STATUTORY AUDITORS' REPORT

5

5.1 STATUTORY AUDITORS' REPORT ON THE REPORT BY THE CHAIRMAN

This is a free translation into English of a report issued in French and provided solely for the convenience of English-speaking readers. This report should be read in conjonction with, and construed in accordance with French law and professionnal auditing standards applicable in France.

Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de Commerce), on the report by the Chairman of the Board of Directors of Télévision Française 1 SA.

Year ended December 31, 2011

To the Shareholders,

In our capacity as Statutory Auditors of Télévision Française 1 SA, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de Commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

The Statutory Auditors

Paris La Défense and Courbevoie, February 15, 2012

KPMG Audit IS	MAZARS
Éric Lefebvre	*Gilles Rainaut*
	Olivier Thireau

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information not derived from the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2011

To the Shareholder's,

Following our appointment as Statutory Auditors by the Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of Television Française 1 SA ("the company");
- the justification of our assessments;
- the specific verification required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- each year end, the company performs impairment tests on goodwill and intangible assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in note 2.10 to the consolidated financial statements. Based on the information available to us, we examined the methods used to test for impairment and the cash flow forecasts and ensured that the note provides appropriate disclosures thereon.
- broadcasting rights are accounted for in accordance with the accounting policies described in note 2.12 to the consolidated financial statements. This note sets out the methods used to account for the consumption of Broadcasting rights and the principle used to determine impairment. Based on the information available to us, we examined the method used to determine the net present value of the programs and broadcasting rights and we ensured that the note provides appropriate disclosures thereon.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

The Statutory Auditors

Paris La Défense and Courbevoie, February 15, 2012

KPMG Audit IS	MAZARS
Éric Lefebvre	*Gilles Rainaut*
	Olivier Thireau

5.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information not derived from the financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2011

To the Shareholders,

Following our appointment as Statutory Auditors by the Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying financial statements of Television Française 1 SA ("the company");
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- note 2.4 to the financial statements describes the method used to determine the value in use of investments for which an impairment charge or provision may be recorded. Based on the information available to us, we examined the method used to determine the value in use of the investments and verified that the information provided in the note was appropriate;
- broadcasting rights are accounted for in accordance with the policies described in notes 2.2 and 2.5 to the financial statements, which set out the associated amortization and consumption methods and principle used to determine to impairment. Based on the information available to us, we examined the method used to determine the net present value of the broadcasting rights and verified that the information provided in the note was appropriate.

The assessments were made in the context of our audit of the financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de Commerce*) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlaying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders (and holders of the voting rights) has been properly disclosed in the management report.

The Statutory Auditors

Paris La Défense and Courbevoie, February 15, 2012

KPMG Audit IS	MAZARS
Éric Lefebvre	*Gilles Rainaut*
	Olivier Thireau

5.4 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION

This is a free translation into English of a report issued in French and provided solely for the convenience of English-speaking readers. This report should be read in conjonction with, and construed in accordance with French law and professionnal auditing standards applicable in France.

To the Shareholders,

As Statutory Auditors of TF1 SA, hereinafter referred to as «the company», and in compliance with our assignment pursuant to Article L. 225-209 of the French Commercial Code relating to share capital reductions through the cancellation of own shares, we have prepared this report to inform you of our assessment of the causes and conditions governing the planned share capital reduction.

The company's Board of Directors requests that you grant it, for a period of 18 months, with effect from the date of the current shareholder's Meeting, with the powers to implement the authorization to repurchase the company's own shares and cancel up to 5% of the shares repurchased, over a 24 month period. Authorization for the repurchase is subject to your approval at this Meeting (resolution No. 8) and would be granted for a period of 18 months.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French Institute of Statutory Auditors (CNCC). Our work involved examining the appropriateness of the terms and conditions of the planned share capital reduction, which is not likely to infringe shareholder's equal treatment.

We have no comments to make on the causes and conditions governing the planned share capital reduction.

The Statutory Auditors

Paris la Défense and Courbevoie, March 5, 2012

KPMG Audit IS	MAZARS
Éric Lefebvre	*Gilles Rainaut*
	Olivier Thireau

5.5 STATUTORY AUDITORS' SPECIAL REPORT DEALING WITH REGULATED AGREEMENTS AND UNDERTAKINGS

This is a free translation into English of the auditors'special report dealing with regulated agreements and undertakings issued in French and it is provided solely for the convenience of English-speaking users.

The special report includes information specifically required by French law in such reports, whether modified or not.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Annual General Meeting called to approve the financial statements for the year ending December 31, 2011

To the shareholders,

As Statutory Auditors of TF1 SA, we hereby submit to you our report dealing with regulated agreements and undertakings.

We are responsible, not for searching to identify any other regulated agreements and undertakings, but for communicating to you, based on the information with which we have been provided, the essential characteristics of those agreements and undertakings of which we have been informed, without expressing any opinion as to their justification or utility. As provided for by section R. 225-31 of the French Commercial Code, you are then free to judge as to the usefulness of those agreements and undertakings before deciding whether to approve them.

We are also required to communicate to you, if necessary, the information provided for by section R. 225-31 of the French Commercial Code as regards the performance, during the last financial year, of any agreements and undertakings already approved by shareholders during previous General Meetings.

We have performed our examination in accordance with the professional standards applicable in France (and issued by the *Compagnie nationale des commissaires aux comptes*) which require that we verify the agreement of the information provided to us with the source documents on which it is based.

Agreements and undertakings submitted for approval by shareholders during the present General Meeting

AGREEMENTS AND UNDERTAKINGS AUTHORISED BY THE BOARD OF DIRECTORS DURING THE YEAR

As required by section L. 225-40 of the French Commercial Code, we were informed of the following agreements and undertakings authorised in advance by your Board of Directors:

WITH FIRÉLIE

On January 9, 2012, TFI and Firélie signed a commercial lease in respect of certain premises (South wing building).

The lease was signed for nine years and 10 days starting December 22, 2011, with a firm commitment to six years, six months and ten days.

In respect to the period from December 22, 2011 to December 30, 2011, the rent billed by Firélie amounted €92,771.74 (net of VAT).

Persons concerned

- TF1 is a shareholder of Firélie through its subsidiary TF1 Expansion.

WITH AIRBY

Use of airplanes owned by Bouygues

The agreement offers TF1 the possibility of contracting with AIRBY, SNC owned by Bouygues and SCDM, which operates a Global 5000 airplane or in case of unavailability, a Challenger 605 airplane or any other similar airplane.

Since January 1, 2012, invoicing will be based on an hourly lump-sum payment of €7,000 (net of VAT) including the airplane and all inclusive services (crew, fuel).

This agreement has no financial impact in that respect in 2011 and might have in respect to 2012.

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

WITH THE "32 AVENUE HOCHE" JOINT VENTURE

Use of office premises

The agreement provides for use granted to TF1 by the "32 avenue Hoche" joint venture of function and meeting rooms located on the 1st floor of 32 avenue Hoche, as well as for related services such as reception, computer facilities and secretarial services.

In respect to 2012, the joint venture will receive €10,529 (net of VAT). This agreement has no financial impact in that respect in 2011. It may have some effects on 2012.

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

WITH BOUYGUES

Shared services agreement

The agreement provides for specific services supplied on a shared services basis by Bouygues to TF1, at TF1's request, part of which may be invoiced as a residual adjustment. In 2011 Bouygues invoiced a total of €3,496,979 (net of VAT) to TF1 under this agreement, of which €55,398 (net of VAT) related to the residual adjustment for the services rendered in 2010.

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

Executive Directors' supplementary pension entitlement

By virtue of a contract governed by the French Insurance Code, the members of Bouygues' Executive Committee are entitled to a defined supplementary pension benefit amounting to 0.92% of their applicable annual salary for each year of plan entitlement, up to a limit of eight times the maximum remuneration subject to social security contributions.

Nonce Paolini, TF1 Chief Executive Officer, was a member of that committee in 2011.

Bouygues invoiced €224,222.88 (net of VAT) in that respect in 2011.

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

WITH TF1 SUBSIDIARIES: TMC, NT1 AND TF1 DISTRIBUTION NOT INCLUDED

Service agreements exist under which TF1 may provide subsidiaries, at their request, with specific services notably rendered by TF1's Management and Human Resources, Legal and Financial Departments. Separate bases of allocation (dependent on subsidiaries' headcount and revenue) are applied for each type of cost to be apportioned.

The amounts invoiced in 2011 by TF1 to its subsidiaries under these agreements were as follows:

(In € thousands)	*Net of VAT*
TF1 PUBLICITÉ	3,993
EUROSPORT	2,740
TF1 PRODUCTION (ex Glem)	1,067
e-TF1	840
TF1 VIDÉO	719
LA CHAÎNE INFO	698
TÉLÉSHOPPING	641
EUROSPORT France	416
TF1 ENTREPRISES	376
TF1 DROITS AUDIOVISUELS	251
TV BREIZH	216
TF1 FILMS PRODUCTION	178
OUEST INFO	85
DUJARDIN	79
STYLIA	78
WE ARE TALENTED	61
TOP SHOPPING	49
INFOSHOPPING	48
ONECAST	44
HISTOIRE	38
USHUAÏA TV	23
EZ TRADING	11
TF1 INSTITUT	9
UNE MUSIQUE	2
TOTAL	**12 662**

The above total of €12,662 thousand included €12,636 thousand in respect of 2011 and €26 thousand of residual adjustment for the services rendered in 2010.

Persons concerned

- Olivier Bouygues and Nonce Paolini, TF1 is a shareholder.

WITH TF1 SUBSIDIARIES TMC, NT1 AND TF1 DISTRIBUTION

Service agreements exist under which TF1 may provide subsidiaries, at their request, with specific services notably rendered by TF1's Management and Human Resources, Legal and Financial Departments. Separate bases of allocation (dependent on subsidiaries' headcount and revenue) are applied for each type of cost to be apportioned.

The amounts invoiced in 2011 by TF1 to TMC, NT1 and TF1 Distribution under these agreements were as follows:

(In € thousands)	*Net of VAT*
TMC	479
NT1	211
TF1 Distribution	9
TOTAL	**699**

The above total invoiced by TF1 amounted €699 in respect of 2011.

Persons concerned

- Nonce Paolini, TF1 is a shareholder.

WITH LA CHAÎNE INFO (LCI)

Under an agreement dated October 12, 2005 TF1 has the faculty, on major occasions, of transmitting LCI's broadcast as a means of providing immediate coverage of the event.

In 2011 LCI received a lump-sum annual payment of €5,000,000 (net of VAT) under this agreement.

Persons concerned

- Nonce Paolini. TF1 is a shareholder.

WITH e-TF1

Under a business lease signed between e-TF1 and TF1 and last modified on July 13, 2007, TF1 receives royalties based on the revenue earned by e-TF1.

The royalties received in 2011 amounted to €986,000 (net of VAT).

Persons concerned

- TF1 is a shareholder.

AGREEMENTS AND UNDERTAKINGS FROM PRIOR YEARS BUT NOT YET SUBMITTED FOR APPROVAL BY SHAREHOLDERS DURING GENERAL MEETING

We bring to your attention the following agreement authorised by the Board of Directors in 2010 and included in our special report for 2010, but not subject to approval by shareholders at the Annual General Meeting called to approve the financial statements for 2010, considering that their financial impacts were in respect to 2011.

WITH THE "32 AVENUE HOCHE" JOINT VENTURE

Use of office premises

The agreement provides for use granted to TF1 by the "32 avenue Hoche" joint venture of function and meeting rooms located on the 1st floor of 32 avenue Hoche, as well as for related services such as reception, computer facilities and secretarial services.

In respect to 2011, the joint venture received €9,366 (net of VAT).

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

WITH BOUYGUES

Use of airplanes operated by Bouygues

The agreement offers TF1 the possibility of contracting with Bouygues' Air Transport Department which operates a fleet of airplanes. TF1 may pay a lump-sum payment based on hours of used of planes, €8,000 (net of VAT) for the plane Global and €6,000 (not of VAT) for the plane Hawker.

No invoice was issued by Bouygues in this respect during 2011, as TF1 has no use of the fleet in respect to 2011.

Persons concerned

- Patricia Barbizet, Martin Bouygues, Olivier Bouygues and Nonce Paolini. Bouygues is a shareholder.

Agreements and undertakings approved by shareholders during previous General Meetings

AGREEMENTS AND UNDERTAKINGS PREVIOUSLY APPROVED

- **Which remain in force**

As required by section R. 225-30 of the French Commercial Code, we were informed that the following agreements and undertakings, approved by shareholders during prior years, remained in force during the current year.

WITH EUROSPORT

On October 1, 2006, TF1 granted Eurosport a €160 million five year loan repayable in full at the latest on September 30, 2011 but with the option of early repayment (without penalty but irrevocable) in amounts of at least €10 million.

Interest is payable quarterly and in arrears based on a fixed rate (arising from a fixed rate/3 month Euribor swap contracted for on September 28, 2006) plus a spread of 0.375%.

TF1 received interests amounted to €1,627,880 in respect to the period January 1, 2011 to April 1, 2011, considering the agreement ended on April 1, 2011.

- **Which don't remain in force**

We have not been informed of any agreement previously approved with no impact in respect to 2011.

AGREEMENTS AND UNDERTAKINGS APPROVED DURING 2011

We have been informed of the enforcement during 2011, of the following agreements and undertakings previously approved by shareholders during the Annual General Meeting dated April 14, 2011 based on our special report dated March 1, 2011.

WITH APHÉLIE SNC

Commercial lease

On June 19, 2009, TFI and Aphélie signed a commercial lease in respect of certain premises (IGH buildings, north wing and central portion of the Point du Jour building).

The lease was signed for nine years and nine days, with a firm commitment to six years and nine days, and provided for a rent-free period of twelve months and nine days.

In respect to 2011, the rent billed by Aphélie SNC amounted to €13,753,605.17 (net of VAT).

The Statutory Auditors

Paris La Défense and Courbevoie, February 15, 2012

KPMG Audit IS	MAZARS
Éric Lefebvre	*Gilles Rainaut*
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