Boulogne-Billancourt – November 10, 2011

Consolidated revenue at €1,839m (+0,7%)
Advertising revenue for the TF1 group at €1,267m (+3.3%)
Current operating profit up 56.5% at €195m

The TF1 Board of Directors, chaired by Nonce Paolini, met on November 10, 2011 to adopt the financial statements for the nine months ended September 30, 2011.

CONSOLIDATED FIGURES (€m)	H1 2011	H1 2010	Change %	Q3 2011	Q3 2010	Change %	9m 2011	9m 2010	Change %
Revenue	**1,277.6**	**1,284.6**	**-0.5%**	**561.2**	**541.4**	**+3.7%**	**1,838.8**	**1,826.0**	**+0.7%**
TF1 Channel advertising	*757.8*	*764.6*	*-0.9%*	*296.6*	*306.5*	*-3.2%*	*1,054.4*	*1,071.1*	*-1.6%*
Other activities	*519.8*	*520,0*	*-0.0%*	*264.6*	*234.9*	*+12.6%*	*784.4*	*754.9*	*+3.9%*
Current operating profit	**186.5**	**104.4**	**+78.6%**	**9.0**	**20.5**	**-56.1%**	**195.5**	**124.9**	**+56.5%**
Operating profit	**186.5**	**104.4**	**+78.6%**	**9.0**	**116.4**	**-92.3%**	**195.5**	**220.8**	**-11.5%**
Cost of net debt	0.2	**(10.4)**	na	0.2	**(5.3)**	na	0.4	**(15.7)**	na
Net profit	**118.6**	**74.2**	**+59.8%**	**6.6**	**95.5**	**-93.1%**	**125.2**	**169.7**	**-26.2%**

Consolidated revenue for the first nine months of 2011 was up 0.7% at €1,838.8m.

This figure includes:

- **TF1 channel advertising revenue** of €1,054.4m, -1.6% compared to the same period of 2010, due to a challenging third-quarter comparative and a less favourable than expected economic environment, especially from September onwards;
- **revenue from other activities** of €784.4m, up 3.9% year-on-year. This increase reflects the extra revenue from the acquisition of additional interests in TMC and NT1, and performances by diversification subsidiaries. Bear in mind also that 2010 9-month revenue included €33m from the resale of 2010 FIFA World Cup rights, compared with €13m from the resale of Rugby World Cup rights included in revenue for the first nine months of 2011.

Advertising revenue for the TF1 group as a whole advanced by 3.3% to €1,267.2m, driven by performances at TMC and NT1 and by growth in internet video advertising. These trends illustrate the Group's ability to draw on new sources of growth for the future.

3.8-point rise in current operating margin in the first nine months of 2011

Current operating profit for the nine months ended September 30, 2011 was €195.5m, an improvement of €70.6m (56.5%) on the comparable period of 2010.
Current operating margin reached 10.6%, versus 6.8% for the first nine months of 2010 and 8.8% for 2010 as a whole.

Current operating profit in the third quarter of 2011 remains positive (€9.0m, compared with €20.5m in the third quarter of 2010); it includes the costs associated with the Rugby World Cup and factors in a 3.2% drop in TF1 channel advertising revenue.

Net profit of €125m for the 9-month period

Cost of net debt showed a net gain of €0.4m in the first nine months of 2011, compared with a net expense of €15.7m a year earlier, reflecting debt reduction and the positive cash position as of September 30, 2011.

Income tax expense for the first nine months of 2011 was €57.7m, a rise of €19,7m, in line with the increase in profits.

Associates contributed a net loss of €12.7m in the nine months to September 30, 2011, mainly due to a provision for impairment of the investment in Metro France.

In accordance with accounting standards, the previously-held equity interests in TMC and NT1 were remeasured in 2010 on the first-time consolidation of these two entities. This remeasurement, which was based on an independent expert's estimate of the fair value of the two entities, resulted in the recognition of a €95.9m gain in "Non-current operating income".

Overall, **net profit attributable to the Group** for the first nine months of 2011 came to €125.2m, versus €169.7m a year earlier. Net profit attributable to the Group for the third quarter of 2011 was €6.6m, versus €95.5m a year earlier.

Analysis by segment

€m	Q1 2011	Q1 2010	Q2 2011	Q2 2010	Q3 2011	Q3 2010	9m 2011	9m 2010
Broadcasting France	499.4	479.7	552.8	562.2	442.3	424.0	1,494.5	1,465.9
Audiovisual Rights	29.0	32.4	21.1	27.6	23.0	22.3	73.1	82.3
International Broadcasting	84.5	84.0	89.3	97.2	95.9	93.0	269.7	274.2
Other Activities	1.5	0.8	-	0.7	-	2.1	1.5	3.6
Total consolidated revenue	**614.4**	**596.9**	**663.2**	**687.7**	**561.2**	**541.4**	**1,838.8**	**1,826.0**
Broadcasting France	62.4	39.0	118.6	45.6	6.6	12.9	187.6	97.5
Audiovisual Rights	0.1	(4.5)	(11.2) *	(1.1)	(14.5) *	(2.4)	(25.6) *	(8.0)
International Broadcasting	10.0	5.3	17.6	21.4	16.9	16.8	44.5	43.5
Other Activities	(11.0)	4.0	-	(5.3)	-	(6.8)	(11.0)	(8.1)
Current operating profit	**61.5**	**43.8**	**125.0**	**60.6**	**9.0**	**20.5**	**195.5**	**124.9**

* includes costs associated with the *Miracle at St Anna* dispute

Broadcasting France (Source: Médiamétrie)

The TF1 channel achieved an audience share of 23.7% among Individuals aged 4 and over to end September 2011, rising to 26.9% among "Women under 50 purchasing decision-makers". The channel attracted all of the top 50 audience ratings during the period.

Revenue from the **Broadcasting France** division was up 2.0% at €1,494.5m, the main growth drivers being TMC and NT1, TF1 Entreprises (successful industrial licences and music partnerships) and e-TF1 (sale of online videos and rollout of MYTF1 to new operators).

TF1 channel programming costs for the first nine months of 2011 were €639.4m, compared with €693.1m a year earlier. The main factors involved in the €53.7m (7.7%) improvement were:
- non-recurrence of the 2010 FIFA World Cup, generating savings of €63.3m on rights (net of replacement programmes);
- the €12.4m cost of the Rugby World Cup in the third quarter of 2011 (net of replacement programmes);
- €2.8m of savings on other programmes.

The Broadcasting France division posted a current operating profit of €187.6m for the first nine months of 2011, against €97,5m for the comparable period of 2010. Current operating margin rose sharply year-on-year, from 6.7% to 12.6%.

Audiovisual Rights

The **Audiovisual Rights** division reported revenue of €73.1m, €9.2m less than in the comparable period of 2010. This fall reflects flat revenue from Video, fewer box-office entries than in the previous year, and the elimination of some revenue from catalogue sales as intercompany items now that TMC and NT1 are fully consolidated. The division posted a current operating loss of €25.6m, due to the costs associated with the *Miracle at St Anna* dispute, previously provided for at TF1 SA level.

Broadcasting International

Despite the troubled international economic environment and the fact that no major sporting events were screened during the period, **Eurosport International** revenue for the first nine months of 2011 proved resilient, slipping by just 1.6% to €269.7m, with the decline in advertising revenue offset by increased subscription revenue.

Current operating profit for the nine months ended September 30, 2011 was up 2.3% at €44,5m, giving operating margin of 16.5% (versus 15.9% a year earlier). This healthy margin reflects continuing tight control over overheads and programming costs, which have not included any major sporting events in the year to date.

Robust financial position maintained

As of September 30, 2011, shareholders' equity attributable to the Group was €1,522.6m, out of a balance sheet total of €3,248.5m. The Group had net cash of €87.3m as of September 30, 2011, compared with €10.9m as of June 30, 2011 and €16.8m as of December 31, 2010.

Outlook for 2011

The current uncertain economic climate prompts the Group to anticipate a decline of around 1% in 2011 full-year consolidated revenue.

Cancellation of shares

The Board of Directors has decided to cancel 2,388,600 shares, including 2,373,975 acquired in 2011. After this cancellation, the number of shares and voting rights is 211,030,203, and the share capital amounts to €42,206,040.60.

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 nine months of 2011 is available on the corporate website: http://www.groupe-tf1.fr/.
There will be a conference call today at 6.30 p.m. Paris time. For details of how to connect to the call, go to http://www.groupe-tf1.fr/.

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

Financial Information

First 9 months of 2011

Contents

Results

Financial Indicators

These key figures are extracted from TF1 consolidated financial data.

€m	2011 9 months	2010 9 months	2010 full year
Total revenue	**1,838.8**	**1,826.0**	**2,622.4**
TF1 channel advertising revenue	*1,054.4*	*1,071.1*	*1,549.8*
Revenue from other activities	*784.4*	*754.9*	*1,072.6*
Current operating profit	**195.5**	124.9	230.4
Operating profit	**195.5**	220.8	313.2
Net profit attributable to the Group	**125.2**	169.7	228.3
Operating cash flow*	**241.9**	159.8	297.2
Shareholders' equity attributable to the Group	**1,522.6**	1,477.2	1,538.9
Net surplus cash (+) / Net debt (-)	**87.3**	(8.3)	16.8
Earnings per share (€)	**0.59**	0.80	1.07
Diluted earnings per share (€)	**0.58**	0.79	1.06

* Before cost of net debt and income taxes

	2011 9 months	2010 9 months	2010 full year
Weighted average number of shares outstanding ('000)	212,917	213,396	213,396
Closing share price at end of period (€)	9.4	11.4	13.0
Market capitalisation at end of period (€bn)	2.0	2.4	2.8

Consolidated income statement in management accounting format

€m	2011 9 months	2010 9 months	2010 full year
TF1 Channel			
Advertising revenue	1,054.4	1,071.1	1,549.8
Advertising costs	(51.7)	(52.6)	(75.9)
NET BROADCASTING REVENUE	**1,002.7**	**1,018.5**	**1,473.9**
Royalties and levies			
- Royalties	(42.5)	(39.8)	(58.5)
- CNC (National Centre for Cinematography)	(57.2)	(58.0)	(84.2)
- Tax on broadcast advertising	(4.5)	(13.5)	(6.1)
Broadcasting costs			
- TDF, satellites, transmission costs	(21.1)	(36.3)	(44.9)
Programming costs (excluding exceptional sporting events)	**(626.1)**	**(615.5)**	**(873.6)**
Exceptional sporting events	**(13.3)**	**(77.6)**	**(77.6)**
GROSS PROFIT	**238.0**	**177.8**	**329.0**
Diversification revenue and other revenue from operations	783.5	753.5	1,070.9
Other operating expenses	(764.4)	(740.9)	(1,064.5)
Depreciation, amortisation and provisions, net	(61.6)	(65.5)	(105.0)
CURRENT OPERATING PROFIT	**195.5**	**124.9**	**230.4**
Non-current operating income and expenses	0.0	95.9	82.8
OPERATING PROFIT	**195.5**	**220.8**	**313.2**
Cost of net debt	**0.4**	**(15.7)**	**(18.2)**
Other financial income and expenses	**2.1**	**(4.2)**	**(2.5)**
Income tax expense	(57.7)	(38.0)	(68.9)
Share of profits/(losses) of associates	(12.7)	7.2	5.7
NET PROFIT	**127.6**	**170.1**	**229.3**
ATTRIBUTABLE TO THE GROUP	**125.2**	**169.7**	**228.3**
Attributable to minority interests	2.4	0.4	1.0

Income statement contributions by segment

€m	Total revenue			Current operating profit		
	2011 9 months	2010 9 months	2010 full year	2011 9 months	2010 9 months	2010 full year
BROADCASTING FRANCE	**1,494.5**	**1,465.9**	**2,109.6**	**187.6**	**97.5**	**201.3**
TF1 SA [a]	1,059.1	1,080.5	1,561.3	127.7	56.1	143.3
Téléshopping (Home Shopping)	75.5	78.0	101.9	1.8	5.0	3.9
Theme Channels – France [b]	225.6	169.1	252.5	31.1	18.4	27.5
TF1 Entreprises	26.6	23.7	43.8	3.3	1.4	2.4
Production [c]	15.6	13.0	16.7	3.1	1.3	(1.9)
e-TF1	58.6	54.4	78.2	5.4	1.8	2.5
Other [d]	33.5	47.2	55.2	15.2	13.5	23.6
AUDIOVISUAL RIGHTS	**73.1**	**82.3**	**142.9**	**(25.6)**	**(8.0)**	**(5.2)**
Catalogue [e]	22.2	31.0	54.1	(21.8)	1.1	4.3
TF1 Vidéo	50.9	51.3	88.8	(3.8)	(9.1)	(9.5)
BROADCASTING INTERNATIONAL	**269.7**	**274.2**	**364.4**	**44.5**	**43.5**	**59.9**
OTHER ACTIVITIES	**1.5**	**3.6**	**5.5**	**(11.0)**	**(8.1)**	**(25.6)**
SPS [f]	1.5	0.7	1.6	(11.0)	(7.0)	(23.6)
1001 Listes [h]	-	2.9	3.9	-	(1.1)	(2.0)
TOTAL CONTINUING OPERATIONS	**1,838.8**	**1,826.0**	**2,622.4**	**195.5**	**124.9**	**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, TF1 DS (which carries the resale of sports broadcasting rights), and Metro France.
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

Toral revenue by segment (€m)	Q1 2011	Q1 2010	Q2 2011	Q2 2010	Q3 2011	Q3 2010
Broadcasting France	499.4	479.7	552.8	562.2	442.3	424.0
Audiovisual Rights	29.0	32.4	21.1	27.6	23.0	22.3
Broadcasting International	84.5	84.0	89.3	97.2	95.9	93.0
Other Activities	1.5	0.8	-	0.7	-	2.1
Total TF1 group	**614.4**	**596.9**	**663.2**	**687.7**	**561.2**	**541.4**

Current operating profit by segment (€m)	Q1 2011	Q1 2010	Q2 2011	Q2 2010	Q3 2011	Q3 2010
Broadcasting France	62.4	39.0	118.6	45.6	6.6	12.9
Audiovisual Rights	0.1	(4.5)	(11.2) *	(1.1)	(14.5) *	(2.4)
Broadcasting International	10.0	5.3	17.6	21.4	16.9	16.8
Other Activities	(11.0)	4.0	-	(5.3)	-	(6.8)
Total TF1 group	**61.5**	**43.8**	**125.0**	**60.6**	**9.0**	**20.5**

* includes costs associated with the *Miracle at St Anna* dispute

Key events of the first 9 months 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 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 18, 2011: With the distribution agreements for the pay TV channels due to expire on December 31, 2011, these channels initiate a consultation exercise among all the distributors in the market seeking proposals for the take-up of the channels. Discussions are ongoing.

April 19, 2011: TF1 group 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 online gaming and betting company SPS to Solfive, after approval by ARJEL (the French online gaming regulator) 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 - pay tv universe)[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 (intermediary wave 21.1 – Pay TV universe – 14/02/2011 to 10/04/2011 and wave 20 – 30/08/2010 to 13/02/2010)

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: The Paris court of first instance orders TF1 Droits Audiovisuels to pay €32 million in compensation to the producer of the film *Miracle at St Anna*, its bankers, and the writer and director. Back 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 25 to waive all further claims in return for compensation paid by TF1.

June 28, 2011: Nicolas Canteloup is to join TF1 to host a daily topical comedy show as of october.

July

July 6, 2011: TF1 organises its first Innovation Summer School, involving 20 conferences and workshops for Group employees held over 3 days.

July 17, 2011: TF1 launches its first-ever summer roadshow, meeting audiences at 12 French beach resorts.

July 18, 2011: TF1 signs a partnership deal with Sony Pictures Television Distribution covering the studio's drama serials and movie/TV movie catalogues.

July 28, 2011: The TF1 group finalises the acquisition of the 65.7% interest in Metro France held by Metro International, taking TF1's interest to 100%.

August

August 24, 2011: TF1 signs an agreement with SFR giving NeufBox subscribers access to MyTF1.

September

September 8, 2011: TF1 reinvents its digital offering with a global brand, MYTF1, available across all media.

September 8, 2011: TF1 and Europacorp sign a partnership deal to produce English-language TV series.

September 9, 2011: the TF1 group launches the Rugby World Cup across its channels.

Management Review

Boulogne-Billancourt – November 10, 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

TF1 group consolidated revenue for the first nine months of 2011 was €1,838.8m, €12.8m (0.7%) higher than in the first nine months of 2010.

Consolidated revenue comprised:

- €1,054.4m of advertising revenue from the TF1 channel, down €16.7m (1.6%) as a result of weaker volumes, against a particularly tough comparative;

- €784.4m from diversifications, up €29.5m (3.9%).

Diversification revenue for the first nine months of 2011 includes:

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

Bear in mind that revenue for the first nine months of 2010 included €33.0m from the resale of rights to the FIFA 2010 World Cup, recognised in the second quarter of 2010.

Advertising revenue for the TF1 group as a whole reached €1,267.2m, up €40.3m (3.3%), driven by strong growth for the TMC and NT1 channels and for internet activities.
TF1 group consolidated revenue for the third quarter of 2011 was €561.2m, up €19.8m (3.7%).

This comprised:

- €296.6m of advertising revenue from the TF1 channel, down €9.9m (3.2%), as the economic climate led to a decline in the volume of advertising screened;

- €264.6m of diversification revenue, up €29.7m (12.6%), including €13.0m from the resale of rights to the 2011 Rugby World Cup and two months' revenue from Metro France. All diversification activities apart from video recorded revenue growth in the third quarter.

Programming costs and other operating costs

TF1 channel **programming costs** for the first nine months of 2011 were €639.4m, a year-on-year improvement of €53.7m (7.7%), reflecting:

- non-recurrence of the **FIFA 2010 World Cup**, generating savings of €77.6m, or €63.3m net of spending on replacement programmes (€14.3 million);
- the €13.3m cost of the 11 matches in the **2011 Rugby World Cup** screened in September, or €12.4m net of the €0.9m cost of replaced programmes;
- **savings across the rest of the schedule** amounting to €2.8m.

Sport, movies and children's programmes posted savings of 5.0%, 4.4% and 1.4% respectively. Programming costs for news magazines and drama serials rose by 8.3% and 5.6% respectively in the first nine months of the year, due to the screening of more of this type of output on TF1 during the period. Entertainment programming costs were flat year-on-year, rising by 0.2%.

Total third-quarter programming costs for the TF1 channel were €215.8m, compared with €210.5m a year earlier.

Operating costs for the first nine months of 2011 were virtually unchanged year-on-year at €942.3m, despite the inclusion of:

- €34.5m of costs in the first half of 2011 due to the newly-acquired equity interests in TMC and NT1;
- 2011 Rugby World Cup rights that were subsequently resold.

Net charges for depreciation, amortisation and provisions amounted to €61.6m in the first nine months of 2011, against €65.5m a year earlier.

Current operating profit

The Group made a current operating profit of €195.5m in the first nine months of 2011, an increase of €70.6m (56.5%) on the comparable period of 2010; the year-on-year rise includes €13.4m arising from the inclusion of the newly-acquired equity interests in TMC and NT1.

Current operating margin was 10.6% for the first nine months of 2011, versus 6.8% for the comparable period of 2010 and 8.8% for 2010 as a whole.

In the third quarter of 2011, the Group made a current operating profit of €9.0m, compared with €20.5m in the third quarter of 2010.
Third-quarter current operating margin was 1.6%.

Operating profit

The Group made an operating profit of €195.5m in the first nine months of 2011, compared with €220.8m a year earlier. This reflects the fact that the TMC and NT1 acquisition led to the remeasurement of the equity interest held prior to control being obtained, generating a gain of €95.9m that was recognised in “Non-current operating income”.

Net profit

The TF1 group has been cash-positive since the start of the year. Cost of net debt represented a net gain of €0.4m in the first nine months of 2011, against a net expense of €15.7m a year earlier (reflecting the interest expense on the €500m bond issue redeemed on November 12, 2010).

Other financial income and expenses showed a net gain of €2.1m in the first nine months of 2011, versus a net expense of €4.2m in the comparable period of 2010; the year-on-year change was due to currency hedge remeasurements.

Income tax for the nine months to end September 2011 was €57.7m, up €19.7m; this was in line with the rise in pre-tax profits after allowing for a tax gain arising on the sale of SPS in the first quarter of 2011. The gain on the remeasurement of the previously-held equity interests in TMC and NT1, booked in 2010, was not taxable.

Associates contributed a net loss of €12.7m in the first nine months of 2011, versus a net profit of €7.2m a year earlier. The year-on-year change reflects the following factors:

- since July 1, 2010, the AB Group has no longer been accounted for as an associate;
- a provision of €8.0m was booked in the second quarter of 2011 for the impairment of the equity interest in Metro France.

Net profit attributable to the Group for the first nine months of 2011 was €125.2m. This compares with €169.7m a year earlier, which included the €95.9m gain on the remeasurement of the previously-held equity interests in TMC and NT1.
Minority interests were €2.4m for the first nine months of 2011, versus €0.4m a year earlier.
Overall, net profit for the first nine months of 2011 was €127.6m, compared with €170.1m a year earlier, the latter figure including the €95.9m gain on the remeasurement of the previously-held equity interests in TMC and NT1.

Net profit attributable to the Group for the third quarter of 2011 was €6.6m, versus €95.5m a year earlier.
Net profit for the third quarter of 2011 was €6.6m, against €96.2m in the third quarter of 2010 (when net profit included the gain on the remeasurement of the previously-held equity interests in TMC and NT1).

Balance sheet

As of September 30, 2011, shareholders' equity attributable to the Group stood at €1,522.6m, out of a balance sheet total of €3,248.5m.
Total shareholders' equity was €1,533.7m.

The net cash position at end September 2011 was €87.3m, versus €16.8m at end December 2010.
Net debt at end September 2010 was €8.3m.

As of September 30, 2011, the TF1 group had confirmed bilateral credit facilities of €1,025.0m with various banks.
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 1 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 TF1's credit rating from BBB/positive outlook to BBB+/stable outlook, reflecting the Group's healthy financial position.

1. Broadcasting France

The Broadcasting France division posted revenue of €1,494.5m in the first nine months of 2011, an increase of €28.6m (2.0%).

Current operating profit was €90.1m higher at €187.6m.
Current operating margin reached 12.6%, versus 6.7% a year earlier, a rise of 5.9 points.

In the third quarter of 2011, the division generated revenue of €442.3m, up €18.3m (4.3%). Current operating profit fell by €6.3m to €6.6m. Third-quarter operating margin was 1.5%, versus 3.0% a year earlier.

1.1. TF1 channel

Over the first nine months of 2011, TF1 channel revenue fell by 2.0% (or €21.4m) to €1,059.1m. Advertising revenue fell by 1.6% to €1,054.4m.

Current operating profit amounted to €127.7m (up €71.6m), giving current operating margin of 12.1% (versus 5.2% a year earlier, an improvement of 6.9 points).

Third-quarter revenue for the TF1 channel fell by €12.4m (4.0%) to €298.6m. The channel made an operating loss of €4.2m, a deterioration of €3.4m relative to the third quarter of 2010. Third-quarter 2011 advertising revenue was €296.6m, down €9.9m (3.2%) year-on-year.

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 8.7 million. The trend is being driven by the switch to digital and the broadcasting of exceptional sports fixtures.

In the first nine months of 2011, the average daily viewing time for individuals aged 4 and over reached 3 hours, 42 minutes (17 minutes more than in the first nine months of 2010), and for "women under 50 purchasing decision-makers" 3 hours, 49 minutes (13 minutes more).

As of September 30, 2011, 99% of French people had access to at least 18 channels, against 96% a year earlier, showing that multi-channel offerings are now the norm in France.
By September 30, 2011, only two French regions had still not gone fully digital; they are due to switch over by end November.
As a result, digital terrestrial television (DTT) and ADSL are enjoying strong growth at the expense of cable and satellite subscriptions. At end-September 2011, coverage of French households was:

- 61.0% (+4.0 points) connected to DTT;
- 29.1% (+6.3 points) to ADSL or fibre optic;
- 13.6% (-2.1 points) to pay-TV satellite;
- 9.6% (+1.6 points) to free-to-air satellite;
- 6.8% (-0.9 point) to pay-TV cable.

Market-leading position confirmed

Against this backdrop, in the first nine months of 2011 the TF1 channel achieved an audience share of 23.7% of individuals aged 4 and over (versus 24.5% in the comparable period of 2010) and 26.9% of "women under 50 purchasing decision-makers" (versus 28.1%).
TF1 is market leader across all target audiences, 8.7 points ahead of its nearest rival in individuals aged 4 and over, rising to 9.8 points for "women under 50 purchasing decision-makers".

[2] Source: Médiamétrie – Market leadership in TF1 prime time slots (8.45 pm – 10.30 pm)
Source: Médiamétrie/GFK – Multimedia coverage survey – July/September 2011

Audience share in the third quarter of 2011 stands at 23.5% of individuals aged 4 and over (compared to 23,8% at the end of June 2011) and at 27.1% of "women under 50 purchasing decision-makers" (compared to 26,8% at the end of June 2011).

TF1 obtained the top 50 audience figures in the first nine months of the year (versus 49 of the top 50 in the comparable period of 2010), and the biggest single audience with *Les Enfoirés* on March 11 (12.5 million, 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 66 occasions) in the first nine months of 2011. 26 programmes were watched by more than 9 million viewers, and three 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. In this time band, TF1 has a higher audience than for the day as a whole (25.7% of individuals aged 4 and over), and a wider gap over its nearest rival (12.1 points). The effect is similar for the target audience of "women under 50 purchasing decision-makers", with 29.9% of the audience and a 10.1-point lead over the closest rival.

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

Prime time market leader

In the first nine months of 2011, the TF1 channel attracted an average of 6.0 million viewers in prime time (versus 6.2 million a year earlier).

Within TF1's prime time slots, the channel was the most watched on 87% of evenings (versus 90% in the comparable period of 2010).

So despite audience dispersion, TF1 remains the biggest 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.
Season 2 of *MasterChef* attracted 4.9 million viewers to end September 2011, up 0.7 million year-on-year, with an average share of 31% among the target audience for advertisers.
Danse avec les Stars, a new prime-time show launched in the first quarter of 2011, achieved an average audience share of 32% among "women under 50 purchasing decision-makers" (5.1 million viewers).

Sport: The France/Brazil soccer friendly, shown on February 9, 2011, drew 8.0 million viewers. The France/Croatia match on March 29, 2011 was viewed by 7.6 million people.
The Rugby World Cup pool match between New Zealand and France was watched by 7.9 million people (65% audience share among individuals aged 4 and over, rising to 76% among men aged under 50).

American drama serials: *Mentalist* attracted its best-ever viewing figures during season 3, with 10.4 million viewers tuning in on August 31. *House* (French title: *Dr House*) and *Criminal Minds* (French title: *Esprits Criminels*) also saw record audiences in the first nine months of 2011, of 9.5 million (June 14) and 9.4 million (March 30) respectively. 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 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 nine months of 2011 confirmed the resurgence of French drama, with *Doc Martin* attracting 9.1 million on January 10 and *Bienvenue aux Edelweiss* 8.9 million. *Joséphine, Ange Gardien,* was watched by 8.2 million viewers on February 21.
Section de Recherches achieved its best ratings since 2006 (7.7 million on March 24, 2011).

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

News: TF1's regular news bulletins are the most widely-watched in Europe. Since the start of the year, audiences have reached up to 12.5 million for the 8 p.m. bulletin (September 18) and 8.5 million for the 1 p.m. bulletin (March 12).

Timeshift audiences: positive initial results

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

At end september 2011, 61% of households with TV also had timeshift capability.

Results to end September 2011 were encouraging, with timeshift adding an extra 1.7% to TV consumption on average, or an extra 3 minutes and 31 seconds per day of TV viewing. Of this, 43% is consumed on the day the programme is broadcast.
For example, *Dr House* gained more than 720,000 viewers for a single broadcast thanks to the timeshift audience.
In September 2011, timeshift raised total viewing time by 3 minutes and 50 seconds, a gain of 1.8% over live viewing figures among individuals aged 4 and over. For the advertising target audience, timeshift viewers added an extra 5 minutes and 6 seconds (+2.2%), the best monthly boost to audience figures for these two segments since the start of 2011.

Advertising revenue[3]

Gross plurimedia advertising spend (including the internet) rose by 6.4% (€1.1bn) in the first nine months of 2011, to €18.8bn, most (43.8%) of this growth coming from TV advertising.

Television (national and regional channels, DTT, cable and satellite) was the no.1 medium in terms of advertising spend, with market share of 31.7% (up 0.8 of a point year-on-year) and gross revenue of €6.0bn in the first nine months of 2011 (up 9.1% year-on-year).
Advertising spend on free-to-air DTT continues to grow rapidly (up 33.6% to €1.6bn).

Print media still ranks second behind TV in France, with gross advertising revenue of €5.3bn (up 4.5%) in the first nine months of 2011.

Gross advertising revenue for the **TF1 channel** to end September 2011 was flat (down 0.2% year-on-year). Gross revenue rose by 3.3% in the first quarter and 1.0% in the second, but fell by 5.6% in the third. The channel's share of gross advertising revenue across the TV market as a whole was 37.4%.

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 nine months of 2010 were:
- Cosmetics & Beauty (+7.8%);
- Auto/Transport (+5.8%);
- Financial Services (+2.7%);
- Retail (+8.1%);
- Travel/Tourism (+25.3%).

Over the same period, some sectors declined:
- Food (-5.4%);
- Household Cleaning (-14.6%);
- Telecoms (-12.4%);
- Publishing (-18.2%);
- Healthcare (-4.7%).

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

[3] Source: Kantar Media Intelligence

In an uncertain economic climate, advertisers are adopting a wait-and-see attitude, and their spend is more volatile.
The TF1 advertising business is drawing strength from the new distribution methods it has introduced, and is adapting to changes in the market thanks to new negotiating strategies and tighter stock control.

Net advertising revenue for the TF1 channel to end September 2011 was down 1.6% (€16.7m) at €1,054.4m. Third-quarter revenue was €296.6m, down 3.2% year-on-year.

2011 Rugby World Cup[4]

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

The **TF1 channel** attracted an average audience of 4.2 million for the 20 matches screened, giving a 51% audience share among individuals aged 4 and over.
On average, the six matches featuring the French team were watched by 8.9 million viewers, or 69% of the audience among individuals aged 4 and over. Audience ratings were high for other target segments, with averages of 59% among "women under 50 purchasing decision-makers" and 79% among men aged 15-49.

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

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

[4] Source: Médiamétrie – Médiamat set up in 1989
Source: eStat Streaming TV

Programming was rolled out across all the **MYTF1** media, which offered all the 2011 Rugby matches, catch-up coverage of the 48 matches, exclusive video content, and a wide range of tie-in articles and reports.
The official Rugby World Cup site, deployed jointly by TF1 and Eurosport, attracted 14 million hits and over 40 million page views.

The site also offered the opportunity to view live coverage of the 20 matches carried on TF1 using an innovative player that enabled users to control the live feed, plus a *Cover it live* function offering added editorial content.
More than half of French internet users took advantage of these innovative social TV tools. In total, over 2.3 million live sessions were recorded.
Video and highlights packages were also popular with viewers.

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

In financial terms, the Rugby World Cup will have a full-year impact on TF1 channel programming costs of €24.3m (including rights and production) for the 20 matches screened, giving an average cost of €1.2m per match (versus €2.5m in 2007).
In the nine months to end September 2011, the tournament had an impact of €13.3m on TF1 channel programming costs (rights and production for the matches screened up to September 30).

The partial resale of rights to France Télévisions and Canal+ for €13.0m led to the recognition of a loss on disposal as of September 30, 2011, though this loss had already been fully provided in the fourth quarter of 2010.

1.2. Home Shopping

The Home Shopping business generated revenue of €75.5m to end September 2011, 3.2% down on the €78.0m posted in the comparable period of 2010. This fall was mainly due to a drop in sales for the flagship Téléshopping brand and a lower average order value for Infomercials; the number of orders rose, but not enough to offset this.
The Place des Tendances business continued its success, with double the number of customers of a year ago and fast growth in the transformation rate.

Current operating profit for the Home Shopping business in the first nine months of 2011 was down €3.2m at €1.8m, with the effects of the drop in revenue for Téléshopping and Infomercials only partly offset by the improvement in profits at Place des Tendances.

1.3. Theme channels [5]

With the analogue switch-off virtually complete, almost all French households can now receive 18or more channels. As a result, the audience share for free-to-air Digital Terrestrial Television rose to 23.0% at end September 2011 (individuals aged 4 and over), versus 19.4% at end September 2010.

Pay-TV channels had an 11.7% audience share of individuals aged 4 and over to end September 2011, down 0.6 of a point year-on-year.

Revenue from the Group's theme channels for the first nine months of 2011 was €225.6m, a year-on-year rise of €56.5m (33.4%), due largely to the consolidation of 100% of TMC and NT1 from July 1, 2010. In the first nine months of 2011, the newly-acquired equity interests in TMC and NT1 contributed an extra €47.9m of revenue; on a constant structure basis, theme channel revenue rose by 5.1% over the nine-month period. Growth was driven by the performance of all the channels except TF6, which saw a slight fall.
Theme channel advertising revenue was €53.6m higher at €132.1m.

Current operating profit was €31.1m for the first nine months of 2011, an increase of €12.7m. The Group operating profit figure includes €13.4m attributable to the inclusion of the newly-acquired equity interests in TMC and NT1.
Current operating margin was 13.8%, compared with 10.9% a year earlier. Margins were buoyed by revenue growth, excellent results at TMC and NT1, and tight cost control.

[5] Sources: Médiamat / Médiaplanning Médiamat'Thématik (wave 21 versus 20)

TMC

In the first nine months of 2011, TMC enjoyed an audience share of 3.5% among individuals aged 4 and over (versus 3.2% a year earlier, a 9% rise) and of 3.9% among "women under 50 purchasing decision-makers" (versus 3.5% a year earlier, an 11% rise).

The channel retained its position as France's no.1 DTT channel over the nine-month period, and also its status as the 5th most-watched national TV channel (individuals aged 4 and over).

The channel attracted an average prime time audience of 900,000 (up 100,000 year-on-year), and screened 107 programmes that attracted over a million viewers (against 43 for the comparable period of 2010).

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

TMC achieved 42 of the top 100 DTT audience ratings thanks to strong programming in movies, magazine programmes, entertainment, French drama and American serials.

NT1

NT1 had an audience share of 1.8% among individuals aged 4 and over in the first nine months of 2011 (versus 1.5% a year earlier, a rise of 20%), and 2.3% among "women under 50 purchasing decision-makers" (versus 1.4% a year earlier, an impressive increase of 64%).
This makes NT1 the DTT channel with the strongest growth with the key target audience of "women under 50 purchasing decision-makers".

This increased penetration of a key segment for advertisers reflects stronger schedules, and joint work with the TF1 group's programming teams.

NT1 attracted an average prime time audience of 500,000 (an increase of 100,000 year-on-year). Four programmes drew audiences of more than a million, with the movie *Shooter* (French title: *Shooter, Tireur d'Elite*) setting a new record for the channel with over 1.5 million viewers.

Eurosport France

The Eurosport France channel expanded its paying subscriber base to 7.6 million in the period, against 7.5 million a year earlier, driven by growth in Switzerland and Francophone Belgium.

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

The channel's programming costs increased, as a result not only of the decision at the start of the year to enhance the editorial side but also to more intensive use of the rights catalogue. These effects were partly offset by the non-recurrence in 2011 of rights to some one-off major sports events screened in 2010.

TV Breizh

During the first six months of 2011, TV Breizh began France's no.1 pay-TV cable and satellite channel for individuals aged 4 and over with 1.3%, up 0.1 of a point and confirmed its leadership on "women under 50 purchasing decision-makers" (subscribers to pay per view) with 1.8% audience share, 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*) and *Jurassic Park*) and American and French drama serials pulling in over 200,000 viewers.

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

LCI

LCI's editorial repositioning, launched in 2010, has helped the channel achieve significant growth in audiences among the higher socio-professional categories, with a 1.0% audience share on cable and satellite for the first half of 2011. The channel gained 0.2 of a point of market share (a rise of 36% on this for higher socio-professional categories) versus the previous period, and now ranks fourth among French pay-TV channels.
LCI has seen its audiences grow sharply, by 55% year-on-year (individuals aged 4 and over – pay tv universe).

Recognised by advertisers as a benchmark news channel, LCI saw advertising revenue rise in the first nine months of 2011, while ongoing cost optimisation led to further improvements in current operating profit.

Découverte division

The Découverte division channels all reported good revenue and profit figures for the first nine months of 2011.

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

TF6 and Série Club

Over the first nine months of 2011, revenue fell slightly at TF6 and held steady at Série Club. These channels, owned 50/50 by M6 and TF1, are being affected by more intense competition, and are continuing to control costs.

1.4. TF1 Entreprises

TF1 Entreprises reported €26.6m of revenue for the first nine months of 2011, up 12.2% on the comparable period of 2010.

Higher revenue plus lower operating costs, particularly on the publishing side, fed through into a sharp rise in current operating profit to €3.3m, (versus €1.4m a year earlier, an improvement of €1.9m). Current operating margin was 12.4%.

Music

After a year of successful musical partnerships in 2010, 2011 is continuing the trend with fine performances in the first nine months by Zaz (519,000 albums sold), Nolwenn Leroy (720,000) and Johnny Hallyday (345,000). In the second quarter, Les Prêtres brought out a second album, *Gloria*, which has already sold 369,000 copies; their first album *Spiritus Dei* is continuing to sell (148,000 sold in the period).

The first performances of the new Dracula musical took place in the third quarter of 2011.

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

Licences

The Licences business continued to expand in the first nine months of 2011. Highlights included:

- good performances for the *Ushuaïa* licence;
- 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

During the first nine months of 2011, TF1 Entreprises/Dujardin, in partnership with Française des Jeux, launched the FDJ-*Mille Bornes* scratchcard, of which 22 million have been sold in six months. Sales volumes have seen robust growth, thanks to further expansion of the *Mille Bornes* and *Le Cochon qui Rit* ranges.

Other

The Automotocompare.fr business, launched in the third quarter of 2010, also contributed to growth in the division's revenue and profits.

1.5. Production

Revenue from the Production business rose by 20.0% in the first nine months of 2011 to €15.6m. Current operating profit was up €1.8m at €3.1m.

TF1 Films Production [6]

Total box office entries at French cinemas in the first nine months of 2011 reached 146.5 million, 2.2% less than in the comparable period of 2010. French films took an estimated 33.4% market share over the period, virtually unchanged versus a year earlier (33.1%).

Despite a generally tough environment, TF1 Films Production co-produced 17 films that went on general release in the first nine months of 2011 (versus 8 in the comparable period of 2010). Nine of the films had topped one million box office entries by September 30, 2011: *Rien à Déclarer* (8.1 million), *Case départ* (1.8 million), *Les Tuche* (1.5 million), *L'élève Ducobu* (1.5 million) *Largo Winch 2* (1.4 million), *La Fille du Puisatier* (1.4 million), *Le Fils à Jo* (1.2 million), *La Chance de ma Vie* (1.0 million), and *Sans Identité* (1.0 million).

TF1 Production

TF1 production increased its revenue in the first nine months of 2011. Operating profit was also higher, thanks to tight cost control.

Highlights for TF1 Production during the period included producing *Danse avec les Stars*, which proved a great hit (32% average audience share among "women under 50 purchasing decision-makers"), Rugby World Cup tie-in shows, and magazine programmes for TMC (especially *90' enquêtes*) and for NT1. TF1 Production also managed the *Spiritus Dei* tour.

[6] Source: Ecran Total – September 2011 and CNC

1.6. e-TF1 [7]

Revenue at e-TF1 was up 7.7% at €58.6m. A fall in interactivity due to programming effects was more than offset by the rollout of the MYTF1 platform on the four leading ISPs and by the success of advertising around online video. In the first nine months of 2011, 908 million free videos were watched on the Group's websites. A total of 405 million were watched in catch-up mode, up 98 million on the comparable period of 2010.

Revenue growth and cost control, plus better margins at WAT and new contracts with operators for MYTF1, underpinned a €3.6 million rise in current operating profit to €5.4m.

1.7. Other [8]

Revenue recorded on the "Other" line for the first nine months of 2011 was €33.5m, versus €47.2m a year earlier. The 2011 figure includes revenue of €13.0m from the resale of 2011 Rugby World Cup rights, booked in the third quarter. This compares with the €33.0m booked in the second quarter of 2010 for the resale of FIFA 2010 World Cup rights. Stripping out the effect of these sports rights sales, the year-on-year rise in revenue reflects:

- higher commission income from the radio business, especially the Les Indés Radios grouping, whose offering remains no.1 in the target 25-49 age bracket and reaches close to 8.0 million listeners daily;
- revenue from Metro France, which has been recognised on a 100% basis since the Group took control on July 28, 2011.

Current operating profit was €15.2m, a year-on-year rise of €1.7m.

[7] Source: eStat Streaming TV

[8] Source: Médiamétrie 126,000 Radio – April-June 2011 – Monday-Friday, 5 am-midnight – Target 25-49 age bracket

2. Audiovisual Rights

The Audiovisual Rights business posted €73.1m of revenue in the first nine months of 2011, €9.2m less than in the comparable period of 2010.

The business made a current operating loss of €25.6m, substantially higher than the €8.0m loss reported a year earlier.

2.1. Catalogue

Revenue at the Catalogue business was €22.2m, versus €31.0m a year earlier. This decline was due to lower revenue at TF1 Droits Audiovisuels as a result of the sharing of revenues under an agreement signed with UGC; the elimination of intercompany sales to TMC and NT1; and the sale of the TCM DA catalogue on April 19, 2011.
The business made an operating loss of €21.8m to end September 2011, with the entire cost of the *Miracle at St Anna* dispute being reallocated to the division following the mediated settlement of July 25, 2011.

2.2. TF1 Vidéo

Revenue for the Video business slipped by 0.8% to €50.9m. This performance, achieved despite serious price erosion, was due partly to strong DVD sales for Jamel Debbouze shows, Florence Foresti's *Motherfucker* show, the films *Elle s'appelait Sarah* and *L'Assaut*, and the *Millenium Volumes 1 to 3* box set, and partly to the expansion of VOD (23% increase in sales).

This slight drop in revenue was more than offset by overhead savings, giving an operating loss of €3.8m, an improvement of €5.3m relative to the first nine months of 2010.

3. Broadcasting International

Revenue at the Eurosport International Group fell by €4.5m (1.6%) to €269.7m during the first nine months of 2011. Subscriber revenue rose by 3.0%, but advertising revenue was down 10.6% at €49.7m. This fall was largely due to the non-recurrence of the major sporting events screened in the first nine months of 2010, such as the 2010 FIFA World Cup, the Olympic Games and the Africa Cup of Nations.
Current operating profit advanced by €1.0m to €44.5m.
Eurosport International achieved current operating margin of 16.5%, an improvement of 0.6 of a point on the comparable period of 2010, thanks to tight cost control and the reduced number of major sporting events.

The sharp fall in audience ratings at Eurosport International in the first quarter of 2011, linked to the absence of major sporting events, was to some extent reversed in the next two quarters, largely thanks to cycling and tennis.
Overall, average audiences were down 4.0% to end September 2011, against a backdrop of more intense competition from other sports channels and also from some national generalist channels.

Eurosport 2 enjoyed strong audience growth of 48%, and helped support overall audience figures for the Eurosport channels.

Internet audiences remained buoyant, putting Eurosport in the top rank of European sports network websites. Available in 14 local versions worldwide, the Eurosport website attracted a daily average of 2.7 million[9] unique visitors at end September 2011, 14% more than a year earlier.

As of September 30, 125.3 million households in Europe were receiving the Eurosport channel (4.0 million more than a year earlier).

The Eurosport International paying subscriber base expanded by 5.7%, with growth driven mainly by Eastern Europe and Turkey.
Growth at the Eurosport 2 channel (6.6 million subscribers) and the Eurosport 2 HD channel (0.7 million subscribers) was driven by strong performances in the Mediterranean region and in Scandinavia. Eurosport 2 passed the 50 million household mark, thanks to quality programming and expert coverage of both team sports and new-generation sports.

The success of the Eurosport HD channel (4.2 million subscribers) confirmed the commercial appeal of high-definition.

[9] Source: NedStats unique visitor cookies

4. Other Activities

The ongoing rationalisation of the TF1 group's diversification activities continued during the first nine months of 2011, beginning with the sale on February 4, 2011 of the Group's 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 reported revenue of €1.5m for the first nine months of 2011, versus €0.7m a year earlier. 1001 Listes generated €2.9m of revenue in the first nine months of 2010.
Overall, Other Activities made an operating loss of €11.0m, compared with €8.1m a year earlier.

5. Post balance sheet events

There are no post balance sheet events to report.

6. Corporate Social Responsibility

External CSR assessments

TF1 joins the DJSI World and Europe indexes: TF1 is the only French media group to feature in the 2011 Dow Jones Sustainability (DJSI) World Index. The selection was based on a survey by the Sustainable Asset Management (SAM) ratings agency: of the 2,500 companies in 22 countries that were assessed, only 350 (25 of them French) made the final list.

TF1 in the top 10 for corporate diversity: Vigeo has ranked 4 French companies, including TF1, in the top 10 European diversity-friendly businesses. Prepared by the International Labour Office, this survey assessed the absence of discrimination and equality of workplace opportunities by analysing the performances of 539 companies in the Euro Stoxx 600 index, representing over 80% of the European market.

Content and advertising

Opération SOS Villages: From September 26 to October 17, TF1, LCI and the TF1 News site pooled their resources in an initiative to revitalise local shops in French villages. The campaign is along the lines of a similar initiative in 1993, and aims to put people with shops to sell in touch with potential buyers, thereby rescuing villages that are in a slow decline.

The fourth "Jobs Week" initiative conducted by the TF1 group's editorial teams from May 2 to May 8 had by September 30, 2011 helped 2,500 French people find 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.

Finally, 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 Production shoots vetted by Ecoprod: TF1 Production has given the green light for Ecoprod to measure and reduce the carbon footprint of the *RIS* crime serial. Tools developed by Ecoprod, a collective of which TF1 is a founder member, have been used to establish an estimated carbon index: CO_2 emissions average 26 tonnes per episode. Both on location and in the studio, a consultant works with TF1 staff to examine each piece of equipment for sources of greenhouse gas emissions. Good practices identified by this process will then be applied in other productions.

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 very small, 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 September 30, 2011, the TF1 group had 3,801 employees, compared with 3,767 a year earlier. As of December 31, 2010, the Group had 3,798 employees.

The main changes since September 2010 relate to the divestment of SPS and 1001 Listes, and the consolidation of Metro France.

8. Stock market performance

On September 30, 2011, TF1 shares closed at €9.38, 17.9% lower than on September 30, 2010. Over the same period, the CAC 40 lost 19.7%, the SBF 120 lost 17.6%, and the CAC Media index lost 12.2%.

Over the first nine months of 2011, the TF1 share price fell by 27.8%, compared with falls of 21.6% for the CAC 40, 20.3% for the SBF 120, and 12.2% for the CAC Media index.

The TF1 group had a market capitalisation of €2.0bn as of September 30, 2011, compared with €2.4bn a year earlier.

9. Cancellation of treasury shares

The Board of Directors has decided to cancel 2,388,600 shares, including 2,373,975 acquired in 2011.

After this cancellation, the number of shares and voting rights is 211,030,203, and the share capital amounts to €42,206,040.60.

Outlook

The current uncertain economic climate prompts the Group to anticipate a decline of around 1% in 2011 full-year consolidated revenue.

Risk Factors

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.

With the distribution agreements for the pay TV channels due to expire on December 31, 2011, these channels initiated a consultation exercise on April 18, 2011 among all the distributors in the market seeking proposals for the take-up of the channels. Discussions are ongoing.

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 nine months ended September 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*	Sept. 30, 2011	Dec. 31, 2010	Sept. 30, 2010
Goodwill		**875.0**	**883.5**	**905.8**
Intangible assets		**137.8**	**147.4**	**162.0**
Audiovisual rights		69.7	77.5	89.3
Other intangible assets		68.1	69.9	72.7
Property, plant and equipment		**175.6**	**186.1**	**189.0**
Investments in associates	*5*	**1.5**	**13.9**	**18.6**
Non-current financial assets		**185.3**	**181.2**	**177.3**
Non-current tax assets		**0.8**	**2.6**	**13.1**
Total non-current assets		**1,376.0**	**1,414.7**	**1,465.8**
Inventories		**655.0**	**631.4**	**665.0**
Programmes and broadcasting rights		640.9	617.7	648.1
Other inventories		14.1	13.7	16.9
Trade and other debtors		**1,106.4**	**1,227.3**	**1,060.3**
Current tax assets		**-**	**7.6**	**-**
Other current financial assets	*7*	**3.4**	**4.4**	**3.6**
Cash and cash equivalents	*7*	**107.7**	**39.3**	**534.0**
Total current assets		**1,872.5**	**1,910.0**	**2,262.9**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,248.5**	**3,324.7**	**3,728.7**
Net surplus cash/(Net debt)		**87.3**	**16.8**	**(8.3)**

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	*Note*	**Sept. 30, 2011**	**Dec. 31, 2010**	**Sept. 30, 2010**
Share capital		42.7	42.7	42.7
Share premium and reserves		1,354.7	1,267.9	1,264.8
Net profit attributable to the Group		125.2	228.3	169.7
Shareholders' equity attributable to the Group		**1,522.6**	**1,538.9**	**1,477.2**
Minority interests		11.1	8.7	8.1
Total shareholders' equity		**1,533.7**	**1,547.6**	**1,485.3**
Non-current debt	*7*	**13.6**	**16.1**	**17.3**
Non-current provisions		**47.1**	**44.4**	**46.1**
Non-current tax liabilities		**9.4**	**11.0**	**12.5**
Total non-current liabilities		**70.1**	**71.5**	**75.9**
Current debt	*7*	**6.7**	**6.1**	**524.9**
Trade and other creditors		**1,591.3**	**1,638.5**	**1,557.6**
Current provisions		**39.7**	**51.7**	**56.4**
Current tax liabilities		**4.8**	**5.7**	**24.2**
Other current financial liabilities		**2.2**	**3.6**	**4.4**
Total current liabilities		**1,644.7**	**1,705.6**	**2,167.5**
Liabilities related to held-for-sale assets		**-**	**-**	
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,248.5**	**3,324.7**	**3,728.7**

Consolidated income statement

(€m)	Note	First 9 months 2011	First 9 months 2010	Third quarter 2011	Third quarter 2010	Full year 2010
Net advertising revenue		1,267.2	1,226.9	362.0	362.0	1,793.3
- TF1 channel		*1,054.4*	*1,071.1*	*296.6*	*306.5*	*1,549.8*
- Other media		*212.8*	*155.8*	*65.4*	*55.5*	*243.5*
Diversification revenue (excluding advertising)		571.6	599.1	199.2	179.4	829.1
Revenue		**1,838.8**	**1,826.0**	**561.2**	**541.4**	**2,622.4**
Other operating revenue		0.4	-	0.4	(0.1)	-
External production costs		(485.1)	(456.2)	(173.0)	(153.8)	(664.5)
Other purchases and changes in inventory		(315.7)	(417.6)	(120.0)	(96.3)	(517.7)
Staff costs		(311.8)	(305.7)	(101.4)	(94.2)	(434.9)
External expenses		(333.4)	(339.6)	(111.9)	(111.5)	(502.2)
Taxes other than income taxes		(102.6)	(111.0)	(29.9)	(34.1)	(145.6)
Depreciation and amortisation, net		(57.1)	(66.0)	(16.6)	(20.9)	(90.5)
Provisions and impairment, net		(4.5)	0.5	11.9	(12.5)	(14.5)
Other current operating income		63.1	63.6	19.6	23.3	78.3
Other current operating expenses		(96.6)	(69.1)	(31.3)	(20.8)	(100.4)
Current operating profit		**195.5**	**124.9**	**9.0**	**20.5**	**230.4**
Other operating income		-	95.9	-	95.9	102.0
Other operating expenses		-	-	-	-	(19.2)
Operating profit		**195.5**	**220.8**	**9.0**	**116.4**	**313.2**
Income associated with net debt	*8*	1.2	2.5	0.5	0.9	3.1
Expenses associated with net debt	*8*	(0.8)	(18.2)	(0.3)	(6.2)	(21.3)
Cost of net debt		**0.4**	**(15.7)**	**0.2**	**(5.3)**	**(18.2)**
Other financial income		2.6	0.7	1.8	(3.4)	2.4
Other financial expenses		(0.5)	(4.9)	1.3	(4.2)	(4.9)
Income tax expense		(57.7)	(38.0)	(4.6)	(7.7)	(68.9)
Share of profits of associates	*5*	(12.7)	7.2	(1.1)	0.4	5.7
Net profit from continuing operations		**127.6**	**170.1**	**6.6**	**96.2**	**229.3**
Post-tax profit from discontinued/held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit		**127.6**	**170.1**	**6.6**	**96.2**	**229.3**
attributable to the Group		**125.2**	***169.7***	***6.6***	***95.5***	***228.3***
attributable to minority interests		*2.4*	*0.4*	*0.0*	0.7	*1.0*
Weighted average number of shares outstanding ('000)		212,917	213,396	212,917	213,396	213,396
Basic earnings per share from continuing operations (€)		0.59	0.80	0.03	0.45	1.07
Diluted earnings per share from continuing operations (€)		0.58	0.79	0.03	0.44	1.06

Statement of recognised income and expense

(€m)	First 9 months 2011	First 9 months 2010	Full year 2010
Consolidated net profit for the period	**127.6**	**170.1**	**229.3**
Remeasurement of derivative hedging instruments*	(0.3)	2.4	3.7
Remeasurement of available-for-sale financial assets	-	-	-
Remeasurement of non-current assets	-	-	-
Change in cumulative translation difference of controlled entities	0.1	0.1	0.4
Actuarial gains/(losses) on employee benefits	-	-	2.4
Taxes on items credited or debited directly to equity	0.1	(0.7)	(2.0)
Share of income and expenses of associates recognised directly in equity	-	-	-
Other movements, net	-	-	-
Income and expenses recognised directly in equity	**(0.1)**	**1.8**	**4.5**
Total recognised income and expense	**127.5**	**171.9**	**233.8**
attributable to the Group	125.1	171.5	232.8
attributable to minority interests	2.4	0.4	1.0

** Includes reclassification adjustments recognised in net profit for the period: cash flow hedges (amount: -€2.7m).*

Consolidated statement of changes in shareholders' equity

(€m)	*Note*	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2010		**42.7**	**2.8**	**(0.4)**	**1,490.3**	**3.5**	**1,538.9**	**8.7**	**1,547.6**
Capital increase (share options exercised)		-	-	-	-	-	**-**	-	**-**
Share-based payment		-	-	-	0.8		**0.8**	-	**0.8**
Purchase of treasury shares	6	-	-	(25.0)	-	-	**(25.0)**	-	**(25.0)**
Cancellation of treasury shares		-	-	-	-	-	**-**	-	**-**
Dividends paid		-	-	-	(117.2)	-	**(117.2)**	-	**(117.2)**
Other transactions with shareholders		-	-	-	-	-	**-**	-	**-**
Consolidated net profit		**-**	**-**	**-**	**125.2**	**-**	**125.2**	**2.4**	**127.6**
Income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**	**-**	**(0.1)**
BALANCE AT SEPTEMBER 30, 2011		**42.7**	**2.8**	**(25.4)**	**1,499.1**	**3.4**	**1,522.6**	**11.1**	**1,533.7**

(€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		-	-	-	1.1	-	**1.1**	-	**1.1**
Purchase of treasury shares		-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares		-	-	-	-	-	**-**	-	**-**
Dividends paid		-	-	-	(91.8)	-	**(91.8)**	**-**	**(91.8)**
Other transactions with shareholders		-	-	-	-	-	**-**	**7.5**	**7.5**
Consolidated net profit		**-**	**-**	**-**	**169.7**	**-**	**169.7**	**0.4**	**170.1**
Income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**1.8**	**1.8**	**-**	**1.8**
BALANCE AT SEPTEMBER 30, 2010		**42.7**	**2.8**	**(0.4)**	**1,431.3**	**0.8**	**1,477.2**	**8.1**	**1,485.3**

Consolidated cash flow statement

(€m)	Note	First 9 months 2011	First 9 months 2010	Full year 2010
Consolidated net profit (including minority interests)		127.6	170.1	229.3
Depreciation, amortisation, provisions & impairment (excluding current assets)		57.5	59.8	107.7
Intangible assets and goodwill		*32.5*	*36.1*	*74.9*
Property, plant and equipment		*22.2*	*20.3*	*29.4*
Financial assets		*-*	*2.0*	*1.8*
Non-current provisions		*2.8*	*1.4*	*1.6*
Other non-cash income and expenses		(10.9)	(11.7)	(15.8)
Effect of fair value remeasurement		(0.8)	(106.0)	(106.0)
Share-based payment		0.8	1.1	1.5
Net (gain)/loss on asset disposals		(1.9)	0.1	0.6
Share of (profits)/losses and dividends of associates		12.7	(7.2)	(5.7)
Dividend income from non-consolidated companies		(0.4)	(0.1)	(1.5)
Sub-total		**184.6**	**106.1**	**210.1**
Cost of net debt		(0.4)	15.7	18.2
Income tax expense (including deferred taxes)		57.7	38.0	68.9
Operating cash flow		**241.9**	**159.8**	**297.2**
Income taxes (paid)/reimbursed		(51.0)	(2.5)	(52.7)
Change in operating working capital needs		58.4	106.3	56.9
Net cash generated by/(used in) operating activities		**249.3**	**263.6**	**301.4**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(24.1)	(36.2)	(51.0)
Cash inflows from disposals of property, plant & equipment and intangible assets		2.3	1.5	2.6
Cash outflows on acquisitions of financial assets		(5.2)	(6.0)	(6.6)
Cash inflows from disposals of financial assets		-	-	-
Effect of changes in scope of consolidation		(6.5)	(195.8)	(192.9)
Purchase price of investments in consolidated activities		*(5.4)*	*(204.6)*	*(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		*(15.5)*	*8.8*	*8.8*
Dividends received		0.4	0.2	1.5
Change in loans and advances receivable		(0.1)	0.3	0.5
Net cash generated by/(used in) investing activities		**(33.2)**	**(236.0)**	**(245.9)**
Cash received on exercise of share options		-	-	-
Purchases and sales of treasury shares		(25.0)	-	-
Dividends paid during the period		(117.2)	(91.8)	(91.8)
Cash inflows from new debt contracted		(0.1)	20.4	18.7
Repayment of debt (including finance leases)		(6.8)	(0.9)	(500.6)
Net interest paid (including finance leases)		0.5	10.1	(11.6)
Net cash generated by/(used in) financing activities		**(148.6)**	**(62.2)**	**(585.3)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**67.5**	**(34.6)**	**(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		67.5	(34.6)	(529.8)
Cash position at end of period – continuing operations		**104.5**	**532.2**	**37.0**

Notes to the consolidated financial statements

1. Significant events

1.1. Metro acquisition

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 was 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").

On July 28, 2011, the acquisition of an additional 65.7% interest in Metro was finalised at a provisional price of €3.9 million. Goodwill recognised in the financial statements for the nine months ended September 30, 2011 amounted to €9.8 million for the 100% equity interest, pending the definitive purchase price allocation.

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

Following a ruling issued by the court of first instance on June 21, 2011 ordering TF1 Droits Audiovisuels to pay €32 million as compensation, the parties went to mediation, as a result of which it was agreed on July 25 that all further claims against TF1 would be waived in return for compensation.

The history of this dispute dates back to October 2007, when 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.

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

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 nine months ended September 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 loss of €7 million reported in the first nine months 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 period (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 nine months ended September 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 November 10, 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 nine months ended September 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.

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

As of September 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.

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
Amendment to IAS 1: Presentation of items of Other Comprehensive Income (OCI)	July 1, 2012	No impact on the financial statements
Amendment to IAS 19: Employee Benefits	July 1, 2013	Under review
***** *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 and 2011 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. Acquisition of Metro France Publications

The acquisition of an additional 65.7% equity interest in Metro France Publications from Metro International on July 28, 2011 gave the TF1 group exclusive control over Metro France Publications. In the consolidated financial statements for the nine months ended September 30, 2011, the equity interest in Metro France Publications – previously accounted for as an associate by the equity method – has been fully consolidated with effect from July 28, 2011 (see note 1, “Significant Events”).
The impact of this acquisition on the consolidated income statement for the nine months ended September 30, 2011 was not material.

3.2. 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 ceased to be included in the scope of consolidation with effect from that date.

3.3. Divestment of TCM and TCM DA

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

3.4. Divestment of 1001 Listes

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 to the date of its disposal) 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)	**2011 9 mths**	**2010 9 mths**	**2011 9 mths**	**2010 9 mths**	**2011 9 mths**	**2010 9 mths**	**2011 9 mths**	**2010 9 mths**	**2011 9 mths**	**2010 9 mths**
EXTRACT FROM THE INCOME STATEMENT										
Revenue	**1,494.5**	**1,465.9**	**73.1**	**82.3**	**269.7**	**274.2**	**1.5**	**3.6**	**1,838.8**	**1,826.0**
Current operating profit	**187.6**	**97.5**	**(25.6)**	**(8.0)**	**44.5**	**43.5**	**(11.0)**	**(8.1)**	**195.5**	**124.9**
Share of profits/(losses) of associates (2)	(3.0)	6.7	(0.3)	-	-	-	(9.4)	0.5	(12.7)	7.2

(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 September 30, 2011 are not materially different from those reported as of December 31, 2010.
Metro France has been included in the Broadcasting France segment since TF1 obtained control of this entity on July 28, 2011.

5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	AB Group (1)	WBTV	Metro France Publications (2)	Other associates	Total
Pays	**France**	**Belgium**	**France**	**France**	
December 31, 2009	**256.3**	**4.5**	**11.2**	**3.4**	**275.4**
Share of net profit/(loss) for period	7.7	(1.0)	0.5	-	**7.2**
Provisions for impairment	-	-	-	-	**-**
Dividends paid	(264.0)	-	-	-	**(264.0)**
Change in scope of consolidation	-	-	-	-	**-**
Other movements	-	-	-	-	**-**
September 30, 2010	**-**	**3.5**	**11.7**	**3.4**	**18.6**
December 31, 2010	**-**	**2.8**	**11.1**	**-**	**13.9**
Share of net profit/(loss) for period	-	(3.0)	(1.5)	(0.3)	(4.8)
Provisions for impairment	-	-	(7.9)	-	(7.9)
Dividends paid	-	-	-	-	-
Change in scope of consolidation	-	-	(1.7)	1.5	**(0.2)**
Other movements	-	0.2	-	0.3	**0.5**
September 30, 2011	**-**	**-**	**(0.0)**	**1.5**	**1.5**

(1) This investment was deconsolidated on September 30, 2010, since when it has been classified as a financial asset.
(2) Metro has been fully consolidated since July 28, 2011 (see note 3-1, "Changes in scope of consolidation").

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 2,279,725 of its own shares for €25 million with a view to their cancellation.

7. Net debt

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

(€m)	Sept. 30, 2011	Dec. 31, 2010
Cash and cash equivalents	107.7	39.3
Financial assets held for treasury management purposes	-	-
Available cash	**107.7**	**39.3**
Fair value of interest rate derivative instruments	**(0.1)**	**(0.3)**
Non-current debt	(13.6)	(16.1)
Current debt	(6.7)	(6.1)
Total debt	**(20.3)**	**(22.2)**
Net surplus cash/(net debt)	**87.3**	**16.8**

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

- confirmed bilateral bank credit facilities of €1,025 million with a range of maturities between one and five years, supplemented by a cash pooling agreement with the Bouygues group. As of September 30, 2011, TF1 was not using this cash pooling agreement as a source of financing.
- a finance lease obligation of €16.7 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.
Since December 31, 2010, the TF1 group has been cash-positive.

8. Cost of net debt

Cost of net debt for the period breaks down as follows:

(€m)	2011: 9 months	2010: 9 months
Interest income	1.2	2.1
Change in fair value of hedged portion of bond issue	-	-
Change in fair value of interest rate derivatives	-	0.4
Income and revenues from financial assets	-	-
Income associated with net debt	**1.2**	**2.5**
Interest expense on debt	(0.7)	(10.8)
Change in fair value of interest rate derivatives	(0.1)	(7.4)
Expenses associated with debt	**(0.8)**	**(18.2)**
Cost of net debt	**0.4**	**(15.7)**

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)	2011: 9 months	2010: 9 months
Cash and cash equivalents in the balance sheet	107.7	39.3
Treasury current account credit balances	(0.8)	(2.1)
Bank overdrafts	(2.4)	(0.2)
Total net cash position at end of period per cash flow statement	**104.5**	**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.

Diary dates

- 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
- November 13, 2012: Financial information for the first nine months of 2012

These dates may be subject to change.

Télévision Française 1

Société anonyme with capital of €42,206,040.60
Registered No. 326 300 159 R.C.S. Nanterre
Postal address:
TF1 – 1 quai du Point du Jour – 92656 Boulogne Cedex – France
Tel: +33 (0) 1 41 41 12 34
Registered Office: 1, quai du Point du Jour – 92656 Boulogne Cedex – France

Contacts:
Investor Relations Department
Tel: +33 (0)1 41 41 27 32
Fax: +33 (0)1 41 41 29 10
Website: http://www.groupe-tf1.fr/
e-mail: comfi@tf1.fr