Boulogne-Billancourt – July 26, 2011

First half of 2011:
Operating profit up 79% at €186.5m
Operating margin sharply higher at 15%
S&P rating upgraded to "BBB+ / Stable Outlook"

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 25, 2011 to adopt the financial statements for the six months ended June 30, 2011.

Consolidated Figures (€m)	H1 2011	H1 2010	Change %	Change €m
Revenue	**1,277.6**	**1,284.6**	**-0.5%**	**-7.0**
TF1 Channel advertising	*757.8*	*764.6*	*-0.9%*	*-6.8*
Other activities	*519.8*	*520.0*	*-*	*-0.2*
Operating profit	**186.5**	**104.4**	**+78.6%**	**+82.1**
Cost of net debt	0.2	(10.4)	na	+10.6
Net profit (attributable to the Group)	**118.6**	**74.2**	**+59.8%**	**+44.4**

Consolidated revenue for the first half of 2011 was virtually unchanged at €1,277.6m, a fall of just 0.5%.

This figure includes:

- **TF1 channel advertising revenue** of €757.8m, only lower (0.9%) than in the first half of 2010 because, unlike in the previous year, when TF1 screened the 2010 FIFA World Cup, TF1 did not broadcast any major sporting events during the period. Even so, the channel's advertising revenue rose by 0.7% in the second quarter, an improvement relative to the first quarter of the year.
- **Revenue from other activities** of €519.8m, static year-on-year, as increased revenue generated by the acquisition of TMC/NT1 offset the non-recurrence of the resale of sports rights.

Advertising revenue for the TF1 Group as a whole advanced by 4.7% to €905.2m.

Operating margin improvement of 6.5 points

Consolidated **operating profit** for the first half of 2011 was €186.5m, up €82.1m (78.6%) on the first half of 2010.
Current operating margin reached 14.6%, compared with 8.1% for the first half of 2010 and 8.8% for 2010 as a whole.

Second-quarter operating profit was €125.0m, up €64.4m on the second quarter of 2010. Operating margin for the second quarter of 2011 was 18.8%, against 8.8% in the comparable period of 2010.
Quarter after quarter, these performances confirm the effectiveness of the measures taken to progress the Group's business model in a favourable direction.

Net profit attributable to the Group up €44.4m

Cost of net debt showed a net gain of €0.2m in the first half of 2011, compared with a net expense of €10.4m a year earlier, the TF1 Group having redeemed its bond debt in November 2010.

Income tax expense for the six months ended June 30, 2011 was €53.1m, an increase of €22.8m, in line with the rise in profits.

Associates contributed a net loss of €11.6m in the first half of 2011, mainly comprising a provision for impairment of the interest in Metro France.

Overall, **net profit attributable to the Group** came to €118.6m for the first half of 2011, compared with €74.2m for the first half of 2010. In the second quarter of 2011, net profit attributable to the Group was €72.2m, against €41.4m a year earlier.

Analysis by segment

€m	Q1 2011	Q1 2010	Q2 2011	Q2 2010	H1 2011	H1 2010
Broadcasting France	499.4	479.7	552.8	562.2	1,052.2	1,041.9
Audiovisual Rights	29.0	32.4	21.1	27.6	50.1	60.0
International Broadcasting	84.5	84.0	89.3	97.2	173.8	181.2
Other Activities	1.5	0.8	-	0.7	1.5	1.5
Total consolidated revenue	**614.4**	**596.9**	**663.2**	**687.7**	**1,277.6**	**1,284.6**
Broadcasting France	62.4	39.0	118.6	45.6	181.0	84.6
Audiovisual Rights	0.1	(4.5)	(11.2) *	(1.1)	(11.1)	(5.6)
International Broadcasting	10.0	5.3	17.6	21.4	27.6	26.7
Other Activities	(11.0)	4.0	-	(5.3)	(11.0)	(1.3)
Operating profit	**61.5**	**43.8**	**125.0**	**60.6**	**186.5**	**104.4**

* includes provision for the *Miracle at St Anna* dispute

Broadcasting France (Source: Médiamétrie)

Over the first six months of the year, the TF1 channel enjoyed a 23.8% audience share among Individuals aged 4 and over, and a 26.8% share among "Women aged under 50 purchasing decision-makers". The channel attracted all of the top 50 audience ratings during the period.

TF1 channel programming costs for the first half of 2011 totalled €423.6m, compared with €482.6m for the first half of 2010. The year-on-year reduction of €59.0m (12.2%) was due to the non-recurrence of the 2010 FIFA World Cup (€49.3m of savings in rights costs, net of replacement programmes) and to savings of €9.7m on other programmes.

Revenues from the **Broadcasting France** division were up 1.0% at €1,052.2m, thanks to good performances from TMC, e-TF1 (online video sales and rollout of MyTF1 to new operators), and TF1 Entreprises (especially music, shows and licences).

Divisional operating profit for the first half of 2011 was €181.0m, compared with €84.6m for the first half of 2010.

Audiovisual Rights

The **Audiovisual Rights** division posted revenue of €50.1m in the first half of 2011, down €9.9m year-on-year. The main factors were the fact that this year's cinema releases were less successful than the previous years, and the elimination of intercompany catalogue sales as a result of the consolidation of TMC and NT1, partly offset by growth for the Video business.

Broadcasting International

Tough economic conditions and the absence of major sporting events during the first half of 2011, and the resulting impact on advertising revenue, explain why revenue at **Broadcasting International** (Eurosport International) slipped by 4.1% in spite of continuing growth in subscription revenue.

Operating profit increased by €0.9m to €27.6m.
Eurosport International achieved operating margin of 15.9%, an improvement of 1.2 points, reflecting control over operating expenses and programming costs (which this year have not included any major sporting events).

Robust financial position maintained

As of June 30, 2011, shareholders' equity attributable to the Group stood at €1,530m, out of a balance sheet total of €3,394m. The Group had net cash of €10.9m as of June 30, 2011, compared with €16.8m as of December 31, 2010.

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

Outlook for 2011

In an economic environment still characterised by poor visibility, the TF1 Group is reiterating its guidance of flat consolidated revenue for 2011 as a whole.

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 half of 2011 is available on the corporate website: http://www.groupe-tf1.fr/. A conference call will be held on July 26, 2011 at 9.30 a.m. Paris time. Details of how to connect to the conference call are available on: http://www.groupe-tf1.fr/.

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Half-Year Financial Report

2011

Contents

Results

Financial Indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2011 First half	2010 First half	2010 Full year
Revenue	**1,277.6**	**1,284.6**	**2,622.4**
TF1 channel advertising revenue	**757.8**	*764.6*	*1,549.8*
Revenue from other activities	**519.8**	*520.0*	*1,072.6*
Current operating profit	**186.5**	104.4	230.4
Operating profit	**186.5**	104.4	313.2
Net profit attributable to the Group	**118.6**	74.2	228.3
Operating cash flow*	**219.7**	132.5	297.2
Shareholders' equity	**1,540.9**	1,387.8	1,547.6
Net surplus cash (+) / Net debt (-)	**10.9**	(120.1)	16.8
Earnings per share (€)	**0.56**	0.35	1.07
Diluted earnings per share (€)	**0.55**	0.34	1.06

* Before cost of net debt and income taxes

	2011 First half	2010 First half	2010 Full year
Weighted average number of shares outstanding ('000)	**213,238**	213,396	213,396
Closing share price at end of period (€)	**12.5**	10.8	13.0
Market capitalisation at end of period (€bn)	**2.7**	2.3	2.8

Consolidated income statement in management accounting format

€m	2011 First half	2010 First half	2010 Full year
TF1 Channel			
Advertising revenue	757.8	764.6	1,549.8
Advertising costs	(37.0)	(38.0)	(75.9)
NET BROADCASTING REVENUE	**720.8**	**726.6**	**1,473.9**
Royalties and levies			
- Royalties	(30.5)	(29.1)	(58.5)
- CNC (National Centre for Cinematography)	(40.9)	(41.2)	(84.2)
- Tax on broadcast advertising	(3.2)	(9.6)	(6.1)
Broadcasting costs			
- TDF, satellites, transmission costs	(14.3)	(25.0)	(44.9)
Programming costs (excluding exceptional sporting events)	**(423.6)**	**(422.5)**	**(873.6)**
Exceptional sporting events	**0.0**	**(60.1)**	**(77.6)**
GROSS PROFIT	**208.3**	**139.1**	**329.0**
Diversification revenue and other revenue from operations	148.0	519.3	1,070.9
Other operating expenses	(112.9)	(521.9)	(1,064.5)
Depreciation, amortisation and provisions, net	(56.9)	(32.1)	(105.0)
CURRENT OPERATING PROFIT	**186.5**	**104.4**	**230.4**
Non-current operating income and expenses	-	-	82.8
OPERATING PROFIT	**186.5**	**104.4**	**313.2**
Cost of net debt	**0.2**	**(10.4)**	**(18.2)**
Other financial income and expenses	**(1.0)**	**3.4**	**(2.5)**
Income tax expense	(53.1)	(30.3)	(68.9)
Share of profits/(losses) of associates	(11.6)	6.8	5.7
NET PROFIT	**121.0**	**73.9**	**229.3**
ATTRIBUTABLE TO THE GROUP	**118.6**	**74.2**	**228.3**
Attributable to minority interests	2.4	(0.3)	1.0

Income statement contributions by segment

€m	Revenue H1 2011	Revenue H1 2010	Revenue FY 2010	Current operating profit H1 2011	Current operating profit H1 2010	Current operating profit FY 2010
BROADCASTING FRANCE	**1,052.2**	**1,041.9**	**2,109.6**	**181.0**	**84.6**	**201.3**
TF1 SA [a]	760.5	769.5	1,561.3	131.9	56.9	143.3
Téléshopping (Home Shopping)	54.1	58.3	101.9	1.0	4.1	3.9
Theme Channels – France [b]	160.1	107.9	252.5	27.9	11.8	27.5
TF1 Entreprises	16.6	15.8	43.8	2.6	0.3	2.4
Production [c]	11.6	10.1	16.7	2.0	(0.1)	(1.9)
e-TF1	38.6	37.3	78.2	3.1	0.1	2.5
Other [d]	10.7	43.0	55.2	12.5	11.5	23.6
AUDIOVISUAL RIGHTS	**50.1**	**60.0**	**142.9**	**(11.1)**	**(5.6)**	**(5.2)**
Catalogue [e]	11.7	24.4	54.1	(10.1)	0.7	4.3
TF1 Vidéo	38.4	35.6	88.8	(1.0)	(6.3)	(9.5)
BROADCASTING INTERNATIONAL	**173.8**	**181.2**	**364.4**	**27.6**	**26.7**	**59.9**
OTHER ACTIVITIES	**1.5**	**1.5**	**5.5**	**(11.0)**	**(1.3)**	**(25.6)**
SPS [f]	1.5	-	1.6	(11.0)	0.1	(23.6)
1001 Listes [g]	-	1.5	3.9	-	(1.4)	(2.0)
TOTAL CONTINUING OPERATIONS	**1,277.6**	**1,284.6**	**2,622.4**	**186.5**	**104.4**	**230.4**

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

Quarterly performances

Revenue by segment (€m)	Q1 2011	Q1 2010	Q2 2011	Q2 2010	H1 2011	H1 2010
Broadcasting France	499.4	479.7	552.8	562.2	1,052.2	1,041.9
Audiovisual Rights	29.0	32.4	21.1	27.6	50.1	60.0
Broadcasting International	84.5	84.0	89.3	97.2	173.8	181.2
Other Activities	1.5	0.8	-	0.7	1.5	1.5
Total TF1 Group	**614.4**	**596.9**	**663.2**	**687.7**	**1,277.6**	**1,284.6**

Current operating profit by segment (€m)	Q1 2011	Q1 2010	T2 2011	T2 2010	H1 2011	H1 2010
Broadcasting France	62.4	39.0	118.6	45.6	181.0	84.6
Audiovisual Rights	0.1	(4.5)	(11.2) *	(1.1)	(11.1)	(5.6)
Broadcasting International	10.0	5.3	17.6	21.4	27.6	26.7
Other Activities	(11.0)	4.0	-	(5.3)	(11.0)	(1.3)
Total TF1 Group	**61.5**	**43.8**	**125.0**	**60.6**	**186.5**	**104.4**

* includes provision for the *Miracle at St Anna* dispute

Key events of the first half 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.

April

April 1, 2011: TF1 Publicité launches the unique, tailored "Puissance 5" scheme for Yves Rocher, giving the brand a presence in the highest-profile time slots across all TF1 media.

April 2, 2011: TF1 newscasts are now produced using Process News and Sports 2 (the Group's in-house news and sports systems).

April 4, 2011: launch of the TF1News free iPhone application.

April 5, 2011: Eurosport unveils its new visual identity across all its channels, designed to strengthen the brand and reinforce its top-end image.

April 19, 2011: TF1 SA sells its interest in TCM DA to the M6 group.

April 25, 2011: The new *Les Prêtres* album is released.

May

May 2, 2011: The TF1 Group appoints Jean-François Lancelier as Executive Vice President of Broadcasting, Programmes and Production.

May 2, 2011: The TF1 Group sells 100% of the shares in the online gaming and betting company SPS to Solfive, after approval by ARJEL of the transfer of the licences.

May 3, 2011: A CSA Institute survey shows that LCI is the best-known news channel among French people aged 15 and over, with brand recall of 73%. The same survey names Eurosport as the best-known sports channel among the same group, with brand recall of 72%.

May 4, 2011: TF1 Licences launches the *Hello Kitty* monthly magazine, aimed at 3-7 year-olds.

May 5, 2011: TF1 hosts the 2nd "Innovation Campus".
TF1 Vidéo signs a distribution agreement with Cinram International Inc, a leading worldwide creator/distributor of grouped multimedia content.

May 12, 2011: launch of the new politics show *Parole Directe*.

May 23, 2011: TF1 selects Ringier Romandie to sell advertising airtime on the channel to Swiss advertisers.

May 24, 2011: LCI achieves its best audiences since 2003, with growth of 45% among individuals aged 4 and over and 46% among higher socio-professional categories over the period from mid-February to mid-April 2011 (versus the period from September 2010 to February 2011)[1].

May 31, 2011: The TF1 Group presents its growth levers at its first Analyst and Investor Day.

[1] Source: Médiamat/Médiaplanning and Médiamat'Thématik (wave 21 – Pay TV universe – January 3, 2011 to June 19, 2011 and wave 19 – March 1, 2010 to June 20, 2010)

June

June 1, 2011: Wat.tv and TF1.fr become exclusive partners of Twitter in France by adding the "follow" button on their sites.
The consultation initiated by the TF1 Group on the take-up of its pay TV channels (Eurosport, Eurosport 2, LCI, TV Breizh, Ushuaïa TV and Histoire) and associated services enjoyed positive feedback from ISPs.

June 7, 2011: The first *Social VOD* is launched by TF1 Vision on Facebook with the latest show from comedian Florence Foresti. This new experience gives users the chance to rent and watch the video, and to use Facebook to invite their friends to watch it too.

June 14, 2011: The TF1 Group Purchasing Department receives the award for "Purchasing Management and Team of the Year" at the 5th annual award ceremony of the French Federation of Managers and Purchasers.

June 20, 2011: TF1 Entreprises launches iPad and iPhone versions of *Mille Bornes*, the best-selling French card game in the world.

June 21, 2011: TF1 Droits Audiovisuels was ordered by the Paris court of first instance to pay €32 million to the producer of the film *Miracle at St Anna*, its bankers, and the writer and director. In October 2007, TF1 Droits Audiovisuels had signed an agreement to distribute the film in the four principal European territories (excluding Italy). At the end of 2008, TF1 Droits Audiovisuels refused to distribute the film on the grounds of non-compliance with the contractual specifications, and demanded that the contract be terminated. Following the court ruling, the dispute went to mediation, as a result of which the parties agreed on July 21 to waive all further claims in return for compensation paid by TF1.

June 28, 2011: Nicolas Canteloup will join TF1 in the autumn to host a daily news-based live comedy show.

June 30, 2011: TF1 opens negotiations to raise its 34.3% stake in Metro France, held since 2003, to 100%.

Management Review

Boulogne-Billancourt – July 25, 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

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.

Revenue

Consolidated revenue for the first six months of the year was €1,277.6m, down €7.0m (0.5%).

Revenue for the first half of 2011 includes €47.9m from the newly-acquired equity interests in TMC and NT1, which have been consolidated since the TF1 group acquired control on July 1, 2010.
Note that 2010 first-half revenue included €33m from the resale of FIFA 2010 World Cup rights.
The fall in consolidated revenue in the first six months of 2011 was due to:

- the ongoing weak and uncertain economic climate in France and Europe, which has hit advertising spend on the TF1 channel and also on Eurosport international;
- for the Audiovisual Rights division, the elimination of intercompany sales to TMC and NT1, which affected revenue for the Catalogue business.

Consolidated revenue for the first half of 2011 comprises:

- €757.8m advertising revenue from the TF1 channel, a drop of €6.8m (0.9%), on an unfavourable comparative base due to a strong catch-up in volumes and last year's broadcasting of the FIFA 2010 World Cup;
- €519.8m from diversifications, static relative to the first half of 2010.

Advertising revenue for the TF1 group as a whole was €905.2m, an improvement of €40.3m (4.7%), thanks to strong growth in revenues from the TMC channel and internet activities.

In the second quarter of 2011, TF1 group consolidated revenue was €663.2m, down €24.5m (3.6%).

It comprises:

- €404.5m advertising revenue from the TF1 channel, an improvement of €2.7m (0.7%) – a decent performance, given that net advertising revenue rose by 10% in the second quarter of 2010;
- €258.7m revenue from diversifications, a fall of €27.2m (9.5%).

Programming costs and other operating costs

Programming costs for the TF1 channel in the first half of 2011 were €423.6m, compared with €482.6m a year earlier. This improvement of €59.0m (12.2%) was due to:

- €49.3m net savings relating to the FIFA 2010 World Cup (€60.1m for rights and production costs, net of €10.8m for replaced programmes);
- €9.7m savings on other programmes.

Excluding exceptional sporting events, TF1 channel first-half programming costs were €423.6m, against €422.5m a year earlier, an increase of only €1.1m, despite the broadcasting in the first half of 2011 of programmes in place of the football matches shown the previous year. This once again demonstrated the TF1 Group's ability to optimise programming and costs.

Films, entertainment, children's programmes and sport achieved savings of 11.1%, 7.6%, 7.4% and 4.3% respectively.
Programming costs for drama serials and news magazines rose by 11.6% and 3.7% respectively in the first half of 2011, due to the screening of more of this type of output on TF1 during the period.

Operating costs improved by €54.9m despite the inclusion of €34.5m of costs as a result of the newly-acquired equity interests in TMC and NT1.
However, 2010 first-half operating costs included €50m for World Cup rights which were to be resold.
The TF1 group therefore generated savings of €39.4m in the first half of 2011.

Depreciation, amortisation, provisions and impairment represented a net expense of €56.9m, €24.8m higher than in the first half of 2010 (when a €17.0m provision relating to the resale of FIFA 2010 World Cup rights was written back).

Operating profit

In the first half of 2011, the TF1 group made an operating profit of €186.5m, €82.1m (78.6%) more than in the first half of 2010, €13.4m of which related to the consolidation of the newly-acquired equity interests in TMC and NT1.
Current operating margin was 14.6%, against 8.1% for the first half of 2010 and 8.8% for 2010 as a whole.

In the second quarter, the Group posted operating profit of €125.0m, up €64.4m from the second quarter of 2010.
Second-quarter operating margin was 18.8%.

Quarter after quarter, these performances confirm the effectiveness of the measures taken to progress the Group's business model in a favourable direction.

Net profit

The TF1 group was cash-positive in the first half of 2011. In the first half of 2011, cost of net debt represented a net gain of €0.2m, compared with a net expense of €10.4m a year earlier.

Other financial income and expenses showed a net expense of €1.0m for the six months ended June 30, 2011, versus €3.4m for the six months ended June 30, 2010, the difference being due to currency hedge remeasurements.

Income tax expense for the first half of 2011 was €53.1m, up €22.8m, in line with the increase in net profit after allowing for a tax gain arising on the sale of SPS.

Associates contributed a loss of €11.6m to end June 2011, compared with €6.8m a year earlier. The difference is due to:

- the fact that since July 1, 2010 the AB Group has no longer been accounted for as an associate;
- a provision of €8.0m booked for the impairment of Metro France shares.

Net profit attributable to the Group for the first half of 2011 was €118.6m, versus €74.2m for the comparable period of 2010, an increase of €44.4m.

Minority interests in net income amounted to €2.4m in the first half of 2011, compared with a negative interest of €0.3m in the first half of 2010.

Overall, net income for the first half of 2011 therefore came to €121.0m, against €73.9m for the first half of 2010.

Net profit attributable to the Group for the second quarter of 2011 was €72.2m, versus €41.4m for the comparable period of 2010.

Minority interests in net income for the quarter were €0.6m, compared with a negative interest of €0.1m in the second quarter of 2010.

Net income for the second quarter of 2011 was €72.8m, against €41.3m for the second quarter of 2010.

Balance sheet

As of June 30, 2011, shareholders' equity attributable to the Group stood at €1,529.8m, out of a balance sheet total of €3,393.7m.
As of June 30, 2011, shareholders' equity stood at €1,540.9m.

The net cash position at end June 2011 was €10.9m, against €16.8m at December 31, 2010.
At end June 2010, net debt was €120.1m.

As of June 30, 2011, the Group had confirmed bilateral credit facilities with various banks, totalling €975m.
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.

On July 22, 2011, Standard and Poor's upgraded the TF1 Group's credit rating from BBB [positive outlook] to BBB + [stable outlook], reflecting the Group's strong balance sheet.

1. Broadcasting France

In the first half of 2011, the Broadcasting France division generated revenue of €1,052.2m, an increase of €10.3m (1.0%).

Current operating profit was €181.0m, up €96.4m. Current operating margin was 17.2%, compared with 8.1% a year earlier, a rise of 9.1 points.

In the second quarter of 2011, the division generated revenue of €552.8m, down €9.4m (1.7%). Current operating profit was €118.6m, up €73.0m. Second-quarter operating margin was 21.5%, up 13.4 points from the 8.1% recorded in the second quarter of 2010 (which included the €60.1m costs of the FIFA 2010 World Cup).

1.1. TF1 channel

In the first half of 2011, TF1 channel revenue fell by 1.2% (€9.0m) to €760.5m. Advertising revenue was 0.9% lower at €757.8m.

Current operating profit was €131.9m (up €75.0m), giving current operating margin of 17.3%, an increase of 9.9 points on the 7.4% reported a year earlier.

In the second quarter, TF1 channel revenue was 0.5% higher at €406.2m. Operating profit was €88.6m, giving operating margin of 21.8%, up 15.7 points on the second quarter of 2010. Advertising revenue was €404.5m, a rise of €2.7m (0.7%).

TF1[2]

Market at an all-time high

The television market reached record levels in 2010, with 8.5 million television sets sold. In 2011, sales of TV sets are expected to continue to grow, to 8.9 million. The trend is being driven by the switch to digital and the broadcasting of exceptional sports fixtures.

In the first half of 2011, the average daily viewing time for individuals aged 4 and over reached 3 hours, 47 minutes (12 minutes more than in the first half of 2010), and for “women aged under 50 purchasing decision-makers” 3 hours, 54 minutes (7 minutes more).

As of June 30, 2011, 99% of French people had access to at least 18 channels, against 92% a year earlier. This penetration rate shows that multi-channel offerings have become the norm in France. By June 30, 2011, 83% of French people had gone fully digital. The remaining three regions will go digital by end November.

Market-leading position confirmed

Against this backdrop, the TF1 channel achieved a 2011 first-half audience share of 23.8% of individuals aged 4 and over (versus 24.8% in the first half of 2010) and 26.8% of “women aged under 50 purchasing decision-makers” (versus 28.2%).

TF1 obtained the top 50 audience figures in the first half of the year (versus 49 of the top 50 a year earlier) and the biggest single audience with *Les Enfoirés* on March 11 (12.5 million 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 50 occasions) in the first half of 2011. 16 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 (25.8% of individuals aged 4 and over), and a bigger lead over its nearest rival (11.9 points, versus 8.6 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 29.8% audience share and a lead of 10.1 points over the channel’s closest competitor.

At the same time, 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.

[2] Source: Médiamétrie – Market leadership in TF1 prime time slots

Prime time market leader

In the first half of 2011, the TF1 channel had an average prime time audience of 6.3 million viewers (against 6.6 million a year earlier).

Within TF1's prime time slots, TF1 was the most-watched channel on 87% of evenings (versus 91% in the first half 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 launched in the first quarter of 2011 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. The France/Croatia match on March 29, 2011 was watched by 7.6 million viewers.

American series: *House* (French title: *Dr House*) attracted a record audience of 9.5 million in the first half of 2011, and *Criminal Minds* (French title: *Esprits Criminels*) 9.4 million. 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.

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 half 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 7.7 million viewers on March 24, 2011.

Movies: TF1 achieved excellent ratings for its movies, especially *De l'Autre Côté du Lit* (9.4 million viewers), *Die Hard 4* (9.0 million viewers, best performance by an American film since November 2008), *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 1 p.m. bulletin up to 8.5 million.

Timeshift audiences: positive initial results

Since January 3, 2011, the Médiamat ratings published by Médiamétrie have included timeshift [3] 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.

At end March 2011, 63% of households with TV also had timeshift capability.

Results for the first half were encouraging, with timeshift viewing adding an extra 1.7% to the TV audience on average, equivalent to an extra 3 minutes and 38 seconds per day of TV viewing by French people.
For example, *Dr House* gained more than 720,000 viewers for a single broadcast thanks to the timeshift audience.

Timeshift viewers watch programmes within one week of the original broadcast, with 42% of them watching on the same day as the programme was screened.

Advertising revenue [4]

Gross plurimedia advertising spend (including the internet) rose by 6.5% (€809.2m) in the first half of 2011, to €13.2bn, mainly driven by growth in TV advertising (58% of the total).

Television (national and regional channels, DTT, cable and satellite) is the no.1 medium in terms of advertising spend, with market share of 32.4% (up 1.6 points year-on-year) and gross revenue of €4.3bn in the first half of 2011 (up 12.3% year-on-year).
Advertising spend on free-to-air DTT is still growing rapidly (up 36.4% to €1.2bn).

Print media still ranks second behind TV in France, with gross advertising revenue of €3.8bn (up 3.6%) in the first half of 2011.

[3] Timeshift refers to a method of recording video or audio (podcast) onto digital storage media for viewing or listening shortly after the original broadcast.
[4] Source: Kantar Media Intelligence

In the first half of 2011, gross revenue for the **TF1 channel** was up 2.1% on the same period of 2010, with the first quarter up 3.3% and the second quarter up 1.0%. The channel's share of gross advertising revenue across the TV market as a whole was 37.1% (down 3.7 points).

Gross advertising spend by sector shows a mixed picture due to the downturn in economic activity and a fall in household consumption.
Growth sectors relative to the first half of 2010 are:

- Food (+0.9%);
- Cosmetics and Beauty (+7.0%);
- Auto/Transport (+4.9%);
- Retail (+14.7%);
- Healthcare (+5.2%);
- Travel/Tourism (+19.0%).

Over the same period, some sectors declined:

- Financial services (-3.9%);
- Household Cleaning (-13.8%);
- Telecoms (-13.1%);
- Publishing (-16.2%).

In volume terms (duration), advertising screened during the first half fell slightly, after strong growth in the first half of 2010.

The advertising business continued its strategy of rebuilding value, despite the lack of any major sporting events like last year's football World Cup.

First-half net advertising revenue for the TF1 channel was €757.8m, down 0.9% or €6.8m. Revenue for the first quarter of 2011 was €353.3m, 2.6% lower than in the first quarter of 2010. Second-quarter revenue was €404.5m, 0.7% higher.

1.2. Home Shopping

In the first half of 2011, the Home Shopping business generated €54.1m of revenue, against €58.3m a year earlier, down 7.2%. This fall was mainly due to a drop in sales for the flagship Téléshopping brand, and a lower average order value for Infomercials (though the number of orders rose).
These trends were partially offset by good results for the Place des Tendances business. The e-commerce site now has 200 brands. The number of orders doubled in the first half.

Current operating profit was €1.0m, down €3.1m, the drop in sales for the flagship brand and Infomercials being slightly offset by the improved results for Place des Tendances.

1.3. Theme channels [5]

As of June 30, 2011, 99% of French people were receiving at least 18 channels, compared with 92% a year earlier and 85% 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 22.5% of individuals aged 4 and over in the first half of 2011. This compares with 18.9% in the first half of 2010 and 14.3% in the first half 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 11.7% in the first half of 2011, down 0.6 of a point year-on-year.

TF1 theme channel revenues reached €160.1m in the first half of 2011, up 48.4% year-on-year, thanks largely to the consolidation of 100% of TMC and NT1 from July 1, 2010. The newly-acquired equity interests in TMC and NT1 contributed revenue of €47.9m in the first half of 2011, including €25.8m in the second quarter. On a constant structure basis, revenue from the theme channels rose by 4.0%, driven by good performances from all channels, apart from TF6 and Eurosport France where revenue fell slightly.
Theme channel advertising revenue increased by €50.3m to €97.5m, representing growth of 5.1% on a constant structure basis.

Current operating profit for the first half of 2011 was €27.9m, a year-on-year increase of €16.1m. TF1 Group operating profit for the period includes €13.4m arising from the consolidation of the newly-acquired equity interests in TMC and NT1, including €8.1m in the second quarter of 2011.

[5] Source: Médiamat / Médiaplanning and Médiamat'Thématik
wave 21 – pay-TV universe – January 3, 2011 to June 19, 2011
wave 20 – pay-TV universe – March 1, 2011 to June 20, 2011
wave 19 – March 1, 2010 to June 20, 2010)

Current operating margin came to 17.4%, versus 10.9% a year earlier. The boost in profitability was driven by revenue growth for the theme channels, excellent results at TMC, and tight cost control.
Second-quarter current operating margin was 19.2%, versus 16.5% a year earlier.

TMC

TMC recorded an audience share of 3.5% among individuals aged 4 and over in the first half of 2011 (versus 3.1% a year earlier, up13%), rising to 3.8% among "women aged under 50 purchasing decision-makers" (versus 3.4% a year earlier, up 12%).

The channel became France's leading DTT channel in the first half, and the no.5 national channel among individuals aged 4 and over.

TMC had an average prime time audience of 900,000 (up 100,000 year-on-year), and attracted over a million viewers on 72 occasions (against 32 in the same period of 2010).

The channel achieved the four highest viewing figures for free-to-air DTT channels, with over 2.0 million watching *Lethal Weapon 4* (French title: *L'Arme Fatale 4*), *Dirty Dancing* and *Transformers*, and 1.8 million watching *The Devil Wears Prada* (French title: *Le Diable s'habille en Prada*). TMC obtained 40 of the best 100 audience figures for free-to-air DTT thanks to strong programming in films, magazine programmes, entertainment, French drama and American serials.

NT1

NT1 recorded an audience share of 1.8% among individuals aged 4 and over in the first half of 2011 (versus 1.5% a year earlier), rising to 2.3% for "women aged under 50 purchasing decision-makers" (sharply up – by 64% - on the 1.4% recorded in the first half of 2010).
The channel therefore posted the highest growth rate of any DTT channel in the target audience of "women aged under 50 purchasing decision-makers".

The growth in this key target group for advertisers primarily reflects stronger schedules and joint work with the TF1 Group's programming teams.

The average prime time audience was 600,000, with 28 programmes attracting more than 800,000 viewers (against 6 a year earlier), including 3 films with more than 1 million viewers: *Shooter* (French title: *Shooter,Tireur d'Elite*), *The Last Legion* (French title: *La Dernière Légion*), and *Romeo Must Die* (French title: *Roméo doit Mourir*).

The first half of 2011 was therefore a period of growth for NT1.

Eurosport France

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

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

Programming costs were higher, due to the decision at the start of the year to enhance the editorial side, accompanied by the launch of new magazine programmes. Selling costs rose due to the increase in revenue generated with DTT operators.

TV Breizh

In the first half of 2011, TV Breizh became France's no.1 pay-TV cable and satellite channel for individuals aged 4 and over (1.3% audience share, up 0.1 of a point) and "women aged under 50 purchasing decision-makers" (1.8%, up 0.2 of a point).

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

TV Breizh is proving highly resilient in a market where competition remains intense, and is achieving growth in both revenue and operating margin.

LCI

LCI's editorial repositioning, launched in 2010, is aimed at reinforcing the channel's market positioning in the face of increased competition from free-to-air news channels.
It enabled LCI to achieve its best first-half audience figures for higher socio-professional categories since 2004 (1.0% audience share for cable and satellite). The channel's audience share was up 0.2 of a point (36%) year-on-year, and it now ranks fourth among the pay-TV channels.
LCI has seen its audiences grow sharply, by 55% year-on-year (individuals aged 4 and over).

These good results are also being buoyed by strong news content enhanced by TF1 editorial support.

Recognised by advertisers as a benchmark news channel, LCI saw advertising revenue rise in the first half of 2011, while cost optimisation improved current operating profit.

Découverte division

The Découverte division channels all reported good first-half revenue and profit figures.

Histoire is continuing to build brand awareness, while Ushuaïa TV – the sustainable development channel – is expanding its HD output. Stylía 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, recorded virtually flat revenue in the first half of 2011 as a result of tougher competition. The channels have responded by adapting their cost bases to offset the dip in revenue.

1.4. TF1 Entreprises

TF1 Entreprises reported revenue of €16.6m in the first half of 2011, up 5.1% on the first half of 2010.

Higher revenue plus lower operating costs, particularly on the publishing side, fed through into current operating profit, which was €2.6m, against €0.3m in the first half of 2010, an improvement of €2.3m. Current operating margin was 15.7%.

Music

After a year of successful musical partnerships in 2010, 2011 is continuing the trend with fine performances in the first half by Zaz (481,000 albums sold), Nolwenn Leroy (629,000) and Black Eyed Peas (391,000). In the second quarter, Les Prêtres brought out a second album called *Gloria* which topped the album charts for six weeks, with sales of 281,000. Their first album *Spiritus Dei* is continuing to sell (138,000 sold in the period).

The musical *Mozart, the Rock Opera* has been a huge success, with 1.1 million tickets sold since it opened.

Licences

In the first half, the Licences business continued to expand, including:

- publication of the *Masterchef* tie-in *"Les Meilleures Recettes d'Anne"* ("Anne's Best Recipes");
- the anniversary of the creation of Babar;
- signing an agency agreement with Franklin;
- obtaining the agency licence for the Gogo's brand.

Games

In the first half of 2011, TF1 Entreprises/Dujardin, in partnership with Française des Jeux, launched the FDJ-*Mille Bornes* scratchcard, of which 20 million have been sold in barely four months.
Meanwhile, the *Mille Bornes* iPhone/iPad application was ranked n^{o}.1 on iTunes from its first week.
The *Le Cochon qui Rit* range is also continuing to expand.

Other

Growth in the division's revenue and profit have also been boosted by a fine performance from Automotocompare.fr, launched in the third quarter of 2010.

1.5. Production

Production division revenue rose by 14.9% in the first half of 2011 to €11.6m. Current operating profit was €2.0m, or an increase of €2.1m.

TF1 Films Production [6]

Total box office entries at French cinemas in the first half of 2011 reached 97.3 million, down 6.1% on the first six months of 2010.
French films took an estimated 36.0% market share in the period (38.5% for the first six months of 2010), versus 50.8% for American films (46.1% for the first six months of 2010).

[6] Source: Ecran Total – July 6, 2011 / CNC

Despite a rather tough environment, TF1 Films Production co-produced 12 films that went on general release in the first half of 2011 (versus 7 in the first half of 2010). Six of these films had topped one million box office entries by June 30, 2011: *Rien à Déclarer* (8.1 million), *Largo Winch 2* (1.3 million), *La Fille du Puisatier* (1.3 million), *Le Fils à Jo* (1.2 million), *La Chance de ma Vie* (1.0 million), and *Sans Identité* (1.0 million).

TF1 Production

First-half revenue at TF1 Production was flat relative to the comparable period of 2010, but there was a substantial improvement at operating level thanks to tight cost control.

Highlights for TF1 Production during the first six months of the year included producing the TV ratings hit *Danse avec les Stars* and managing the *Spiritus Dei* tour.

During the first half of 2010, TF1 Production was the producer of a large number of tie-in magazine programmes related to the 2010 FIFA World Cup.

1.6. e-TF1 [7]

Revenue at e-TF1 reached €38.6m, up 3.5%. A fall in interactivity due to programming effects was more than offset by the rollout of the MyTF1 platform on Free from March 2011 and by the success of advertising around online video. In the first half of 2011, 705 million free videos were watched on the Group's websites, including 452 million in catch-up mode. This is a remarkable performance: in just six months, the number of videos watched on TF1.fr has beaten the number watched over the whole of 2010 (700 million).

Revenue growth, combined with tight cost control, improved profitability at WAT and new deals with operators for MyTF1, drove current operating profit €3.0m higher, to €3.1m.

1.7. Other [8]

Revenue recorded on the "Other" line in the first half of 2011 amounted to €10.7m, versus €43.0m a year earlier (when the figure included revenue of €33m from the resale of rights to the 2010 FIFA World Cup). Agency commission generated by TF1 Publicité from advertising airtime sales for third parties rose year-on-year. The *Les Indés Radios* grouping, still the market leader in the 25-49 age bracket, is reaching 8.1 million listeners a day.

Current operating profit was €12.5m, up €1.0m on the first half of 2010.

2. Audiovisual Rights

The Audiovisual Rights segment posted revenue of €50.1m for the first half of 2011, €9.9m lower than in the comparable period of 2010.

The current operating loss deteriorated sharply, from €5.6m in the first half of 2010 to €11.1m.

2.1. Catalogue

Revenue for the Catalogue business was €11.7m, compared with €24.4m in the first half of 2010, a decline of €12.7m. The main factors were the fact that this year's cinema releases were less successful than the previous year's, along with the elimination of intercompany sales to TMC and NT1.
The business made a current operating loss of €10.1m in the first half of 2011, including a provision relating to the dispute over the film *Miracle at St Anna*.

2.2. TF1 Vidéo

The Video business saw 7.9% revenue growth, to €38.4m. This growth, achieved despite serious price erosion, was due partly to strong DVD sales for Jamel Debbouze shows, Florence Foresti's *Motherfucker* show, the film *Elle s'appelait Sarah* and the *Millenium Volumes 1 to 3* box set, and partly to the expansion of kiosk and VOD activities (7% increase in downloads).

Growth in revenue and tight cost control pegged operating losses to €1.0m, an improvement of €5.3m compared with the first half of 2010.

[7] Source: eStat Streaming TV
[8] Source: Médiamétrie 126,000 Radio – April-June 2011 – Monday - Friday - 5 a.m. – midnight – Target 25-49 age bracket

3. Broadcasting International

The Eurosport International Group saw revenue slip by €7.4m (4.1%) to €173.8m in the first half of 2011. This partly reflects the fact that in the first half of 2010, Eurosport screened the 2010 FIFA World Cup.
Current operating profit was up €0.9m at €27.6m.

Eurosport International posted a current operating margin of 15.9%, an improvement of 1.2 points, thanks to tight cost control and the non-recurrence of the major sporting events (such as the Olympics and the Africa Cup of Nations) that were broadcast in the first half of 2010.

After a sharp fall of 19.4% in audience figures in the first quarter of 2011, reflecting the non-recurrence of the major sporting events shown in the previous year, the Eurosport International channel bounced back with 20.8% growth in the second quarter, driven by attractive programming.
Overall, the average audience fell by 4.6% in the first half, against a backdrop of more intense competition from other sports channels and also from some national generalist channels.
The dynamism of the Eurosport 2 channel helped support audience figures.

Web audiences showed strong growth, putting Eurosport in the top rank of European sports network websites. Available in 14 local versions, the Eurosport website attracted a daily average of 2.7 million[9] unique visitors at end June 2011, 13.3% more than at end June 2010.

Despite these healthy audience figures, Eurosport International's advertising revenue fell by 17.8% to €31.5m in the first half of 2011, due to adverse economic conditions and a tough comparative.

On the other hand, subscription revenue rose during the period.

At end June 2011, 125.4 million households in Europe were receiving the Eurosport channel (4.9 million more than at end June 2010).

The Eurosport International paying subscriber base was 7.0% higher than in the first half of 2010, with growth driven mainly by Central and Eastern Europe and Turkey.
Growth at the Eurosport 2 channel, where the subscriber base increased by 8.4 million, was also driven by strong performances in Eastern Europe, and in Scandinavia. Eurosport 2 has passed the 50 million household mark, thanks to quality programming and expert coverage of both team sports and new-generation sports.

Growth for the Eurosport HD channel (4.3 million new subscribers) followed a more uniform geographic pattern, with strong growth in the United Kingdom, Mediterranean Europe, and above all in Western Europe.

4. Other activities

The ongoing rationalisation of the TF1 Group's diversification activities continued during the first half of 2011. On February 4, 2011, TF1 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.

SPS generated revenue of €1.5m in the first half of 2011. During the first half of 2010, 1001 Listes reported revenue of €1.5m.
The "Other Activities" segment reported an operating loss of €11.0m for the first half of 2011, entirely attributable to the sale of SPS. This compares with a loss of €1.3m for the first half of 2010, mainly attributable to 1001 Listes.

[9] Source: NedStats unique visitor cookies

5. Post balance sheet events

There are no post balance sheet events to report, apart from as included in note 1-1.

6. Sustainable development

Content and advertising

The fourth “Jobs Week” initiative conducted by the TF1 Group’s editorial teams from May 2 to May 8 has so far resulted in 2,500 French people finding work, 1,635 of them on permanent contracts. These schemes have helped some 10,000 people into work since November 2009, when the first “Jobs Week” was launched.

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

Employment and solidarity 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

TF1 Group employees are now being offered a mobile phone recycling scheme. Their obsolete handsets are reconditioned and recycled by the Ateliers du Bocage, an organisation that provides jobs for the disadvantaged. A scheme to recycle CDs and DVDs has also been set up at the TF1 Group’s sites.

Ethical Purchasing

The TF1 Group’s Purchasing Department has signed up to the “Ethical Purchasing Charter”, an initiative of the French Ministry of the Economy, Finance and Industry, aimed at major buyers of goods and services from small and medium-sized enterprises.

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

7. Human resources update

As of June 30, 2011, the TF1 Group employed 3,708 people, compared with 3,671 a year earlier. As of December 31, 2010, the Group employed 3,798 people; the reduction since that date is due to the divestment of SPS and 1001 Listes.

8. Stock market performance

On June 30, 2011, TF1 shares closed at €12.54, 16% higher than on June 30, 2010.
Over the same period, the CAC 40 rose by 16% the SBF 120 by 18%, and the CAC Media index by 12%.

Over the first six months of 2011, TF1 shares fell by 4%, while the CAC 40 and the SBF 120 both rose by 5%. However, the CAC Media index fell by 2%, illustrating the sensitivity of media stocks to economic uncertainty.

The TF1 Group had a market capitalisation of €2.7 billion on June 30, 2011, versus €2.3 billion a year earlier.

9. Share ownership

	June 30, 2011		
	Number of shares	% of capital	% of voting rights
Bouygues	**91 946 297**	**43,1%**	**43,1%**
Treasury shares	**506 320**	**0,2%**	**0,2%**
TF1 employees	**12 973 944**	**6,1%**	**6,1%**
via the FCPE TF1 fund	*12 884 559*	*6,0%*	*6,0%*
as registered shares	*89 385*	*0,0%*	*0,0%*
Free float - France (1) (2)	**29 626 762**	**13,9%**	**13,9%**
Free float - rest of world (2)	**78 360 169**	**36,7%**	**36,7%**
Total	**213 413 492**	**100,0%**	**100,0%**

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

	Decembre 31, 2010		
	Number of shares	% of capital	% of voting rights
Bouygues	**91 946 297**	**43,1%**	**43,1%**
Treasury shares	**14 625**	**0,0%**	**0,0%**
TF1 employees	**12 149 695**	**5,7%**	**5,7%**
via the FCPE TF1 fund	*12 025 780*	*5,6%*	*5,6%*
as registered shares	*123 915*	*0,1%*	*0,1%*
Free float - France (1) (2)	**34 833 010**	**16,3%**	**16,3%**
Free float - rest of world (2)	**74 466 865**	**34,9%**	**34,9%**
Total	**213 410 492**	**100,0%**	**100,0%**

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

	June 30, 2010		
	Number of shares	% of capital	% of voting rights
Bouygues	**91 806 565**	**43,0%**	**43,0%**
Treasury shares	**14 625**	**0,0%**	**0,0%**
TF1 employees	**12 296 695**	**5,8%**	**5,8%**
via the FCPE TF1 fund	*12 172 780*	*5,7%*	*5,7%*
as registered shares	*123 915*	*0,1%*	*0,1%*
Free float - France (1) (2)	**36 275 658**	**17,0%**	**17,0%**
Free float - rest of world (2)	**73 016 949**	**34,2%**	**34,2%**
Total	**213 410 492**	**100,0%**	**100,0%**

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

Outlook

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

We are more focused than ever on consolidating our market-leading position in news and entertainment, in the pay TV and/or free content market.

Having streamlined its business mix, the TF1 group is continuing to develop its resurgent diversification activities.

Related parties

There have been no significant developments in respect of related parties since publication of the TF1 Registration Document, the French version of which was filed with the AMF on March 17, 2011 (reference D. 11-0145).

Risk Factors

The principal risk factors identified by the TF1 Group are:

- **Operational risks**
  - risk of losing key programmes;
  - risk of non-reimbursement of advances paid;
  - risks related to the economic crisis;

- **Industrial and environmental risks**
  - industrial risks related to the broadcasting of TF1 programmes: risk of signal transmission interruption and non-execution risk;
  - risks related to the competitive environment:
    - risks related to the growth of digital terrestrial television and the development of the internet;
    - risks related to the digital switchover;

- **Legal risk**
  - risks related to regulation: broadcasting licence and disciplinary powers of the CSA;
  - risks related to the review of the France Télévisions advertising ban;
  - risks related to the rights of individuals (privacy, defamation);
  - risks related to intellectual property rights (copyright, related rights);
  - specific risks related to certain reality TV shows;
  - risks related to competition law;
  - process of acquiring 100% of NT1 and the AB Group's 40% shareholding in TMC;

- **credit and/or counterparty risk**

financial risks
  - liquidity risk;
  - market risk.

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 17, 2011 (French version filed with the AMF as reference 11-0145, English version available on the TF1 corporate website) 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 72 to 78 of the Annual Report.

On the issue of the distribution of pay-TV theme channels, a French Competition Authority ruling of November 16, 2010 rejected the complaint of anti-competitive practices and referred back to its own investigation office the issue of whether exclusive distribution agreements have the cumulative effect of blocking access to the French pay TV market. France Telecom has appealed against this ruling.

With the distribution agreements for the pay TV channels due to expire on December 31, 2011, on April 18, 2011, these channels initiated a consultation exercise among all the distributors in the market seeking proposals for the take-up of the channels. Discussions are ongoing. The TF1 Group is also preparing a number of cases before the CSA, in particular applications to settle disputes with the Canal+ Group which has to date refused to make acceptable proposals for distributing the channels after 2011.

TF1 Droits Audiovisuels had been in dispute with the companies On My Own and BNP, and with Spike Lee and Jeremy McBride, about the distribution of the film *Miracle at St Anna*. All the parties to the lawsuit have now reached an out-of-court settlement that has definitively ended the dispute.

As regards the disputes in respect of reality TV shows, the Versailles Appeal Court has now ruled on (i) the claims of contestants whose actions alleging "employee" status were time-barred (rulings of November 9, 2010), awarding them damages for the loss they claimed to have suffered due to the conditions under which the programme was recorded: TF1 Production has decided to appeal these rulings; and (ii) the claims of contestants alleging "employee" status whose actions were not time-barred (rulings of April 5, 2011), confirming the reclassification of their contracts as contracts of employment and awarding them back salary and damages of amounts of between €15,000 and €17,000, while rejecting any claim to "performing artist" status or of "clandestine employment". TF1 SA itself was exonerated, with some contestants ordered to make a payment to the company under Article 700 of the New Code of Civil Procedure. An appeal will also be lodged against these rulings.

Consolidated financial statements for the six months ended June 30, 2011

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, 2011	Dec. 31, 2010	June 30, 2010
Goodwill		**865.2**	**883.5**	**519.6**
Intangible assets		**133.9**	**147.4**	**130.9**
Audiovisual rights		66.2	77.5	89.0
Other intangible assets		67.7	69.9	41.9
Property, plant and equipment		**178.1**	**186.1**	**189.6**
Investments in associates	*5*	**3.8**	**13.9**	**173.2**
Non-current financial assets		**180.0**	**181.2**	**326.2**
Non-current tax assets		**1.0**	**2.6**	**9.1**
Total non-current assets		**1,362.0**	**1,414.7**	**1,348.6**
Inventories		**643.9**	**631.4**	**612.7**
Programmes and broadcasting rights		628.8	617.7	597.2
Other inventories		15.1	13.7	15.5
Trade and other debtors		**1,349.1**	**1,227.3**	**1,292.9**
Current tax assets		**-**	**7.6**	**-**
Other current financial assets	*7*	**0.6**	**4.4**	**14.5**
Cash and cash equivalents	*7*	**38.1**	**39.3**	**435.4**
Total current assets		**2,031.7**	**1,910.0**	**2,355.5**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,393.7**	**3,324.7**	**3,704.1**
Net surplus cash/(Net debt)		**10.9**	**16.8**	**(120.1)**

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	*Note*	**June 30, 2011**	**Dec. 31, 2010**	**June 30, 2010**
Share capital		42.7	42.7	42.7
Share premium and reserves		1,368.5	1,267.9	1,271.0
Net profit attributable to the Group		118.6	228.3	74.2
Shareholders' equity attributable to the Group		**1,529.8**	**1,538.9**	**1,387.9**
Minority interests		11.1	8.7	(0.1)
Total shareholders' equity		**1,540.9**	**1,547.6**	**1,387.8**
Non-current debt	*7*	**13.1**	**16.1**	**10.4**
Non-current provisions		**46.1**	**44.4**	**45.6**
Non-current tax liabilities		**7.1**	**11.0**	**5.3**
Total non-current liabilities		**66.3**	**71.5**	**61.3**
Current debt	*7*	**14.3**	**6.1**	**544.8**
Trade and other creditors		**1,686.1**	**1,638.5**	**1,651.2**
Current provisions		**58.2**	**51.7**	**36.5**
Current tax liabilities		**19.9**	**5.7**	**21.8**
Other current financial liabilities		**8.0**	**3.6**	**0.7**
Total current liabilities		**1,786.5**	**1,705.6**	**2,255.0**
Liabilities related to held-for-sale assets		**-**	**-**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,393.7**	**3,324.7**	**3,704.1**

Consolidated income statement

(€m)	Note	2011 1st half	2010 1st half	2011 2nd quarter	2010 2nd quarter	2010 Full year
Net advertising revenue		905.2	864.9	485.8	462.1	1,793.3
- TF1 channel		*757.8*	*764.6*	*404.5*	*401.8*	*1,549.8*
- Other media		*147.4*	*100.3*	*81.3*	*60.3*	*243.5*
Diversification revenue (excluding advertising)		372.4	419.7	177.4	225.6	829.1
Revenue		**1,277.6**	**1,284.6**	**663.2**	**687.7**	**2,622.4**
Other operating revenue		-	0.1	-	0.1	-
External production costs		(312.1)	(302.4)	(150.8)	(125.0)	(664.5)
Other purchases and changes in inventory		(195.7)	(321.3)	(102.7)	(222.2)	(517.7)
Staff costs		(210.4)	(211.5)	(102.9)	(106.9)	(434.9)
External expenses		(221.5)	(228.1)	(110.9)	(119.4)	(502.2)
Taxes other than income taxes		(72.7)	(76.9)	(38.5)	(39.9)	(145.6)
Depreciation and amortisation, net		(40.5)	(45.1)	(20.6)	(21.2)	(90.5)
Provisions and impairment, net		(16.4)	13.0	3.9	11.7	(14.5)
Other current operating income		43.5	40.3	21.9	19.3	78.3
Other current operating expenses		(65.3)	(48.3)	(37.6)	(23.6)	(100.4)
Current operating profit		**186.5**	**104.4**	**125.0**	**60.6**	**230.4**
Other operating income		-	-	-	-	102.0
Other operating expenses		-	-	-	-	(19.2)
Operating profit		**186.5**	**104.4**	**125.0**	**60.6**	**313.2**
Income associated with net debt	*8*	0.7	1.6	0.3	0.7	3.1
Expenses associated with net debt	*8*	(0.5)	(12.0)	(0.2)	(6.1)	(21.3)
Cost of net debt		**0.2**	**(10.4)**	**0.1**	**(5.4)**	**(18.2)**
Other financial income		0.8	4.1	0.5	2.1	2.4
Other financial expenses		(1.8)	(0.7)	(0.2)	-	(4.9)
Income tax expense		(53.1)	(30.3)	(41.9)	(19.2)	(68.9)
Share of profits of associates	*5*	(11.6)	6.8	(10.7)	3.2	5.7
Net profit from continuing operations		**121.0**	**73.9**	**72.8**	**41.3**	**229.3**
Post-tax profit from discontinued/ held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit		**121.0**	**73.9**	**72.8**	**41.3**	**229.3**
attributable to the Group		**118.6**	***74.2***	***72.2***	***41.4***	***228.3***
attributable to minority interests		*2.4*	*(0.3)*	*0.6*	*(0.1)*	*1.0*
Weighted average number of shares outstanding ('000)		213,238	213,396	213,238	213,396	213,396
Basic earnings per share from continuing operations (€)		0.56	0.35	0.34	0.19	1.07
Diluted earnings per share from continuing operations (€)		0.55	0.34	0.34	0.19	1.06

Statement of recognised income and expense

(€m)	2011 1st half	2010 1st half	2010 Full year
Consolidated net profit for the period	**121.0**	**73.9**	**229.3**
Remeasurement of derivative hedging instruments*	(7.0)	11.6	3.7
Remeasurement of available-for-sale financial assets	-	-	-
Remeasurement of non-current assets	-	-	-
Change in cumulative translation difference of controlled entities	(0.2)	0.6	0.4
Actuarial gains/(losses) on employee benefits	-	-	2.4
Taxes on items credited or debited directly to equity	2.4	(3.8)	(2.0)
Share of income and expenses of associates recognised directly in equity	-	-	-
Other movements, net	-	-	-
Income and expenses recognised directly in equity	**(4.8)**	**8.4**	**4.5**
Total recognised income and expense	**116.2**	**82.3**	**233.8**
attributable to the Group	113.8	82.6	232.8
attributable to minority interests	2.4	(0.3)	1.0

** Includes reclassification adjustments recognised in net profit for the period: cash flow hedges (amount: -€1.8m).*

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		-	-	-	0.5		**0.5**	-	**0.5**
Purchase of treasury shares	6	-	-	(6.2)	-	-	**(6.2)**	-	**(6.2)**
Cancellation of treasury shares		-	-	-	-	-	**-**	-	**-**
Dividends paid		-	-	-	(117.2)	-	**(117.2)**	-	**(117.2)**
Other transactions with shareholders		-	-	-	-	-	**-**	-	**-**
Consolidated net profit		**-**	**-**	**-**	**118.6**	**-**	**118.6**	**2.4**	**121.0**
Income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**(4.8)**	**(4.8)**	**-**	**(4.8)**
BALANCE AT JUNE 30, 2011		**42.7**	**2.8**	**(6.6)**	**1,492.2**	**(1.3)**	**1,529.8**	**11.1**	**1,540.9**

(€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, 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		-	-	-	-	-	**-**		**-**
Consolidated net profit		**-**	**-**	**-**	**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**

Consolidated cash flow statement

(€m)	Note	2011 1st half	2010 1st half	2010 Full year
Consolidated net profit (including minority interests)		121.0	73.9	229.3
Depreciation, amortisation, provisions & impairment (excluding current assets)		42.4	39.9	107.7
Intangible assets and goodwill		*25.9*	*25.3*	*74.9*
Property, plant and equipment		*14.8*	*13.1*	*29.4*
Financial assets		*-*	*-*	*1.8*
Non-current provisions		*1.7*	*1.5*	*1.6*
Other non-cash income and expenses		(8.3)	(6.9)	(15.8)
Effect of fair value remeasurement		1.3	(8.8)	(106.0)
Share-based payment		0.5	0.7	1.5
Net (gain)/loss on asset disposals		(1.3)	(0.1)	0.6
Share of (profits)/losses and dividends of associates		11.6	(6.8)	(5.7)
Dividend income from non-consolidated companies		(0.4)	(0.1)	(1.5)
Sub-total		**166.8**	**91.8**	**210.1**
Cost of net debt		(0.2)	10.4	18.2
Income tax expense (including deferred taxes)		53.1	30.3	68.9
Operating cash flow		**219.7**	**132.5**	**297.2**
Income taxes (paid)/reimbursed		(31.7)	3.0	(52.7)
Change in operating working capital needs		(56.2)	(3.2)	56.9
Net cash generated by/(used in) operating activities		**131.8**	**132.3**	**301.4**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(12.7)	(19.9)	(51.0)
Cash inflows from disposals of property, plant & equipment and intangible assets		1.6	0.4	2.6
Cash outflows on acquisitions of financial assets		-	(199.0)	(6.6)
Cash inflows from disposals of financial assets		-	-	-
Effect of changes in scope of consolidation		(3.7)	(4.7)	(192.9)
Purchase price of investments in consolidated activities		*(1.5)*	*(6.4)*	*(201.7)*
Proceeds from disposals of consolidated activities		*14.4*	*-*	*-*
Net liabilities related to consolidated activities		*-*	*-*	*-*
Other cash effects of changes in scope of consolidation		*(16.6)*	*1.7*	*8.8*
Dividends received		0.4	0.1	1.5
Change in loans and advances receivable		(0.3)	0.4	0.5
Net cash generated by/(used in) investing activities		**(14.7)**	**(222.7)**	**(245.9)**
Cash received on exercise of share options		-	-	-
Purchases and sales of treasury shares		(6.2)	-	-
Dividends paid during the period		(117.2)	(91.8)	(91.8)
Cash inflows from new debt contracted		(0.2)	21.6	18.7
Repayment of debt (including finance leases)		(2.4)	(0.3)	(500.6)
Net interest paid (including finance leases)		0.2	9.5	(11.6)
Net cash generated by/(used in) financing activities		**(125.8)**	**(61.0)**	**(585.3)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**(8.7)**	**(151.4)**	**(529.8)**
Cash position at beginning of period – continuing operations		**37.0**	**566.8**	**566.8**
Change in cash position during the period – continuing operations		(8.7)	(151.4)	(529.8)
Cash position at end of period – continuing operations		**28.3**	**415.4**	**37.0**

Notes to the consolidated financial statements

1. Significant events

1.1. TF1 Droits Audiovisuels – Distribution of the film Miracle at St Anna

In October 2007, TF1 Droits Audiovisuels signed an agreement to distribute the film Miracle at St Anna in the four principal European territories (excluding Italy). At the end of 2008, TF1 Droits Audiovisuels refused to distribute the film on the grounds of non-compliance with the contractual specifications, and demanded that the contract be terminated.

The dispute was brought before the Paris court of first instance, which in a ruling of June 21, 2011 ordered TF1 Droits Audiovisuels to pay €32 million in compensation to the producer of the film, its bankers, and the writer and director.

Following this ruling, the dispute went to mediation, as a result of which the parties agreed on July 21 to waive all further claims in return for compensation paid by TF1.

The financial consequences of this agreement are reflected in the consolidated financial statements of the TF1 Group for the six months ended June 30, 2011.

1.2. Ongoing negotiations to take 100% control of Metro France

On June 30, 2011, the TF1 Group – which has held a 34.3% equity interest in Metro France since 2003 – began exclusive negotiations with the Metro International group with a view to taking 100% control. The impact of these negotiations has been reflected in the consolidated financial statements for the six months ended June 30, 2011, via the recognition of an impairment loss against the investment in Metro France (see note 5, “Investments in associates”).

1.3. Divestment of SPS

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

In the TF1 Group consolidated financial statements for the six months ended June 30, 2011:

- An operating loss of €11 million was recognised for SPS to the date of sale (including costs associated with the sale), compared with the operating profit of €0.1 million reported in the first half of 2010 (including €6.1 million for the 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 a current operating loss of €23.6 million and a non-current operating loss of €6.1 million.

1.4. Divestment of TCM DA and TCM Gestion

On April 19, 2011, the TF1 Group sold to the M6 group its entire 50% interest in TCM DA, a rights catalogue subsidiary jointly held by the two companies. The share of TCM DA’s operating losses recognised by the TF1 Group for the four-month period was €2.5 million, mainly comprising a loss in the remeasurement of the audiovisual rights owned by TCM DA.

1.5. 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 six months ended June 30, 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 six months ended June 30, 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 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 July 25, 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 six months ended June 30, 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 June 30, 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	
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
IAS 27: Separate Financial Statements	January 1, 2013	No impact on the financial statements
IAS 28: Investments in Associates and Joint Ventures	January 1, 2013	Under review
IFRS 9: Financial Instruments	January 1, 2013	Under review
IFRS 10: Consolidated Financial Statements	January 1, 2013	Under review
IFRS 11: Joint Arrangements	January 1, 2013	Under review
IFRS 12: Disclosure of Interests in Other Entities	January 1, 2013	Under review
IFRS 13: Fair Value Measurement	January 1, 2013	Under review
Amendment to IFRS 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 the 2010 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.

2.5. Seasonal trends

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

3. Changes in scope of consolidation

3.1. Divestment of SPS

Following the sale on May 2, 2011 of the TF1 Group's entire interest in the SPS Group, the companies of the SPS Group are no longer included in the scope of consolidation as of June 30, 2011 (see note 1, "Significant events").

3.2. Divestment of TCM DA and TCM Gestion

The 50% equity interests held in TCM DA and TCM Gestion were sold on April 19, 2011. These entities, previously accounted for by the proportionate consolidation method, were deconsolidated as of that date (see note 1, "Significant events").

Following completion of the sale of 1001 Listes and 1001 Listes Belgium on February 4, 2011, these two entities were deconsolidated effective 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:

	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities [1]		Total TF1	
(€m)	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
EXTRACT FROM THE INCOME STATEMENT										
Revenue	**1,052.2**	**1,041.9**	**50.1**	**60.0**	**173.8**	**181.2**	**1.5**	**1.5**	**1,277.6**	**1,284.6**
Current operating profit	**181.0**	**84.6**	**(11.1)**	**(5.6)**	**27.6**	**26.7**	**(11.0)**	**(1.3)**	**186.5**	**104.4**
Share of profits/(losses) of associates [2]	(2.5)	**7.1**	-	-	-	-	(9.1)	(0.3)	(11.6)	6.8

(1) For 2010 and 2011, this segment includes the SPS Group, divested in 2011 (see note 1, "Significant events")
(2) 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 June 30, 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	7.8	(0.7)	(0.3)	-	**6.8**
Provisions for impairment	-	-	-	-	**-**
Dividends paid	-	-	-	-	**-**
Change in scope of consolidation	-	-	-	-	**-**
Other movements	(109.0)	-	-	-	**(109.0)**
June 30, 2010	**155.1**	**3.8**	**10.9**	**3.4**	**173.2**
December 31, 2010	**-**	**2.8**	**11.1**	**-**	**13.9**
Share of net profit/(loss) for period	-	(2.5)	(1.1)	-	(3.6)
Provisions for impairment	-	-	(8.0)	-	(8.0)
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	-	1.5	**1.5**
June 30, 2011	**-**	**0.3**	**2.0**	**1.5**	**3.8**

(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 on April 15, 2010 and renewed on April 14, 2011, TF1 has repurchased 491,695 of its own shares for €6.2 million with a view to their cancellation.

7. Net debt

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

(€m)	June 30, 2011	December 31, 2010
Cash and cash equivalents	38.1	39.3
Financial assets held for treasury management purposes	-	-
Available cash	**38.1**	**39.3**
Fair value of interest rate derivative instruments	**0.2**	**(0.3)**
Non-current debt	(13.1)	(16.1)
Current debt	(14.3)	(6.1)
Total debt	**(27.4)**	**(22.2)**
Net surplus cash/(net debt)	**10.9**	**16.8**

As of June 30, 2011, TF1 had the following financing arrangements in place:

- Confirmed bilateral bank credit facilities of €975 million with a range of maturities between one and five years, supplemented by a cash pooling agreement with the Bouygues group. As of June 30, 2011, TF1 was not using this cash pooling agreement as a source of financing.
- A finance lease obligation of €17.6 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 June 30, 2011, 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 period breaks down as follows:

(€m)	2011 – 1st half	2010 – 1st half
Interest income	0.7	1.3
Change in fair value of hedged portion of bond issue	-	-
Change in fair value of interest rate derivatives	-	0.3
Income and revenues from financial assets	-	-
Income associated with net debt	**0.7**	**1.6**
Interest expense on debt	(0.5)	(12.0)
Change in fair value of interest rate derivatives	-	-
Expenses associated with debt	**(0.5)**	**(12.0)**
Cost of net debt	**0.2**	**(10.4)**

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, 2011	December 31, 2010
Cash and cash equivalents in the balance sheet	38.1	39.3
Treasury current account credit balances	(1.5)	(2.1)
Bank overdrafts	(8.3)	(0.2)
Total net cash position at end of period per cash flow statement	**28.3**	**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

There are no post balance sheet events to report, apart from as included in note 1-1.

Diary dates

- November 10, 2011: Financial information for the third quarter of 2011
- February 16, 2012: Financial information for 2011 (full year) and analyst meeting
- April 19, 2012: Shareholders' Annual General Meeting
- May 14, 2012: Financial information for the first quarter of 2012
- July 27, 2012: Financial information for the first half of 2012

These dates may be subject to change.

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

Boulogne-Billancourt, July 25, 2011

To the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2011 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.

TF1 Chief Executive Officer
Nonce Paolini

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TELEVISION FRANCAISE 1 S.A.

Statutory Auditors' Review Report

on the half-yearly consolidated financial statements

For the six-month period ended 30 June 2011
TELEVISION FRANCAISE 1 S.A.
1, quai du Point du Jour - 92656 Boulogne Cedex

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

TELEVISION FRANCAISE 1 S.A.

Registered Office : 1, quai du Point du Jour - 92656 Boulogne Cedex
Share Capital : €.42 682 698

Statutory Auditors' Review Report on the half-yearly consolidated financial statements

For the six-month period ended 30 June 2011

To the Shareholders,

Following our appointment as statutory auditors by your General Meeting 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 condensed half-yearly consolidated financial statements of TELEVISION FRANCAISE 1 S.A. for the six-month period ended 30 June 2011,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly 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 and other review 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 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-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II. Specific verification

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

Paris La Défense and Courbevoie, on the 25 July 2011

KPMG Audit IS　　Mazars

Eric Lefebvre　　Gilles Rainaut　　Olivier Thireau

Télévision Française 1

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