Boulogne-Billancourt, July 23, 2010

Consolidated revenue up 14%
Three-fold increase in operating profit to €104m
Net profit up 51% at €74m

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 22, 2010 to adopt the financial statements for the first half of 2010.

CONSOLIDATED FIGURES (€m)	H1 2010	H1 2009	Change %	Change €m
Revenue	**1,285**	**1,130**	**+14%**	**+155**
TF1 Channel advertising	*765*	*687*	*+11%*	*+78*
Other activities	*520*	*443*	*+17%*	*+77*
Operating profit	**104**	**38**	**x3**	**+66**
Cost of net debt	(10)	(10)	-	-
Net profit attributable to the Group	**74**	**49**	**+51%**	**+25**

Revenue growth

TF1 Group **consolidated revenue** rose by €155m (14%) in the first half of 2010 to €1,285m.
Advertising revenue for the TF1 channel was €765m, up €78m (11%) on the first half of 2009. TV became the no.1 medium in France in terms of advertising spend in the first six months of 2010, and advertisers upped their spending on the TF1 channel.
Diversification revenue came to €520m, a year-on-year increase of €77m (17%), including €33m from the resale of 2010 FIFA World Cup rights. Excluding this resale, diversification revenue rose by 10%. Most diversification activities enjoyed a dynamic first half, with Eurosport International performing particularly well.

Tight cost control

Programming costs for the TF1 channel totalled €483m (versus €455m in the first half of 2009), reflecting the €60m of costs associated with the 2010 FIFA World Cup during the period.
Excluding exceptional sporting events, programming cost savings of €33m were achieved, including **€12m** of recurring savings under the optimisation plan.
Contract renegotiations generated a further **€6m** of savings.
Overall, the **ongoing optimisation measures** therefore generated a **further €18m of recurring cost savings** in the first half of 2010.

Significant growth in operating margin

The TF1 Group made an **operating profit** of €104m in the first half of 2010, an advance of €66m on the 2009 first-half figure.
Operating margin reached 8.1%, compared with 3.3% for the first half of 2009 and 4.3% for 2009 as a whole.
Second-quarter operating profit was €60m, an increase of €11m (23%) on the comparable period of 2009. Operating margin for the second quarter was 8.8%, even after the costs associated with the 2010 FIFA World Cup.

These performances confirm, quarter by quarter, the effectiveness of the steps taken by the TF1 Group to migrate towards a more favourable business model.

Net profit of €74m

Cost of net debt was unchanged at €10m.
Net profit for the first half of 2010 was **€74m,** an increase of 51% relative to the 2009 first-half figure of €49m (which included a €20m gain on the remeasurement of the Canal+ France put option).

Healthy balance sheet

As of June 30, 2010, **shareholders' equity** stood at €1,388m, out of a balance sheet total of €3,704m.
Net debt at end June 2010 was €120m, compared with a net cash surplus of €73m at December 31, 2009 and net debt of €820m at June 30, 2009. The year-on-year change reflects TF1's sale of its 9.9% interest in Canal+ France, partly offset by the acquisition of additional equity interests in the TMC and NT1 channels.

On July 7, 2010, Standard & Poor's reiterated the TF1 Group's "BBB/A-2" credit rating, but upgraded its outlook from "stable" to "positive".

Segmental analysis

Revenue by segment (€m)	Q1 2010	Q1 2009	Change %	Q2 2010	Q2 2009	Change %	H1 2010	H1 2009	Change %
Broadcasting France	481	436	+10%	563	477	+18%	1 044	913	+14%
Audiovisual Rights	32	33	-3%	28	36	-22%	60	69	-13%
Broadcasting International	84	69	+22%	97	78	+24%	181	147	+23%
Other Activities	0	0	na	0	1	ns	0	1	ns
Total Group TF1	**597**	**538**	+11%	**688**	**592**	+16%	**1,285**	**1,130**	+14%

Broadcasting France: strong audience ratings

Revenue for the Broadcasting France division rose by 14% in the first half of 2010 to €1,044m, driven mainly by an upturn in advertising spend on TF1, TMC, Eurosport and e-TF1.

During the period, the **TF1 channel** retained its unrivalled position as France's leading TV channel and a leading European media player, with an audience share of 24.8% among individuals aged 4 and over and of 28.2% among "women aged under 50 purchasing decision-makers", the prime target audience for advertisers (1).
The channel was the **only established TV channel to increase its prime-time audience ratings** in the first half of 2010, attracting an average of 6.6 million viewers (up 200,000 year-on-year) and achieving 49 of the top 50 audience ratings (1).

The 2010 FIFA World Cup was a great success, with the TF1 Group registering very good performances and record viewing figures across its various media channels. TF1 attracted the highest audience since the start of the year as **15.2 million people** watched the France-Mexico match on June 17, 2010. The World Cup Final between the Netherlands and Spain attracted 14.1 million viewers, the highest audience for a football match not involving a French team since Médiamat was created in 1989(1).

In the first half of 2010, **827 million free videos** were watched on the Group's websites, including 418 million catch-up videos. This means that in the first half of 2010 alone, more catch-up videos were viewed on the TF1.fr site than over the whole of 2009 (400 million) (3).

In June 2010, **TMC** attracted 3.2% of individuals aged 4 and over, making this general-interest channel (France's leading DTT broadcaster) the **sixth most-watched national channel**.

Tight cost control across all activities enabled the Broadcasting France segment to report an operating profit of €83m, giving an operating margin of 8.0%.

Audiovisual Rights: lower revenues, but a sharp reduction in costs

The Audiovisual Rights segment reported a €9m fall in revenue relative to the first half of 2009.
The success of the films released into cinemas during the period by **TF1 Droits Audiovisuels** was not enough to offset the fact that there were fewer releases than in the first half of 2009.
TF1 Vidéo saw a decline in volumes sold, due to a limited line-up and a tough comparative as a result of successful releases in 2009. The volume effect was exacerbated by structural downward price pressure.

The impact of the drop in revenues was cushioned by cost reductions, limiting the operating loss to €6m (versus a €15m loss for the first half of 2009).

International Broadcasting: 15% operating margin

Eurosport International achieved 23% revenue growth, to €181m. Eurosport International reported a 19% rise in subscription revenue thanks to expansion into new territories (such as South-East Asia and Australia), a new strategy of developing add-on channels, and technological innovations such as HD. Tight cost control helped Eurosport International generate an operating profit of €27m, giving an operating margin of 15% (versus 14% in the first half of 2009).

SPS launched its online gaming and betting operations in France under the EurosportBET and EurosportPoker banners in June 2010.

Outlook for 2010

After a dynamic first half in terms of both advertising and diversification revenue, and with TMC and NT1 due to be consolidated from July 1, 2010, TF1 is revising its 2010 full-year revenue guidance upward to €2,530m (7%), compared with the 2009 full-year figure of €2,365m.

The strategy adopted just over two years ago is now in place, as demonstrated by the acquisition of control over TMC and NT1 on June 11, 2010; the success of the 2010 FIFA World Cup across all the Group's media channels; the forging of alliances to protect some of the Group's businesses (movie production, online gaming/betting); the distribution of TF1 content by telecoms operators; and the ability to constantly adapt the business model, as illustrated by the 2010 first-half results.

The medium-term objective of raising profitability to the average enjoyed by leading European TV channels remains in place, though the EBITDA/revenue ratio of 20% is no longer viable given the changes in economic conditions between 2008 and 2010. The strategy should have the added benefits of stabilising programming costs and giving a more balanced mix of revenues between the TF1 channel and the Group's other activities.

Corporate governance

The Board of Directors – acting on a proposal from the Director Selection Committee – co-opted Laurence Danon, Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance, to serve as an independent Director.

(1) Source: Médiamétrie
(2) Market leadership in TF1 prime-time slots
(3) Source: Médiamétrie NNR Panel May 2010 and eStat, streaming TV

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

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Half-Year Financial Report

First Half of 2010

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

Boulogne, July 22, 2010

To the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2010 have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and of the undertakings included in the consolidation as a whole, and the interim management report appended hereto gives a fair presentation of important events that have occurred during the first six months of the financial year, of their impact on the financial statements, and of major related party transactions, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

The Chairman and Chief Executive Officer
Nonce Paolini

Consolidated key figures

€m	**2010: 1st half**	**2009: 1st half**	**2009: full year (12 months)**
Consolidated revenue	1,284.6	1,130.1	2,364.7
TF1 channel advertising revenue	*764.6*	*686.5*	*1,429.4*
Revenue from other activities	*520.0*	*443.6*	*935.3*
Operating profit	104.4	37.5	101.3
Net profit	73.9	49.1	114.5
Operating cash flow*	132.5	85.0	185.8
Shareholders' equity	1,387.9	1,327.8	1,396.4
Net surplus cash/(net debt)	(120.1)	(820.3)	72.8
Basic earnings per share (€)	0.35	0.23	0.54
Diluted earnings per share (€)	0.34	0.23	0.53

* Operating cash flow before cost of net debt and income taxes.

	2010: 1st half	**2009: 1st half**	**2009: full year (12 months)**
Weighted average number of shares outstanding ('000)	213,396	213,396	213,396
Closing share price at end of period (€)	10.8	8.0	12.9
Market capitalisation at end of period (€bn)	2.3	1.7	2.8

Income statement contributions by segment

€m	Revenue 2010 1st half	Revenue 2009 1st half	Revenue 2009 full year	Operating profit/(loss) 2010 1st half	Operating profit/(loss) 2009 1st half	Operating profit/(loss) 2009 full year
BROADCASTING FRANCE	**1,043.4**	**913.0**	**1,893.0**	**83.2**	**32.2**	**87.8**
TF1 SA [a]	769.5	691.1	1,443.9	56.9	19.9	44.0
Téléshopping	59.8	55.8	103.7	2.7	2.3	4.0
Theme channels – France [b]	107.9	97.5	194.3	11.8	8.5	15.1
TF1 Entreprises	15.8	13.7	39.1	0.3	(1.8)	(1.6)
Production [c]	10.1	10.5	22.1	(0.1)	4.1	1.8
e-TF1	37.3	36.9	72.8	0.1	(3.5)	(3.4)
Other [d]	43.0	7.5	17.1	11.5	2.7	27.9
AUDIOVISUAL RIGHTS	**60.0**	**68.9**	**151.0**	**(5.6)**	**(15.2)**	**(22.5)**
Catalogue [e]	24.4	25.8	57.6	0.7	(9.8)	(9.4)
TF1 Vidéo [f]	35.6	43.1	93.4	(6.3)	(5.4)	(13.1)
BROADCASTING INTERNATIONAL [g]	**181.2**	**147.3**	**319.2**	**26.8**	**22.3**	**41.3**
OTHER ACTIVITIES [h]	**-**	**0.9**	**1.5**	**-**	**(1.8)**	**(5.3)**
TOTAL – CONTINUING OPERATIONS	**1,284.6**	**1,130.1**	**2,364.7**	**104.4**	**37.5**	**101.3**

[a] Includes SNC Aphélie.
[b] Includes Eurosport France, LCI, TV Breizh, TMC, TF6, Série Club, Odyssée, Histoire, Ushuaïa TV and TF1 Digital.
[c] TV and movie production entities.
[d] Mainly comprises TF1 Publicité, TF1 Expansion and TF1 DS, which carries the resale of rights to the 2010 FIFA World Cup
[e] Mainly comprises TF1 Droits Audiovisuels, TF1 International, UGC Distribution, Telema and TCM.
[f] Including CIC.
[g] Eurosport International, SPS and France 24 (the interest in France 24 was sold to Audiovisuel Extérieur de la France (AEF) on February 12, 2009).
[h] Top Ticket.s (Pilipili). This company was sold on November 17, 2009.

2010 Key Events

January

January 11, 2010: TF1 signed a Diversity Charter, underscoring the Group's commitment in this area.

January 26, 2010: The French Competition Authority cleared the acquisition of control over TMC and NT1 by the TF1 Group, subject to undertakings on future conduct.

February

February 2, 2010: TF1 and La Française des Jeux, France's leading consumer gaming operator, announced a 3-year partnership deal that will give TV viewers and Internet users access to a dedicated gaming zone on the TF1.fr website.

February 11, 2010: TF1 received the Top Com Corporate Business 2010 award in the Internal Communication category for its Disability Awareness campaign, devised by the Publicis Consultants agency.

February 15, 2010: TF1 launched MyTéléfoot, the first dedicated multi-screen football platform for younger audiences, presented by Christian Jeanpierre, Bixente Lizarazu, Eric Hannezo and Thierry Espalioux.

February 15, 2010: TF1, France Télévisions and the Canal+ Group signed an agreement on broadcasting rights for the FIFA 2010 World Cup, under which the TF1 Group granted France Télévisions and the Canal+ Group live broadcasting rights to 37 of the 64 matches in the competition.

March

March 8, 2010: TF1 Publicité, e-TF1 and HighCo, the European market-leader in couponing and sampling, launched TF1 CONSO, a unique cross-media promotional offer with a presence on TV, on the web, and in the field.

March 8, 2010: TF1, which already owned 50% of SPS via its Eurosport subsidiary, raised its interest to 100% by buying out the 50% stake held by the Serendipity investment fund.

March 9, 2010: TF1 received the *Décision Achats* magazine award in the “Professionalisation of Purchasing” category in recognition of the Group’s achievements in deploying the Purchasing Project launched at end 2007.

March 23, 2010: The CSA, the French audiovisual regulator, cleared the acquisition by TF1 of the 100% of NT1 and the 40% of TMC held by the AB Group.

April

April 6, 2010: The French National Assembly passed a law allowing online gaming, and establishing an Online Gaming Regulatory Authority (ARJEL).

April 15, 2010: The “Hommage” campaign once again won an award in the 25th “Grand prix” of the French Association for the Promotion of Magazine Advertising (APPM).

May

May 3, 2010: TF1 and Orange, the leading mobile phone operator, signed a partnership deal to offer Orange subscribers access to the MyTF1 portal on Livebox, along with a range of TF1 entertainment content on the internet and on Orange mobiles.

May 6, 2010: The new version of WAT.tv, the TF1 Group’s video platform, was launched.

May 25, 2010: A world first: TF1 announced that it would broadcast 5 matches from the FIFA 2010 Football World Cup in 3D.

June

June 8, 2010: SPS obtained two licences from ARJEL, enabling it to operate in the French online sports betting and poker markets, under EurosportBET and EurosportPOKER brands.

June 11, 2010: The AB Group and TF1 finalised the purchase by TF1 of direct ownership of the 100% interest in the NT1 channel and the 40% interest in the TMC channel owned by the AB Group.

June 17, 2010: Record audience figures for the France/Mexico match, which attracted 15.2 million viewers or 56% of individuals aged 4 and over [1]. This was the 15th largest audience for a football match since Médiamat ratings began in 1989.

June 29, 2010: MyTF1 won first prize in the “Design and Graphics” category of the International Interactive TV Awards.

[1] Source: Médiamétrie

Management Review

Boulogne-Billancourt – July 22, 2010

Significant events of the period

The significant events of the period are described in note 1 to the half-year consolidated financial statements.

Changes in accounting policy

Changes in accounting policy are described in note 2.3 to the half-year consolidated financial statements.

Revenue

TF1 Group consolidated revenue for the first half of 2010 was €1.284.6m, an increase of €154.5m (13.7%).

First-half revenue comprised:

- €764.6m of TF1 channel advertising revenue, an increase of €78.1m (11.4%). During the first half of 2010, TV became the no.1 medium in France in terms of advertising spend. Advertisers upped their spend on TF1 substantially, responding to the channel's proven status as un unrivalled mass medium and its ability to deliver exposure of unparalleled effectiveness.

- €520.0m of diversification revenue, a rise of €76.4m (17.2%), including €33m from the resale of rights to the 2010 FIFA World Cup. Most of TF1's diversification activities enjoyed a dynamic first half, and in particular Eurosport International.

TF1 Group consolidated revenue for the second quarter of 2010 was €687.7m, an increase of €95.5m (16.1%).

Second-quarter revenue comprised:

- €401.8m of TF1 channel advertising revenue, a rise of €36.3m (up 9.9%). Advertising revenue was boosted by the 2010 FIFA World Cup, while slower growth in volumes than during the first quarter (due to an unflattering comparative and the broadcasting of World Cup matches) was offset by an increase in rate scales.

- €285.9m of diversification revenue, an increase of €59.2m (26.1%).

Programming costs

TF1 channel programming costs, including the impact of non-recurring sporting events (such as the 2010 FIFA World Cup), totalled €482.6m for the first half of 2010, against €455.3m for the comparable period of 2009.

This increase of €27.3m reflects the following factors:

- €54.4m of costs due to the broadcasting of 21 2010 FIFA World Cup matches in June 2010 (the total rights to the 27 matches that TF1 chose to screen in June and July 2010 were valued at €70m);
- €5.7m in production costs for the 2010 FIFA World Cup matches broadcast by the channel;
- €32.8m of savings, comprising:
    - €10.8m due to the replacement of some programmes by football matches during June;
    - €22.0m achieved on the rest of the channel's output.

Optimisation plan

Of the €22.0m savings achieved in programming costs during the first half of 2010, €12.0m can be regarded as recurring thanks to the renegotiation of some contracts and optimisation of schedules.
Renegotiations of supplier contracts (other than rights contracts) generated €6m of recurring savings in the first half of 2010.

Following the €32m of savings achieved in 2008 and the €74m achieved in 2009, the TF1 Group therefore achieved a further €18m of recurring savings during the first half of 2010.

Operating profit

The TF1 Group made an operating profit of €104.4m in the first half of 2010, €66.9m higher than in the first half of 2009.
Operating margin was 8.1%, against 3.3% for the first half of 2009 and 4.3% for 2009 as a whole.

Second-quarter operating profit was €60.6m, up €11.3m (22.9%) on the second quarter of 2009.
Operating margin for the second quarter was 8.8% even with the costs of the 2010 FIFA World Cup included.

These performances confirm, quarter by quarter, the effectiveness of the steps taken by the TF1 Group to migrate towards a more favourable business model.

Note that following the buyout of the remaining 50% interest in SPS, the 2010 first-half operating profit figure includes a gain of €6.1m. This gain arose because the equity interest in SPS already held by Eurosport was remeasured to reflect the price paid to Serendipity for the remaining interest (in accordance with the revised IFRS 3, applicable from January 1, 2010).
This €6.1m non-recurring gain recognised in the first half of 2010 is of a similar nature to the €4m gains that were recognised on the divestment of Surinvitation.com and France 24 in the first half of 2009.

Profit for the period

The cost of net debt rose from €9.8m for the first half of 2009 to €10.4m for the first half of 2010, due to two factors: the cost of carrying the Group's bond debt in the first half of 2010, and the non-recurrence of the fair value remeasurement gain recognised in the first half of 2009 due to the fall in money-market rates in 2009.

Other financial income and expenses showed a net gain of €3.4m in the first half of 2010, against a net gain of €19.6m for the comparable period of 2009. The year-on-year change reflected:

- the recognition in the 2009 first-half financial statements of the fair value remeasurement of the put option over the 9.9% interest in Canal+ France;
- a change in the impact of fair value remeasurements of currency hedges.

Income tax expense for the first half of 2010 was €30.3m, a rise of €24.7m, in line with the increase in net profit.

The share of profits from associates for the period was €6.8m, thanks to the results of the AB Group[1] and its subsidiaries.

Overall, net profit for the first half of 2010 was €73.9m, an increase of €49.1m (50.5%) on the 2009 first-half figure (which included a €20.3m gain on the remeasurement of the Canal + France put option).
Net profit for the second quarter of 2010 was €41.3m, versus €42.7m for the comparable period of 2009.

Balance sheet

As of June 30, 2010, shareholders' equity stood at €1,387.9m, out of a balance sheet total of €3,704.1m.

The Group had net debt of €120.1m as of June 30, 2010, compared with net surplus cash of €72.8m as of December 31, 2009 and net debt of €820.3m as of June 30, 2009. The year-on-year change reflects TF1's sale of its 9.9% interest in Canal+ France at the end of 2009, partly offset by the June 2010 acquisition by TF1 of additional equity interests in the TMC and NT1 channels.

As of June 30, 2010, TF1 had confirmed bilateral credit facilities of €1,155.5m with various banks, enabling the Group to retain a solid financial position. None of these facilities was drawn down as of June 30, 2010.

The financial position of the TF1 Group remains sound.

The bond issue carried out on November 12, 2003 matures on November 12, 2010. At present, the TF1 Group has sufficient cash resources and confirmed credit facilities available to redeem this issue when it matures.

The TF1 Group has a credit rating from Standard & Poor's. On July 7, 2010, Standard & Poor's reiterated the Group's "BBB/A-2" rating, and upgraded its outlook from "stable" to "positive".

[1] The results of the AB Group are reported with a three-month time lag.

Outlook for 2010

After a dynamic first half in terms of both advertising and diversification revenue, and with TMC and NT1 due to be consolidated from July 1, 2010, TF1 is revising its 2010 full-year revenue guidance upward to €2,530m (7%), compared with the 2009 full-year figure of €2,365m.

The strategy adopted just over two years ago is now in place:

- On June 11, 2010, the TF1 Group reinforced its position in free-to-air TV by acquiring TMC and NT1;
- the 360 strategy, involving the exploitation of rights across all of the Group's media channels, is now up and running, as demonstrated by the success of the 360 approach to the 2010 FIFA World Cup;
- the business model is being constantly adapted so as to build satisfactory margins, with diversification and revenue growth now being coupled with tighter control over programming costs and overheads;
- the TF1 Group has moved into new markets such as online gaming/betting and customer relationship management, and has altered the way in which it deals with telecoms operators;
- the Group has entered into alliances in order to protect some of its activities (movie production, online gaming/betting).

The medium-term objective of raising profitability to the average enjoyed by leading European TV channels remains in place, though the EBITDA/revenue ratio of 20% is no longer viable given the changes in economic conditions between 2008 and 2010.
The strategy should have the added benefits of stabilising programming costs and giving a more balanced mix of revenues between the TF1 channel and the Group's other activities.

1. Broadcasting France

In the first half of 2010, the Broadcasting France division generated revenue of €1,043.4m (up 14.3%) and an operating profit of €83.2m (€51.0m higher than in the first half of 2009). Operating margin for the first half of 2010 was 8.0%, versus 3.5% for the comparable period of 2009.

1.1. TF1 channel

During the first half of 2010, the recovery in the advertising market helped the TF1 channel achieve revenue of €769.5m (up 11.3%) and an operating profit of €56.9m (up €37.0m, even after costs associated with the 2010 FIFA World Cup).
The channel's advertising revenue rose by 11.4% to €764.6m.

TF1 channel[2]

Television viewing in France was very buoyant during the first half of 2010, with the average daily viewing time per head reaching 3 hours, 35 minutes (a year-on-year increase of 7 minutes). In particular, the target audience of "women aged under 50 purchasing decision-makers" is watching more TV, with the average viewing time rising by 10 minutes to 3 hours, 47 minutes. This is the second-highest level ever, after the record of 3 hours, 49 minutes set in the first half of 2007.

At the end of the first half of 2010, 93% of individuals aged 4 and over in France had access to 18 or more TV channels, 8 percentage points higher than at the same stage in 2009. Free-to-air digital terrestrial TV (DTT) continues to grow, attracting an 18.9% audience share, versus 14.3% for the comparable period of 2009 (individuals aged 4 and over).

In such a fragmented environment, all the established channels were affected by the expansion of DTT. Over the first half of 2010, TF1 attracted a 24.8% audience share among individuals aged 4 and over, compared with 26.3% for the first half of 2009. Among the target audience of "women aged under 50 purchasing decision-makers", TF1 had a 28.2% audience share for the first half of 2010 (versus 29.5% for the first half of 2009). In line with its strategy, TF1 continued to record excellent figures in time slots with high monetisation potential, with a bigger gap over its closest rival than for the day as a whole, especially among target audiences for advertisers. TF1 was the only major national channel to attract new viewers year-on-year (with an increase of 200,000), taking the average prime time audience for the first half of 2010 to 6.6 million.

Thanks to an editorial policy focusing on popular, must-see programming, TF1 was the no.1 player across all the genres broadcast by the channel.

[2] Source: Médiamétrie - Market leadership in TF1 prime time slots
Source: eStat streaming TV data

French drama: The new Monday-night drama offering pulled in an average of 7.3 million viewers, the main attraction being *Clem* (9.4 million viewers, 2.5 million video hits on TF1.fr).
Other very strong performers included the final run of *Joséphine, Ange gardien* (8.5 million viewers for the 50th episode), *Une Famille Formidable* (8.4 million viewers), *Camping Paradis* (a record audience of 7.9 million), and *Folie Douce* (7.4 million viewers).
The Thursday night crime slot increased its audience by 600,000, attracting an average of 6.4 million viewers during the first half of 2010.
Highlights included record figures for *Julie Lescaut* (7.5 million viewers), the second run of *Profilage* (6.7 million viewers), *Affaires Etrangères* (7.5 million viewers), *Section de Recherche* (7.4 million viewers) and *Alice Nevers, le Juge est une Femme* (7.4 million viewers).

Non-scripted programmes: With a combination of major live events, game-shows, reality TV and magazines programmes, TF1 attracted the highest audience ratings. Highlights included:

- prime time:
    - *Les Enfoirés, la Crise de Nerf* with 11.6 million viewers, and the live broadcast of *La dernière de Gad Elmaleh* with 6.8 million viewers;
    - *Koh Lanta*, *le Choc des Héros*, which drew up to 8.3 million viewers and also attracted 4 million unique visitors to its official website and generated over 8 million video hits.
- access prime time:
    - *Le Juste Prix*, with an average of 5.1 million viewers;
    - *La Roue de la Fortune*, with an average of 4.1 million viewers.
- late evening:
    - *Opération Tambacounda*, with up to 2.3 million viewers;
    - *Link*, with up to 1.8 million viewers.

Kids: With blockbusters like *Mini-justiciers*, *Ni Hao Kaï Lan*, *Totally Spies*, *Bob l'Eponge* and *Casper*, TFou is the favourite kids' channel, attracting 28% average audience ratings in the 4-10 age bracket during the first half of 2010.

American serials: *The Mentalist* became the most-watched American series in France, with an average of 8.3 million viewers and a high of 9.8 million, not to mention 4 million video hits on the TF1.fr website. *Criminal Minds* (French title: *Esprits Criminels*) attracted an average of 7.7 million viewers and a peak of 8.5 million.
House (French title: *Dr House*) also achieved very strong ratings with a high of 9.1 million viewers, while *CSI: Crime Scene Investigation* (French title: *Les Experts*) attracted a peak of 8.3 million viewers during the period.

Movies: The movies shown on the channel in prime time in the first half of 2010 drew an average audience of 6.5 million, and peaking at 7.7 million for *The Ice Age 2* (French title: *L'âge de Glace 2*).

News: TF1 confirmed its position as the market leader in daily news, with an unrivalled capacity for bringing the nation together and deploying exceptional resources in response to major news stories.
The regular news bulletins reached audience highs of 8.2 million on 9 January for the lunchtime news (*Journal de 13h*) and 10.4 million viewers on 11 May for the evening news (*Journal de 20h*).
News programming was also very popular on the website, with 25 million video hits per month.
Other highlights included:

- an excellent performance by *Paroles de Français*, which attracted 8.6 million viewers in prime time;
- good ratings for the new late-evening magazine show hosted by Harry Roselmack (1.6 million viewers for *Harry Roselmack avec les SDF*);
- a 6.1 million audience high for *Reportages*;
- a 5.8 million audience high for *Sept à Huit*.

Sport: The 2010 FIFA World Cup helped TF1 record outstanding sports broadcasting performances:

- the biggest audience of the year, with 15.2 million watching the France-Mexico match on 17 June (56% audience share of individuals aged 4 and over);
- the highest viewing figures since 2000 for a late-evening magazine programme, with 7.7 million viewers (40% audience share) for *Coupe du Monde FIFA 2010, le Mag*;
- the biggest audience for *Téléfoot* since 2007, with over 2.9 million viewers for the *Au coeur des bleus* show on 20 June.

The Champions League season attracted an average of 6.7 million viewers.

Throughout the period, TF1 confirmed its status as the must-see French family viewing channel, with a mission to inform, unite, move and entertain.

Advertising revenue [3]

Plurimedia advertising spend (excluding the internet) rose by 11.8% during the period to June 30, 2010.

TV (national and regional channels, DTT, cable and satellite) became the no.1 medium in terms of advertising spend in France, with a market share of 30.9% and gross revenues of €3.8bn to end June 2010. This represents growth of 17.3%, driven mainly by an upturn in advertising spend on national TV (up €306m, a rise of 13.3%) and free-to-air DTT (up €238m, a rise of 38.4%).

Print media slipped to the no.2 slot during the period, with gross revenues of €3.6bn (up €250m, a rise of 7.5%).

Against this backdrop, the TF1 channel saw gross revenues rise by 14.8% in the first half of 2010 versus the comparable period of 2009. The channel's share of the total TV advertising market was 40.8%, down 0.9 of a percentage point year-on-year.

Virtually all sectors returned to strong growth in advertising spend on TF1 during the first half of 2010. Gross revenue from the Food sector was up 8.3% in the period, Cosmetics & Beauty was up 13.7%, and the Auto/ Transport sector rose by 19.5%. Publishing – a sector currently undergoing restructuring – recorded an 8.6% decline in advertising spend during the first six months of the year.

This strong demand led to significant volume growth in the first quarter, gradually easing in the second quarter as the comparatives became tougher (the second quarter of 2009 was a period of strong volume growth, after a tough first quarter).

TF1 is still the unrivalled mass medium in France (with a daily reach of 33 million people[4]), an enviable position given the fragmented media landscape.

The channel's advertising sales strategy has therefore been developed in two directions:

- continuing the segmentation strategy adopted in 2009, enabling the channel to increase rates for slots with high monetisation potential (especially the 2010 FIFA World Cup in the second quarter);
- developing Media Way (TNS World Panel), a tool made available for advertisers to constantly measure the sales impact of their TV campaigns, making TF1 the most effective advertising medium.

Net advertising revenue for the first half of 2010 was up 11.4% at €764.6m, with first-quarter revenue up 13.0% at €362.8m and second-quarter revenue up 9.9% at €401.8m.

2010 FIFA World Cup

A highlight of the second quarter was the 2010 FIFA World Cup, a major event for the TF1 Group. Throughout the competition, the Group achieved excellent performances, generating record figures on its various media.

Over the 27 matches shown, TF1 attracted an average audience of 7.1 million, and audience shares of 40% among individuals aged 4 and over and 33% among "women aged under 50 purchasing decision-makers". For matches shown in prime time, the average audience rose to 8.9 million (39% of individuals aged 4 and over). On June 17, TF1 achieved the highest viewing figures of 2010 to date with the France-Mexico match, watched by 15.2 million viewers and generating audience shares of 56% among individuals aged 4 and over and 51% among "women aged under 50 purchasing decision-makers". This was the 15th largest audience for a football match since the creation of Médiamat in 1989[4].

The final between the Netherlands and Spain attracted 14.1 million viewers, the biggest audience for a football match not involving France since the creation of Médiamat[4].

During the 2010 FIFA World Cup, the evening news bulletin (*Journal de 20h*) recorded an average audience of 6.2 million, giving an audience share of 33% among individuals aged 4 and over. The May 11 bulletin, which coincided with the announcement of the French squad for the tournament, was watched by 10.4 million people, representing an audience share of 41% of individuals aged 4 and over.

TF1 entered into an alliance with various operators to offer a world first: the opportunity for subscribers to watch exclusive live 3D coverage of 5 2010 FIFA World Cup matches on TF1 3D, a channel specially created for the

[3] Source: Kantar Media Intelligence
[4] Source: Médiamétrie
33 million French people reached daily during the January-June 2010 period

occasion. This innovation generated serious interest among operators, and provided a further demonstration of the Group's cutting-edge technological know-how.

On the web, the official 2010 FIFA World Cup – deployed jointly by TF1 and Eurosport – registered 31 million visits and more than 10 million video hits. The video streaming offering proved very popular, especially the highlights packages. The fact that 27 matches were carried, plus the innovative player specially developed by WAT that allowed web users to control live feeds, resulted in unprecedented success with over 150,000 live connections per match (peaking at over 750,000 for the France-South Africa match) and a high of 250,000 simultaneous connections. And the iPhone 2010 FIFA World Cup app, developed specially for the tournament, was downloaded over 250,000 times and recorded 2.7 million visits. The deployment of the TF1 360 strategy around the tournament proved a real success.

In financial terms, the 2010 FIFA World Cup will have a full-year impact of €77m on TF1 channel programming costs (including rights and production costs). Spread over the 27 matches screened, this equates to an average cost of €2.9m per match, 40% lower than for the 2006 tournament. Over the first half of 2010, the impact of the tournament on TF1 channel programming costs was €60.1m, covering rights and production costs for matches screened up to and including June 30, 2010.
By comparison, screening the 24 matches from the 2006 FIFA World Cup cost €114m (rights and production costs), giving an average cost of €4.8m per match.

The resale of some of the rights to France Télévisions and Canal+ for €33m generated a loss of €17m in the first half of 2010, though this amount had already been fully covered by a provision booked in 2009.

1.2. Teleshopping

The Teleshopping business returned to growth in the first half of 2010, contributing €59.8m to consolidated revenue, up 7.2% on the comparable period of 2009 (€55.8m). Growth was driven mainly by an improvement in Infomercials thanks to new distribution contracts with DTT and cable/satellite channels, and good performances from the Place des Tendances business.

Efforts to cut costs and increase margins helped the Teleshopping business post an operating profit of €2.7m, up 17.4% on the first half of 2009 (note that the 2009 first-half Téléshopping operating profit figure included a €2m gain on the sale of Surinvitation).

1.3. Theme channels[5]

The theme channels business generated revenue of €107.9m in the first half of 2010, an increase of 10.7%. Subscription revenue for the pay-TV channels rose by 7.0%. Advertising revenue was up 15.8%, with excellent results at TMC and Eurosport France more than offsetting loss of advertising on the other theme channels, with cable/satellite channels now in direct competition with free-to-air DTT channels.

The business increased operating profit by 38.8% to €11.8m.

TMC

In June 2010, TMC attracted an audience share of 3.2% among individuals aged 4 and over, making this general-interest channel (France's leading DTT broadcaster) the sixth most-watched national channel.

Over the first half of 2010, TMC achieved an audience share of 3.1% among individuals aged 4 and over and of 3.4% among "women aged under 50 purchasing decision-makers", up 0.7 of a point on the comparable period of 2009 in both cases. TMC is consistently gaining viewers, especially among target audiences for advertisers.

The biggest audience attracted by TMC in the period was 1.7 million, for the screening of the movie *The Green Mile* (French title: *La Ligne Verte*). An average of 818,000 viewers now watch the channel's prime time programmes, a year-on-year increase of 39%.

TMC also recorded an increase in advertising revenue during the first half, enabling it to invest in programming to maintain its position as the leading DTT broadcaster and attract new audiences.

[5] Source: Médiamat / Médiaplanning for TF1, TMC, TV Breizh, Eurosport and LCI
MédiaCabSat / Médiamat'Thématik for Eurosport 2, Odyssée, Ushuaïa TV and Histoire

The acquisition of control over TMC and NT1 by TF1 received clearance from the French Competition Authority on January 26, 2010 and from the CSA (the French audiovisual regulator) on March 23, subject to undertakings on future conduct and guarantees on the pluralism and diversity of programming[6].
On April 23, 2010, the *Conseil d'Etat* rejected the application by M6 for a suspension of the decisions by the French Competition Authority and the CSA.
Consequently, on June 11, 2010 the AB Group and TF1 finalised the acquisition by TF1 of the 100% interest in the NT1 channel and the 40% interest in the TMC channel held by the AB Group. The effects of this acquisition will flow through into the TF1 Group consolidated financial statements from the third quarter of 2010.

Eurosport France

Growth in the number of paying subscribers (7.5 million at June 30, 2010, a year-on-year rise of 0.2 million), especially in French-speaking Belgium, boosted the channel's subscription revenue. The success of the HD offering illustrated Eurosport France's skill in building viewer loyalty and mastery of cutting-edge technology.

Internet advertising revenue increased during the period, with the site attracting 3.6 million unique visitors in May 2010, up 44% year-on-year. The French-language version of the site is the no.2 sports website in France.

On the rights front, Eurosport France has renewed its broadcasting rights contract for the "Ligue 2" and "Coupe de France" football competitions.

First-half operating profit rose despite a slight rise in programming costs due to the screening of the Vancouver Olympics and the 2010 FIFA World Cup. However, the impact was offset by a continuation of the tight cost control policy introduced in 2009.

LCI

As part of the ongoing reorganisation of the TF1 Group's News division launched in 2008, LCI switched over to PNS2 (Process News and Sports 2) software at the start of 2010.

LCI saw a fall in advertising revenue during the first half of 2010, but the effect was cushioned by stronger subscription revenue and by revenue from the Paris Airports contract. Despite the operating cost savings achieved during the period, operating profit was slightly down.

Other theme channels

TV Breizh, is France's no.1 mini-generalist pay-TV channel among individuals aged 4 and over, and the sixth most-watched pay-TV channel of any type among "women aged under 50 purchasing decision-makers". The channel reported good first-half results in terms of both advertising and subscription revenue.
Audience ratings (relative to pay-TV channels of all types) were 1.1% for individuals aged 4 and over, and 2.0% for the target audience of "women aged under 50 purchasing decision-makers".

The channel recorded excellent audience ratings thanks to programming schedules designed to build loyalty among target audiences for advertisers across most genres:

- movies such as *In the Line of Fire* (French title: *Dans la ligne de mire*), *US Marshals, Les visiteurs 2* and *Bewitched* (French title: *Ma Sorcière bien aimée*);
- premium American serials such as *Crossing Jordan* (French title: *Preuve à l'appui*) and *Law & Order: Trial by Jury* (French title: *New York, Cour de Justice*);
- well-loved American serials such as *Murder, She Wrote* (French title: *Arabesque*) and *Columbo*;
- French drama.

The **Découverte division** channels continued with efforts to build their editorial positioning as genuine affinity channels in a tough competitive environment.
In the first half of 2010, the Histoire channel pursued its dynamic creative policy, focused on discussion programmes and commemorations of historical events.
Odyssée, the lifestyle channel, is now being broadcast in catch-up on new platforms. In October 2010, the channel will be relaunched as Stylia, with an editorial policy reoriented towards luxury and style trends.
Ushuaïa TV, the sustainable development channel, continued to broadcast magazine programmes and special editions focused on protecting the planet, along with exclusive documentaries in HD.

[6] For details of the undertakings given by TF1, refer to page 52 of the 2009 Annual Report

1.4. TF1 Entreprises

TF1 Entreprises reported revenue of €15.8m for the first half of 2010, up 15.3% on the first half of 2009.
The first six months of 2010 saw a number of successes in the music business:

- the album *Spiritus Dei, Les Prêtres*, which topped the charts for 9 weeks and sold over 347,000 copies;
- new contracts with artists such as Christophe Maé, Mylène Farmer, Stanislas and Lady Gaga;
- continuation of promising partnerships with performers like Black Eyed Peas, Johnny Hallyday and Era;
- further triumphs for *Mozart: the Rock Opera* (223,000 tickets sold in Paris, and 424,000 in the regions).

Of the top 10 best-selling albums in France during the first half of 2010, 7 were TF1/TF1 Musique partnerships or productions.

TF1 Entreprises made an operating profit of €0.3m for the period, against an operating loss of €1.8m in the first half of 2009, with the pick-up in revenue being accompanied by tight control of overheads.

1.5. Production

The Production division generated revenue of €10.1m, versus €10.5m in the first half of 2009 (down 3.8%) and made an operating loss of €0.1m (versus an operating profit of €4.1m in the comparable period of 2009).

TF1 Films Production

Revenue fell at the TF1 Films Production subsidiary due to timing effects. Since the start of the year, 7 films have gone on general release, 4 of which have attracted more than a million cinema-goers. This compares with the 13 films released in the first half of 2009, 6 of which topped the one million mark. *Camping 2* performed very well, attracting 3.9 million cinema-goers, followed by *La Rafle* with 2.9 million to end June 2010.

TF1 Production

The subsidiary played a key role in the 2010 FIFA World Cup, providing coverage to all of the TF1 Group's channels.

The TF1 channel magazine programmes produced by TF1 Production were also highly successful. Throughout the tournament, TF1 screened *Coupe du Monde FIFA 2010, Le Mag*. The 21 shows attracted excellent audiences, averaging 4.7 million viewers and winning a 29% share of individuals aged 4 and over; viewing figures peaked on June 17 at 7.7 million (40% of individuals aged 4 and over, and 40% of women viewers).

1.6. e-TF1 [7]

With 17.6 million unique visitors to end May 2010, the TF1 Group retained its place as the leading French media group on the internet.

The TF1.fr site had 6.7 million unique visitors to end May 2010, making it one of the leading TV channel sites.

Video performed remarkably well on TF1.fr. During the first half of 2010, 827 million free videos were watched on the Group's sites, including 418 million catch-up videos. This means that in the first half of 2010 alone, more catch-up videos were viewed than over the whole of 2009 (400 million).

The TF1 Group's pure internet players continued to make progress: WAT.tv attracted 5.5 million unique visitors, while the Plurielles.fr women's interest site attracted 2.6 million. Overblog confirmed its no.1 status with 10.7 million unique visitors.

Despite the negative revenue impact of reduced interactivity (due to fewer game-shows being broadcast on the TF1 channel), e-TF1 reported a sharp recovery in advertising revenue year-on-year, largely driven by strong marketing of video formats.

Overall, e-TF1 posted revenue of €37.3m, €0.4m (1.1%) higher than in the first half of 2009.

[7] Source: Médiamétrie NNR Panel May 2010
Source: eStat, streaming TV

This robust top-line performance, plus the non-recurrence of website makeover charges incurred in the first half of 2009, enabled e-TF1 to break even at the operating level (a year-on-year improvement of €3.6m) even after the €1.1m effect of the new tax on interactive services.

1.7. Other activities

Revenue for the first half of 2010 was €43.0m, compared with €7.5m for the first half of 2009, reflecting the resale of 2010 FIFA World Cup rights to France Télévisions and Canal+ for €33m.

Operating profit was €11.5m, versus €2.7m for the comparable period of 2009. The year-on-year improvement of €8.8m was mainly due to commission for selling advertising airtime on independent radio stations, and to advertising revenue generated on non-Group theme channels.

2. Audiovisual Rights

The Audiovisual Rights division posted 2010 first-half revenue of €60.0m, down €8.9m on the first half of 2009.

The division made an operating loss of €5.6m, versus a loss of €15.2m in the comparable period of 2009.

TF1 Droits Audiovisuels generated revenue of €24.4m, a fall of €1.4m. Although the films released during the period proved successful (especially *Planète 51* which attracted 970,000 cinema-goers and *Les Invités de mon Père* which attracted 830,000), this was not enough to offset the fact that there were fewer releases than in the first half of 2009.
The business made an operating profit of €0.7m, versus an operating loss of €9.8m in the first half of 2009.

The **Video** business saw revenue fall by 17.4% to €35.6m. Despite major successes like *The White Ribbon* (French title: *Le Ruban blanc*, winner of the Palme d'Or at the 2009 Cannes Film Festival and the Golden Globe for best foreign-language film) and *Un Prophète* (winner of 9 César awards, Oscar-nominated for best foreign-language film) and 46% growth in video-on-demand, TF1 Vidéo saw a decline in volumes sold, due to a limited line-up and a tough comparative as a result of successful releases in 2009. The volume effect was exacerbated by structural downward price pressure.

Despite a very sharp reduction in expenses, the decline in revenue led to an operating loss of €6.3m, against a loss of €5.4m in the comparable period of 2009.

3. Broadcasting International

The Broadcasting International segment posted revenue of €181.2m, up 23.0% on the €147.3m generated in the comparable period of 2009.

Figures for the segment include 50% of the SPS online gaming and betting business for the first quarter of 2010, and 100% of this business from the second quarter of 2010.

Broadcasting International reported an operating profit of €26.8m for the period, up 20.2%. This includes:

- Eurosport International's operating profit of €26.8m, up €6.5m (32.0%) year-on-year;
- the €6.1m positive impact of the remeasurement of Eurosport's previously-held equity interest in SPS following TF1's buyout of the remaining 50% held by Serendipity;
- the €6.1m of losses generated by SPS.

Note that the Broadcasting International operating profit figure for the first half of 2009 included a €2m gain on the sale of France 24.

Eurosport International[8]

The Eurosport channels achieved strong audience ratings in the first half of 2010, with an average of 657,000 viewers per average quarter-hour to end June (including 585,000 for the Eurosport channel alone). This good performance reflects attractive programming during the first quarter of 2010, including the screening of the Vancouver Olympics (120 million viewers over the period) and the African Cup of Nations, and resilience in the face of increased competition from broadcasters screening 2010 FIFA World Cup matches.

At end June 2010, Eurosport was received by 120.5 million households in Europe, 3.7 million more than in the first half of 2009. The spread of cable and ADSL boosted all the Group's channels, as did expansion into new territories and technological developments. An alliance with Panasonic enabled Eurosport to show the French Open tennis tournament in 3D in more than 3,000 hi-fi stores across Europe. Backed by targeted campaigns aimed at print media, these 3D screenings were a great success and confirmed Eurosport's ability to innovate.

The paying subscriber base grew by 6% (up 4.8 million) relative to the first half of 2009, with most of the growth concentrated in Eastern and Central Europe.
The Eurosport 2 channel subscriber base rose to 43.8 million (up 7.8 million year-on-year), with growth driven by Eastern Europe and by the April 2010 launch of a Swedish-language version in Scandinavia. The channel's offering has now been further enhanced by the German Bundesliga, which is available in HD.

The Eurosport HD channel now has 9.8 million subscribers (up 7.1 million year-on-year), and is performing very well in the United Kingdom, the Mediterranean countries of Europe, and Scandinavia. This channel has significantly strengthened the market positioning of the Eurosport group.

EurosportNews also continues to expand, and now has 6.3 million subscribers, virtually all of them paying.

The rollout of Eurosport into the Asia/Pacific region under alliance deals with Australian platforms is gathering pace, helping to secure the channel's position in the region over the longer term.

This expansion in the subscriber base generated strong growth of 19% in first-half subscription revenue.

Eurosport International also reported robust growth (of 31%) in advertising revenue in the first half of 2010, thanks to events with strong appeal for advertisers, a better economic climate, and a soft comparative.

Internet activity remained strong in the first half as the number of unique visitors per month surged to 20 million. On these figures, Eurosport ranks as the leading European sports network, and has become the sixth highest ranking brand among sports sites worldwide (ComScore). At end June 2010, English-language sites aimed at Australia and South-East Asia were launched as part of the accelerated expansion programme in the region. Following this launch, the site is now available in 13 local versions and 10 language versions.

Revenue from other activities also rose, driven by the success of the Eurosport player pay-TV catch-up service, the launch of Eurosport Arabia, and the free Eurosport iPhone and smartphone apps (downloaded nearly 2.5 million times to end June 2010).

Overall, Eurosport International generated revenue of €181.2m in the first half of 2010, an increase of €33.9m (23.0%) on the comparable period of 2009.

Eurosport International made an operating profit of €26.8m, giving operating margin of 14.8% (versus 13.8% over the first half of 2009). Generating this level of margin in a year of big sporting events is a remarkable achievement; it reflects rigorous control of overheads, cost optimisation, and a good balance between rights acquisition costs (the key to building audiences and securing the channel's reputation) and associated revenue streams.

SPS

In France, TF1 – which already held 50% of the capital of SPS via its Eurosport subsidiary – raised its interest to 100% on March 8, 2010 by buying out the 50% stake held by the Serendipity investment fund.

Three months later (on June 8) the French Online Gaming Regulatory Authority (ARJEL) granted two licences to SPS, allowing it to operate in the French online sports betting and poker markets. On the same day, the EurosportBET.fr site was launched.

[8] Source: comScore Networks, no.1 site in Europe with 12.3 million unique visitors in May 2010
Source: NedStat unique visitor cookies
Source: comScore Networks, no.1 site in Europe with 19.9 million unique visitors in May 2010

In the United Kingdom, the site is up and running, but revenue is still only marginal in a market that has from the outset been highly competitive.

The offering was enhanced on June 30, 2010 when EurosportPOKER.fr went online.

4. Post balance sheet events

There are no material post balance sheet events to report.

5. Human resources update

Total headcount of the TF1 Group at June 30, 2010 was 3,671, versus 3,691 at June 30, 2009 and 3,638 at December 31, 2009. The increase during the first half of 2010 reflects the incorporation within the Group of the employees of SPS.

6. Risk factors and litigation

As far as TF1 SA and the TF1 Group are aware, no new risk factors or litigation have arisen since publication of the TF1 Annual Report on March 29, 2010 that taken individually would be liable to have a material effect on the business activities, profits, financial position or net assets of TF1 SA or the TF1 Group. A description of the principal risk factors of the TF1 Group is provided on pages 48 to 58 of the Annual Report.

On the issue of the distribution of pay-TV theme channels, discussions with the investigations department of the French Competition Authority continued during the first half of 2010, and a hearing was held before the members of the Authority's Council on July 7, 2010.

7. Corporate governance

Change in the composition of the Board of Directors since publication of the TF1 Annual Report on March 29, 2010:

Following the resignation of Haïm Saban as a Director, the Board of Directors – acting on a proposal from the Director Selection Committee – co-opted Laurence Danon, Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance, to serve as a new Director.

The Board of Directors confirmed that Laurence Danon qualifies as an independent director by reference to the independence criteria established by the AFEP-MEDEF corporate governance code. Three out of the twelve members of the Board of Directors therefore qualify as independent.

8. Related parties

There have been no material changes concerning related parties since publication of the TF1 Annual Report on March 29, 2010.

9. Sustainable development

Social issues: diversity

In its efforts to obtain "Diversity Label" certification from AFNOR, the French standards agency, the TF1 Group has retained a firm of consultants to prepare a status report and created 10 working parties to work on various projects. The Group will be subject to a diversity audit starting October 4, 2010, with the results expected at the start of 2011.

The TF1 Enterprise Foundation has recruited its third intake. The 10 new recruits will join the TF1 Group on September 1, 2010 in various roles: journalist, director, technician and PR officer, and in human resources and marketing.

Content-related issues

- **Solidarity and raising public awareness on major issues**

The first quarter of 2010 saw the launch of TF1's three recurring initiatives in support of good causes: *Opération Pièces Jaunes* (helping children undergoing hospital treatment), *Sidaction* (an AIDS charity), and *Restos du cœur* (which provides meals and other assistance to the deprived). The *Restos du cœur* campaign continued in the second quarter with the screening of a documentary about the work of the charity.
Between April 12 and 18, 2010, the TF1 News Department mobilised all its channels to support the second *Semaine pour l'Emploi*, a week-long event designed to help the unemployed find work.

- **Helping the deaf and hard-of-hearing access programmes**

During the first half of 2010, LCI added sign language to its televised news bulletins, making them accessible to the deaf and hard-of-hearing.

The TV Breizh, Odyssée, Ushuaïa TV and Histoire channels also opened up their flagship programmes to the deaf and hard-of-hearing during the period by adding sub-titles.

- **Online betting and responsible gaming**

EurosportBET is a founder member of the French Online Gaming Federation alongside Française des Jeux, PMU and the Lucien Barrière group. This trade body represents the interests of licensed operators, especially in dealings with the authorities and in promoting responsible gaming.

10. Share price

On June 30, 2010, TF1 shares closed at €10.78, up 35% relative to June 30, 2009.
Over the same period, the CAC 40 rose by 10% and the SBF 80 by 26%.

During the first six months of 2010, the share price fell by 16%, compared with a 13% fall for the CAC 40 and a 2% rise for the SBF 80.
After an uptrend in stock markets during the second half of 2009, fears about the world economic recovery and worries about financing capacity within the euro zone dragged the markets down again in 2010.

The market capitalisation of the TF1 Group at June 30, 2010 was €2.3bn, versus €1.7bn at June 30, 2009.

11. Share ownership

	Ownership at June 30, 2010			Ownership at Dec. 31, 2009			Ownership at June 30, 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	**91,806,565**	**43.0%**	**43.0%**	**91,806,565**	**43.0%**	**43.0%**	**91,806,565**	**43.0%**	**43.0%**
Treasury shares	**14,625**	**0.0%**	**0.0%**	**14,625**	**0.0%**	**0.0%**	**14,625**	**0.0%**	**0.0%**
TF1 employees	**12,296,695**	**5.8%**	**5.8%**	**11,466,260**	**5.4%**	**5.4%**	**11,263,445**	**5.3%**	**5.3%**
via the FCPE TF1 fund	*12,172,780*	*5.7%*	*5.7%*	*11,341,320*	*5.3%*	*5.3%*	*130,065*	*0.1%*	*0.1%*
as registered shares	*123,915*	*0.1%*	*0.1%*	*124,940*	*0.1%*	*0.1%*	*11,133,380*	*5.2%*	*5.2%*
Free float – France (1) (2)	**36,275,658**	**17.0%**	**17.0%**	**37,348,254**	**17.5%**	**17.5%**	**45,027,126**	**21.1%**	**21.1%**
Free float – rest of world (2)	**73,016,949**	**34.2%**	**34.2%**	**72,774,788**	**34.1%**	**34.1%**	**65,298,731**	**30.6%**	**30.6%**
Total	**213,410,492**	**100.0%**	**100.0%**	**213,410,492**	**100.0%**	**100.0%**	**213,410,492**	**100.0%**	**100.0%**

(1) Includes unidentified holders of bearer shares
(2) Estimates based on Euroclear statement

Consolidated income statement in management accounting format

€m	2010: 1st half	2009: 1st half	2009: full year
TF1 Channel			
Advertising revenue	764.6	686.5	1,429.4
Advertising costs	(38.0)	(35.0)	(71.7)
NET BROADCASTING REVENUE	**726.6**	**651.5**	**1,357.7**
Royalties and contributions			
- Royalties	(29.1)	(26.5)	(54.8)
- CNC	(41.2)	(36.9)	(77.6)
- Tax on broadcast advertising	(9.6)	(10.4)	(9.3)
Broadcasting costs			
- TDF, satellites, transmission costs	(25.0)	(24.7)	(51.5)
Programming costs (excl. exceptional sporting events)	**(422.5)**	**(455.3)**	**(926.9)**
Exceptional sporting events	**(60.1)**	**-**	**-**
GROSS PROFIT	**139.1**	**97.7**	**237.6**
Diversification revenue and other revenue from operations	519.3	442.3	933.2
Other operating expenses	(521.9)	(450.2)	(955.6)
Depreciation, amortisation and provisions, net	(32.1)	(52.3)	(113.9)
OPERATING PROFIT	**104.4**	**37.5**	**101.3**
Cost of net debt	**(10.4)**	**(9.8)**	**(22.3)**
Other financial income and expenses	**3.4**	**19.6**	**36.2**
Income tax expense	(30.3)	(5.6)	(15.3)
Share of profits/(losses) of associates	6.8	7.4	14.6
NET PROFIT	**73.9**	**49.1**	**114.5**
Attributable to minority interests	(0.3)	-	0.1
NET PROFIT ATTRIBUTABLE TO THE GROUP	**74.2**	**49.1**	**114.4**

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

CONSOLIDATED BALANCE SHEET

ASSETS (€m)	*Note*	**June 30, 2010**	**Dec. 31, 2009**	**June 30, 2009**
Goodwill		**519.6**	**506.9**	**507.3**
Intangible assets		**130.9**	**137.7**	**151.0**
Audiovisual rights		89.0	98.6	114.1
Other intangible assets		41.9	39.1	36.9
Property, plant and equipment		**189.6**	**191.4**	**189.7**
Investments in associates	*5*	**173.2**	**275.4**	**266.7**
Non-current financial assets	*6*	**326.2**	**20.2**	**28.4**
Non-current tax assets		**9.1**	**11.5**	**17.3**
Total non-current assets		**1,348.6**	**1,143.1**	**1,160.4**
Inventories		**612.7**	**600.6**	**595.4**
Programmes and broadcasting rights		597.2	589.3	579.5
Other inventories		15.5	11.3	15.9
Trade and other debtors		**1,292.9**	**1,350.2**	**1,241.0**
Current tax assets		**-**	**9.5**	**6.5**
Other current financial assets		**14.5**	**8.9**	**745.1**
Cash and cash equivalents		**435.4**	**570.5**	**12.2**
Total current assets		**2,355.5**	**2,539.7**	**2,600.2**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,704.1**	**3,682.8**	**3,760.6**
Net surplus cash/(Net debt)		**(120.1)**	**72.8**	**(820.3)**

CONSOLIDATED BALANCE SHEET (CONTINUED)

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	*Note*	**June 30, 2010**	**Dec. 31, 2009**	**June 30, 2009**
Share capital		42.7	42.7	42.7
Share premium and reserves		1,271.0	1,239.3	1,236.0
Net profit attributable to the Group		74.2	114.4	49.1
Shareholders' equity attributable to the Group		**1,387.9**	**1,396.4**	**1,327.8**
Minority interests		(0.1)	0.2	-
Total shareholders' equity		**1,387.8**	**1,396.6**	**1,327.8**
Non-current debt	*7*	**10.4**	**0.5**	**800.9**
Non-current provisions		**45.6**	**44.0**	**57.9**
Non-current tax liabilities		**5.3**	**1.3**	**2.9**
Total non-current liabilities		**61.3**	**45.8**	**861.7**
Current debt	*7*	**544.8**	**505.5**	**37.7**
Trade and other creditors		**1,651.2**	**1,696.0**	**1,472.9**
Current provisions		**36.5**	**36.4**	**45.9**
Current tax liabilities		**21.8**	**1.1**	**-**
Other current financial liabilities		**0.7**	**1.4**	**14.6**
Total current liabilities		**2,255.0**	**2,240.4**	**1,571.1**
Liabilities related to held-for-sale assets		**-**	**-**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,704.1**	**3,682.8**	**3,760.6**

CONSOLIDATED INCOME STATEMENT

(€m)	Note	2010 1st half	2009 1st half	2010 2nd quarter	2009 2nd quarter	2009 full year
Net advertising revenue		864.9	767.5	462.1	411.8	1,604.6
- TF1 channel		*764.6*	*686.5*	*401.8*	*365.5*	*1,429.4*
- Other media		*100.3*	*81.0*	*60.3*	*46.3*	*175.2*
Diversification revenue (excluding advertising)		419.7	362.6	225.6	180.4	760.1
Revenue		**1,284.6**	**1,130.1**	**687.7**	**592.2**	**2,364.7**
Other operating revenue		0.1	-	0.1		-
External production costs		(302.4)	(291.5)	(125.0)	(138.7)	(645.5)
Other purchases and changes in inventory		(321.3)	(227.8)	(222.2)	(116.6)	(436.1)
Staff costs		(211.5)	(206.4)	(106.9)	(104.3)	(445.2)
External expenses		(228.1)	(237.4)	(119.4)	(109.1)	(487.7)
Taxes other than income taxes		(76.9)	(70.2)	(39.9)	(36.0)	(136.2)
Depreciation and amortisation, net		(45.1)	(44.8)	(21.2)	(20.0)	(99.9)
Provisions and impairment, net		13.0	(7.5)	11.7	(8.8)	(14.0)
Other operating income		40.3	39.8	19.3	9.8	109.3
Other operating expenses		(48.3)	(46.8)	(23.6)	(19.2)	(108.1)
Current operating profit		**104.4**	**37.5**	**60.6**	**49.3**	**101.3**
Other non-current operating income		-	-	**-**	**-**	**-**
Other non-current operating expenses		-	-	**-**	**-**	**-**
Operating profit		**104.4**	**37.5**	**60.6**	**49.3**	**101.3**
Income associated with net debt	*8*	1.6	7.3	0.7	2.1	13.1
Expenses associated with net debt	*8*	(12.0)	(17.1)	(6.1)	(8.5)	(35.4)
Cost of net debt		**(10.4)**	**(9.8)**	**(5.4)**	**(6.4)**	**(22.3)**
Other financial income		4.1	22.9	2.1	11.0	51.2
Other financial expenses		(0.7)	(3.3)	-	(0.6)	(15.0)
Income tax expense		(30.3)	(5.6)	(19.2)	(13.6)	(15.3)
Share of profits of associates	*5*	6.8	7.4	3.2	3.0	14.6
Net profit from continuing operations		**73.9**	**49.1**	**41.3**	**42.7**	**114.5**
Post-tax profit from discontinued/held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit		**73.9**	**49.1**	**41.3**	**42.7**	**114.5**
attributable to the Group		***74.2***	***49.1***	***41.4***	***42.7***	***114.4***
attributable to minority interests		*(0.3)*	-	*(0.1)*	-	*0.1*
Weighted average number of shares outstanding ('000)		213,396	213,396	213,396	213,396	213,396
Basic earnings per share from continuing operations (€)		0.35	0.23	0.19	0.20	0.54
Diluted earnings per share from continuing operations (€)		0.34	0.23	0.19	0.20	0.53

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	2010 1st half	2009 1st half	2009 full year
Consolidated net profit for the period	**73.9**	**49.1**	**114.5**
Remeasurement of derivative hedging instruments*	11.6	1.2	2.7
Remeasurement of available-for-sale financial assets	-	-	-
Remeasurement of non-current assets	-	-	-
Change in cumulative translation difference of controlled entities	0.6	0.3	0.2
Actuarial gains/(losses) on employee benefits	-	-	3.2
Taxes on items credited or debited directly to equity	(3.8)	-	(2.1)
Share of income and expenses of associates recognised directly in equity	-	-	-
Other movements, net	-	-	-
Income and expenses recognised directly in equity	**8.4**	**1.5**	**4.0**
Total recognised income and expense	**82.3**	**50.6**	**118.5**
attributable to the Group	82.6	50.6	118.4
attributable to minority interests	(0.3)	-	0.1

** Includes reclassification adjustments recognised in net profit for the period: cash flow hedges (amount: -€0.1m).*

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2009	**42.7**	**2.8**	**(0.4)**	**1,352.3**	**(1.0)**	**1,396.4**	**0.2**	**1,396.6**
Capital increase (share options exercised)	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	0.7	-	**0.7**	-	**0.7**
Purchase of treasury shares	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(91.8)	-	**(91.8)**	-	**(91.8)**
Other transactions with shareholders	-	-	-	-	-	-	-	-
Net profit attributable to the Group	**-**	**-**	**-**	**74.2**	**-**	**74.2**	**(0.3)**	**73.9**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**8.4**	**8.4**	**-**	**8.4**
BALANCE AT JUNE 30, 2010	**42.7**	**2.8**	**(0.4)**	**1,335.4**	**7.4**	**1,387.9**	**(0.1)**	**1,387.8**

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2008	**42.7**	**2.8**	**(0.4)**	**1,336.8**	**(5.0)**	**1,376.9**		**1,376.9**
Capital increase (share options exercised)	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	0.6	-	**0.6**	-	**0.6**
Purchase of treasury shares	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(100.3)	-	**(100.3)**	-	**(100.3)**
Other transactions with shareholders	-	-	-	-	-	-	-	-
Net profit attributable to the Group	**-**	**-**	**-**	**49.1**	**-**	**49.1**	**-**	**49.1**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**1.5**	**1.5**	**-**	**1.5**
BALANCE AT JUNE 30, 2009	**42.7**	**2.8**	**(0.4)**	**1,286.2**	**(3.5)**	**1,327.8**	**-**	**1,327.8**

CONSOLIDATED CASH FLOW STATEMENT

(€m)	2010 1st half	2009 1st half	2009 full year
Consolidated net profit (including minority interests)	73.9	49.1	114.5
Depreciation, amortisation, provisions & impairment (excluding current assets)	39.9	53.8	103.1
Intangible assets and goodwill	*25.3*	*40.2*	*79.2*
Property, plant and equipment	*13.1*	*12.8*	*26.7*
Financial assets	*-*	*(0.1)*	*6.8*
Non-current provisions	*1.5*	*0.9*	*(9.6)*
Other non-cash income and expenses	(6.9)	(6.4)	(18.5)
Effect of fair value remeasurement	(8.8)	(18.2)	(36.6)
Share-based payment	0.7	0.6	1.4
Net (gain)/loss on asset disposals	(0.1)	(1.9)	0.3
Share of (profits)/losses and dividends of associates	(6.8)	(7.4)	(14.6)
Dividend income from non-consolidated companies	(0.1)	-	(1.4)
Sub-total	**91.8**	**69.6**	**148.2**
Cost of net debt	10.4	9.8	22.3
Income tax expense (including deferred taxes)	30.3	5.6	15.3
Operating cash flow	**132.5**	**85.0**	**185.8**
Income taxes (paid)/reimbursed	3.0	38.5	32.3
Change in operating working capital needs	(3.2)	(81.1)	23.8
Net cash generated by/(used in) operating activities	**132.3**	**42.4**	**241.9**
Cash outflows on acquisitions of property, plant & equipment and intangible assets	(19.9)	(60.6)	(98.3)
Cash inflows from disposals of property, plant & equipment and intangible assets	0.4	2.9	4.0
Cash outflows on acquisitions of financial assets	(199.0)	0.9	(5.7)
Cash inflows from disposals of financial assets	-	1.3	747.9
Effect of changes in scope of consolidation	(4.7)	(3.3)	(7.0)
Dividends received	0.1	-	1.4
Change in loans and advances receivable	0.4	7.6	12.5
Net cash generated by/(used in) investing activities	**(222.7)**	**(51.2)**	**654.8**
Cash received on exercise of share options	-	-	-
Purchases and sales of treasury shares	-	-	-
Dividends paid during the period	(91.8)	(100.3)	(100.3)
Cash inflows from new debt contracted	21.6	105.2	-
Repayment of debt (including finance leases)	(0.3)	(0.6)	(198.5)
Net interest paid (including finance leases)	9.5	(2.4)	(26.9)
Net cash generated by/(used in) financing activities	**(61.0)**	**1.9**	**(325.7)**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS	**(151.4)**	**(6.9)**	**571.0**
Cash position at beginning of period	**566.8**	**(4.2)**	**(4.2)**
Change in cash position during the period	(151.4)	(6.9)	571.0
Cash position at end of period	**415.4**	**(11.1)**	**566.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events

1.1. Acquisition of TMC and NT1

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.

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 100% interest in NT1. The total price was €198 million, including a contingent purchase consideration of €6 million currently under review.

TF1 has retained the same interest in the other activities of the AB Group (33.5%) as it held prior to this transaction. The AB Group management team 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.

Because the AB Group had a highly integrated organisational structure, this transaction called for a significant operational, financial and legal reorganisation of the channels acquired by TF1, especially in the field of audiovisual rights management. Due to restrictions on access to detailed information about the assets of the entities involved, including those imposed by the procedures relating to clearance from the French Competition Authority and the CSA (the French audiovisual regulator), this reorganisation process continued up to the effective closing date of the transaction.

Given the proximity of the closing date (June 11, 2010) to the balance sheet date (June 30, 2010), TF1 was unable to complete the customary due diligence on the financial statements of the acquired entities required for them to be incorporated into the TF1 Group consolidated financial statements. In addition, TF1 has retained an independent firm to carry out a valuation of the acquired entities and their assets and liabilities, and this valuation process is ongoing. Consequently, it was impossible (even on a provisional basis) to carry out a purchase price allocation, determine the goodwill of the acquired channels or remeasure the fair value of the previously-held equity interests for the purposes of the financial statements as at June 30, 2010.

TMC and NT1 will be consolidated from July 1, 2010, because the purchase price determination and allocation process (and in particular the calculation of goodwill and the remeasurement of the previously-held equity interests) are expected to have been finalised by the time the financial statements as at September 30, 2010 are prepared.

Consequently, TF1 is reporting these acquisitions on a provisional basis as described below.

The carrying amount of TF1's equity interest in the AB Group, which stood at €264 million prior to completion of the additional acquisition in June 2010, has been split between into two components:

1- The TF1 Group's retained interest in the activities of the AB Group other than TMC and NT1 is accounted for by the equity method and reported in "Investments in associates" in the balance sheet at a value of €155 million, representing the exercise price of the call option granted by TF1.

2- The balance of €109 million plus the €198 million purchase price paid on closing of the transaction, i.e. a total of €307 million, is reported in "Non-current financial assets". This represents the total investment made to acquire 40% of the capital of TMC and 100% of the capital of NT1.

The carrying amounts reported in the principal balance sheet line items of the acquired entities are shown below:

(€ million – at March 31, 2010) *Unaudited figures*	NT1	TMC (40%)	Total
Non-current assets	**8.4**	**0.4**	**8.8**
Current assets	**10.8**	**20.9**	**31.7**
Audiovisual rights (inventory)	-	8.8	8,8
Other current assets	10.8	12.1	22,9
Trade and other creditors	**(11.4)**	**(21.6)**	**(33.0)**
Net surplus cash	**0.0**	**3.7**	**3.7**
Net assets	**7.8**	**3.4**	**11.2**

1.2. Buyout of Serendipity's interest in SPS

On March 8, 2010, TF1 agreed to buy out the 50% interest in SPS held by the Serendipity investment fund for €6.4 million, comprising €1.7 million in the form of equity instruments and €4.7 million via the offset of current account advances. On completion of the transaction, TF1 holds 100% of the capital of SPS.

This transaction was accounted for in accordance with the revised IFRS 3 (Business Combinations). The main impacts were the recognition of goodwill of €12.2 million (pending the final purchase price allocation), and the recognition of a €6.1 million gain in "Other operating income" arising from the remeasurement of the previously-held equity interest.

2. Accounting policies

2.1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They include the minimum content and disclosures defined in IAS 34, and consequently should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009 as published in the 2009 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 29, 2010 under reference number D.10-0182.
An English-language version of the audited consolidated financial statements for the year ended December 31, 2009 is included in the TF1 Annual Report, which is available on the TF1 corporate website at www.tf1finance.fr/en/index.php.

The consolidated financial statements of the TF1 Group include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 Group's interests in associated undertakings. They are presented in millions of euros.

These consolidated financial statements were examined by the Board of Directors on July 22, 2010, and have been subject to a review by the statutory auditors; they should be read in conjunction with the TF1 Group Management Review for the first half of 2010.

2.2. New and amended accounting standards and interpretations

2.2.1. New standards, amendments and interpretations effective within the European Union which are mandatorily applicable to, or may be early adopted in, periods beginning on or after January 1, 2010

In preparing its condensed financial statements for the six months ended June 30, 2010, the TF1 Group applied the same standards, interpretations and accounting policies as those used in the preparation of its consolidated financial statements for the year ended December 31, 2009, plus any new standards, amendments and interpretations applicable from January 1, 2010 as described in the table below.
As of June 30, 2010 the TF1 Group decided not to apply any of the pronouncements issued by the IASB and endorsed by the European Union that companies may elect to early adopt with effect from January 1, 2010.

Standard/Interpretation		**Effective date**			**Impact**
		EU[(1)]		TF1	
Revised IAS 27	Consolidated and Separate Financial Statements	July 1, 2009		January 1, 2010	No impact on the financial statements
Amendment to IAS 32	Classification of Rights Issues	December 23, 2009		February 1, 2010	No impact on the financial statements
Amendment to IAS 39	Financial Instruments– Eligibility of hedged items	September 15, 2009		January 1, 2010	No impact on the financial statements
Amendments to IAS 39/IFRIC 9	Embedded Derivatives	November 27, 2009		January 1, 2010	No impact on the financial statements
Revised IFRS 1	First-Time Adoption of IFRSs	November 25, 2009		January 1, 2010	No impact on the financial statements
Amendment to IFRS 2	Group Cash-Settled Share-Based Payment Transactions	March 23, 2010		January 1, 2010	No impact on the financial statements
Revised IFRS 3	Business Combinations	July 1, 2009		January 1, 2010	The effects of the revised IFRS 3 on business combinations completed during the period are described in Note 1 (Significant events).

Amendment to IFRS 7	Financial Instruments: Enhanced Disclosures	November 27, 2009		January 1, 2010	No impact on the financial statements
IFRIC 12	Service Concession Arrangements	March 25, 2009		January 1, 2010	No impact on the financial statements
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	June 4, 2009		January 1, 2010	No impact on the financial statements
IFRIC 17	Distributions of Non-Cash Assets to Owners	November 26, 2009		January 1, 2010	No impact on the financial statements
IFRIC 18	Transfers of Assets from Customers	November 27, 2009		January 1, 2010	No impact on the financial statements
Annual Improvements to IFRSs (except IFRS 5 and IFRS 1)		January 23, 2009		January 1, 2010	No impact on the financial statements
Annual Improvements to IFRSs (IFRS 5 and IFRS 1 only)		January 23, 2009		January 1, 2010	No impact on the financial statements
(1) Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column					

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

Standard/Interpretation		**IASB effective date***	**Expected impact on the TF1 Group**
Revised IAS 24	Related Party Disclosures	January 1, 2011	No impact on the financial statements
Amendment to IFRS 1	Additional Exemptions	January 1, 2010	No impact on the financial statements
Amendment to IFRS 1	Limited Exemptions	July 1, 2010	No impact on the financial statements
IFRS 9	Financial Instruments	January 1, 2013	Not quantifiable at this stage
Amendment to IFRIC 14	Prepayments of a Minimum Funding Requirement	January 1, 2011	No impact on the financial statements
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	No impact on the financial statements
Annual Improvements to IFRSs		January 1, 2010	No impact on the financial statements
***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column*			

2.3. Changes in accounting policy

TF1 has not made any changes in accounting policy during 2010 to date other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2010, as shown in note 2-2-1. The impact of the revisions to IFRS 3 on business combinations completed during the period is described in note 1 (Significant events).

2.4. Changes in presentation

Changes in presentation and reclassifications are made when they provide information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. If the effect of a change in presentation is regarded as material, comparative information must also be reclassified.

With effect from January 1, 2010, the TF1 Group has clarified the nature of reversals of provisions for programmes and broadcasting rights. Reversals of provisions for programmes and broadcasting rights where transmission has occurred between the start of the financial year and the balance sheet date, or that have been put up for sale or sold, are classified as reversals of unused provisions. As such, they are reported in the income statement in “Other operating income”; previously, they were reported in “Provisions and impairment, net”.

The published financial statements of TF1 have not been restated to reflect this change in presentation. For information, the effect of this reclassification would have been €1.8 million for the three months ended March 31, 2009; €5.5 million for the six months ended June 30, 2009; €8.2 million for the nine months ended September 30, 2009; and €16.3 million for the year ended December 31, 2009.

2.5. Use of estimates

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

The principal accounting policies requiring the use of estimates are:

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

These estimates were made using the same valuation approaches as those used in preparing the financial statements for the year ended December 31, 2009 and the interim financial statements published during 2009. As of the date on which the condensed consolidated financial statements were examined by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

2.6. Seasonal trends

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

3. Changes in the scope of consolidation

3.1. Change in consolidation method – SPS

The buyout of the 50% interest in SPS held by the Serendipity investment fund (see note 1, Significant events) gave the TF1 group control over SPS. The change in the consolidation method used for this entity, from proportionate consolidation to full consolidation, was applied in the consolidated financial statements with effect from March 31, 2010.

4. Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. This segmentation into business units forms the basis for the presentation of internal management data and is used by the Group's operating decision-makers to assess performance.

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

The TF1 Group has the following operating segments:

Broadcasting France

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

Audiovisual Rights

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

Broadcasting International

This segment comprises subsidiaries involved in the development and broadcasting of pay-TV programmes primarily broadcast outside France, and in online gaming and sports betting activities.

Other Activities

This segment comprises all activities not included in any of the segments described above.

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

	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities		Total TF1	
(€m)	2010 1st half	2009 1st half	2010 1st half	2009 1st half	2010 1st half	2009 1st half	2010 1st half	2009 1st half	2010 1st half	2009 1st half
EXTRACT FROM THE INCOME STATEMENT										
Revenue	**1,043.4**	**913.0**	**60.0**	**68.9**	**181.2**	**147.3**	**-**	**0.9**	**1,284.6**	**1,130.1**
Current operating profit/(loss)	**83.2**	**32.2**	**(5.6)**	**(15.2)**	**26.8**	**22.3**	**-**	**(1.8)**	**104.4**	**37.5**
Share of profits/(losses) of associates[1]	7.1	7.8	-	-	-	-	(0.3)	(0.4)	**6.8**	7.4
Post-tax profit from discontinued or held-for-sale operations	-	-	-	-	-	-	-	-	**-**	-

(1) The share of profits/losses of associates recorded for each segment is as follows:
- *Broadcasting France: the share of profit/loss for the period relates primarily to the AB Group;*
- *Other Activities: the share of profit/loss for the period relates mainly to Metro France Publications.*

Segmental assets as of June 30, 2010 are not materially different from those reported as of December 31, 2009.

5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	AB Group [1]	WBTV	Metro France Publications	Other associates [3]	Total
Country	**France**	**Belgium**	**France**	**France**	
December 31, 2008	241.0	3.3	11.2	3.8	**259.3**
Share of net profit/(loss) for period	7.8	0.1	(0.4)	(0.1)	**7.4**
Dividends paid	-	-	-	-	**-**
Change in scope of consolidation	-	-	-	-	**-**
June 30, 2009	248.8	3.4	10.8	3.7	**266.7**
December 31, 2009	256.3	4.5	11.2	3.4	**275.4**
Share of net profit/(loss) for period	7.8	(0.7)	(0.3)	-	6.8
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
Other movements [2]	(109.0)	-	-	-	(109.0)
June 30, 2010	155.1	3.8	10.9	3.4	**173.2**

(1) Because of the timing of the preparation of the financial statements of the AB Group, the share of this associate's profits for the six months ended June 30, 2010 has been calculated on the basis of results for the fourth quarter of 2009 and the first quarter of 2010.
(2) Proportion of the carrying amount of the investment in the AB Group represented by TMC and NT1, provisionally reclassified as a non-current financial asset: see note 1 (Significant events) and note 6 (Non-current financial assets).
(3) In 2010, "Other associates" comprise JFG Networks and Sky Art Media. In 2009, "Other associates" also included Sailing One, the interest in which was divested during the third quarter of 2009.

6. Non-current financial assets

The change in non-current financial assets during the period reflects the €307 million impact of the accounting treatment applied as of June 30, 2010 to the investment in TMC and NT1 (see note 1, Significant events), comprising:
- €109 million arising from the reclassification of the equity interests in TMC and NT1, which until June 11, 2010 was accounted for by the equity method and included in the carrying amount of the AB Group in "Investments in associates";
- €198 million arising from the additional interests acquired on June 11, 2010 from the other AB Group shareholders.

7. Net debt

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

(€m)	June 30, 2010	Dec. 31, 2009
Cash and cash equivalents	435.4	570.5
Financial assets held for treasury management purposes	-	-
Total cash and cash equivalents (A)	**435.4**	**570.5**
Interest rate derivative instruments – assets	-	8.9
Interest rate derivative instruments – liabilities	(0.3)	(0.6)
Fair value of interest rate derivative instruments (B)	**(0.3)**	**8.3**
Non-current debt	10.4	0.5
Current debt	544.8	505.5
Total debt (C)	**555.2**	**506.0**
Net debt/(Net surplus cash): (C) – (B) – (A)	**120.1**	**(72.8)**

In November 2003, TF1 issued €500 million of bonds redeemable at par in a single instalment after 7 years (in 2010). The issue bears interest at 4.375%.

As of June 30, 2010, TF1 had the following financing in place:

- a €500 million bond issue maturing November 2010;
- confirmed bilateral bank credit facilities of €1,155.5 million with various banks, with a range of maturities between one and five years, supplemented by a cash pooling agreement with the Bouygues group. As of June 30, 2010, TF1 was not using this cash pooling agreement as a source of financing, and instead had used the agreement to place €302.2 million of surplus cash;
- a residual finance lease obligation relating to the financing of technical plant and equipment.

The TF1 Group makes use of the various sources of available financing, including both bank financing (such as confirmed credit facilities) and the financial markets.
At present, the TF1 Group has sufficient cash resources and confirmed credit facilities available to redeem the bond issue that matures in November 2010.

As of June 30, 2010, the TF1 Group had gearing (i.e. the ratio of net debt to equity) of 8.6%. As of December 31, 2009, the Group had a positive net cash position.

8. Cost of net debt

The cost of net debt for the six months ended June 30, 2010 comprised the following items:

(€m)	2010: 1st half	2009: 1st half
Interest income	1.3	2.8
Change in fair value of hedged portion of bond issue	-	-
Change in fair value of interest rate derivatives	0.3	4.5
Income and revenues from financial assets	-	-
Income associated with net debt	**1.6**	**7.3**
Interest expense on net debt	(12.0)	(17.1)
Change in fair value of interest rate derivatives	-	-
Expenses associated with net debt	**(12.0)**	**(17.1)**
Cost of net debt	**(10.4)**	**(9.8)**

9. Definition of cash position

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

(€m)	**June 30, 2010**	**Dec. 31, 2009**
Cash and cash equivalents in the balance sheet	435.4	570.5
Treasury current account credit balances	(19.8)	(3.2)
Bank overdrafts	(0.2)	(0.5)
Total net cash position at end of period per cash flow statement	**415.4**	**566.8**

10. Dividends paid

The table below shows the dividend per share paid by the TF1 Group on May 3, 2010 in respect of the 2009 financial year, and the dividend paid during 2009 in respect of the 2008 financial year.

	Paid in 2010	**Paid in 2009**
Total dividend (€m)	91.8	100.3
Ordinary dividend per share (€)	0.43	0.47

11. Post balance sheet events

There are no material post balance sheet events to report.

Statutory Auditor's Review Report on the half-year consolidated financial statements

For the six-month period ended 30 June 2010

To the Shareholders,

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

- the review of the accompanying half-year consolidated financial statements of Télévision Française 1 S.A. for the six-month period ended 30 June 2010,
- the verification of information contained in the half-year management report.

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

I. Conclusion on the financial statements

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

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

Without qualifying the conclusion expressed above, we draw attention to notes 1 and 2 to the condensed half-year consolidated financial statements which set out the accounting treatment for the acquisition of additional interests in the TMC and NT1 channels and the impact of the first-time application of new and amended accounting standards and interpretations effective on or after 1st January 2010.

II. Specific verification

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

Paris La Défense and Courbevoie, on the 22 July 2010
The Statutory Auditors
French original signed by

KPMG Audit A division of KPMG S.A.	MAZARS
Eric Lefebvre Partner	Gilles Rainaut Partner

Télévision Française 1

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