

Boulogne-Billancourt – May 12, 2011

Consolidated revenue up 2.9%
Strong growth of 47.9% in net profit

The TF1 Board of Directors, chaired by Nonce Paolini, met on May 12, 2011 to adopt the financial statements for the three months ended March 31, 2011.

Consolidated Figures (€m)	Q1 2011	Q1 2010	Change %
Revenue	614.4	596.9	+2.9%
<i>TF1 Channel advertising</i>	353.3	362.8	-2.6%
<i>Other activities</i>	261.1	234.1	+11.5%
Operating profit	61.5	43.8	+40.4%
Cost of net debt	0.1	-5.0	na
Net profit	48.2	32.6	+47.9%

The TF1 group generated **consolidated revenue** of €614.4m in the first quarter of 2011, a year-on-year increase of €17.5m (2.9%).

This figure includes:

- **TF1 channel advertising revenue** of €353.3m, down €9.5m (2.6%) on the first quarter of 2010, when advertising revenue growth reached 13%;
- **revenue from other activities** of €261.1m, a rise of €27.0m (11.5%), thanks to revenue growth at TMC and NT1 and their full consolidation.

For the TF1 group as a whole, **advertising revenue** rose by 4.1% to €419.4m, an increase of €16.6m.

Analysis by segment

Revenue by segment (€m)	Q1 2011	Q1 2010	Change %
Broadcasting France	499.4	479.7	+4.1%
Audiovisual Rights	29.0	32.4	-10.5%
International Broadcasting	84.5	84,0	+0.6%
Other Activities	1.5	0.8	+87.5%
Total TF1 group	614.4	596.9	+2.9%

Over the first three months of the year, the TF1 channel achieved an audience share of 24.2% among individuals aged 4 and over, and 27.5% among the target audience of “women aged under 50 purchasing decision-makers”. The channel attracted all of the top 50 audience ratings in the period, peaking with the *Les Enfoirés* show on March 11 (12.5 million viewers), and was the most-watched channel on 91% of all evenings.

Revenue from the **Broadcasting France** division grew by 4.1% to €499.4m (including €353.3m of TF1 channel advertising revenue), driven by the performances of TMC, e-TF1 (sale of on-line videos and rollout of MyTF1 to new operators) and TF1 Entreprises (mainly thanks to the success of the music, live shows and licensing businesses).

The **Audiovisual Rights** division saw revenue fall by €3.4m (10.5%) to €29.0m, mainly because fewer films went on general cinema release than in the first quarter of 2010. The Video business reported a rise in revenue thanks to a recovery in the kiosk business.

International Broadcasting (Eurosport International) reported a 0.6% rise in revenue to €84.5m, despite the non-recurrence of the major sporting events screened in the first quarter of 2010 (Olympics, Africa Cup of Nations). A dip in advertising revenue was offset by higher subscription revenue, boosted by the worldwide rollout strategy for the Eurosport, Eurosport 2 and Eurosport HD channels.

Operating margin up 2.7 percentage points at 10.0%

The TF1 group recorded a **current operating profit** of €61.5m in the first quarter of 2011, €17.7m higher than in the comparable period of 2010. Current operating margin was 10.0%, compared with 7.3% a year earlier.

TF1 channel programming costs for the first quarter of 2011 were €205.4m, down €17.4m on the 2010 first-quarter figure of €222.8m. Once again, the TF1 group showed its ability to adapt its business model and control costs: other operating expenses were kept at the same level as in the previous year, even though diversification revenue rose on a constant structure basis.

Current operating profit/(Loss) by segment (€m)	Q1 2011	Q1 2010	Change (€m)
Broadcasting France	62.4	39.0	+23.4
Audiovisual Rights	0.1	-4.5	+4.6
International Broadcasting	10.0	5.3	+4.7
Other Activities	-11.0	4.0	-15.0
Total TF1 group	61.5	43.8	+17.7

All divisions reported an improvement in profitability apart from EurosportBET, the online gaming and betting business, which posted an operating loss of €11.0m in the first quarter of 2011.

Net profit up 47.9%

In the first quarter of 2011, the **cost of net debt** was positive €0.1m, compared with negative €5.0m a year earlier, the TF1 group now being debt-free. **Other financial income and expenses** showed net expense of €1.3m in the first quarter of 2011, against net income of €1.3m in the comparable period of 2010; the year-on-year change was due to remeasurements of currency hedges.

Associates contributed a net loss of €0.9m in the first quarter of 2011, versus a net profit of €3.6m in the first quarter of 2010. This was due to the fact that the 33.5% interest retained by TF1 in the other activities of the AB Group is no longer accounted for as an associate, but instead is carried as a non-current financial asset in the balance sheet.

Overall, the TF1 group made a **net profit** of €48.2m in the first quarter of 2011, compared with €32.6m a year earlier.

Very healthy financial position

As of March 31, 2011, the TF1 group had **shareholders' equity** of €1,589.6m out of a **balance sheet total** of €3,357.0m, while the **net cash position** was €133.2m (versus €16.8m as of December 31, 2010).

The TF1 group also had confirmed bilateral credit facilities totalling €1,125.5m with various banks as of March 31, 2011.

Outlook for 2011

In an economic environment characterised by poor visibility, the TF1 group is reiterating its guidance of flat revenues for 2011 as a whole.

Our ability to constantly adapt our business model – as demonstrated once again in the first quarter of 2011 – confirms our objective of improving our profitability over the medium term.

We have streamlined our business mix and are more focused than ever on consolidating our market-leading position in news and entertainment through a combination of mass media, DTT channels and digital media. We are also continuing to develop our resurgent diversification activities.

Source: Médiamétrie

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report. The Financial Information Report for the first quarter of 2011 is available on the corporate website: <http://www.groupe-tf1.fr/>.

A conference call will be held at 19.00 hours Paris time.

Details of how to connect to the conference call are available on the corporate website: <http://www.groupe-tf1.fr/>.

CONTACTS

<http://www.groupe-tf1.fr/>

TF1 - Direction des Relations Investisseurs / Investor Relations – 00 33 1 41 41 27 32. Courriel / email : comfi@tf1.fr
 TF1 - Direction de la Communication / Corporate Communication – 00 33 1 41 41 23 78. Courriel / email : jdumas@tf1.fr



Financial Information

First quarter of 2011

Contents

RESULTS	3
Financial indicators	3
Consolidated income statement in management accounting format	4
Income statement contributions by segment	5
KEY EVENTS OF THE FIRST QUARTER OF 2011	6
MANAGEMENT REVIEW	7
OUTLOOK	17
CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2011	18
Consolidated balance sheet	18
Consolidated income statement	20
Statement of recognised income and expense	21
Consolidated statement of changes in shareholders' equity	22
Consolidated cash flow statement	23
Notes to the consolidated financial statements	24
2011/2012 DIARY DATES	30

Results

Financial indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2011 1st quarter	2010 1st quarter	2010 Full year
Revenue	614.4	596.9	2,622.4
<i>TF1 channel advertising revenue</i>	<i>353.3</i>	<i>362.8</i>	<i>1,549.8</i>
<i>Revenue from other activities</i>	<i>261.1</i>	<i>234.1</i>	<i>1,072.6</i>
Current operating profit	61.5	43.8	230.4
Operating profit	61.5	43.8	313.2
Net profit	48.2	32.6	229.3
Operating cash flow*	79.3	58.1	297.2
Shareholders' equity	1,589.6	1,432.9	1,547.6
Net surplus cash (+) / net debt (-)	133.2	167.4	16.8
Basic earnings per share (€)	0.22	0.15	1.07
Diluted earnings per share (€)	0.22	0.15	1.06

* Before cost of net debt and income taxes

	2011 1st quarter	2010 1st quarter	2010 Full year
Weighted average number of shares outstanding ('000)	213,362	213,396	213,396
Closing share price at end of period (€)	13.0	13.7	13.0
Market capitalisation at end of period (€bn)	2.8	2.9	2.8

Consolidated income statement in management accounting format

€ million	2011 1st quarter	2010 1st quarter	2010 Full year
TF1 Channel			
Advertising revenue	353.3	362.8	1,549.8
Advertising costs	(17.3)	(18.2)	(75.9)
NET BROADCASTING REVENUE	336.0	344.6	1,473.9
Royalties and levies			
- Royalties	(14.3)	(13.8)	(58.5)
- CNC (National Centre for Cinematography)	(18.8)	(19.2)	(84.2)
- Tax on broadcast advertising	(1.5)	(4.5)	(6.1)
Broadcasting costs			
- TDF, satellites, transmission costs	(8.0)	(13.0)	(44.9)
Programming costs (excluding exceptional sporting events)	(205.4)	(222.8)	(873.6)
Exceptional sporting events	-	-	(77.6)
GROSS PROFIT	88.0	71.3	329.0
Diversification revenue and other revenue from operations	260.8	233.6	1,070.9
Other operating expenses	(247.1)	(238.5)	(1,064.5)
Depreciation, amortisation and provisions, net	(40.2)	(22.6)	(105.0)
CURRENT OPERATING PROFIT	61.5	43.8	230.4
Non-current operating income and expenses	-	-	82.8
OPERATING PROFIT	61.5	43.8	313.2
Cost of net debt	0.1	(5.0)	(18.2)
Other financial income and expenses			
Income tax expense	(11.2)	(11.1)	(68.9)
Share of profits/(losses) of associates	(0.9)	3.6	5.7
NET PROFIT	48.2	32.6	229.3
Attributable to minority interests	1.8	(0.2)	1.0
NET PROFIT ATTRIBUTABLE TO THE GROUP	46.4	32.8	228.3

Income statement contributions by segment

€ million	Revenue			Current operating profit		
	Q1 2011	Q1 2010	FY 2010	Q1 2011	Q1 2010	FY 2010
BROADCASTING FRANCE	499.4	479.7	2,109.6	62.4	39.0	201.3
TF1 SA ^a	354.3	365.5	1,561.3	43.3	32.3	143.3
Téléshopping (Home Shopping)	29.5	30.7	101.9	1.0	2.7	3.9
Theme Channels – France ^b	75.3	50.4	252.5	11.6	2.3	27.5
TF1 Entreprises	7.5	6.4	43.8	0.4	0.1	2.4
Production ^c	7.9	5.1	16.7	0.5	(1.0)	(1.9)
e-TF1	20.1	17.6	78.2	0.9	(0.4)	2.5
Other ^d	4.8	4.0	55.2	4.7	3.0	23.6
AUDIOVISUAL RIGHTS	29.0	32.4	142.9	0.1	(4.5)	(5.2)
Catalogue ^e	6.8	15.7	54.1	(0.1)	0.2	4.3
TF1 Vidéo	22.2	16.7	88.8	0.2	(4.7)	(9.5)
BROADCASTING INTERNATIONAL	84.5	84.0	364.4	10.0	5.3	59.9
OTHER ACTIVITIES	1.5	0.8	5.5	(11.0)	4.0	(25.6)
SPS ^f	1.5	-	1.6	(11.0)	5.0	(23.6)
1001 Listes ^g	-	0.8	3.9	-	(1.0)	(2.0)
TOTAL CONTINUING OPERATIONS	614.4	596.9	2,622.4	61.5	43.8	230.4

^a Includes SNC Aphélie

^b Includes Eurosport France, LCI, TV Breizh, TMC, NT1, TF6, Série Club, Styfia, Histoire, Ushuaia TV and TF1 Thématiques (formerly TF1 Digital)

^c TV and movie production entities

^d Mainly comprises TF1 Publicité, and TF1 DS which carries the resale of sports broadcasting rights

^e Mainly comprises TF1 Droits Audiovisuels, TF1 International, UGC Distribution and TCM

^f SPS was sold on May 2, 2011

^g 1001 Listes was sold on February 4, 2011

Key events of the first quarter of 2011

January

January 4, 2011: Médiamat TV audience ratings now include timeshift viewers (people who record programmes and watch them later via videotape or DVD recorders, routers and personal video recorders, or other timeshift technology).

January 24, 2011: TF1 launches its application for the iPad and iPhone, giving users free-of-charge access to live TF1 content in HD, catch-up programmes, and exclusive bonus videos.

January 31, 2011: WAT.tv launches its iPhone application enabling users to find, share and recommend the best of the videos selected by WAT.tv.

February

February 1, 2011: LCI Radio ceases broadcasting, following the failure to obtain an analogue licence from the CSA (the French audiovisual regulator), and the current suspension of the Digital Terrestrial Radio rollout programme in France.

February 3, 2011: *Tout simplement*, a TF1 in-house disability awareness initiative, received a Special Award from the jury at the Creative Human Resources awards organised by ACCE (the French association of recruitment advertising agencies).

February 4, 2011: TF1 sells its entire interest in 1001 Listes to the Galeries Lafayette group.

February 7, 2011: TF1 Publicité launches its new “TV Tags” interactive advertising solutions, which use an on-screen tag in TV ads to tell viewers they can find a special offer or further information on TF1conso.fr.

February 17, 2011: TMC achieves a record for DTT channels by attracting 2 million viewers for the film *Dirty Dancing*, or 17% of “women aged under 50 purchasing decision-makers”.

February 25, 2011: Films co-produced by TF1 win 3 César awards: Best Actress and Best Original Screenplay for *Le Nom des Gens* (TF1 Droits Audiovisuels), and Best Production Design for *Les Aventures Extraordinaires d'Adèle Blanc-Sec* (TF1 Films Production).

March

March 3, 2011: *Mes Amis, mes Amours, mes Emmerdes*, a drama shown on TF1, receives the award for Best Serial at the *Lauriers du Sénat* ceremony.

March 11, 2011: Eurosport 2 breaks the 50 million household barrier, driven by high-quality programming and coverage of team and new-generation sports.

March 17, 2011: La Française des Jeux launches *Mille Bornes*, a new scratchcard game developed in association with Dujardin, the TF1 Entreprises subsidiary that owns the 1000 Bornes brand.

March 18, 2011: TF1's enhanced TV portal, MyTF1, becomes available to Free subscribers.

March 28, 2011: The TF1 group, exclusive holder of rights to the Rugby World Cup, resells some of its rights to France Télévisions and Canal+, including the rights to live screenings of 28 of the 48 matches in the tournament.

Management Review

Boulogne-Billancourt – May 12, 2011

Significant events of 2011 to date

Significant events for the period are described in note 1 to the consolidated financial statements.

Changes in accounting policy

There were no changes in accounting policy in the first quarter of 2011.

Revenue

Consolidated revenue for the three months ended March 31, 2011 was €614.4m, a year-on-year improvement of €17.5m (2.9%). This figure includes €22.1m of revenue from the newly-acquired equity interests in TMC and NT1, which have been included in the consolidated financial statements since the TF1 group acquired control on July 1, 2010.

Revenue for the period comprises:

- €353.3m of TF1 channel advertising revenue, a fall of €9.5m (2.6%), reflecting a tougher comparative base in terms of volume. An attractive pricing policy has been put in place to support demand.
- €261.1m of diversification revenue, up €27.0m (11.5%). On a constant structure basis, diversification revenue rose by 2.1%, largely driven by organic growth at TMC and by good results from TF1 Entreprises, TF1 Production and e-TF1.

Advertising revenue for the TF1 group as a whole was €419.4m, an improvement of €16.6m (4.1%), thanks to strong growth in revenues for the TMC channel and internet activities.

Programming costs and other operating costs

Programming costs for the TF1 channel in the first quarter of 2011 were €205.4m, versus €222.8m in the comparable period of 2010.

Films, entertainment, children's programmes and sport achieved savings of 33.2%, 13.1%, 11.3% and 8.4% respectively.

Programming costs for drama serials and news magazines rose by 4.5% and 1.1% respectively in the quarter, due to the screening of more of this type of output on TF1 during the period.

The TF1 group again demonstrated its ability to cut costs. Other operating expenses were stable year-on-year, even though:

- diversification revenue grew by 2.1% on a constant structure basis;
- 2011 first-quarter expenses include:
 - €16.8m in respect of the newly-acquired equity interests in TMC and NT1;
 - €12.5m in respect of SPS (versus a gain of €5.0m in the first quarter of 2010).

Net depreciation and amortisation expense and charges to provisions amounted to €40.2m; this was €17.6m higher than in the first quarter of 2010, and reflects increases in provisions for inventories related to acquisitions, and provisions for liabilities and charges relating to SPS.

Operating profit

The TF1 group made an operating profit of €61.5m in the first quarter of 2011, €17.7m more than in the comparable period of 2010. The 2011 first-quarter figure includes €5.3m arising from the consolidation of the newly-acquired equity interests in TMC and NT1. Operating margin was 10.0%, compared with 7.3% in the first quarter of 2010.

Note that the overall improvement of €17.5m in first-quarter revenue was accompanied by an increase of similar proportions (€17.7m) in operating profit.

Operating profit for the first quarter of 2011 includes a loss of €11.0m for SPS, the online gaming and betting business sold on May 2, 2011, compared with an operating gain of €5.0m recognised in the first quarter of 2010 on the remeasurement of Eurosport's previously-held equity interest in SPS.

Net profit

Because the TF1 group carried no debt in the quarter, cost of net debt was positive €0.1m in the three months to March 31, 2011, versus negative €5.0m in the comparable period of 2010.

Other financial income and expenses showed a net expense of €1.3m in the first quarter of 2011, against net income of €1.3m in the comparable period of 2010; the year-on-year change was due to remeasurements of currency hedges.

Income tax expense was stable year-on-year at €11.2m, with an increase in taxable profits offset by the tax gain arising on the sale of SPS.

Associates contributed a net loss of €0.9m in the first quarter of 2011, compared with a net profit of €3.6m in the first quarter of 2010. This was due to the fact that the 33.5% interest retained by TF1 in the other activities of the AB Group is no longer accounted for as an associate, but instead is carried as a non-current financial asset in the balance sheet.

Overall, net profit for the first quarter of 2011 was €48.2m, versus €32.6m for the comparable period of 2010.

Balance sheet

As of March 31, 2011, shareholders' equity stood at €1,589.6m out of a balance sheet total of €3,357.0m.

The net cash position at March 31, 2011 was €133.2m, versus €16.8m at December 31, 2010.

The TF1 group had confirmed bilateral credit facilities totalling €1,125.5m with various banks as of March 31, 2011.

None of these facilities was drawn down at the balance sheet date. This portfolio of confirmed credit facilities is renewed regularly as and when each facility expires (terms of 3 to 5 years, depending on the facility), so that the Group has sufficient liquidity at all times.

Consequently, the Group's financial position is very robust.

1. Broadcasting France

In the first quarter of 2011, the Broadcasting France division generated revenue of €499.4m, an increase of €19.7m (up 4.1%).

Current operating profit was up €23.4m (60.0%) at €62.4m.

Current operating margin was 12.5%, versus 8.1% in the comparable period of 2010.

1.1. TF1 broadcasting

TF1 broadcasting revenue fell by €11.2m (3.1%) in the first quarter of 2011, to €354.3m. Advertising revenue was 2.6% lower at €353.3m.

Current operating profit was up 34.1% year-on-year at €43.3m, giving current operating margin of 12.2%, a 3.4-point improvement on the 8.8% of the first quarter of 2010.

TF1¹

Market at an all-time high

The French TV market hit a new peak in 2010, with 8.5 million TV sets sold. Sales of TV sets should rise further in 2011 to 9.0 million. This growth has been fuelled by the digital switchover and the screening of exceptional sports events.

In the first quarter of 2011, the average daily viewing time was 3 hours, 56 minutes (9 minutes more than in the first quarter of 2010) among individuals aged 4 and over, rising to 4 hours and 3 minutes (4 minutes more) among the target audience of “women aged under 50 purchasing decision-makers”.

As of March 31, 2011, 99% of French people had access to at least 18 channels, compared with 91% a year earlier. This penetration rate shows that multi-channel offerings are virtually universal in France. Two-thirds of French viewers now receive their TV signal via digital terrestrial.

Market-leading position reaffirmed

Against this backdrop, the TF1 channel achieved a 2011 first-quarter audience share of 24.2% among individuals aged 4 and over (versus 25.1% in the first quarter of 2010), rising to 27.5% among “women aged under 50 purchasing decision-makers” (versus 29.3%).

TF1 obtained the top 50 audience ratings in the first quarter of 2011 (versus 49 of the top 50 a year earlier), and the biggest single audience with *Les Enfoirés* on March 11 (12.5m viewers, a record for this show).

This confirms TF1’s unique market position and must-see status: it was the only French channel to attract over 8 million viewers (on 18 occasions) in the first quarter of 2011. Seven programmes were watched by more than 9 million viewers, and two by over 10 million.

TF1 has adapted its positioning to compete with the broader range of free-to-air TV channels.

The priority is to be a star performer in the 7 p.m. to 1 a.m. band. These slots have high audience potential, and hence high monetisation potential. Over this time band, TF1 has a higher audience than over the day as a whole (26.3% of individuals aged 4 and over), and a bigger lead over its nearest rival (12.1 points, versus 8.9 points over the day as a whole). The effect is more marked for the target audience of “women aged under 50 purchasing decision-makers”, with a 30.5% audience share and a lead of 10.4 points over the channel’s closest competitor.

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

Prime time market leader

The TF1 channel had an average prime time audience of 6.6 million in the first quarter of 2011, versus 6.8 million a year earlier.

Within TF1’s prime time slots, the channel was the most-watched channel on 91% of all evenings, versus 90% in the first quarter of 2010.

So despite audience dispersion, TF1 remains a powerful mass media player in France.

TF1 channel: no.1 across all genres

Entertainment: 12.5 million viewers watched the *Les Enfoirés* show on March 11.

Other successes included *Danse avec les Stars*, a new prime-time show that achieved an average audience share of 32% among “women aged under 50 purchasing decision-makers” (5.1 million viewers).

Sport: The France/Brazil soccer friendly, shown on February 9, attracted 8.0 million viewers.

American series: *Criminal Minds* (French title: *Esprits Criminels*) attracted a record audience of 9.4 million in the first quarter of 2011, while the triple crossover screening of *CSI: Crime Scene Investigation* (French title: *Les Experts*) was watched by 8.7 million and attracted 47% of the “women aged under 50 purchasing decision-makers” audience over the three episodes.

¹ Source: Médiamétrie – Market leadership in TF1 prime time slots

The first run of series 6 of *Grey's Anatomy* attracted 6.9 million viewers, and achieved a 50% audience share among the key advertising target audience (a record for this series), rising to 70% for the final episode.

French drama: The first quarter of 2011 confirmed the resurgence of French drama, with *Doc Martin* attracting 9.1 million on January 10, 2011 and *Bienvenue aux Edelweiss* attracting 8.9 million. *Section de Recherches* achieved its best ratings since 2006, with 7.7m viewers on March 24, 2011.

Movies: TF1 achieved excellent ratings for its movies, especially *De l'Autre Côté du Lit* (9.4 million viewers), *Prête-moi ta main* (8.1 million), *I am Legend* (French title: *Je suis une Légende*, 7.6 million) and *Les Bronzés 3* (7.9 million).

News: TF1's regular news bulletins are the most widely-watched in Europe. Since the start of the year, the 8 p.m. bulletin has attracted up to 10.4 million viewers and the midday bulletin up to 8.5 million

Timeshift audiences: positive initial results

Since January 3, 2011, the Médiamat ratings published by Médiamétrie have included timeshift² viewers (people who record programmes and watch them later via videotape or DVD recorders, set-top routers and personal video recorders supplied by internet service providers, or other timeshift technology). Catch-up viewing is not yet captured in the figures.

In the first quarter of 2011, 62% of households with TV also had timeshift capability.

Results for the first quarter were encouraging, with timeshift viewing adding an extra 1.7% to the TV audience on average, equivalent to an extra 3 minutes and 43 seconds per day of TV viewing by French people.

For example, *Grey's Anatomy* gained an extra 600,000 viewers for a single broadcast thanks to the timeshift audience.

Timeshift viewers watch programmes within one week of the original broadcast, with 40% of them watching on the same day as the programme was screened.

² Timeshift refers to a method of recording video or audio (podcast) onto digital storage media for viewing or listening shortly after the original broadcast.

Advertising revenue³

Gross plurimedia advertising spend (including the internet) rose by 8.8% in the first quarter of 2011, to €6.0bn.

Television (national and regional channels, DTT, cable and satellite) has been the no.1 medium in terms of advertising spend for the last 12 months, with market share of 32.6% and gross revenue of €2.0bn in the first quarter of 2011, up 13.8% year-on-year. Advertising spend on free-to-air DTT is still growing rapidly (rise of 36.9% or €139.6m).

Print media still ranks second behind TV in France, with gross advertising revenue of €1.7bn (up 4.9% or €80.4m) in the first quarter of 2011.

Gross revenue for the TF1 channel was up 3.3% year-on-year in the first quarter of 2011. The channel's share of gross advertising revenue across the TV market as a whole was 38.5%.

Some sectors increased their gross advertising spend during the first three months of 2011, such as Cosmetics & Beauty (+20.2%), Auto/Transport (+6.2%), Retail (+7.8%), Healthcare (+6.7%) and Travel/Tourism (+17.2%). A tougher comparative meant that gross revenues from the Food sector fell by 2.2% in the quarter. Financial Services (-6.7%), Household Cleaning (-10.9%), Publishing (-14.3%) and Telecoms (-18.3%) also saw a year-on-year decline.

In volume terms, advertising screened during the quarter was stable year-on-year (note that volume growth reached 24% in the first quarter of 2010). Because slots are structurally harder to fill in January and February than in other months, TF1 put in place an attractive pricing policy to support demand.

Net advertising revenue for the TF1 channel in the first three months of 2011 was €353.3m, 2.6% lower than in the first quarter of 2010.

³ Source: Kantar Media Intelligence

1.2. Téléshopping (home shopping)

The Home Shopping business generated €29.5m of revenue in the first quarter of 2011, down 3.9% on the 2010 first-quarter figure of €30.7m. This fall was mainly due to a slight drop in sales for the flagship Téléshopping brand. Infomercials also reported lower revenues, with screen time on DTT channels down year-on-year. These trends were partly offset by good results for the Place des Tendances business.

Despite optimisation measures, current operating profit fell by €1.7m to €1.0m, reflecting not only the fall in revenues but also reorganisation costs for the Téléshopping brand and marketing costs at Place des Tendances.

1.3. Theme channels⁴

As of March 31, 2011, 99% of French people were receiving at least 18 channels, compared with 91% a year earlier and 82% two years earlier. In January 2007, only 39% of French people were receiving at least 18 channels. This shows the extent to which the offering has broadened and competition intensified over the last four years.

Against this backdrop, free-to-air Digital Terrestrial Television (DTT) attracted an audience share of 21.6% of individuals aged 4 and over in the first quarter of 2011. This compares with 18.0% in the first quarter of 2010 and 13.8% in the first quarter of 2009.

Penetration rates at end March 2011 were:

- 60% of households with TV were also connected to DTT (versus 53% a year earlier);
- 26% of households had connected their internet router to their TV set (versus 20% a year earlier);
- 15% of households accessed TV via pay satellite (versus 16% a year earlier);
- 7% of households had subscribed to pay cable services (versus 8% a year earlier).

Bear in mind that a single household may get TV signals via several routes.

In a market where pay-TV access routes were stable year-on-year, pay-TV channels recorded an audience share of 11.9% in the first quarter of 2011, down 0.5 of a point year-on-year.

TF1 theme channel revenues reached €75.3m in the first quarter of 2011, up 49.4% year-on-year, thanks largely to the consolidation of 100% of TMC and NT1 from July 1, 2010. The newly-

⁴ Source: Médiamat / Médiaplanning and Médiamat'Thématik (wave 20 – August 30, 2010 to February 13, 2011 and wave 19 – March 1, 2010 to June 20, 2010)

acquired equity interests in TMC and NT1 contributed revenue of €22.1m in the first quarter of 2011. On a constant structure basis, revenue from the theme channels rose by 5.6%, driven by good performances from all channels, apart from TF6 and Série Club where revenue fell slightly.

Theme channel advertising revenue increased by €24.5m, representing growth of 11.7% on a constant structure basis.

Current operating profit for the first quarter of 2011 was €11.6m, a year-on-year increase of €9.3m. TF1 group operating profit for the period includes €5.3m in respect of the consolidation of the newly-acquired equity interests in TMC and NT1.

Current operating margin came to 15.4%, versus 4.6% a year earlier. The boost in profitability was driven by revenue growth for the theme channels, excellent results at TMC, and tight cost control.

TMC

TMC recorded an audience share of 3.4% among individuals aged 4 and over in the first quarter of 2011 (versus 3.1% a year earlier), rising to 3.6% among “women aged under 50 purchasing decision-makers” (versus 3.3% a year earlier).

The channel was France’s leading DTT channel in the first quarter, and joint no.5 national channel with France 5.

TMC had an average prime time audience of 900,000 (unchanged year-on-year), and attracted over a million viewers on 25 occasions.

The channel achieved the highest viewing figure for free-to-air DTT channels, with over 2 million watching *Dirty Dancing* on February 17, 2011.

Overall, TMC achieved an excellent performance.

NT1

NT1 recorded an audience share of 1.6% among individuals aged 4 and over in the first quarter of 2011 (unchanged year-on-year), rising to 2.1% for “women aged under 50 purchasing decision-makers” (sharply up on the 1.4% recorded in the first quarter of 2010).

The average prime time audience was 500,000.

The growth in the channel’s share among this key target audience for advertisers reflected enhanced schedules and the combined efforts of the Group’s programming teams.

Eurosport France

The Eurosport France channel grew its paying subscriber base to 7.6 million in the first quarter of 2011, versus 7.5 million a year earlier. Growth was driven by development of the HD version in French-speaking Belgium.

After 2010, which featured a number of highly attractive sporting events for advertisers, there was a slight fall in advertising revenue, though this was offset by higher subscription revenue.

Programming costs were higher, due to enhanced schedules and inflation in sports broadcasting rights. However, the increased programme spend was offset by tight control over the channel’s other costs.

TV Breizh

France’s no.1 general-interest pay-TV cable and satellite mini-channel, TV Breizh confirmed its market-leading position. The channel had an audience share of 1.2% among individuals aged 4 and over (up 0.1 of a point), and of 1.6% among “women aged under 50 purchasing decision-makers” (down 0.4 of a point).

TV Breizh is proving resilient in a market where competitive pressure is persisting, and achieved growth in both revenue and operating margin.

LCI

The editorial repositioning of LCI, launched in 2010, is aimed at reinforcing the channel's market positioning in the face of increased competition from the free-to-air channels BFM TV and i<Télé. LCI, recognised by advertisers as a benchmark news channel, saw a rise in both advertising and subscription revenue in the first quarter of 2011, while cost optimisation measures continued to bear fruit.

Découverte division

The Découverte division channels all reported good first-quarter revenue figures.

Histoire is continuing build brand awareness, while Ushuaïa TV – the sustainable development channel – is expanding its HD output. Stylia has been well received since its launch in October 2010, validating the channel's editorial strategy.

TF6 and Série Club

These channels, owned 50/50 by TF1 and M6, saw revenue fall in the first quarter of 2011 as a result of tougher competition. The channels have responded by adapting their cost bases to offset this dip in revenue.

1.4. TF1 Entreprises

TF1 Entreprises reported revenue of €7.5m in the first quarter of 2011, 17.2% higher than in the comparable period of 2010.

Music partnerships, which proved such a success in 2010, have continued in the same vein in 2011 with fine first-quarter performances for the albums by Zaz (481,000 copies sold) and Nolwenn (460,000 copies sold) and the ongoing success of the *Spiritus Dei* album (105,000 copies sold).

The tour of *Mozart, the Rock Opera* continued to pull in the crowds: over 1.1 million tickets have now been sold since the show first opened.

The Automotocompare.fr business, launched in the third quarter of 2010, also contributed to the growth in revenue at TF1 Entreprises.

The improved top-line performance fed through at operating level, with TF1 Entreprises reporting a current operating profit of €0.4m, compared with €0.1m in the first quarter of 2010.

1.5. Production

Production division revenue rose by 54.9% in the first quarter of 2011 to €7.9m. The division made a current operating profit of €0.5m, an improvement of €1.5m compared to the first quarter of 2010.

TF1 Films Production⁵

TF1 Films Production was co-producer of 6 films that went on general release in the first quarter of 2011 (versus 4 in the first quarter of 2010). By end March, 4 of these had attracted over a million cinema-goers: *Rien à Déclarer* (8.0 million), *Largo Winch 2* (1.3 million), *Le Fils à Jo* (1.2 million) and *La Chance de ma Vie* (1.0 million).

TF1 Production

TF1 Production performed well in the first quarter of 2011, in both revenue and operating margin. In particular, TF1 Production produced the successful *Danse avec les Stars* (*Dancing with the Stars*) TV show during the period, as well as managing the *Spiritus Dei* tour, offsetting the fact that fewer magazine shows and dramas were produced.

1.6. e-TF1⁶

Video performed very well on TF1.fr, with more than 128 million catch-up videos watched during the first quarter of 2011.

With 7.6 million unique visitors, TF1.fr is the no.1 site among TV channels, far ahead of its rivals. The Group's pure player sites are also doing very well: WAT.tv attracted 8.2 million unique visitors, and Plurielles.fr – the Group's women's interest site – recorded 2.2 million unique visitors.

In the first quarter of 2011, e-TF1 posted a 14.2% rise in revenue to €20.1m, in spite of a slight fall in interactivity due to the fact that the game-shows *Une famille en Or* and *Le Juste Prix* were not screened on the TF1 channel. The main growth drivers were the successful ad campaign for on-line videos, and the rollout of the MyTF1 platform by new operators.

Revenue growth and cost control combined to take the division into the black with a current operating profit of €0.9m, after an operating loss of €0.4m in the comparable period of 2010.

⁵ Source: Ecran Total

⁶ Source: Médiamétrie NNR Panel March 2011: eStat, streaming TV

1.7. Other

In the first quarter of 2011, the revenue recorded on this line (€4.8 million, up €0.8m year-on-year) consisted of agency commission generated by TF1 Publicité, in particular Indés Radio advertising airtime sales.

Advertising airtime sales on behalf of the Indés Radio network were again very strong during the period.

Current operating profit for the quarter was €4.7m, a year-on-year increase of €1.7m.

2. Audiovisual Rights

The Audiovisual Rights segment posted revenue of €29.0m in the first quarter of 2011, €3.4m lower than in the comparable period of 2010.

The division broke even at operating level, with a current operating profit of €0.1m, versus a loss of €4.5m a year earlier.

2.1. Catalogue

Revenue for the Catalogue business was €6.8m, versus €15.7m a year earlier. The year-on-year drop was due to the fact that fewer films were on general release than in the first quarter of 2010, plus the elimination of intercompany sales to TMC and NT1 and lower sales of catalogue products. However, the sharp decline in revenue was amply offset by control over operating costs and overheads. In the first quarter of 2011, the business reported a current operating loss of €0.1m, versus a profit of €0.2m in the comparable period of 2010.

2.2. TF1 Vidéo

The Video business grew revenues by 32.9% to €22.2m. In a market where volumes are eroding, this growth was due to two factors: firstly, strong DVD sales for Florence Foresti's *Motherfucker* show and the films *Elle s'appelaït Sarah* and *Planet 51* (French title: *Planète 51*), and secondly, growth in kiosk and VoD activities, offsetting the effect of fewer films being on video release. The improvement on the top line helped move TF1 Vidéo into the black with a current operating profit of €0.2m, compared with a loss of €4.7m in the first quarter of 2010.

3. Broadcasting International

The Eurosport International group grew revenue by 0.6% in the first quarter of 2011, to €84.5m. Current operating profit surged to €10.0m, a year-on-year improvement of €4.7m.

Eurosport International made a current operating margin of 11.8%, a 5.5-point improvement; this reflected not only tight cost control, but also the non-recurrence of the major sporting events (such as the Olympics and the Africa Cup of Nations) that were screened in the first quarter of 2010.

This lack of major events led to a sharp fall in Eurosport International audiences in the period, against a backdrop of increased competition from other sport channels and some national general-interest channels.

However, the Eurosport 2 channel's dynamism led to a rise in its audience ratings.

Internet audiences are showing strong growth, putting Eurosport in the top rank of European sport network websites. Available in 14 local versions, the Eurosport network had an average of 2.7 million⁷ unique visitors a day at end March 2011, 23% more than at end March 2010.

Advertising revenue at Eurosport International fell by 2.2% in the first quarter of 2011, to €13.3m.

At end March 2011, 124.6 million households in Europe were receiving the Eurosport channel (4.5 million more than in the first quarter of 2010).

The Eurosport International paying subscriber base was 6.8% higher than in the first quarter of 2010, with growth driven mainly by Eastern Europe and Turkey.

The same regions underpinned the performance of the Eurosport 2 channel, which increased its subscriber base by 7.2 million. This robust growth took the channel past the 50 million household mark, achieved thanks to quality programming and expert coverage of both team and new-generation sports.

⁷ Source: NedStats unique visitor cookies

Growth for the Eurosport HD channel (6.3 million new subscribers) followed a more uniform geographic pattern, with strong growth in the United Kingdom, Mediterranean Europe, and above all in Western Europe.

These various factors underpinned a rise in subscription revenue over the period.

4. Other Activities

The ongoing rationalisation of the TF1 group's diversification activities continued during the first quarter of 2011. On February 4, 2011, TF1 announced that it had sold its entire interest in 1001 Listes to the Galeries Lafayette group.

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

The "Other Activities" segment reported 2011 first-quarter revenues of €1.5m, generated by SPS; this compares with €0.8m for the first quarter of 2010, generated by 1001 Listes.

"Other Activities" reported an operating loss of €11.0m in the first quarter of 2011, all of which was attributable to SPS.

In the first quarter of 2010, "Other Activities" posted an operating profit of €4.0m, with a €6.1m gain on the remeasurement of the previously-held equity interest in SPS partly offset by operating losses of €1.1m at SPS and €1.0m at 1001 Listes.

5. Post balance sheet events

TCM DA divestment

On April 19, 2011, the TF1 group sold to the M6 Group its entire 50% interest in TCM DA, their jointly-held rights catalogue subsidiary.

SPS divestment

As announced on April 14, 2011, and after confirmation from ARJEL (the French online gaming regulator) regarding the operating license, TF1 sold 100% of the share capital of SPS, its online gaming and betting subsidiary, to Solfive on May 2, 2011.

6. Sustainable Development

Content and advertising

TF1 Publicité now offers advertisers the possibility of monetising sustainable consumer goods via an interactive tag in a TV commercial that takes the viewer to the TF1Conso.fr consumer site.

On this site, the viewer/consumer will find extra information about the social and environmental impact of the product, plus editorial content.

Employment issues

The TF1 group has signed a new agreement to promote jobs for people with disabilities. This three-year agreement was reached with four trade unions, and was approved by DIRRECTE, the French government agency concerned. Under the agreement, the TF1 group will continue to take action on three fronts: proactive hiring policies, keeping disabled employees in their jobs, and outsourcing to firms which offer protected and appropriate jobs to disabled people.

Environmental issues

As part of its Responsible Purchasing Policy and Business Travel Plan, TF1 is now operating an electric car pool for business journeys. Four cars (Citroën C0 and Smart) are now available for use by a pilot group of users.

Outlook

In an economic environment characterised by poor visibility, the TF1 group is reiterating its guidance of flat revenues for 2011 as a whole.

Our ability to constantly adapt our business model – as demonstrated once again in the first quarter of 2011 – confirms our objective of improving our profitability over the medium term.

We have streamlined our business mix and are more focused than ever on consolidating our market-leading position in news and entertainment through a combination of mass media, DTT channels and digital media. We are also continuing to develop our resurgent diversification activities.

Consolidated financial statements for the three months ended March 31, 2011

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

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET

ASSETS (€m)	Note	March 31, 2011	Dec. 31, 2010	March 31, 2010
Goodwill		865.2	883.5	519.6
Intangible assets		142.1	147.4	133.7
Audiovisual rights		74.0	77.5	92.9
Other intangible assets		68.1	69.9	40.8
Property, plant and equipment		181.7	186.1	191.1
Investments in associates	5	14.4	13.9	279.1
Non-current financial assets		180.4	181.2	18.8
Non-current tax assets		2.5	2.6	9.1
Total non-current assets		1,386.3	1,414.7	1,151.4
Inventories		650.1	631.4	585.9
Programmes and broadcasting rights		637.5	617.7	573.5
Other inventories		12.6	13.7	12.4
Trade and other debtors		1,167.1	1,227.3	1,120.4
Current tax assets		-	7.6	4.6
Other current financial assets	7	1.0	4.4	5.8
Cash and cash equivalents	7	152.5	39.3	691.8
Total current assets		1,970.7	1,910.0	2,408.5
Held-for-sale assets		-	-	-
TOTAL ASSETS		3,357.0	3,324.7	3,559.9
Net surplus cash/(Net debt)		133.2	16.8	167.4

CONSOLIDATED BALANCE SHEET (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	Note	March 31, 2011	Dec. 31, 2010	March 31, 2010
Share capital		42.7	42.7	42.7
Share premium and reserves		1,490.0	1,267.9	1,357.4
Net profit attributable to the Group		46.4	228.3	32.8
Shareholders' equity attributable to the Group		1,579.1	1,538.9	1,432.9
Minority interests		10.5	8.7	-
Total shareholders' equity		1,589.6	1,547.6	1,432.9
Non-current debt	7	14.2	16.1	11.6
Non-current provisions		45.4	44.4	43.4
Non-current tax liabilities		9.3	11.0	2.8
Total non-current liabilities		68.9	71.5	57.8
Current debt	7	5.3	6.1	512.8
Trade and other creditors		1,623.2	1,638.5	1,517.3
Current provisions		61.4	51.7	37.2
Current tax liabilities		2.4	5.7	0.8
Other current financial liabilities		6.2	3.6	1.1
Total current liabilities		1,698.5	1,705.6	2,069.2
Liabilities related to held-for-sale assets		-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,357.0	3,324.7	3,559.9

Consolidated income statement

(€m)	Note	2011 1st quarter	2010 1st quarter	2010 Full year
Net advertising revenue		419.4	402.8	1,793.3
- TF1 channel		353.3	362.8	1,549.8
- Other media		66.1	40.0	243.5
Diversification revenue (excluding advertising)		195.0	194.1	829.1
Revenue		614.4	596.9	2,622.4
Other operating revenue		-	-	-
External production costs		(161.3)	(177.4)	(664.5)
Other purchases and changes in inventory		(93.0)	(99.1)	(517.7)
Staff costs		(107.5)	(104.6)	(434.9)
External expenses		(110.6)	(108.7)	(502.2)
Taxes other than income taxes		(34.2)	(37.0)	(145.6)
Depreciation and amortisation, net		(19.9)	(23.9)	(90.5)
Provisions and impairment, net		(20.3)	1.3	(14.5)
Other current operating income		21.6	21.0	78.3
Other current operating expenses		(27.7)	(24.7)	(100.4)
Current operating profit		61.5	43.8	230.4
Other operating income		-	-	102.0
Other operating expenses		-	-	(19.2)
Operating profit		61.5	43.8	313.2
Income associated with net debt	8	0.4	0.9	3.1
Expenses associated with net debt	8	(0.3)	(5.9)	(21.3)
Cost of net debt		0.1	(5.0)	(18.2)
Other financial income		0.3	2.0	2.4
Other financial expenses		(1.6)	(0.7)	(4.9)
Income tax expense		(11.2)	(11.1)	(68.9)
Share of profits of associates	5	(0.9)	3.6	5.7
Net profit from continuing operations		48.2	32.6	229.3
Post-tax profit from discontinued/held-for-sale operations		-	-	-
Net profit		48.2	32.6	229.3
attributable to the Group		46.4	32.8	228.3
attributable to minority interests		1.8	(0.2)	1.0
Weighted average number of shares outstanding ('000)		213,362	213,396	213,396
Basic earnings per share from continuing operations (€)		0.22	0.15	1.07
Diluted earnings per share from continuing operations (€)		0.22	0.15	1.06

Statement of recognised income and expense

(€m)	2011 1st quarter	2010 1st quarter	2010 Full year
Consolidated net profit for the period	48.2	32.6	229.3
Remeasurement of derivative hedging instruments*	(4.7)	4.6	3.7
Remeasurement of available-for-sale financial assets	-	-	-
Remeasurement of non-current assets	-	-	-
Change in cumulative translation difference of controlled entities	(0.1)	0.2	0.4
Actuarial gains/(losses) on employee benefits	-	-	2.4
Taxes on items credited or debited directly to equity	1.7	(1.5)	(2.0)
Share of income and expenses of associates recognised directly in equity	-	-	-
Other movements, net	-	-	-
Income and expenses recognised directly in equity	(3.1)	3.3	4.5
Total recognised income and expense	45.1	35.9	233.8
<i>attributable to the Group</i>	43.3	36.1	232.8
<i>attributable to minority interests</i>	1.8	(0.2)	1.0

* Includes reclassification adjustments recognised in net profit for the period: cash flow hedges (amount: -€0.7m).

Consolidated statement of changes in shareholders' equity

(€m)	Note	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, 2010		42.7	2.8	(0.4)	1,490.3	3.5	1,538.9	8.7	1,547.6
Capital increase (share options exercised)		-	-	-	-	-	-	-	-
Share-based payment		-	-	-	0.3	-	0.3	-	0.3
Purchase of treasury shares	6	-	-	(3.4)	-	-	(3.4)	-	(3.4)
Cancellation of treasury shares		-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-
Other transactions with shareholders		-	-	-	-	-	-	-	-
Consolidated net profit		-	-	-	46.4	-	46.4	1.8	48.2
Income and expense recognised directly in equity		-	-	-	-	(3.1)	(3.1)	-	(3.1)
BALANCE AT MARCH 31, 2011		42.7	2.8	(3.8)	1,537.0	0.4	1,579.1	10.5	1,589.6

(€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		-	-	-	0.4	-	0.4	-	0.4
Purchase of treasury shares		-	-	-	-	-	-	-	-
Cancellation of treasury shares		-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-
Other transactions with shareholders		-	-	-	-	-	-	-	-
Consolidated net profit		-	-	-	32.8	-	32.8	(0.2)	32.6
Income and expense recognised directly in equity		-	-	-	-	3.3	3.3	-	3.3
BALANCE AT MARCH 31, 2010		42.7	2.8	(0.4)	1,385.5	2.3	1,432.9	-	1,432.9

Consolidated cash flow statement

(€m)	Note	2011 1st quarter	2010 1st quarter	2010 Full year
Consolidated net profit (including minority interests)		48.2	32.6	229.3
Depreciation, amortisation, provisions & impairment (excluding current assets)		21.0	20.6	107.7
<i>Intangible assets and goodwill</i>		12.6	15.0	74.9
<i>Property, plant and equipment</i>		7.4	6.3	29.4
<i>Financial assets</i>		-	-	1.8
<i>Non-current provisions</i>		1.0	(0.7)	1.6
Other non-cash income and expenses		(3.3)	(1.1)	(15.8)
Effect of fair value remeasurement		1.3	(6.8)	(106.0)
Share-based payment		0.3	0.4	1.5
Net (gain)/loss on asset disposals		(0.2)	(0.1)	0.6
Share of (profits)/losses and dividends of associates		0.9	(3.6)	(5.7)
Dividend income from non-consolidated companies		-	-	(1.5)
Sub-total		68.2	42.0	210.1
Cost of net debt		(0.1)	5.0	18.2
Income tax expense (including deferred taxes)		11.2	11.1	68.9
Operating cash flow		79.3	58.1	297.2
Income taxes (paid)/reimbursed		(6.9)	(4.0)	(52.7)
Change in operating working capital needs		55.9	59.8	56.9
Net cash generated by/(used in) operating activities		128.3	113.9	301.4
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(8.4)	(9.5)	(51.0)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.7	0.3	2.6
Cash outflows on acquisitions of financial assets		-	-	(6.6)
Cash inflows from disposals of financial assets		-	-	-
Effect of changes in scope of consolidation		(1.1)	(5.4)	(192.9)
<i>Purchase price of investments in consolidated activities</i>		(1.5)	(6.4)	(201.7)
<i>Proceeds from disposals of consolidated activities</i>		14.2	-	-
<i>Net liabilities related to consolidated activities</i>		-	-	-
<i>Other cash effects of changes in scope of consolidation</i>		(13.8)	1.0	8.8
Dividends received		-	-	1.5
Change in loans and advances receivable		(0.2)	0.5	0.5
Net cash generated by/(used in) investing activities		(9.0)	(14.1)	(245.9)
Cash received on exercise of share options		-	-	-
Purchases and sales of treasury shares		(3.4)	-	-
Dividends paid during the period		-	-	(91.8)
Cash inflows from new debt contracted		-	12.2	18.7
Repayment of debt (including finance leases)		(1.2)	(0.2)	(500.6)
Net interest paid (including finance leases)		0.1	9.0	(11.6)
Net cash generated by/(used in) financing activities		(4.5)	21.0	(585.3)
CHANGE IN CASH POSITION		114.8	120.8	(529.8)
Cash position at beginning of period		37.0	566.8	566.8
Change in cash position during the period		114.8	120.8	(529.8)
Cash position at end of period		151.8	687.6	37.0

Notes to the consolidated financial statements

1. Significant events

1.1. SPS divestment

On April 8, 2011, the TF1 group signed an agreement to sell its entire interest in the online gaming and sports betting company SPS. The sale was completed on May 2, 2011, once ARJEL (the French online gaming regulator) had agreed that SPS could retain the licence it had been granted on June 7, 2010.

In the TF1 group consolidated financial statements for the three months ended March 31, 2011:

- An operating loss of €11 million was recognised for SPS, including costs associated with the sale, compared with the operating profit of €5 million reported in the first quarter of 2010 (mainly due to the €6.1 million remeasurement of the previously-held equity interest in SPS).
- A tax credit of €13.4 million was recognised in connection with the sale, on the "Income tax expense" line.

In the year ended December 31, 2010, SPS reported an operating loss of €29.7 million, comprising current operating losses of €23.6 million and non-current operating losses of €6.1 million (see the notes to the consolidated financial statements for the year ended December 31, 2010).

1.2. Completion of the divestment of 1001 Listes

The sale of 1001 Listes was completed on February 4, 2011, with no material impact on the consolidated financial statements for the three months ended March 31, 2011 (see note 3 – Changes in scope of consolidation).

2. Accounting policies

2.1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the three months ended March 31, 2011 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, 2010 as published in the 2010 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 17, 2011 under reference number D.11-0145.

An English-language version of the audited consolidated financial statements for the year ended December 31, 2010 is included in the TF1 Financial Annual Report, which is available on the TF1 corporate website at <http://www.groupe-tf1.fr/en/finance/financial-results-publications/financial-reports/2010-6282448-843.html>.

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

They are presented in millions of euros.

The consolidated financial statements were examined by the Board of Directors on May 12, 2011, and have been subject to a review by the statutory auditors.

2.2. New and amended accounting standards and interpretations

2.2.1. New standards, amendments and interpretations effective within the European Union which are mandatorily applicable to, or may be early adopted in, periods beginning on or after January 1, 2011

In preparing its condensed financial statements for the three months ended March 31, 2011, 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, 2010, plus any new standards, amendments and interpretations applicable from January 1, 2011 as described in the table below.

As of March 31, 2011 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, 2011.

Standard/Interpretation	Effective date			Impact
	EU ⁽¹⁾		TF1 group	
Revised IAS 24: Related Party Disclosures	July 19, 2010		January 1, 2011	No impact on the financial statements
Amendment to IFRIC 14: Prepayments of a Minimum Funding Requirement	July 19, 2010		January 1, 2011	No impact on the financial statements
IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	July 23, 2010		January 1, 2011	No impact on the financial statements
Annual Improvements to IFRSs	February 19, 2011		January 1, 2011	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
IFRS 9 Financial Instruments	January 1, 2013	Not quantifiable at this stage
Amendment to IFRS 7: Disclosures – Transfers of Financial Assets	July 1, 2011	No impact on the financial statements
Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets	January 1, 2012	No impact on the financial statements
Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011	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 2011 to date, other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2011 (see note 2-2-1), which have no impact on the financial statements.

2.4. Use of estimates

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

The principal accounting policies requiring the use of estimates are:

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

These estimates were made using the same valuation approaches as those used in preparing the financial statements for the year ended December 31, 2010 and previous interim financial statements. 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.

3. Changes in scope of consolidation

Divestment of 1001 Listes

Following completion of the sale on February 4, 2011, the 1001 Listes and 1001 Listes Belgique entities were deconsolidated as of January 1, 2011.

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 the TF1 channel 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 TF1 Production.

Audiovisual Rights

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

Broadcasting International

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

Other Activities

This segment comprises all activities not included in any of the segments described above, including (from December 31, 2010) the subsidiary SPS, previously classified in Broadcasting International.

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

(€m)	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities		Total TF1	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
EXTRACT FROM INCOME STATEMENT										
Revenue	499.4	479.7	29.0	32.4	84.5	84.0	1.5	0.8	614.4	596.9
Current operating profit	62.4	39.0	0.1	(4.5)	10.0	5.3	(11.0)	4.0	61.5	43.8
Share of profits/(losses) of associates ⁽¹⁾	(0.2)	4.0	-	-	-	-	(0.7)	(0.4)	(0.9)	3.6

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

- Broadcasting France: the share of profit/loss for 2010 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 March 31, 2011 are not materially different from those reported as of December 31, 2010.

5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	AB Group ⁽¹⁾	WBTv	Metro France Publications	Other associates	Total
Country	France	Belgium	France	France	
December 31, 2009	256.3	4.5	11.2	3.4	275.4
Share of net profit/(loss) for period	4.4	(0.4)	(0.4)	-	3.6
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
March 31, 2010	260.7	4.1	10.8	3.4	279.1
December 31, 2010	-	2.8	11.1	-	13.9
Share of net profit/(loss) for period	-	(0.2)	(0.7)	-	(0.9)
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	-	1.4	1.4
Other movements	-	-	-	-	-
March 31, 2011	-	2.6	10.4	1.4	14.4

(1) This investment was deconsolidated on September 30, 2010, since when it has been classified as a financial asset.

6. Share buyback programme

Under the terms of the authorisation granted by the Annual General Meeting of April 15, 2010, TF1 has repurchased 253,214 of its own shares for €3.4 million euros with a view to their cancellation.

This authorisation was renewed at the Annual General Meeting of April 14, 2011.

7. Net debt

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

(€m)	March 31, 2011	Dec. 31, 2010
Cash and cash equivalents	152.5	39.3
Financial assets held for treasury management purposes	-	-
Available cash	152.5	39.3
Fair value of interest rate derivative instruments	0.2	(0.3)
Non-current debt	(14.2)	(16.1)
Current debt	(5.3)	(6.1)
Total debt	(19.5)	(22.2)
Net surplus cash/(net debt)	133.2	16.8

As of March 31, 2011, TF1 had the following financing in place:

- Confirmed bilateral bank credit facilities of €1,125.5 million with a range of maturities between one and five years, supplemented by a cash pooling agreement with the Bouygues group. As of March 31, 2011, TF1 was not using this cash pooling agreement as a source of financing, and instead had used the agreement to place €112 million of surplus cash.
- a finance lease obligation of €18.8 million relating to the financing of technical plant and equipment.

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

As of March 31, 2011 and December 31, 2010, the TF1 group was in a net surplus cash position.

8. Cost of net debt

Cost of net debt for the three months ended March 31, 2011 comprised the following items:

(€m)	Q1 2011	Q1 2010
Interest income	0.4	0.8
Change in fair value of hedged portion of bond issue	-	-
Change in fair value of interest rate derivatives	-	0.1
Income and revenues from financial assets	-	-
Income associated with net debt	0.4	0.9
Interest expense on net debt	(0.3)	(5.9)
Change in fair value of interest rate derivatives	-	-
Expenses associated with net debt	(0.3)	(5.9)
Cost of net debt	0.1	(5.0)

9. Definition of cash position

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

(€m)	March 31, 2011	Dec. 31, 2010
Cash and cash equivalents in the balance sheet	152.5	39.3
Treasury currents accounts credit balances	(0.7)	(2.1)
Bank overdrafts	-	(0.2)
Total net cash position at end of period per cash flow statement	151.8	37.0

10. Dividends paid

The table below shows the dividend per share paid by the TF1 group on April 24, 2011 in respect of the 2010 financial year, and the dividend paid during 2010 in respect of the 2009 financial year.

	Paid in 2011	Paid in 2010
Total dividend (€m)	117.4	91.8
Ordinary dividend per share (€)	0.55	0.43

11. Post balance sheet events

11.1. TCM DA divestment

On April 19, 2011, the TF1 group sold to the M6 Group its entire 50% interest in TCM DA, their jointly-held rights catalogue subsidiary.

11.2. SPS divestment

As announced on April 14, 2011, and after confirmation from ARJEL (the French online gaming regulator) regarding the operating license, TF1 sold 100% of the share capital of SPS, its online gaming and betting subsidiary, to Solfive on May 2, 2011 (see note 1 – Significant Events).

2011/2012 Diary Dates

- May 31, 2011: Analyst & Investor Day
- July 26, 2011: Financial information for the first half of 2011
- November 10, 2011: Financial information for the third quarter of 2011
- February 16, 2012: Full-year Financial information for 2011 and Analyst Meeting

These dates may be subject to change.

Télévision Française 1

Société anonyme with capital of €42,682,098.40
Registered No. 326 300 159 R.C.S. Nanterre

1, quai du Point du Jour
92656 Boulogne Cedex – France
Tel: (33) 1 41 41 12 34
OH www.tf1.fr

Contacts:

Investor Relations Department
Tel: 33 1 41 41 27 32
Fax: 33 1 41 41 29 10
Website: <http://www.groupe-tf1.fr/>
e-mail: comfi@tf1.fr