEE BENEFITS (IN ACCORDANCE WITH THE NEW ECONOMIC REGULATIONS ACT)

Group commitment: The TF1 group fosters the creativity and commitment of its employees, develops their skills, favours their professional growth and offers them a high-quality working environment.

7.4.1 Workforce

At December 31, 2011 the TF1 group workforce was broken down as follows:

OPEN-ENDED (OE) AND FIXED-TERM (FT) CONTRACTS

INDICATOR: GROUP OE AND FT WORKFORCE

At 31/12	% revenues	2011	2010	2009
Clerical, administration, technical and supervisory staff	100	987	1,033	935
Managers	100	2,457	2,431	2,296
Journalists	100	678	618	679
TOTAL	**100**	**4,122**	**4,082**	**3,910**

The scope was extended in 2011 with the inclusion of the Metro France company.

The TF1 group makes the majority of its revenues in France and Europe: 85% in France, 13% in the European Union excluding France, and 2% in other countries.

INDICATOR: OE AND FT WORKFORCE BY GEOGRAPHIC REGION

Au 31/12	% revenues	2011	2010	2009
France *	**85%**	**3,818**	**3,782**	**3,657**
Europe (excl. France)	13%	278	274	229
Africa and Middle East	na	8	8	6
North America	na	2	3	3
Central and South America	na	-	-	-
Asia-Pacific	na	16	15	15
International	**15%**	**304**	**300**	**253**
TOTAL	**100%**	**4,122**	**4,082**	**3,910**

* *Metropolitan France and Overseas Departments and Territories.*
na: non applicable

INDICATOR: AGE PYRAMID AND AVERAGE LENGTH OF SERVICE

At 31/12	% revenues	2011	2010	2009
25 and under	85	183	60	na
25-34	85	1,268	1,279	na
35-44	85	1,325	1,426	na
45-54	85	817	813	na
55 and over	85	225	204	na
Average age	85	39	39	39
Average length of service at TF1 group	85	10	10	9

na : non applicable

INDICATOR: TYPE OF WORK CONTRACT

At 31/12	% revenues	2011	2010	2009
Number of employees on OE contract	100	3,810	3,798	3,638
Number of employees on FT contract (including apprenticeship, work-study, youth work contracts)	100	312	284	272
Number of employees on youth work contracts	100	67	48	36
Number of employees on apprenticeship contracts	100	29	34	24

SHORT-TERM CONTRACT WORKERS

The TF1 group has over the last few years substantially reduced its reliance on short-term contract workers (technical temporary workers, free-lance actors and musicians, and Directors), who now account for 7.1% of the headcount at the TF1 group (compared with 7.3% in 2010).

This is the result of a determined effort by TF1, which has hired a number of non-permanent workers over the past few years. In 2006 it signed the National Inter-industry Agreement for workers on *de facto* fixed-term contracts. TF1, under the auspices of STP (comprising Canal+, M6 and TF1), took an active part in drafting the agreement. Short-term contracts concern TF1 Production (one-off productions) and Eurosport (numerous live sports events scattered irregularly through the year) in particular.

TF1 has extended its employee welfare policy to these employees in the form of profit-sharing and incentive agreements; it has also given them access to employee-only rights issue schemes such as “Bouygues Confiance 5”.

Under the national inter-industry agreement applied by TF1, short-term contract workers can benefit from its healthcare expenditure and employee benefit regime. They can also take part in the social and cultural events organised by the Works Councils of the TF1 group. For the Group as a whole, full-time equivalent workers over 12 months represented by non-permanent employees were as follows:

INDICATOR: RATE OF FULL-TIME EQUIVALENT WORKERS OVER 12 MONTHS REPRESENTED BY NON-PERMANENT EMPLOYEES

[Jan-Dec]	% revenues	2011	2010	2009
Share of full-time equivalent workers represented by non-permanent employees (short-term contract workers excl. stringers)	85	7.1	7.3	7.3

EMPLOYEES FROM OUTSIDE TF1

In 2010 reliance on employees from outside the TF1 group (i.e. temporary staff) stood at 16.4 full employee-equivalents, or 0.4% of the Group’s permanent staff (the figure for 2010 was 8.7 FTEs, or 0.2% of permanent staff).

INDICATOR: FTES OVER 12 MONTHS REPRESENTED BY TEMPORARY STAFF

[Jan-Dec]	% revenues	2011	2010	2009
Number of temporary workers as FTEs	85	16.4	8.7	14.0

HIRING AND DEPARTURES

INDICATORS: HIRING AND DEPARTURES

[Jan-Dec]	% revenues	2011	2010	2009
Employees hired on OE, FT, apprenticeship contracts, etc.	100	754	567	496
Compulsory retirements	100	0	1	1
Retirements	100	0	1	5
Redundancies	100	78	96	88
Negotiated departures	100	74	59	40

Faced with a recession for three years, the TF1 group has paid special attention to its recruitment policy by sharply limiting the number of new hires (except for cyclical or production-related jobs and hiring of disabled workers). The aim is to exert tighter control over new hiring requests and make sure that only essential requests are put forward. This decision paved the way for synergies between departments, helped by a proactive job mobility policy. It should be noted that these restrictions do not apply to the hiring of disabled workers, under a three-year agreement, and work-study programmes.

Recruitment has two ongoing goals: to integrate a steady flow of talented young people and equip them for the jobs of tomorrow; and to seek seasoned professionals to bolster existing teams or launch new lines of business.

INDICATOR: INSTABILITY RATE

[Jan-Dec]	% revenues	2011	2010	2009
Instability rate	85	6.6%	6.9%	5.6%

7.4.2 Worktime organisation

ANNUAL WORKTIME: SUMMARY OF WORKTIME ADJUSTMENT AGREEMENTS

Agreements on adjusting and reducing working hours have been reached in all Group companies. They govern the different staff categories according to status, with agreements for permanent staff (production, technical and administrative staff and journalists) and for temporary workers.

Non-management staff work 37 hours a week and are entitled to 14 supplementary work days off per year. Management staff work between 213 and 216 days annually and have 12 or 13 supplementary work days off per year.

All TF1 group companies are governed by worktime adjustment agreements that enable staff to manage their time off, provided that each department continues to operate smoothly.

Five years on from the introduction of Annex 7 to the 2006 worktime adjustment agreement, which applies to technical staff in departments operating seven days a week, it is evident that the employees concerned have a clearer and more reliable view of their schedules. The amendment has also improved pay conditions for various constraints such as Sunday work and has led to a fairer share-out of weekend work.

To ensure that all staff have the opportunity to acquire new skills, for their own personal development and with no specific links to their jobs, employees can convert supplementary work days off into personal development time. This is not considered to be part of the company training plan.

As has been the case since 2005, TF1 group companies decided to keep Whit Monday as a paid holiday in 2011 and pay their contribution to the national “Solidarity Day”.

INDICATOR: ANNUAL WORKTIME OF PTAS

PTAS status[1]	PTAS[1] annual worktime
Non-management in constant hours and cycles (employees and supervisory staff)	1,569 - 1,576 hrs
Managers working in cycles	1,584 - 1,591 hrs
Managers with a fixed number of annual days	213 - 216 days
Senior managers	N/A

(1) Production, technical and administrative staff.

INDICATOR: ANNUAL WORKTIME OF JOURNALISTS

Status of journalists	Journalists' annual worktime
Journalists with a fixed number of annual days	208 - 215 days
Senior managers	N/A

ANNUAL WORKTIME: PART-TIME EMPLOYEES

On average, in 2011, 355 permanent staff were employed part-time. The decision to work part-time is a personal choice in practically all cases in the TF1 group.

INDICATOR: NUMBER OF PART-TIME EMPLOYEES

[average Jan.-Dec]	% revenues	2011	2010	2009
Part-time employees	85	355	328	247

OVERTIME HOURS

The number of overtime hours is decreasing over two years.

INDICATOR: NUMBER AND AMOUNT PAID IN OVERTIME HOURS

[Jan.-Dec.]	% revenues	2011	2010	2009
Overtime hours	85	56,423	60,495	62,509
Amount (€)	85	1,766,180	1,839,089	1,873,345

ABSENTEEISM AND REASONS FOR ABSENCE IN THE TF1 GROUP

INDICATOR: ABSENTEEISM

At 31/12	% revenues	2011	2010	2009
Absentee rate (% of the headcount)	85	4.9	5.2	4.0
Total days' absence	85	45,069	43,245	43,298
Days absent without pay	85	210	101	559
Days absent for sickness	85	24,977	24,747	22,882
Days absent for occupational or commuting accidents	85	1,836	2,053	1,436
Days absent on parental leave	85	14,950	13,559	14,860

7.4.3 Compensation and employee savings

GROSS COMPENSATION

Compensation is reviewed each year through a system of increases based on individual performance. The system includes recommendations on special increases for employees at the lowest end of the TF1 group pay scale.

INDICATOR: AVERAGE GROSS ANNUAL COMPENSATION PER PROFESSIONAL CATEGORY IN THE TF1 GROUP

(€)	% revenues	2011	2010	2009
Clerical, administrative, technical and supervisory staff	85	36,683	34,189	35,530
Managers	85	52,032	49,902	50,449
Journalists	85	57,990	53,687	56,299
All categories	85	49,747	46,721	47,734

In 2011 the average annual salary increase negotiated with the trade unions was 2.5% for the TF1 group (an additional 1% allocation was granted to employees earning less than €2,600 per month). Over the same period, expenditure on social charges remained stable. The average pay increase in 2010 was 2%.

In accordance with the terms of the 2011 Amended Social Security Financing Act, "where a company belongs to a group required to create a group committee pursuant to I of Article L. 2331-1 of the Labour Code, it shall pay a bonus to all employees if the dominant company in the Group pays dividends whose amount per share or ownership unit is higher than the average dividend per share or ownership unit paid over the two previous financial years".

The TF1 group was not therefore required to pay a dividend bonus in 2011.

However, given the difficult economic environment and lack of incentive payments, the TF1 group strove to keep an open wage policy during discussions with unions.

CONTRIBUTIONS

INDICATOR: AMOUNT AND DISTRIBUTION OF CONTRIBUTIONS

(€ million)	% revenues	2011	2010	2009
Employee contributions	85	57.4	55.7	69.4
Employer contributions	85	116.6	111.9	142.1
TOTAL	**85**	**174.0**	**167.6**	**211.5**

PROFIT-SHARING, INCENTIVES AND THE COMPANY SAVINGS SCHEME

TF1 set up a company savings scheme for employees in 1988.

At December 31, 2011 more than 75% (78% in 2010) of eligible employees were members of the savings scheme. The company's matching contribution is €3,750 gross per employee per year, making a total gross contribution of €8.3 million, or €7.7 million net (€7.5 million in 2010). The company pays a matching contribution of 200% on the first €300 deposited in order to benefit the lowest wage-earners.

To help employees prepare to fund their retirement, the Bouygues group has set up a retirement savings plan (PERCO). In all, 14% of eligible employees were members of the scheme on December 31, 2011 (13% at 31/12/2010). This scheme provides for a company contribution of between 20% and 100% of the sums deposited, with a maximum of €1,290 gross per employee per year, for a total gross amount of €382,134, or €352,476 net (€335,483 net in 2010).

INDICATOR: PERCENTAGE OF ELIGIBLE EMPLOYEES WHO BELONG TO THE COMPANY SAVINGS SCHEME AND GROUP RETIREMENT SAVINGS FUND

	% revenues	2011	2010	2009
Percentage of eligible employees who belong to the company savings scheme	85	75.6	78.2	81.1
Percentage of eligible employees who belong to the Group retirement savings fund	85	14.0	13.2	12.6

Profit-sharing has been in operation for all eligible Group employees since 1989. In 2011 the gross profit-sharing reserve (relating to 2010) amounted to €7.4 million (€3.6 million in 2010), or an average gross amount per employee of €1,542 (€740 gross in 2010) paid in 2011.

To involve employees in efforts to meet financial commitments and improve personal and collective performance, in 2008 management set up a Group-wide incentive agreement that was signed for 2008, 2009 and 2010. In 2011 an incentive bonus was paid to employees covered by the agreement. The total gross amount of the 2011 bonus (in respect of 2010) was €15.6 million (compared with €18.2 million in 2010), or €3,260 gross on average per employee (€3,661 in 2010) paid in 2011. A second incentive agreement was signed in 2011 covering 2011, 2012 and 2013, with targets to be set and negotiated annually with the unions.

INDICATOR: AVERAGE GROSS AMOUNT PAID PER EMPLOYEE (PROFIT-SHARING AND INCENTIVE SCHEMES)

Payout year	% revenues	2011	2010	2009
Average gross amount paid per employee under profit-sharing scheme (€)	85	1,542	740	1,023
Average gross amount paid per employee under incentive scheme (€)	85	3,260	3,361	-

Group employees held 6.2% of TF1's capital in 2011, compared with 5.7% in 2010 through the TF1 FCPE Actions.

7.4.4 Professional relations and report on collective agreements

Practically all Group companies have employee representative bodies, Works Councils, Health & Safety Committees and trade union delegates. A total of 33 collective bargaining meetings took place in the TF1 group in 2011 and 20 collective agreements were signed, reflecting sustained and constructive dialogue with union organisations.

As a result of the July 2006 agreement concerning the resources to be made available to them, TF1 SA's unions now have up-to-date IT facilities, notably an intranet, and permanent representatives. In general, the agreements signed within the Group offer benefits in areas such as welfare, severance pay, holidays and union rights that go well beyond the guarantees provided for in the Labour Code.

INDICATOR: TRADE UNION REPRESENTATION IN THE GROUP (PERMANENT MEMBERS)

IN 2011

	Works Council	Personnel delegates	Combined delegates	Board of Directors	Total
CFTC	12	24	23	19	78
FO	3	4	0	2	9
CGC	2	0	0	1	3
CGT	1	2	2	0	5
CFDT	8	15	3	4	30
Independent	-	-	4	2	6
TOTAL	**26**	**47**	**32**	**28**	**131**

Number of Meetings with employee representatives (Works Council + personnel delegates + Health & Safety Committee + Board of Directors + combined delegates)	289
Number of collective bargaining Meetings with union delegates	33
Number of collective agreements signed during the year	20

IN 2010

	Works Council	Personnel delegates	Combined delegates	Board of Directors	Total
CFTC	13	23	33	16	85
FO	4	4	0	2	10
CGC	1	0	0	0	1
CGT	1	2	1	0	4
CFDT	7	11	3	1	22
TOTAL	**26**	**40**	**37**	**19**	**122**

Number of Meetings with employee representatives (Works Council + personnel delegates + Health & Safety Committee + Board of Directors + combined delegates)	309
Number of collective bargaining Meetings with union delegates	38
Number of collective agreements signed during the year	9

IN 2009

	Works Council	Personnel delegates	Combined delegates	Board of Directors	Total
CFTC	23	23	27	21	94
FO	2	2	0	1	5
CGC	1	0	0	0	1
CFTC/FO	3	2	0	1	6
CGT	1	2	1	0	4
CFDT	5	7	3	1	16
Independent	0	1	0	0	1
TOTAL	**35**	**37**	**31**	**24**	**127**

Number of Meetings with employee representatives (Works Council + personnel delegates + Health & Safety Committee + Board of Directors + combined delegates)	302
Number of collective bargaining Meetings with union delegates	32
Number of collective agreements signed during the year	27

INDICATOR: PARTICIPATION RATE IN WORKS COUNCIL ELECTIONS

	% revenues	2011	2010	2009
Rate of participation in last Works Council elections	85	74.1	74.0	70.8

7.4.5 Equal opportunities and the fight against discrimination

DIVERSITY: FROM CHARTER TO LABEL

In a demonstration of its promise of openness to all, the TF1 group signed the Diversity Charter on January 11, 2010 before applying for *Label Diversité* accreditation, which was granted on December 21, 2010.

The Group proactively deployed its diversity policy as part of an approach geared to make the transition from charter to accreditation. Not merely a fancy title, *Label Diversité* accreditation demands a rigorous framework aimed at instilling a company-wide process of constantly improving procedures and practices. The success of the Group's accreditation application was rooted in several factors:

- knowledge of discrimination risks: before embarking on the accreditation process, the Group carried out an inventory of diversity practices. Four priority areas were identified: disability, ethnic diversity, gender equality and seniors;
- commitment by senior management and staff backing: the impetus provided by Nonce Paolini rapidly spread throughout the company and was supported by a broad in-house communication campaign on the benefits of promoting diversity. Employees also took pride in the fact that TF1 was the first media group to receive this outside, independent accreditation;
- proper command of HR management processes to ensure equal treatment;
- awareness-raising among Group employees who were directly involved in the approach: HR, managers and all staff directly involved in programme production were given training on diversity;
- Group dialogue with stakeholders: unions, suppliers and customers were regularly involved in the process (inventory, audit, Meetings with staff and suppliers, etc.);
- steps to track the effectiveness of the Group's diversity-promotion measures: a system of indicators was set up to measure progress, and the Group's first annual diversity report was presented to employee representative bodies in 2011.

Accreditation is granted for three years and is subject to a mid-term audit (scheduled for final-quarter 2012). It is therefore conducive to long-term measures. Post-accreditation, the Group has concentrated its efforts on:

- key areas identified during the inventory, monitored by the accreditation steering committee;
- talks on diversity agreements covering gender equality and ethnic diversity (agreements have already been signed on disabilities and seniors);
- measures to diversify sourcing, including a partnership with Mozaïk RH, an organisation that promotes the recruitment of talented young prospects from working-class areas.

INDICATOR: NUMBER OF EMPLOYEES WHO RECEIVED TRAINING ON DIVERSITY AT WORK

	% revenues	2011	2010	2009
Number of employees who received training on diversity at work	85	459	404	70

DISABLED EMPLOYEES

For several years the TF1 group has pursued a policy of hiring and retaining people with disabilities. Following the signature of an initial three-year agreement in 2008, in 2011 the Group reaffirmed its commitment to people with disabilities by signing a new three-year agreement The six main themes of the new agreement are:

- an ambitious recruitment plan focused on hiring people on permanent contracts and fixed-term contracts of over six months (the goal is to hire 27 disabled workers over three years);
- a cooperation plan with the sheltered sector;
- vocational training;
- a plan for retaining disabled staff;
- accessibility and adaptability of working tools;
- information and communication.

In 2011 the Group hired 15 disabled workers on different kinds of contract.

INDICATOR: NUMBER OF DISABLED WORKERS EMPLOYED BY THE COMPANY

	% revenues	2011	2010	2009
Number of disabled workers in the company as of 31/12 (all contract types)	85	71	58	53
Disabled workers hired during the course of the year (fixed-term and permanent contracts)	85	13	19	17

To meet its objective of hiring at least 27 disabled workers in 2011-2013, the TF1 group needs to develop its sourcing activities and work with specialist recruiting firms, temp agencies and non-profit organisations that promote employment for young people with disabilities. Accordingly, the TF1 group continues to partner Arpejeh and Tremplin, two non-profit organisations that help disabled schoolchildren and students as they pursue professional development plans.

It has also renewed partnerships with a number of target schools to take on students during their time at university or to help these institutions in their efforts to integrate disabled students (Sciences-Po Accessible agreement, Passarelle agreement, etc.).

The TF1 group takes a keen interest in the attention that the target schools pay to disability and diversity issues. Regular awareness-raising measures were conducted at the schools in 2011 and will continue in 2012.

The Group is pursuing its communication campaign through publications in specialised media. Staff awareness-raising activities have also been organised within the Group to continue lifting the taboos in this area.

As regards the management of disabled workers, the Disability Action Taskforce studies employees' requests and makes the necessary arrangements, which can include co-financing of equipment, transport agreements, TadeoBox sign-language equipment for the hard of hearing, table-side service and modifications to the working environment.

To prepare for situations of partial or total unfitness for work, a multidisciplinary committee on retaining disabled staff was set up when the new agreement was signed. This committee brings together all the stakeholders who might work together to help organise the future career of a disabled colleague who is struggling in his or her position.

In addition to professional training, the Disability Action Taskforce can also offer bespoke courses to people with disabilities, including Group employees and service providers from companies in the sheltered sector who work for the Group.

One-day disability awareness training sessions are available to all staff members on request, and special training sessions are in place for employees likely to work alongside a disabled person.

Regarding accessibility, all TF1 group buildings meet legal standards for disabled access to public premises. As part of its continual improvement drive, the Group intends to continue its work on accessibility.

The TF1 group conducts audits and carries out the necessary adjustments to ensure that its digital tools are accessible to people with disabilities.

EQUAL OPPORTUNITIES

For some years, TF1 has pursued an active policy of not discriminating between men and women, particularly in the areas of recruitment, career development and salaries. In addition, TF1 has taken concrete measures to promote work/life balance (see 2010 agreement "Working Better Together").

The Gender Equality Committees of the Works Councils compare the situations of male and female workers according to various criteria (numbers, compensation, promotions, holidays, training,) and correct any differences noted based on precise indicators.

In an industry where men have always outnumbered women, particularly in the technical professions, the TF1 group has succeeded in achieving a balance in recent years.

INDICATOR: MALE AND FEMALE EMPLOYEES

Employees	% revenues	2011	2010	2009
% women	100	47.9	47.4	48.6
% men	100	52.1	52.6	51.4

INDICATOR: PROPORTION OF WOMEN BY STATUS

At 31/12	% revenues	2011	2010	2009
% of women, clerical, administrative, technical and supervisory staff	85	54.4	56.2	57.0
% of women, managers	85	48.9	46.5	47.4
% of women, journalists	85	35.3	36.4	41.3

This balance is in evidence in the management ranks, since 48.9% of managers are women. Moreover, the proportion of women in management positions continues to increase, reaching 35.5% in 2011 compared with 34.9% in 2010.

INDICATOR: PROPORTION OF WOMEN IN MANAGEMENT POSITIONS

At 31/12	% revenues	2011	2010	2009
% of women in management positions	85	35.5	34.9	34.4

INDICATOR: NUMBER OF NEW HIRES, WOMEN AND MEN

New hires (permanent contracts)	% revenues	2011	2010	2009
Women	100	380	270	253
Men	100	374	297	243
TOTAL	**100**	**754**	**567**	**496**

Talks on the topic of equal opportunity are scheduled to get underway in early 2012.

INDICATORS: SALARIES, WOMEN AND MEN

STATISTICS FOR 2011

Average gross annual starting salary *(€)*[1]	% revenues	Clerical, administrative, technical and supervisory staff	Managers	Journalists
Women	85	26,260	32,967	34,450
Men	85	24,145	33,611	32,933

STATISTICS FOR 2010

Average gross annual starting salary *(€)*[1]	% revenues	Clerical, administrative, technical and supervisory staff	Managers	Journalists
Women	85	24,911	31,678	35,100
Men	85	25,389	33,582	24,700

STATISTICS FOR 2009

Average gross annual starting salary *(€)*[1]	% revenues	Clerical, administrative, technical and supervisory staff	Managers	Journalists
Women	85	23,220	32,293	34,775
Men	85	25,338	34,832	31,465

(1) Employees aged between 18 and 25 and with less than one year's service.

INDICATOR: PROPORTION OF WOMEN AND MEN PROMOTED

Proportion of people promoted[1]	% revenues	2011	2010	2009
Women	85	14.7	15.2	17.3
Men	85	13.9	15.9	16.8

(1) With or without change of professional category.

An agreement was reached with the unions in 2006 to allocate the negotiated rates of wage increases to all TF1 female employees who took maternity leave during the preceding year. Thus, any women who took maternity leave beginning in 2010 received a pay rise of at least 2.5% in March 2010, or 3.5% if her monthly wage was €2,600 or less.

In addition, an overall balance was maintained in 2011 both for promotions (14.7% of women and 13.9% of men compared with 15.2% of women and 15.9% of men in 2010) and for training, with 49% of women following training courses compared with 51% of men (versus 49% of women and 51% of men in 2010).

At an equivalent qualification level, men and women are hired at the same salary. A young female manager will receive the same compensation package as a man of the same age and with the same educational background.

INDICATORS: GENDER BALANCE IN TRAINING

% of trainees[1]	% revenues	2011	2010	2009
Women	85	48.7	49.2	47.3
Men	85	51.3	50.8	52.7
TOTAL	**85**	**100**	**100**	**100**

(1) On vocational training programmes.

Number of training hours	% revenues	2011	2010	2009
Women	85	35,409	37,418	61,165
Men	85	34,017	33,805	67,731
TOTAL	**85**	**69,426**	**71,223**	**128,896**

MEASURES FOR SENIORS

In 2010 the TF1 group and unions signed a three-year agreement on senior employment. The agreement is required to comply with one of the following two obligations:

- set a quantitative target for retaining workers aged 55 and over;
- set a target number of recruitments of workers aged 50 and over.

The TF1 group opted to maintain the number of workers aged 55 and over. The agreement also has to provide for measures in at least three of the six action areas covered by the legislation on senior employment. TF1 has selected four action areas:

- development of skills and qualifications and access to training;
- career path planning;
- promotion of mentoring to pass on know-how and skills;
- end-of-career management and the transition from employment to retirement.

7.4.6 Health and safety

The employee health and safety policy has been a key priority for the TF1 group for years and is applied in all areas of activity. It seeks to raise employee awareness about preventing occupational hazards and implementing safety measures.

INDICATORS: OCCUPATIONAL ACCIDENTS

	% revenues	2011	2010	2009
Number of occupational accidents with time off	100	25	42	25
Number of fatal occupational accidents (work-related/commuting)	100	0	0	0
Employees trained in health and safety	100	495	484	373
Frequency rate	100	3.651	6.263	3.642
Severity rate	100	0.136	0.177	0.096

Frequency rate = (∑occupational accidents with time off/∑ hours worked) × 1,000,000.
Severity rate = (∑ days of leave/∑ hours worked) × 1,000.

In 2010 the TF1 group signed an agreement titled “Working Better Together”, which aims to reduce stress and, more generally, improve working conditions. The agreement was followed up in 2011 with practical measures, including:

- steps to promote work-life balance (taking account of time constraints for employees returning from maternity leave, rules on and compliance with times for holding Meetings, texting and calling);
- workload assessments, notably during annual performance appraisals;
- inclusion in management training courses of a module on preventing psychosocial risks;
- steps by occupational health staff to raise awareness about ergonomics;
- warning mechanism to identify distressed employees;
- granting of volunteer leave.

The Group’s two medical teams, comprising two occupational physicians and four nurses, provide care on a daily basis as well as special care for employees with jobs involving particular risks. First-aid kits are available for staff bound for high-risk zones. This service also covers freelancers working on a regular basis for the Group, as the professional bodies representing this staff category do not have a medical centre.

In 2008 a stress-monitoring unit was launched at the initiative of senior management and the occupational physicians. Employees are asked to complete a questionnaire when visiting the doctor. The aim is to identify sources of stress or worry and organise corrective measures based on the findings. The Works Councils and Health and Safety Committees have been informed of the results and told that the initiative will continue.

The medical teams also run major preventive campaigns that go well beyond the basic legal requirements, including flu vaccinations, prevention of cardio-vascular disease, and a campaign to prevent hearing problems. In 2011 TF1 signed the Healthy Heart Charter, thereby committing to continue efforts to prevent the risks of cardiac disease, which represent a major public health issue.

A special campaign on preventing driving-related risks was carried out in 2011. As part of this campaign, memos and brochures were handed out to employees who drive company vehicles.

The master occupational-hazard documents are updated with the aid of the occupational physicians and the members of the Health & Safety Committees. These documents list all the hazards in each of the companies' work units and monitor preventive measures that have been established for each of the risks listed (instructions, training courses, etc.). The retirement reforms introduced by the Act of November 9, 2010 devote special attention to the question of arduous working conditions. This issue was naturally incorporated in the health policy and included in the master occupational-hazard documents.

HEALTH AND SAFETY TRAINING

In 2011 health and safety training courses were run for 495 employees (484 in 2010 and 373 in 2009).

A key focus of these training courses is reporting staff, who get special training on driving news vehicles, first aid, risk zones and the right behaviour to adopt in certain situations. Technical staff also regularly attend mandatory courses on electrical accreditation.

The TF1 group also provides training on achieving work/life balance (108 trainees) and preventing psychosocial risks: all training courses in the Group's management training programme include a section on this topic. In addition, 190 employees took a "local security personnel" training course.

7.4.7 Supporting employees

RELATIONS WITH SCHOOLS, ACCOMMODATING INTERNSHIPS AND WORK/STUDY PROGRAMMES

The TF1 group has an active policy of offering work placements to young graduates, which creates an excellent recruitment pool for the Group, and establishing special relations with schools and universities. These policies enabled the TF1 group to offer placements to 391 interns (school-work experience) in 2011, compared with 321 in 2010, and more than 190 youth work and apprenticeship contracts.

The Training Department also introduced mentorship courses for people supervising apprentices.

TF1 has built up close relationships with a number of teaching establishments, including: Lycée Jacques Prévert, Boulogne (audiovisual diploma); Lycée René Cassin, Bayonne (audiovisual diploma); Université Paris I – Panthéon – Sorbonne (Masters); ESCP-EAP, Paris (Masters, Media Studies); IEP Paris; Télécom Sud Paris, Evry; École Nationale Supérieure des Télécoms, Paris; AUDENCIA Nantes; ESC Rouen.

INDICATOR: NUMBER OF INTERNS UNDER AGREEMENTS WITH SCHOOLS

	% revenues	2011	2010	2009
Interns under agreements with schools	85	391	321	487

APPRENTICESHIP TAX

An **apprenticeship tax** is paid to around 30 teaching establishments, included journalism, business, management, documentalist and IT schools.

Measures are in place to support apprenticeships. Apprentices' teaching expenses are paid directly to the school (excluding wages).

A jobs conference was organised in September 2011 to give the Directors of partner schools an opportunity to meet with HR and managers and learn more about the Group's activities.

INTEGRATING NEW EMPLOYEES

A series of measures is in place to help new hires find their feet within the TF1 group. The arrival of new staff members is announced in a widely circulated welcome memo. Employees follow an integration programme organised by their superiors so that they can meet with the people they will be dealing with inside the company. In the following weeks, Internal Communications will offer a morning session to welcome newcomers, provide an introduction to the TF1 group and give a brief rundown of the HR policy. This is followed by a guided tour of the show room and TV studios.

Once employees have completed their trial period, they attend two half-day “Discovering TF1” sessions, which provide information about the TF1 group’s activities and organisation. The programme wraps up with a Q&A session with the CEO.

A Welcome Day is also organised at Bouygues group headquarters to enable new recruits to learn about the Group’s background, businesses, values and working methods. It concludes with a debate at which Martin Bouygues makes the closing address.

VOCATIONAL TRAINING

The TF1 group continued to invest in vocational training through a policy built around four areas of action:

- implement training programmes relating to the strategic issues in each activity. Training plans allocate more than 60% of investments to topics that link directly to the roadmap and support for strategic projects. These training courses are designed to develop key skills and build commitment among staff members;
- enhance management effectiveness and quality;
- create training programmes run by internal and external experts for journalists, documentalists, legal specialists, HR managers, financial controllers and managers;
- educate editorial staff and managers about diversity issues within the company and on Group channels. In all, 459 people received training on this topic in 2011.

In 2011 Group employees received 69,426 training hours, compared with 71,223 in 2010:

- 42,558 hours (61% of the total) in professional skill-building;
- 14,989 hours (21%) in management and HR;
- 3,129 hours (5%) in diversity;
- 3,988 hours (6%) in security;
- 4,762 hours (7%) in language learning.

The TF1 group provides several two-year professional training programmes, offered to managers, documentalists, journalists, HR managers, financial managers and for people learning English. These programmes provide gradual, sustained support through short but regular training sessions.

Internal training by Group experts is an important part of the training policy. To illustrate this point, 129 internal trainers have provided training to 3,400 people in the last three years. Each internal trainer is trained in leading training courses and in teaching techniques.

The training plan is a distillation of:

- skill development priorities needed to meet business challenges identified during specific Meetings with managers;
- individual skill development priorities, derived from the training needs identified during the annual performance appraisals and based particularly on the 100 or so training courses offered by the Group *via* the intranet.

All training courses are assessed and are the subject of regular reports and adjustments.

INDICATORS: VOCATIONAL TRAINING, STATUTORY TRAINING ENTITLEMENTS

	% revenues		2011	2010	2009
	85	Number	2,578	2,334	2,777
Employees given training	85	%	74.4	61.4	76.3
Proportion of payroll spent on training	85	%	2.6	2.8	3.7
Total training hours, all training systems	85	Number	69,426	71,223	128,896
Total training hours, training plan	85	Number	31,238	35,405	62,483
Hours of training per employee per year	85	Number	20 hours 3 minutes	15 hours 10 minutes	17 hours 10 minutes
Statutory training entitlement (DIF) requests granted	85	Number	1,459	1,125	1,221

PROCEDURES FOR DIALOGUING WITH EMPLOYEES AND APPRAISING PERFORMANCE

The annual performance appraisal enables employees to have a one-to-one interview with their line managers, during which they discuss how the past year has gone, their objectives for the coming year, their professional development plans and any training needs. The interview places the emphasis on management/staff dialogue and is based on an appraisal methodology.

INDICATORS: PROPORTION OF EMPLOYEES WHO HAD AN ANNUAL PERFORMANCE APPRAISAL AND PROPORTION OF EMPLOYEES WHO COMPLETED A SATISFACTION SURVEY

	% revenues	2011	2010	2009
% of employees who had an annual performance appraisal	85	89.6	86.1	75.2
% of employees who completed a satisfaction survey	85	-	94	-

INTERNAL TRANSFERS

Another priority area in the HR policy is job mobility, reflecting the Group's determination to promote the career development of each employee through individual monitoring and proactive career path management. To help with this, numerous tools have been made available on the Group intranet, including a guide to Group businesses, a personality questionnaire and a vocational assessment.

In 2011 there were 262 external hires and 206 transfers within the Group (193 within the TF1 group, 13 arrivals from the Bouygues group), meaning that internal transfers accounted for 44% of all recruitment.

In September 2011 the Group also held its first ever Jobs and Transfers Conference, which included 17 stands representing different businesses and two stands where people could find out about training and transfers.

All HR managers meet twice monthly to discuss job openings within the Group and examine job transfer requests submitted by employees.

INDICATOR: INTERNAL TRANSFERS AS A PROPORTION OF TOTAL RECRUITMENT

	% revenues	2011	2010	2009
Internal transfers as a proportion of total recruitment (%)	85	44	52	57

7.4.8 Employee benefits

FAMILY-FRIENDLY POLICY

The Group has a highly developed family-friendly policy, with benefits such as a €915 bonus for staff when they marry or have children, and places reserved in a daycare centre. The Works Councils, at their own request, are responsible for paying child care benefits. These benefits are allocated to staff whose children are under four and are looked after in a crèche, or by a nursery nurse or a childminder (€8 net per full day worked, up to a maximum of €1,830 per year). Expectant mothers continue to receive normal wages throughout their maternity leave, and, from the sixth month of pregnancy, work ten fewer hours per week. Moreover, they can also take a further four weeks' nursing leave. Following the statutory annual bargaining round, it was decided with the unions to grant three extra days' paid leave to employees who entered into a civil union in 2010. Most Group companies have introduced arrangements for parents to take time off to look after sick children. As part of the 2011 statutory annual bargaining round, it was decided that staff members taking paternity leave from February 1, 2011 onwards should receive full pay.

WORKING ENVIRONMENT

TF1 provides a staff canteen for all employees, run by a specialised catering firm, and pays a subsidy of €4.80 per meal. The restaurant itself was designed and renovated by an architect, to the satisfaction of all staff. A second company restaurant was opened in the Atrium building in 2009.

The company's contribution to public transport costs (including train and metro travel and bike hire) increased from 50% to 60% of the cost in 2010, and then to 80% in 2011 (up to six travel zones).

TF1 is keen to provide employees with a pleasant working environment. To this end, it provides on-site services such as a cash dispenser, a hairdresser and a concierge service that offers dry-cleaning, organic produce shopping, etc. A health insurance representative and social worker are also regularly available for consultation. The company takes investing in its employees' health and fitness very seriously, so employees have access to a fitness centre at special rates (€13 per month for a one-year subscription). The centre has been completely refurbished and moved to the Atrium building. Classes are held on weekday mornings, lunchtimes and evenings and even on Saturday mornings. Employees can also get discounts on health club fees (Forest Hill, Club Med Gym) and join an association that organises a variety of sporting activities.

TIME-SAVINGS ACCOUNTS, WELFARE

The five trade union organisations represented in the TF1 group have signed a collective Group agreement on time-savings accounts. Set up in 2007, these accounts provide employees with a time budget, which is augmented each year by "paying in" any leave (annual entitlement, extra days per year of service, days off) that has not been taken by the end of the year or by converting all or part of their annual bonus into days off. Employees can then use this budget either to take time off when it suits them, or a maximum of five days per year can be converted into extra pay. The account can also be used by the company to arrange transitional holiday periods for employees approaching retirement. Furthermore, following the negotiation of an amendment to the agreement at end-2009, since 2010 employees have been able to deposit up to 10 days from their time-savings account, per period, to the Bouygues retirement savings fund and thus receive the related company contributions.

Employees benefit from excellent health insurance. The company pays half of the premiums and informs employees annually of the impact of legal indexing rates and the effects on the scheme's finances. Decisions are taken together with the Insurance Coordination Committee, which includes representatives from all the unions that signed the agreement. The committee meets at least once a year to monitor the change in medical costs and take preventive action on benefits and contributions. Several different kinds of death and disability packages are available to Group employees, covering inability to work, disability, death, accidents and other events. For employees who go on professional assignments, two special policies are in place to cover assistance and repatriation and high-risk assignments respectively.

HOUSING ASSISTANCE

As part of its housing assistance programme, TF1 offers accommodation solutions to employees in need of emergency help. Over the past 20 years, the Group has provided nearly 610 low-cost housing units for its staff. In all, 25 employees were housed in 2011, compared with 15 in 2010. Moreover, the Group offers its employees the whole range of schemes provided for in the housing assistance programme. It granted 32 first-home loans in 2011 (4 in 2010), 16 loans to pay rental deposits (13 in 2010), 1 professional relocation package (none in 2010), 1 housing assistance package (none in 2010), and 136 employees (129 in 2010) were advised on home acquisition plans.

Loans to adapt accommodation for disabled employees, or employees who have a disabled family member, are made available by the collecting bodies.

A representative of the housing assistance programme is regularly available to meet with employees and help them with the procedures involved and give advice about financing their home acquisition plans. In 2011 a representative was available on four occasions.

TF1 regularly convenes the Housing Committee of the Works Council to inform it of all operations undertaken as part of the programme. Despite changes in the legislation, the number of employees benefiting from the programme increased from 169 in 2010 to 210 in 2011.

7.4.9 Encouraging community involvement by staff

To encourage employees to get personally involved in community projects, the TF1 group grants two days of paid leave per employee, up to a maximum of 150 for all Group companies. The TF1 Foundation also gives employees the opportunity to mentor schoolchildren from difficult areas. Employees sign up to act as mentors for three years.

7.5 SUSTAINABLE DEVELOPMENT IN PRODUCTS AND ACTIVITIES (IN ACCORDANCE WITH THE NEW ECONOMIC REGULATIONS ACT)

Group commitment: The TF1 group integrates sustainable development issues in the design and use of its productions, products and innovations. The same applies to the management of its head offices.

7.5.1 Environmental issues and TF1 policy

The major environmental impact of a media group is indirect, hinging on the company's ability to raise public awareness of the issue. Apart from the 20-year broadcast of the Ushuaïa programme on TF1, the TF1 group's channels and websites raise the environmental awareness of viewers and Web users year round in several areas, including weather reports, TV news stories, the Ushuaïa TV theme channel, and a campaign on environmental information for children (page 235).

The media sector, sometimes seen as having a smaller environmental footprint than other industries, has a similar impact in terms of greenhouse gas (GHG) emissions. It consumes transport services, purchases electronic products and uses power. Media companies owe it to their stakeholders to set an example. This is why the TF1 group has committed to the Ecoprod initiative and introduced an internal policy of measuring and then reducing GHG emissions, with the support of the Bouygues group.

In 2007, in partnership with the French Agency for the Environment and Sustainable Energy (ADEME), TF1 carried out a Bilan Carbone® carbon audit to estimate GHG emissions caused by its main channel. The resulting action plan aims to reduce emissions from every source identified, whether internal or external. The measurement of GHG emissions is becoming more comprehensive and precise with each new year and will play a part in the consolidation of Bouygues group carbon emissions, carried out for the first time in 2012, based on 2011 data.

An environmental management system is in place in the four main buildings occupied and managed by the Group. TF1 leads a far-reaching policy in all the areas within its control. In all Group buildings, action and continuous improvement plans are applied to the consumption of energy, power, water, and raw materials (*e.g.* paper) and to waste management. The measures introduced by the Group always go well beyond legal requirements. Increasingly, energy consumption and waste management are factored in at an early stage of any project involving the technical solutions used by the Reporting Department, studios, and IT operations.

In 2010 the Group launched a Commuting Plan in an effort to mitigate the environmental impact of travel to and from Boulogne-Billancourt. In 2011 an electric carsharing system was opened up to all staff for professional travel.

These measures, which reflect the determination of management to adopt best practices, include involving suppliers and raising staff awareness. Events for staff are organised on a regular basis.

7.5.2 The environmental footprint of audiovisual production

The audiovisual sector emits roughly one million tonnes of CO_2 equivalent a year into the atmosphere, around a quarter of which is directly linked to shoots, according to a study of key figures in the industry made in 2011 and available at www.ecoprod.com.

To better take account of the environment in the audiovisual sector, TF1 launched the Ecoprod initiative in 2009 with five partners (ADEME, AUDIENS, Commission du Film d'Île de France, DIRRECTE IDF, France Télévisions) for producers and other industry professionals.

The Ecoprod collective first launched an online resource centre including best practices by sector and testimonials, available at www.ecoprod.com. In 2010 it uploaded a carbon footprint indicator for audiovisual productions (on the Carbon'Clap page). These tools are regularly presented to industry professionals at events and through partnerships with trade media. In 2011 several production supports were introduced to test tools and ensure the reproducibility of practices, and Ecoprod welcomed three new members: the Provence Alpes Côte d'Azur region, Pôle Média du Grand Paris, and France's national cinema centre, CNC. A guide to environmental shoots will be published in 2012.

In 2011 the commitment was made to apply the recommendations developed by Ecoprod to in-house Group productions from the TF1 Production subsidiary.

7.5.3 Environmental management at Group head offices

THE ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The EMS draws on quality processes and in particular the "plan/do/check/act" cycle of ISO 9001-type systems. The system applies to all buildings that are managed directly by the Group, namely the three buildings in Boulogne (La Tour, Atrium and Delta) and one in Issy-les-Moulineaux (Amiral), for a total useable area of 83,000 square metres. These buildings house more than 3,500 employees, or around 88% of the Group's workforce.

The EMS documentation system includes a list of environmental aspects upstream and downstream from the sites, the list of ICPE environment-protection listed buildings, and an environmental road map, which describes planned actions and quantified objectives on the reduction of consumption and waste. The list is regularly reviewed by the CSR coordinator and managers at Corporate Services who approve objectives, ensure actions are implemented, monitor the effectiveness of those actions, and handle feedback.

In 2011 an initial HQE Exploitation was implemented for the Le Delta building in coordination with the owner. The extension of this approach will be reviewed in late 2012.

How the indicators are read:

The measures and objectives defined apply within the framework of the EMS.

- Water and steam consumption measures are based on meter readings.
- Electricity consumption measures are based on remote meter readings and corroborated by electricity bills.
- Waste is weighed by the service providers (invoiced by weight).

To target in-house consumer profiles more accurately, TF1 continued to upgrade its building management system in 2010 by installing more meters throughout the supply networks (electricity, water, etc.). It aims to keep consumption under control through tighter management of lighting and air conditioning equipment. In particular, the installation of meters makes it possible to identify the amount of power consumed for catering, office use and businesses processes:

- offices: lighting for workstations and circulation/office equipment/air conditioning;
- processes: IT server rooms and broadcasting rooms/special facilities such as studios/process-specific A/C.

WATER CONSUMPTION

In 2011 the consumption of water, primarily used in the air-conditioning system, washrooms and kitchens, was 52,858 cubic metres, stable since 2009 and down a sharp 16% since 2008.

INDICATOR: WATER CONSUMPTION (IN CUBIC METRES)

Site	% revenues	2011	2010	2009
Tour/Atrium/Delta	82	44,965	44,271	44,292
Eurosport (Amiral)	82	7,893	7,783	7,672
TOTAL	**82**	**52,858**	**52,054**	**51,964**

ACTION TAKEN SINCE 2009

- The braided system on the 40 pumps of the heat pumping system was replaced with a metal lining (the new system does not a constant supply of water for cooling).
- The faulty pumping system in the high pressure mixed-water network was replaced.
- Automatic detectors and electrically operated flow control valves have been installed on the washroom basins to reduce consumption.
- Service providers have been made more aware of reducing consumption.
- Leak detection campaigns are conducted on a regular basis.
- A pit water system has been installed to cool the surge tanks in the heat pump loop.
- To cut water usage in vehicle maintenance, the mobile video units have introduced a waterless "ecowash" solution.

ACTION TAKEN IN 2011

The water-heating system was upgraded (leak detection campaign).

PLANNED IN 2012

Specific, catering-related consumption indicators are to be introduced as part of the 2012-2014 catering contract.

RAW MATERIALS CONSUMPTION

For an audiovisual sector Group like TF1, the main raw material consumed is paper. In 2009 reprographics services were outsourced to an Imprim'vert-certified external provider. Various means of reducing the remaining consumption (139 tonnes in 2011) have been implemented, including shifting to electronic in-house publications and using the two-side printing facility of the multifunction printers. The increase in consumption at Eurosport was an isolated phenomenon, resulting from the change in graphics in 2011. The paper used is EU Ecolabel certified, while weight was reduced from 75g to 70g per sheet in 2011.

INDICATOR: PAPER CONSUMPTION (IN TONNES)

Site	% revenues	2011	2010	2009
Tour/Atrium/Delta	82	76	81	87
Eurosport (Amiral)	82	63	44	46
TOTAL	**82**	**139**	**125**	**133**

In catering, TF1 requests service providers, through a contractual guarantee, to favour local sourcing and seasonal vegetables.

ENERGY CONSUMPTION

ELECTRICITY

The TF1 group consumes electricity primarily for everyday activities (air conditioning, air and smoke ventilation, cold rooms, surveillance and control equipment, pit water pumps), kitchen equipment, the equipment used for producing and broadcasting programmes (studio lighting, machine rooms, final production, etc.) and lighting and office equipment.

The consumption of the emergency site has been included in overall consumption since 2010.

Since 2010 TF1 has aimed to reduce electricity consumption by 1% a year. This reduction began in 2010, with a 1% year-on-year fall, and continued in 2011, with overall electricity consumption down by 1.6%. The decrease, exceeding the objective, was facilitated by the discontinuation of dual systems (final production, LCI production and news production process) and by favourable weather.

INDICATOR: ELECTRICITY CONSUMPTION (IN KILOWATT HOURS - KWH)

Site	% revenues	2011	2010	2009
Tour/Atrium/Delta	82	26,477,798	27,149,683	27,865,470
Eurosport (Amiral)	82	5,162,909	5,021,403	4,654,950
Emergency site	82	2,833,086	2,498,044	Not included
TOTAL	**82**	**34,473,793**	**34,669,130**	**32,520,420**

FUEL

Fuel is used in generators at production sites, which serve as the emergency power source in the event of an EDF power cut to continue broadcasts and other key processes. Monthly tests of these generators consumed a total 18,200 litres in 2011.

INDICATOR: FUEL CONSUMPTION (IN LITRES – L)

Site	% revenues	2011	2010	2009
Tour/Atrium/Delta	82	18,000	18,560	14,900
Eurosport (Amiral)	82	200	450	264
TOTAL	**82**	**18,200**	**19,010**	**15,164**

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY

BUILDING MANAGEMENT

Since 2009

- Relamping the entire site by replacing 1,800 dichroic lamps with new transformerless LED lights consuming just 4W.
- Replacing the lighting in the south hall with lamps that have a higher initial cost but that significantly reduce maintenance expenditures.
- Examining a new transmission-driven process for A/C systems, particularly the central station air handlers, which operate 24/7, to reduce energy loss, operating cycles and maintenance costs on these machines.
- Reduction of car park lighting, shortened lighting periods.
- Programmed switch-off of studio lighting and air-conditioning systems.
- Occupancy sensors installed in washrooms.
- Televisions switched off by security staff on their rounds, lighting and air-conditioning in stand-by mode on the non-technical floors from 10pm.
- Building management improved by Central Facilities Management, elimination of the intake of unheated outside air into systems during cold spells, staff awareness raised on matching consumption with needs (air conditioning and lighting).

In 2011

- Continued rollout of Central Facilities Management and training for technicians to improve building management (with the service provider EXPRIMM).
- Work under way with EMBIX[(1)] to precisely detail our consumption sources and try to switch them to off-peak hours (excluding implementation period of alternative production emitting CO_2).

Planned in 2012

- Implementation with catering services provider of electricity consumption indicators and encouragement to reduce consumption (operating cycle for ventilation hoods, warm-up cycles for dishwashers, etc.).

PRODUCTION PROCESSES

Eurosport and LCI have designed their new studios with lighting provided entirely by LED bulbs, which last longer, consume less energy and do not heat up. The new lighting arrangements at LCI have cut the studio's total consumption (lighting and A/C) to 7kW on average – a tenth of the consumption of a studio lit with conventional systems.

The three new mobile video units are lighter, more modern and completely autonomous. They are also fitted with batteries that recharge as the vehicle moves, thus reducing energy consumption. All the units meet the Euro 4 standard and are fitted with a six-speed gearbox to cut fuel consumption. A small generator, connected to a Vitron system, provides energy when needed. Equipment is switched on individually and only as required.

IT

Actions implemented to reduce energy consumption:

Since 2009

- Virtualisation drive with servers.
- Existing machines replaced with less energy-hungry equipment (the "Star Energy" and "EPEAT Gold" standards are included in the specifications for call for tender).
- Implementation of the Econoposte process, which switches IT workstations off if they stand idle for four hours.

In 2011

- The IT Department carried out tests on the technical environment at the Group over a period of several months and chose an external solution for coordinating the electricity consumption of the Group's 4,000 workstations. Now in place, the robust solution, which has no impact on the security of the network, is expected to save on 60% to 75% of the electricity consumed by current workstations, equivalent to roughly €100,000 and 125 tonnes of CO_2 equivalent a year.
- Audit of data centres with a view to recommending adapted solutions: temperatures, warm corridors, etc.

Hardware life cycle management, use of IT system:

Since 2009

- An efficient system for managing the collection and recycling of obsolete hardware was introduced (equipment is recycled via the company or the manufacturer).
- A system was put in place to allow paperless handling of documents (expense claims, performance appraisal reports, etc), to lower the consumption of paper, ink and DVDs (by 1,000 units per year) and to reduce waste.
- The policy of replacing printer ink cartridges with less polluting models was continued.

In 2011

- Extension of policy on purchasing based on life cycle analysis and the profitability of each product purchase, together with continued rollout of supplier assessment via Ecovadis.
- Discussions on advantages and objectives in remote working.

USE OF RENEWABLE ENERGIES

The review of turning the studio roofs into a green roof-garden and installing photovoltaic panels will continue in 2012.

(1) EMBIX, a company created through a cooperation agreement by Bouygues and Alstom, provides energy management services to eco-neighbourhoods.

GREENHOUSE GASES (GHG)

GHG emissions were assessed within the scope of the EMS with 2011 activity data using the Bilan Carbone® carbon audit method.

Bilan Carbone® emissions by source	Uncertainty	Emissions, tonnes of CO_2 equivalent
Energy	12.5%	3,049
Non-energy	30%	277
Programme grid (using Carbon'Clap)	50%	71,474
Other inputs	50%	46,617
Commuting and professional travel	18%	10,281
Direct waste	48%	166
Fixed assets (computer hardware)	48%	1,223
TOTAL (EXCL. PRODUCT USE)		**133,088**

Emissions by scope	Uncertainty	Emissions, tonnes of CO_2 equivalent
Scope 1 (GE fuel, diesel for mobile video unit vehicles, refrigerant gases)	23%	225
Scope 2 (electricity and steam purchased)	10%	2,996
Scope 3 in part (programme grid, other inputs, travel, waste, fixed assets)	50%	129,868
TOTAL SCOPES 1 + 2 + 3 (EXCL. PRODUCT USE)		**133,088**
GHG emissions stemming from electricity consumed by TV viewers (TF1 audience basis)		190,000

An investigation is under way to assess GHG emissions stemming from programme grid production. The "Carbon'Clap" resource, developed by the Ecoprod collective of which TF1 is a founding partner, is being used for internal channel productions. Initial key figures have been established by production type.

Example: average hour of non-scripted programme: 8T; drama filmed in Ile de France: 25T; drama filmed in Europe: 45T; one-off events (Rugby World Cup): 1,550T.

Other purchasing ("Other inputs") is estimated on the basis of a financial factor. This value will be reassessed every three years.

Downstream external GHG emissions, caused by electricity consumption by viewers watching TF1 programmes, have been calculated to represent 190,000 tons of carbon equivalent, exceeding the totality of upstream Group emissions.

These figures will be consolidated with those of the Bouygues group, with a view to introducing a carbon statement planned for 2012 reporting on the 2011 year.

Action plan concerning internal GHG emissions, with the assistance of the Bouygues group

- Plan to reduce electricity consumption with an objective of a 1% decrease per year (see above);
- A purchasing and depreciation policy incorporating environmental criteria for IT hardware and broadcasting equipment;
- Employee travel:
  - corporate fleet: emissions limit of 170g/km of CO_2 set for fleet cars and incentives to use vehicles that emit less than 160g/km. Incentives to use public transport, reimbursement of public transport passes and bike-hire subscriptions raised from 60% to 80%,
  - use of Excellium diesel in report vehicles, hybrid car testing under way,
  - launch of the Commuting Plan in 2010,
  - introduction of an electric vehicle carsharing service for employees' professional travel, replacing the use of taxis,
  - eco-driving awareness day

OTHER GASES

Ahead of implementation of regulations concerning the gradual elimination of gases that damage the ozone layer (Regulation (EC) no. 2037/2000 of June 29, 2000, with a 2015 deadline), TF1 decided to replace various air-conditioning system components (around 1,600 heat pumps and air-conditioning cabinets and five iced water production systems) starting in 2006. Gas used in cooling equipment is one of the fluids covered by prevailing regulations. Every precaution is taken when purging obsolete equipment before scrapping it.

NOISE AND ODOUR POLLUTION

Eurosport is based in a residential area. It therefore insulated noise-emitting roof-top equipment as of 2001. Supplier equipment (cooling systems, air-refrigeration towers, air handling facilities, generators) is now expected to achieve specific performance levels in terms of noise pollution. An acoustics specialist is called in to verify the quality of these products.

During renovation of the headquarters generators, a venturi-type ventilation system was installed on the generator exhausts to improve the air mixture and consequently reduce the impact of exhaust gases.

WASTE MANAGEMENT

Waste tonnage has fallen sharply, down to 970 tonnes. But along with the Group's efforts in this area, the decrease also owes to increased precision in the weighing of collected waste. Wet waste is now weighed systematically. All waste, apart from kitchen waste for which an action plan is scheduled for 2012, is sorted and recovered, with 49% of the total recycled and the rest incinerated with energy recovery.

INDICATOR: QUANTITY OF COLLECTED WASTE (IN TONNES)

Site	2011	2010	2009
Tour/Atrium/Delta	774	1,238	1,273
Eurosport (Amiral)	196	214	120
GROUP TOTAL	**970**	**1,452**	**1,393**
Total recycled waste:	*476 (49%)*	*599 (40%)*	-

OFFICE WASTE

Taking into consideration the specific features of Group sites, waste sorting has been developed wherever feasible. Eurosport has installed dual-container waste bins (paper/other waste). At TF1 headquarters, in the La Tour building, the volume of waste to be removed and the associated logistics prompted Corporate Services to install a waste compressor that has been in operation since August 2003. Sorting is managed by a service company that re-sells the waste collected for recycling. The service provided includes detailed sorting by hand, and 90% of the content is recycled. Waste from the Atrium and Delta is collected and recovered by the local authorities.

"Cleaning Days" are organised in offices for relocations. Employees are provided with containers for sorting and throwing away documents, video cassettes, CDs and DVDs. This waste is destroyed or recycled by approved centres. (228 tonnes were collected during the first Cleaning Day in 2009, 111 tonnes in 2010, 96 in 2011.)

NEON LIGHT BULBS AND TONERS

Exprimm, the company responsible for on-site electrical maintenance, collects used neon light bulbs. All changed neon light bulbs are sent for recycling. Toner cartridges are also collected and recycled. Copier filters are changed regularly.

BATTERIES

A battery collection point has been installed in the cafeterias. Employees are encouraged to use them for both professional and personal battery collection. The weight of batteries collected is roughly one tonne.

COOKING OIL

Cooking oil is stored in special containers and removed by a specialist company.

ORDINARY INDUSTRIAL WASTE

This is handled by the Boulogne-Billancourt local authority. Service providers are aware of the issues concerning waste disposal; they do not use disposable wipes or non-biodegradable products for cleaning.

ELECTRONIC WASTE

End-of-life equipment can be given away to non-profit organisations and the sheltered sector or be sold to brokers. A total 19 tonnes of IT equipment was collected in 2011 and treated by the Waste Electrical and Electronic Equipment (WEEE) sector, with 12 tonnes dismantled for recycling and 7 tonnes reused.

DVD

TF1 Vidéo ensures collection by the distributor of unsold or faulty DVDs, which are then completely recycled by sheltered workshops or specialised companies. Some 375 tonnes of plastic and 28 tonnes of paper resulting from the destruction of CDs and DVDs were recycled in 2011.

OTHER ACTIONS IN 2011 FOR REDUCING WASTE AND IMPROVING RECYCLING

- Reducing waste at-source (waste containers reduced from 12 to 1, working with service providers, reduced packaging waste with the catering services provider).
- Collectors provided to employees for end-of-life DVDs and mobile phones. Handsets are reconditioned or recycled by Ateliers du Bocage, an organisation working in the social and community-based economy that helps to create and maintain employment for people in difficulty. The value of the reconditioned phones will be used to finance a reforestation programme in the Mata Atlantica forest in Brazil. The entire operation is being organised in collaboration with the Bouygues group (Bouygues Telecom) and Monextel, a company specialised in the recycling of mobile handsets by people in difficulty.
- Implementation of selective sorting at the TF1 “Club” restaurant. Sorting will also concern waste generated by events held in the TF1 foyer.
- Introduction of recyclable bags for snack food (for a savings of 36,000 disposable bags, or 1 tonne of waste a year).
- Increased use of mug detectors in automatic drink machines, reducing the use of plastic cups.

PLANNED IN 2012

- An action plan involving the catering services provider and staff, who will sort their own trays when leaving the restaurant. An initiative with the local authorities is under way to recover organic waste in the form of compost.

Product	What becomes of it?
Paper	Paper handkerchiefs and tablecloths
Batteries and car batteries	Re-used by industry after extraction of iron, manganese, zinc and mercury
Used cooking oil	Filtered and used as fuel
Printer toners	Container is dismantled, cleaned, refilled and sold
Used IT equipment	Equipment in fair condition is renovated and given to the sheltered sector, otherwise dismantled or destroyed
Furniture	Unusable items are destroyed and materials recycled. Items in satisfactory condition are donated to charities
Wet waste	Incinerated
DVDs	Cases resold and reused, paper insert recycled and discs transformed into plastic bottles or fleeces

EMISSIONS INTO WATER AND SOIL AND MEASURES TO LIMIT IMPACT ON ECO-BALANCE

Our service providers use no environmentally toxic products, as set out in the specifications for the service. Our maintenance partner, SAMSIC, has introduced a solution for producing surface-cleaning detergents and disinfectants using fresh water and salt via a water electrolysis process. This system holds a number of advantages regarding our sustainable development commitments, as the product is 100% biodegradable, non-aggressive and corrosion-free, and requires neither transport nor storage. Consumption: 50g of salt per hour and the electricity consumption of a 100W light bulb.

EXPENDITURE ON PREVENTING THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITY

Greenhouse gas emissions measurement and reduction are managed in-house. This type of activity does not generate any other specific environmental impact.

TF1 contributes €10,000 a year to the Ecoprod initiative (on developing tools to measure and reduce the carbon footprint of audiovisual production).

TF1 activities do not give rise to the implementation of provisions on the reduction of environmental risks or the introduction of an organisation structure to manage pollution accident outside company establishments.

MEASURES TAKEN TO ENSURE COMPLIANCE WITH LEGAL PROVISIONS

TF1 continues to monitor regulations governing its technical facilities that are rated as having a potential ecological impact ('ICPE' under the French environmental code).

The installations governed by this legislation are classified according to activity, extent of activity and level of risk or nuisance involved, and are therefore subject either to authorisation or to declaration. TF1 has several installations subject to ICPE regulations, including generators, cooling units and cooling towers.

Assessment results showed that all these installations complied with ICPE regulations and do not cause any pollution or other nuisance whatsoever.

ENVIRONMENTAL ASSESSMENT AND CERTIFICATION

Aside from its legal obligations, TF1 checks air quality (dust content, hygrometry) and water quality (coffee machines) five or six times a year. TF1 has SOCOTEC and VERITAS inspect all its installations (and air-cooling towers in particular).

TF1 works on environmental issues with certified service providers (ISO 9001 and/or 14001 for waste, electrical systems maintenance, purchase of furniture, etc.). There are no plans to audit the Environmental Management System itself, even though it is based on recognised standards.

In 2012 the Group will launch the first HQE Exploitation certification drive for a Group building.

EFFECT OF RADIOWAVES ON HEALTH

The broadcasting aerials located on the roof of the main TF1 building in Boulogne were monitored in 2007. The resulting measurements, which were passed on to the Health & Safety Committee, showed that authorised levels in the approach area around the aerials were not exceeded. Entrance to this area is reserved for a few technicians only, and the security zone is clearly marked and off-limits to unauthorised personnel.

Mobile aerials (broadcasting vehicles, air-transportable aerials) were assessed by APAVE, which found no anomalies. Operators must follow safety procedures when installing such aerials, and a one-and-a-half metre safety zone is marked out around such equipment when on the ground.

The Medical Department is highly vigilant and examines every radiowave-emitting system that is put into service.

IN-HOUSE ENVIRONMENTAL MANAGEMENT STRUCTURES

To handle issues concerning risk management, health and safety and the environment, TF1 has opted for a networked system rather than dedicated departments. This structure enables operational staff to be involved and suits the cross-cutting nature of these issues. The same principle applies to the task force responsible for taking action subsequent to the carbon audit. The CSR coordinator is responsible for ensuring that task force members have complementary skills and for supervising and reviewing progress.

STAFF TRAINING AND COMMUNICATION

Staff are regularly informed of sustainable development via in-house publications (Coups d'œil published monthly and Regards every four months), the intranet and special events. The Group organised an eco-driving day in 2011.

TF1 is a founding partner of the Nicolas Hulot Foundation.

7.6 RESPONSIBLE PURCHASING

Group commitment: involve suppliers in TF1's CSR policy as part of an extended company approach.

"Responsible Purchasing" policy

TF1 entrusts a number of contracts to external providers. To ensure that these latter share the Group's CSR policy and values, the Purchasing Department introduced the "Responsible Purchasing" policy on its creation in 2008. The Responsible Purchasing Charter of the Bouygues group has been rounded out by a system specific to TF1. A dedicated intranet site for the responsible purchasing policy went online in 2011, accessible to all staff, and 100% of buyers were trained on the policy.

Responsible Purchasing Committee

The Responsible Purchasing Committee meets twice a year, bringing together buyers from the main structures to review actions. Chaired by Jean-Michel Gras, Head of Purchasing, the committee includes managers from the main operational departments and human resources. It disseminates the "Responsible Purchasing" policy Group-wide, communicates on progress made and, in particular, works to promote the use of the sheltered sector.

Use of the sheltered sector

The Purchasing Department maintains a listing of establishments in the sheltered sector for a range of services, including printing, catering, packaging, and the creation and maintenance of green spaces. It raises awareness of the sheltered sector using in-house communication resources. With the Responsible Purchasing Committee and the Diversity Committee, it supports decision-makers and ensures the diversification of services.

Supplier assessment with Ecovadis

Suppliers' CSR policies are assessed using Ecovadis on the basis of four components: social aspects, the environment, business ethics, and purchasing policy. Assessments give rise to a report that supplies a rating on each component, an overall rating, the weak and strong points and opportunities of the company assessed, as well as a benchmark and 360° information. Analysis of these conclusions contributes to successful Supplier Relations management and is used to set up CSR coordination plans with suppliers. To date, the Group has assessed 148 of its suppliers with Ecovadis.

"Green Purchasing": clauses in specifications and contracts

The Purchasing Department includes "sustainable development" clauses in calls for tender to ensure that the environmental impact of the purchased product is minimised. This approach was reflected in 2011 by the introduction of a carsharing service with a fleet of electric vehicles open to all employees for their professional travel.

RESPONSIBLE PURCHASING INDICATOR

	2011	2010	2009
PR managed by the Purchasing Department (€ million)	650	600	600
PR business line total (€ million)	1,500	1,600	1,650
No. of suppliers assessed by Ecovadis(1)	148	89	25
PR(2) assessed by Ecovadis (€ million)	139	125	90
No. of suppliers for which the CSR charter is included in contracts/Order	121	76	39
Revenues with sheltered sector	319,000	433,000	417,000
% of buyers trained in responsible purchasing	100	15	15

(1) Total number of suppliers assessed in last 3 years (active and non-active, including those that failed to reply).

(2) PR (purchasing revenues) for the current year represented by the total number of suppliers assessed at least once in the last 3 years (active and non-active, including those that failed to reply) with purchasing revenues.