Boulogne-Billancourt - July 25, 2013

SECOND QUARTER OF 2013:
Operating profit up 11%, at €86.5m

FIRST HALF OF 2013:
Consolidated revenue: €1,208m (-7%)
Group audience share: 29.0% (+2%)

In a challenging environment, the TF1 group managed to increase its audience share during the first half of 2013. The Group demonstrated in the second quarter its adaptability by improving current operating profit and the cash position year-on-year.

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 24, 2013 to adopt the financial statements for the first half of 2013.

CONSOLIDATED FIGURES (€m)	Q1 2013	Q1 2012	Q2 2013	Q2 2012	H1 2013	H1 2012	Change €m	Change %
Revenue	**565.6**	**628.6**	**642.4**	**672.6**	**1,208.0**	**1,301.2**	**(93.2)**	**-7.2%**
TF1 group advertising revenue	*368.7*	*419.2*	*451.5*	*477.6*	*820.2*	*896.8*	*(76.6)*	*-8.5%*
Revenue from other activities	*196.9*	*209.4*	*190.9*	*195.0*	*387.8*	*404.4*	*(16.6)*	*-4.1%*
Operating profit/(loss)	**(15.7)**	**56.0 ***	**86.5**	**77.9**	**70.8**	**133.9 ***	**(63.1)**	**-47.1%**
Cost of net debt	0.1	0.1	0.0	(0.1)	0.1	-	+0.1	ns
Net profit/(loss)	**(4.5)**	**36.4**	**53.1**	**59.2**	**48.6**	**95.6**	**(47.0)**	**-49.2%**
Net profit/(loss) attributable to the Group	**(6.3)**	**35.2**	**48.4**	**58.3**	**42.1**	**93.5**	**(51.4)**	**-55.0%**

** Includes a non-recurring gain of €27.1m on claim for reimbursement of CNC taxes*

Consolidated revenue for the first half of 2013 was €1,208.0m, down €93.2m (-7.2%) year-on-year.

This comprises:
- **Group advertising revenue** of €820.2m, a fall of €76.6m (-8.5%) relative to the first half of 2012, in an economic and competitive environment which remains challenging.
- **Revenue from other activities** of €387.8m, down €16.6m (-4.1%) year-on-year.

Breakdown by segment

€m	Q1 2013	Q1 2012	Q2 2013	Q2 2012	H1 2013	H1 2012	Change H1 (€m)
Broadcasting and Content	386.1	435.8	458.1	471.9	844.2	907.7	(63.5)
of which TV advertising	*331.8*	*381.2*	*396.6*	*417.2*	*728.4*	*798.4*	*(70.0)*
Consumer Products	54.2	67.2	46.4	52.7	100.6	119.9	(19.3)
Pay-TV	123.1	123.5	135.7	145.8	258.8	269.3	(10.5)
Holding Company & Other	2.2	2.1	2.2	2.2	4.4	4.3	+0.1
Consolidated revenue	**565.6**	**628.6**	**642.4**	**672.6**	**1,208.0**	**1,301.2**	**(93.2)**

Over the first six months of 2013, the Group's 4 free-to-air channels achieved audience share of 29.0% among individuals aged 4 and over, a year-on-year increase of 0.6 point.

Audience share for the TF1 core channel reached 22.9%, 0.2 point higher than in the first half of 2012. TF1 was the only major channel to increase its share during the period, in a market now expanded to 25 channels.
The channel attracted 49 of the top 50 audience ratings, and was the most-watched channel on 92% of evenings.

In an intensely competitive environment, TMC once again ranked as the no.5 channel in France and retained its historical position as no.1 DTT channel, with 3.5% audience share.
NT1 held its audience share at 2.1% while increasing its share among "women aged under 50 purchasing decision-makers" to 2.9% during the period (growth of 7.4%).
At the end of June 2013, HD1 was market leader among the 6 new HD channels launched in late 2012, with audience share of 0.5% among individuals aged 4 and over and 0.7% among "women aged under 50 purchasing decision-makers".

Source: Médiamétrie

Revenue for the **Broadcasting & Content** segment for the period was down 7.0% at €844.2m.

Advertising revenue from the free-to-air channels was €728.4m, down 8.8% in the first half of 2013, with a fall of 13.0% in the first quarter and 4.9% in the second.

e-TF1 confirmed its dynamism during the first half of 2013, with revenue up 7.0% year-on-year at €53.6m, driven by both online advertising and interactivity.

Revenue for the Content business (TF1 Droits Audiovisuels, TF1 Films Production, TF1 Production) totalled €30.1m, up 1.7% year-on-year, thanks to good performances in the Group's production and co-production activities.

The **Consumer Products** segment reported revenue of €100.6m for the first half of 2013, versus €119.9m a year earlier. This fall was mainly due to the Video and Home Shopping businesses.

Revenue for the **Pay-TV** segment for the first half of 2013 was €258.8m. Revenue at the Eurosport group was 2.4% lower at €219.5m, but bear in mind that in the first half of 2012 the Eurosport group posted a 21.4% surge in advertising revenue thanks to the UEFA Euro 2012 football tournament and to certain advertisers positioning themselves ahead of the London Olympics.

Revenue for the theme channels in France fell by 11.3% to €39.3m.

Improved profitability in the second quarter of 2013

The **cost of programmes** for the Group's free-to-air channels in the first half of 2013, including the launch of HD1, amounted to €491.5m, a reduction of €19.8m relative to the first half of 2012.

During the first half of 2012, TF1 screened 8 matches in the UEFA Euro 2012 football tournament, at a cost of €21.8m. The cost of programmes excluding major sporting events was therefore virtually unchanged year-on-year (an increase of €2.0m). The extra cost of strengthening schedules at TMC and NT1 and launching HD1 was offset by savings at the TF1 core channel.

€m	Q1 2013	Q1 2012	Q2 2013	Q2 2012	H1 2013	H1 2012	Change H1 (€m)
Broadcasting and Content	**(25.9)**	**38.3***	**54.5**	**52.0**	**28.6**	**90.3***	**(61.7)**
of which cost of programmes	*(258.2)*	*(259.0)*	*(233.3)*	*(252.3)*	*(491.5)*	*(511.3)*	*+19.8*
Consumer Products	**2.9**	**10.4**	**1.9**	**(0.5)**	**4.8**	**9.9**	**(5.1)**
Pay-TV	**3.0**	**3.5**	**26.1**	**22.2**	**29.1**	**25.7**	**+3.4**
Holding Company & Other	**4.3**	**3.8**	**4.0**	**4.2**	**8.3**	**8.0**	**+0.3**
Current operating profit/(loss)	**(15.7)**	**56.0***	**86.5**	**77.9**	**70.8**	**133.9***	**(63.1)**

** Includes a non-recurring gain of €27.1m on claim for reimbursement of CNC taxes*

The Group made a **current operating profit** of €70.8m in the first half of 2013, versus €133.9m a year earlier.

The adaptation measures introduced by the Group paid off in the second quarter of 2013, and profitability improved. Current operating profit advanced by €8.6m (+11.0%) to €86.5m, even though revenue fell by €30.2m. All three of the Group's operating segments saw an improvement in their profitability over that period. Overall, the Group posted an operating margin of 13.5%, versus 11.6% in the second quarter of 2012, a year-on-year increase of 1.9 points.

In the second quarter of 2013, the Group generated €9m of recurring savings under phase II of the optimisation plan, comprising €4m on the cost of TF1 programmes, €3m in productivity gains and €2m on overheads.
These savings come on top of those already generated, amounting to €15m in 2012 and €7m in the first quarter of 2013. The Group has therefore already achieved €31m of recurring savings since June 30, 2012 out of the €85m targeted in phase II of the optimisation plan.

CONTACTS
http://www.groupe-tf1.fr/
TF1 - Direction des Relations Investisseurs / Investor Relations – Courriel / email: comfi@tf1.fr
TF1 - Direction de la Communication / Corporate Communication – Courriel / email: vduval@tf1.fr

Net profit attributable to the Group: €42.1m

Net profit attributable to the Group for the period was €42.1m.
In the second quarter of 2013, net profit attributable to the Group reached €48.4m, compared with €58.2m a year earlier.

Financial position still very sound

As of June 30, 2013, the Group's total shareholders' equity stood at €1,610.0m, out of a balance sheet total of €3,590.4m.

The net cash surplus at end June 2013 was €165.7m, versus €236.3m at end December 2012 and net debt of €91.7m at end June 2012.

Outlook for 2013

During the first half of 2013, the TF1 group continued its efforts to adapt to the new economic and competitive landscape. The Group is reiterating its 2013 full-year revenue assumption of €2,500m.

TF1 is delivering on its commitment to accelerate the implementation of phase II of the optimisation plan, aimed at generating €85m of recurring savings by end 2014. The Group is also bringing in specific measures intended to generate further savings in 2013.

The Group's ongoing ability to adapt its business model through 2013 was reflected in the second quarter by the fact that current operating profit increased despite a fall in revenue.

During the second half of the year, the TF1 group will focus on five priorities:

- delivering strong audience ratings;
- optimizing the value of major advertising slots;
- remaining at the cutting edge of innovation in all fields;
- continuing with its development;
- keep adapting the business model.

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.
Our 2013 half-year financial report is available on our corporate website: http://www.groupe-tf1.fr/.

A conference call will be held on July 25 at 09.30 (Paris time).
Details of how to connect to the conference call are on the corporate website: http://www.groupe-tf1.fr/.

The TF1 group changed the presentation of its segment information in the first half of 2013.
Full details about this change are also available on our corporate website: http://www.groupe-tf1.fr/.

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Half-Year Financial Report

2013

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Results

Financial indicators

The results below are presented in accordance with the new operating segment structure adopted by the TF1 group. For a definition of each of these segments, refer to Note 4 ("Operating segments") to the financial statements as included in this report. Historical revenue and operating profit figures are available on the TF1 group's corporate website at http://www.groupe-tf1.fr/en/finance/financial-results-publications/investors-presentation/investors-presentation-6282366-843.html. For details of how consolidated entities are allocated between the various operating segments, refer to Note 13 ("Scope of consolidation") to the financial statements.

These key figures are extracted from TF1 consolidated financial data.

€ million	H1 2013	H1 2012	FY 2012 (12 months)
Consolidated revenue	**1,208.0**	**1,301.2**	**2,620.6**
Group advertising revenue	*820.2*	*896.8*	*1,775.5*
Revenue from other activities	*387.8*	*404.4*	*845.1*
Current operating profit	**70.8**	**133.9**	**258.1**
Operating profit	**70.8**	**133.9**	**210.4**
Net profit attributable to the Group	**42.1**	**93.5**	**136.0**
Operating cash flow*	**98.8**	**164.4**	**277.0**
Shareholders' equity attributable to the Group	**1,610.0**	**1,547.9**	**1,684.8**
Net surplus cash (+)/Net debt (-)	**165.7**	**(91.7)**	**236.3**
Basic earnings per share (€)	**0.20**	**0.44**	**0.65**
Diluted earnings per share (€)	**0.20**	**0.44**	**0.64**

** Before cost of net debt and income taxes.*

	H1 2013	H1 2012	FY 2012 (12 months)
Weighted average number of shares outstanding ('000)	**210,352**	210,812	210,716
Closing share price at end of period (€)	**9.19**	6.29	8.85
Market capitalisation at end of period (€bn)	**1.9**	**1.3**	**1.9**

Income statement contributions by segment

€ million	Revenue H1 2013	Revenue H1 2012	Revenue FY 2012	Current operating profit H1 2013	Current operating profit H1 2012	Current operating profit FY 2012
Broadcasting & Content	**844.2**	**907.7**	**1,809.3**	**28.6**	**90.3**	**160.1**
Broadcasting	814.1	878.1	1,737.8	25.9	88.8	154.9
Content	30.1	29.6	71.5	2.7	1.5	5.2
Consumer Products	**100.6**	**119.9**	**240.3**	**4.8**	**9.9**	**18.0**
TF1 Vidéo	29.9	46.0	84.1	2.7	1.3	0.3
Home Shopping	48.4	56.5	99.3	0.4	7.0	6.8
TF1 Entreprises	22.3	17.4	56.9	1.7	1.6	10.9
Pay-TV	**258.8**	**269.3**	**562.7**	**29.1**	**25.7**	**64.3**
Eurosport group	219.5	225.0	475.1	30.7	26.8	63.6
Theme Channels France	39.3	44.3	87.6	(1.6)	(1.1)	0.7
Holding company & other	**4.4**	**4.3**	**8.3**	**8.3**	**8.0**	**15.7**
TOTAL	**1,208.0**	**1,301.2**	**2,620.6**	**70.8**	**133.9**	**258.1**

Breakdown of group advertising revenue

€ million	Contributions to Group advertising revenue H1 2013	H1 2012	FY 2012
Broadcasting & Content advertising	**770.1**	**837.8**	**1,649.7**
Television	728.4	798.4	1,566.0
Other media	41.7	39.4	83.7
Pay-TV advertising	**50.1**	**59.0**	**125.8**
Eurosport Group	40.9	44.8	98.6
Theme Channels France	9.2	14.2	27.2
GROUP ADVERTISING REVENUE	**820.2**	**896.8**	**1,775.5**

Cost of programmes by type

The figures presented below by the TF1 group relate to the cost of programmes for the Group's four free-to-air channels (TF1, TMC, NT1 and HD1). The definition of this indicator differs from the previously-reported indicator, "programming costs", which was presented solely for the TF1 channel. For details of this change, refer to the TF1 group's corporate website, at www.groupe-tf1.fr/finance.

€ million	**H1 2013**	**H1 2012**	**FY 2012**
Total cost of programmes	**491.5**	**511.3**	**1,004.6**
Major sporting events	-	*21.8*	*24.2*
Total excluding major sporting events	**491.5**	**489.5**	**980.4**
Entertainment/Gameshows/Magazines	143.6	144.4	293.6
Drama/TV movies/Series/Plays	176.4	165.0	313.4
Sport (excluding major sporting events)	31.4	47.4	101.0
News	52.0	56.2	107.9
Films	79.3	69.0	147.5
Children's programmes	8.8	7.5	17.0

Key events of the first half of 2013

January

January 9, 2013: TF1 is a partner of the 24th *Pièces Jaunes* charity campaign (which raises money for sick children) between January 9 and February 16, 2013.

January 17, 2013: MYTF1 unveils Connect, a new user experience that offers synchronised second-screen TV viewing via smartphone, tablet or PC. Launched on February 2 to coincide with the new season of *The Voice*, Connect marks a major new phase in TF1's digital development.

January 19, 2013: two films co-produced by TF1 Films Production – *Mariage à l'anglaise* and *La cage dorée* – receive awards at the 16th annual Alpe d'Huez Comedy Film Festival.

February

February 5, 2013: at the 8th *Globes de Cristal* ceremony, held at the Paris Lido, the show *1789, les amants de la Bastille* is awarded the "Globe de Cristal" for best musical comedy of the year.

February 14, 2013: in the 15th annual Qualiweb awards, organised by the Cocedal Conseil market research consultancy, TF1 wins first prize in the "News & Media" category for the second year running, for the quality of its relationship with TV viewers and internet users via the "TF1&Vous" platform.

February 18, 2013: TF1 teams up with "Reporters d'espoirs", a not-for-profit organisation, to bring viewers a series of reports about original, socially useful regional initiatives.

February 25, 2013: the TF1 group's news site is rebranded as MYTF1News, reflecting a more distinctive positioning.

February 25, 2013: the only media group to have been awarded the "Diversity" label (in December 2010), TF1 was subject to a diversity audit from November 26 to 30, 2012. In their report, the audit team from Afnor Certification highlighted the effectiveness of the Group's equality and anti-discrimination procedures.

March

March 1, 2013: TF1 Publicité draws on the data expertise of Weborama to offer its advertisers a behavioural targeting solution.
Since mid-February 2013, advertisers wishing to communicate via catch-up on TF1, HD1, Eurosport and WAT.tv have been able to apply behavioural targeting as part of their "instream" campaigns.

March 4, 2013: the Disneyland Paris theme park, and its advertising agency Optimedia, mark the park's anniversary with a special TV campaign devised by TF1 Publicité using the new Connect technology developed by MYTF1.

March 8, 2013: eurosport.com achieves its best digital performance yet, averaging 5.7 million daily visitors in February.
This new high combines 4.1 million daily internet visitors and 1.6 million daily mobile users. Another record was set in February for France, with over 600,000 daily mobile visitors.

March 22, 2013: *La Médiasphère*, LCI's media show presented by Julien Arnaud, celebrated its 100th edition. To mark the occasion, the team visited Dallas to record a special one-off show at the famous Southfork ranch, the location for the 1980s cult series.

March 26, 2013: as part of phase 2 of the rollout of the six new DTT channels, HD1 is now being screened in the Grand Ouest region of France. The channel is now potentially accessible to 47% of the French population.

March 26, 2013: the multi-channel control room at Boulogne, which has been broadcasting HD1 since its launch, welcomes TV Breizh on board.

March 30, 2013: building on the success of the Téléshopping stores in Paris and Lyon, a third store opens for business at O'Parinor, the biggest shopping mall in the northern suburbs of Paris. This opening marks an important step forward in the multi-channel development of TF1's home shopping activities.

April

April 22, 2013: the three TF1 theme channels (Ushuaïa TV, Stylía and Histoire), which were previously transmitted from the Lorient site, are now being transmitted from Boulogne.

April 25, 2013: Laurent-Eric Le Lay is appointed Chief Executive Officer of TF1 Publicité with effect from June 1. Martine Hollinger retains her role as Chairman of TF1 Publicité.

April 29, 2013: at its April 26 meeting, the Board of Directors of the Eurosport group decide to appoint Philippe Denery as Chairman and Jean-Thierry Augustin as Chief Executive Officer of the Eurosport group. Philippe Denery also retains his role as Executive Vice President, Group Finances at TF1.

May

May 12, 2013: HD1 attracts its highest audience ever with the screening of the movie *Gladiator*, drawing 458,000 viewers.

May 22, 2013: Connect, the synchronised second-screen TV experience, is extended to include news content. By clicking on the Connect tab in the MYTF1News app, online viewers can access in-depth coverage on some of the topics covered in the lunchtime and evening TV news bulletins.

May 29, 2013: the Metro newspaper changes its name, and now provides an “all media” news offering under the Metronews banner.

May 30, 2013: the TF1 Management Committee agrees a package of cost-cutting measures to be implemented on either June 1 or July 1, 2013.

June

June 3, 2013: from June 3 to June 9, the news teams at TF1, LCI, MYTF1News and Metronews give a boost to the employment market with the launch of the 7th “Jobs Week” (*Une semaine pour l’emploi*). Since this initiative was first launched in 2009, it has helped more than 15,000 people find a job. Encouraged by these figures, the TF1 group has decided to continue this positive initiative.

June 10, 2013: HD1 broadcasts its first original production, *Ma Meuf*, a short programme with 60 3-minute episodes produced by Calt.

June 13, 2013: At the 2nd Social Media Awards in Paris, TF1 is named “best social TV channel” for its shows *NRJ Music Awards, The Voice, Les Enfoirés* and *Miss France*.

June 19, 2013: MYTF1VOD organises the first-ever VODAYS session at the TF1 auditorium, in the presence of 50 journalists and rights-holders, giving an opportunity for MYTF1VOD to present its new developments and outline its ambitions.

June 26, 2013: at the *Enfance Majuscule* media awards, *Cécile et Kevin* wins the award for the best children’s programme. This mini-series was produced by Made in PM and TF1 in partnership with UNICEF, and uses humour to address the issue of prejudice against minority groups within schools.

June 28, 2013: TMC enjoys its best-ever ratings for a football match, with 1.9 million viewers for the Spain/Italy FIFA Confederations Cup match. This competition was broadcast exclusively on TMC from June 15 to June 30.

Management Review

Boulogne-Billancourt – July 24, 2013

Changes in accounting policy

TF1 has not made any changes in accounting policy during the first half of 2013 other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2013 (see note 2-2-1 to the financial statements), which have no impact on the financial statements.

Changes in presentation

TF1 has changed the way it presents its segment information with effect from the first half of 2013 (see notes 1, 4 & 13 to the financial statements).

1. Financial Performance

1.1. Revenue

Consolidated revenue for the first half of 2013 amounted to €1,208.0 million, a year-on-year fall of €93.2 million (down 7.2%).

At €820.2 million, Group advertising revenue was 8.5% lower than in the first half of 2012.

It comprised:

- €728.4 million for the Group's 4 free-to-air channels (down 8.8%), reflecting price erosion caused by very tough economic conditions and an intense competitive pressure. After a 13.0% fall in revenue in the first quarter of 2013, the Group managed to adapt its commercial policy. As a result, the fall in advertising revenue for the free-to-air channels was pegged at 4.9% in the second quarter.

- €41.7 million for other Broadcasting and Content segment media, up 5.8% year-on-year. Dynamic performances from internet advertising (e-TF1) and radio amply offset lower advertising revenue at Metro France.

- €50.1 million for Pay-TV segment media, down 15.1% on the first half of 2012. This drop was due partly to lower advertising revenue at the French theme channels in tough economic conditions, and partly to a reduction in advertising revenue at the Eurosport group due to different seasonal advertising patterns in 2013 versus 2012 (when the Olympic Games and UEFA Euro 2012 were shown).

Non-advertising revenue for the first half of 2013 was €387.8 million, down 4.1% (€16.6 million) versus the first half of 2012. This was mainly due to a tough comparative at TF1 Vidéo, where 2012 first-half revenue was boosted by the success of the film *Intouchables*.

Consolidated revenue for the second quarter of 2013 was down 4.5% at €642.4 million.

Group advertising revenue for the quarter was €451.5 million, 5.5% lower than in the second quarter of 2012.

It comprised:
- €396.6 million of advertising revenue for the Group's 4 free-to-air channels (down 4.9%);
- €23.4 million of advertising revenue for other Broadcasting and Content segment media, up 12.0% year-on-year;
- €31.5 million of advertising revenue for Pay-TV segment media, down 20.3% on the second quarter of 2012.

Non-advertising revenue for the second quarter of 2013 was €190.9 million, down 2.1% year-on-year. This fall was mainly due to the Video and Home Shopping businesses.

1.2. Cost of programmes and other operating income and expenses

Phase II of the optimisation plan, launched in 2012, generated €16 million of recurring savings in the first half of 2013. These savings comprised €8 million on the cost of TF1 programmes (of which €4 million in the second quarter of 2013), €5 million on overheads (of which €2 million in the second quarter of 2013), and €3 million in productivity gains (all of which in the second quarter of 2013). This means that since the plan was launched, €31 million of recurring savings have already been achieved out of the €85 million TF1 is committed to achieving by the end of 2014.

The cost of programmes for the TF1 group's 4 free-to-air channels reached €491.5 million in the first half of 2013, against €511.3 million a year earlier, a fall of €19.8 million.
Excluding major sporting events, the cost of programmes was virtually unchanged year-on-year (up €2.0 million). TF1 broadcast 8 matches of the UEFA Euro 2012 during the second quarter of 2012 for €21.8m.
The savings made at the TF1 core channel were offset by the inclusion of the cost of programmes for HD1, launched at the end of December 2012, and by the strengthening of TMC and NT1 programme schedules in response to increased competition in digital terrestrial television (DTT).

Other expenses and depreciation, amortisation, provisions and impairment for the period were €10.3 million lower year-on-year.
Bear in mind that in the first half of 2012, other operating income and expenses included a non-recurring gain of €27.1 million arising from a successful claim for reimbursement of CNC (National Centre for Cinematography) taxes booked in the first quarter.

1.3. Current operating profit

The TF1 group made a current operating profit of €70.8 million in the first half of 2013, compared with €133.9 million a year previously.

In the second quarter of 2013, the adaptation measures introduced by the Group paid off, and margins improved. Current operating profit rose by €8.6 million to €86.5 million (up 11.0%), even though revenue fell by €30.2 million (down 4.5%). Overall, the Group posted an operating margin of 13.5%, versus 11.6% in the first half of 2012, a year-on-year improvement of 1.9 points.

1.4. Net profit

Cost of net debt for the first half of 2013 was an income of €0.1 million.

Other financial income and expenses showed net income of €0.2 million in the first half of 2013, versus net income of €5.7 million a year earlier. Bear in mind that the second quarter of 2012 saw the recognition of the fair value remeasurement of the call option over TF1's 33.5% equity interest in Groupe AB granted to Claude Berda in June 2010.

Income tax expense amounted to €22.4 million in the first half of 2013, versus €43.9 million in the first half of 2012.

Associates contributed a net loss of €0.1 million in the first half of 2013, unchanged year-on-year.

Net profit attributable to non-controlling interests was €6.5 million, compared with €2.1 million in the first half of 2012. This rise is due notably to the Discovery Communications group having acquired an equity interest in Eurosport and a number of French pay-TV channels in December 2012.

Overall, the Group's net profit for the first half of 2013 reached €42.1 million, versus €93.5 million a year earlier.

Net profit attributable to the Group for the second quarter of 2013 came to €48.4 million, €9.9 million less than in the second quarter of 2012.

1.5. Financial position

Shareholders' equity attributable to the Group as of June 30, 2013 was €1,610.0 million, out of a balance sheet total of €3,590.4 million.

The net cash surplus as of June 30, 2013 was €165.7 million, compared with €236.3 million as of December 31, 2012 and net debt of €91.7 million as of June 30, 2012.

As of June 30, 2013, the Group had confirmed bilateral credit facilities totalling €950 million with various banks.
None of these facilities was drawn down at the end of the period.
The facilities are renewed regularly in accordance with their maturities so that the Group has sufficient liquidity at all times.

Consequently, the financial position of the TF1 group remains very healthy.

1.6. Post balance sheet events

There are no post balance sheet events to report.

2. Analysis by segment

2.1. BROADCASTING AND CONTENT

Revenue (€m)	H1 2013	H1 2012	Chg %
Broadcasting	**814.1**	**878.1**	**-7.3%**
Advertising – TV	728.4	798.4	-8.8%
Advertising – other media	41.7	39.4	+5.8%
Other revenue	44.0	40.3	+9.2%
Content	**30.1**	**29.6**	**+1.7%**
Broadcasting & Content	**844.2**	**907.7**	**-7.0%**

Current operating profit (€m)	H1 2013	H1 2012	Chg €m
Broadcasting	**25.9**	**88.8**	**-62.9**
Content	**2.7**	**1.5**	**+1.2**
Broadcasting & Content	**28.6**	**90.3**	**-61.7**

The Broadcasting and Content segment saw first-half revenue fall by 7.0% to €844.2 million.

The segment made a current operating profit of €28.6 million, versus €90.3 million in the first half of 2012 (though the latter figure included a non-recurring gain of €27.1 million from a successful claim for reimbursement of CNC taxes).

In the second quarter of 2013, revenue for the Broadcasting and Content segment was down €13.8 million (or 2.9%), while current operating profit rose by €2.5 million to €54.5 million.

2.1.1. Broadcasting

Revenue fell by 7.3% to €814.1 million in the first half of 2013. Advertising revenue fell by 8.1% to €770.1 million, but non-advertising revenue was up 9.2% at €44.0 million.

The business posted a current operating profit of €25.9 million, €62.9 million lower than in the first half of 2012 (when a €27.1 million non-recurring gain was booked for a successful claim for reimbursement of CNC taxes).

Advertising revenue[1]

Gross plurimedia advertising spend increased by 0.5% in the first half of 2013, to €13.3 billion.

- Television remains the no.1 medium in terms of advertising spend, with market share up 0.7 point to 34.5% year-on-year, with gross advertising spend up by 2.5% in the period, reaching €4.6 billion.
  Advertising spend on free-to-air DTT recorded further growth (+10.8%), but at a slower pace than over 2012 as a whole (13.7%), insofar as the 2013 first-half figures include the 6 new channels launched in December 2012. Gross advertising spend on historical TV channels grow by 1.2%. Gross revenue of cable and satellite channels strongly declined by 15.6%.

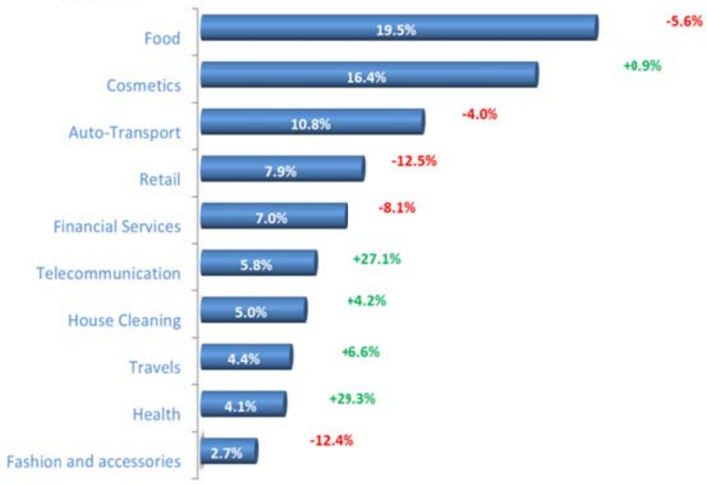
- Print still ranks second behind TV in France, with gross advertising revenue for the first half of 2013 of €3.7 billion, 1.6% lower than in the comparable period of 2012.

- Radio managed to increase its gross advertising revenue (up 6.5% at €2.2 billion).

- Outdoor advertising was down 7.3% year-on-year at €1.3 billion, Internet was 1.7% lower at €1.3 billion. Cinema was up by 6.0% to €184.5 million.

Gross revenue for the free-to-air channels of the TF1 group was virtually unchanged in the first half of 2013 relative to the comparable period of 2012 (down 0.2%).

Trends in gross advertising spend by sector for these 4 channels for the first half of 2013 were as follows[2]:



[1] Plurimedia spend excl. sponsorship, 2013 (6 media)
[2] Source: Kantar Media – January June 2013

Advertising revenue for the Group's 4 free-to-air channels fell by 8.8% in the first half of 2013, but advertising revenue from other media advanced by 5.8%, thanks to growth in digital advertising and in advertising on radio stations for which TF1 Publicité handles airtime sales.

After having decreased by 13.0% during the first quarter, the Group's 4 free-to-air channels saw advertising revenue fall by 4.9% in the second quarter of 2013. Advertising revenue from other media rose by 12.0% during the second quarter of 2013, after a 1.1% decline in the first quarter.

- **Free-to-air broadcasting**

Market

In the first half of 2013, average daily TV viewing time remained very high at 3 hours, 55 minutes for individuals aged 4 and over, 4 minutes less than in the first half of 2012. For the target audience of "women aged under 50 purchasing decision-makers", the figure was 4 hours and 1 minute, 9 minutes less than in the first half of 2012.

The 6 new DTT HD channels launched on December 12, 2012 were potentially accessible to over 47% of the French population on June 30, 2013. As of that date, these channels had a combined audience share of 1.9% among individuals aged 4 and over, and of 2.7% among "women aged under 50 purchasing decision-makers".

Audiences

In this more competitive marketplace, the TF1 group is the leading French broadcaster. The Group is committed to providing its 4 channels with the most complementary and relevant range of programmes possible.

The combined audience share of the Group's 4 free-to-air channels to the end of June 2013 was 29.0% among individuals aged 4 and over, a rise of 0.6 of a point (or 2%) versus the first half of 2012. For "women aged under 50 purchasing decision-makers", the combined audience share was 32.5%, versus 32.0% in the first half of 2012 (a 2% increase).

TF1

The TF1 channel was the only historical French channel to increase its audience share in the first half of 2013, reaching 22.9% among individuals aged 4 and over (versus 22.7% for the first half of 2012). This performance reflects the channel's unrivalled ability to deliver innovative, unmissable programmes. Among "women aged under 50 purchasing decision-makers", the audience share was 25.2%, virtually stable over the first half of 2012 (-0.4%).

These figures confirm TF1's unique position and its status as the must-see channel. During the first half of 2013, it attracted more than 8 million viewers on 23 occasions. The channel was the only one to attract more than 9 million viewers (which it did on 9 occasions), and 2 programmes were watched by over 10 million viewers.

The average prime time audience for the TF1 channel in the first half of 2013 was 6.3 million; it was the most-watched channel in 92% of all prime-time slots.

The channel retained its no.1 spot across all genres:

Entertainment: *Les Enfoirés* was watched by 13.6 million viewers on March 15.
Another big success was season 2 of *The Voice*, which attracted up to 9.6 million viewers, while the audience for *Canteloup* peaked at 9.9 million (a record for this programme).

American series: The first quarter saw two new series successfully launched: *Unforgettable* (up to 9.0 million viewers) and *Person of Interest* (up to 7.5 million).

French drama: *Section de recherches* drew up to 7.4 million viewers, 200,000 more than the programme's previous series.

Movies: TF1 posted the highest ratings for a movie since November 2010: 10.0 million for the French movie *Rien à déclarer*.

News: TF1's daily news bulletins are still the most watched in Europe. The drive to modernise the Group's news coverage is paying off, as the audience share for the TV bulletins rose sharply in the first half of 2013: the lunchtime bulletin added 1.2 points of market share to 44.0%, and the evening bulletin added 1.5 points to 27.2% (among individuals aged 4 and over in both cases).

TMC

In an intensely competitive environment, TMC had audience share of 3.5% among individuals aged 4 and over in the first half of 2013 (down 0.1 of a point year-on-year), rising to 3.7% among "women aged under 50 purchasing decision-makers" (versus 4.0% a year earlier).

Over the period, TMC once again ranked as the no.5 channel nationwide and no.1 among DTT channels with individuals aged 4 and over.

The channel enjoyed an average prime time audience of 0.8 million (versus 0.9 million in the first half of 2012). Prime-time movies proved to be particularly popular, and TMC offers the most efficient programming among DTT channels with an average of 1.1 million viewers. TMC also broadcast the 2013 FIFA Confederations Cup, with 1.9 million viewers watching the Spain/Italy semi-final on June 27, TMC's highest audience in 2013 to date. On that day, TMC recorded the highest full-day audience share in 2013 for a DTT channel, at 5.3% among individuals aged 4 and over).

TMC also achieved the highest audience figure for a DTT magazine programme with *90' enquêtes* (1.4 million viewers).

NT1

NT1 again posted strong year-on-year growth in the first half of 2013 among "women aged under 50 purchasing decision-makers", as audience share reached 2.9% (up 7.4%). Among individuals aged 4 and over, audience share was stable year-on-year at 2.1%. These figures show that NT1 is proving resilient in the face of growing competitive pressure.
The channel had an average prime time audience of 0.6 million, unchanged on the first half of 2012.

NT1 attracted particularly high ratings for the reality show *Bachelor* (up to 9% audience share among "women aged under 50 purchasing decision-makers"). NT1 also demonstrated the pulling power of its movie offer with 1.5 million viewers for *X-Men: The Last Stand* (French title: *X-men, l'affrontement final*) and of successful American series such as *One Tree Hill* (French title: *Les frères Scott*) and *How I Met Your Mother*.

HD1

Launched on December 12, 2012, HD1 is the TF1 group's fourth free-to-air channel. Devoted to all forms of narrative, the channel was accessible to over 47% of the French population as of June 30, 2013.

At the end of June 2013, HD1 was market leader among the 6 new HD channels launched in late 2012. The channel achieved audience share of 0.5% among individuals aged 4 and over, and 0.7% among "women aged under 50 purchasing decision-makers".
The channel had an average prime-time audience of 135,000; it has attracted the 2 highest viewing figures of any of the 6 new DTT channels in 2013 to date, peaking at 458,000 for the movie *Gladiator.* HD1 also has the strongest brand recognition of these 6 channels[1].

Month after month, HD1 is building on the success of its launch, and is well placed to add further audience share as the geographical rollout continues.

- **e-TF1**

e-TF1 continued to innovate during the first half of 2013, especially via the launch of MYTF1 Connect (a genuinely live second-screen experience) and a new version of the MYTF1News site.

Online video once again performed very well on MYTF1.fr. The TF1 group is the leading French media group in terms of time spent on video, ranking alongside the major multinationals[2].

The MYTF1 app is also going from strength to strength, with over 6.0 million downloads to end June 2013[3].

There was no let-up in the momentum of e-TF1 during the first half of 2013, with revenue up 7.0% year-on-year at €53.6 million.
This good performance was driven not only by higher revenue from online advertising, but also by a sharp rise in non-advertising revenue.

Topline growth coupled with ongoing cost control helped e-TF1 post current operating profit of €13.3 million in the first half of 2013, taking current operating margin to 24.8% versus 18.6% a year earlier (up 6.2 points).

In the second quarter of 2013, e-TF1's operating margin rose to 22.1% (versus 20.2% a year earlier). Revenue rose by 0.8% to €24.9 million, while current operating profit was €0.5 million higher at €5.5 million.

The success of e-TF1, in terms of consumption and profitability, is a clear vindication of the TF1 group's digital strategy.

- **Other media**

Metro France[4]

On May 29, 2013, the Metro newspaper changed its name, and now provides an "all media" news offering under the Metronews banner.

[1] Brand recognition observatory: add-on channels, 2013 wave, CSA
[2] Source: Médiamétrie NetRatings – May 2013
[3] Source: XiTi, estat Médiamétrie, iTunes Connect, Google Play
[4] One 2012 survey

Metronews is the 2nd most-read daily newspaper in France, with nearly 2.8 million readers. The strategy adopted at the start of 2012 is paying off in terms of readership, thanks to the geographical rollout and the reverse publishing policy.

With the print media advertising market showing a 1.6% contraction, Metro France suffered erosion in both revenue and current operating profit in the first half of 2013.

TF1 Publicité (third-party advertising sales)

The third-party advertising airtime sales business continues to expand, with new additions both in radio (MFM) and TV (Bein Sport and Numéro 23).

2.1.2.Content

Revenue for the Content business was up 1.7% at €30.1 million, largely on good performances by TF1 Production and TF1 Films Production. First-half current operating profit was €2.7 million, versus €1.5 million a year earlier.

- **TF1 Droits Audiovisuels**

Revenue at TF1 Droits Audiovisuels fell in the first half of 2013, due to a fall in the number of films on general release (6 in the first half of 2013, versus 8 in the first half of 2012).
However, current operating profit was higher year-on-year thanks to catalogue sales.

- **TF1 Production**

TF1 Production increased its revenue contribution in the first half of 2013 due to strong commercial activity in short format programmes.
The entertainment segment was also buoyant, with the production of *Splash* and the scripted reality show *Petits secrets entre voisins* for TF1 channels. Bear in mind also that in the first half of 2012, TF1 Production handled the production of the UEFA Euro 2012 football tournament.

Cost containment measures meant that current operating profit rose proportionately more than revenue during the period.

- **TF1 Films Production**[1]

In the first half of 2013, TF1 Films Production co-produced 13 films that went on general release (versus 9 in the first half of 2012). Of these, 6 had topped one million box office entries by June 30 (versus 4 in the first half of 2012): *Les Profs* (3.8 million), *Boule et Bill* (2.0 million), *Jappeloup* (1.8 million), *Les gamins* (1.6 million), *20 ans d'écart* (1.2 million), and *La cage dorée* (1.2 million).
Consequently, co-production revenues were up on the comparable period of 2012.

2.2. CONSUMER PRODUCTS

Revenue (€m)	H1 2013	H1 2012	Chg %
TF1 Vidéo	29.9	46.0	-35.0%
Home Shopping	48.4	56.5	-14.3%
TF1 Entreprises	22.3	17.4	+28.2%
Consumer Products	**100.6**	**119.9**	**-16.1%**

Current operating profit (€m)	H1 2013	H1 2012	Chg €m
TF1 Vidéo	2.7	1.3	+1.4
Home Shopping	0.4	7.0	-6.6
TF1 Entreprises	1.7	1.6	+0.1
Consumer Products	**4.8**	**9.9**	**-5.1**

Revenue for the Consumer Products division fell by 16.1% to €100.6 million, and current operating profit was €5.1 million lower at €4.8 million.

2.2.1. TF1 Vidéo

TF1 Vidéo posted revenue of €29.9 million in the first half of 2013, versus €46.0 million a year earlier. This €16.1 million drop in revenue was almost entirely due to the successful release of the movie *Intouchables* in the first quarter of 2012, which had a strong positive impact at the time. In the first half of 2013, both the TF1 Vidéo catalogue business and VoD performed well.

Current operating profit for the Video business rose by €1.4 million to €2.7 million. Bear in mind that although the 2012 first-half current operating profit figure was boosted by the performance of *Intouchables*, the effect was partially offset by restructuring costs under the job protection plan.

2.2.2. Home Shopping

The Home Shopping business generated revenue of €48.4 million in the first half of 2013, versus €56.5 million a year earlier, a fall of 14.3%. In an economic environment characterised by sluggish consumer spending, this fall was attributable mainly to reduced order volumes for the flagship brand, a less favourable product mix, and weaker revenue for the Infomercials activity.

[1] Source: Ecran Total

Current operating profit for the first half of 2013 was €0.4 million, €6.6 million lower than in the first half of 2012, reflecting the fall in revenue.

2.2.3. TF1 Entreprises

TF1 Entreprises posted revenue of €22.3 million for the first half of 2013, 28.2% more than in the comparable period of 2012.

All components of the business performed well:

- Licences, with brands like *Mille Bornes* and *The Voice*;
- Games, with the *Milles Bornes* collection and spin-off games from the *Les 12 coups de midi* show broadcast on TF1;
- Publishing, with the *Tintin* and *Barbapapa* collections, launched in December 2012;
- Music, thanks to in-house productions (such as Thérèse, Vincent Niclo and Zaz) and partnerships (such as Céline Dion and Johnny Hallyday).

TF1 Entreprises reported current operating profit of €1.7 million, an increase of €0.1 million relative to the first half of 2012.

2.3. PAY-TV

Revenue (€m)	H1 2013	H1 2012	Chg %
Eurosport group	**219.5**	**225.0**	**-2.4%**
Advertising	40.9	44.8	-8.7%
Other revenue	178.6	180.2	-0.9%
Theme Channels France	**39.3**	**44.3**	**-11.3%**
Advertising	9.2	14.2	-35.2%
Other revenue	30.1	30.1	+0.0%
Pay-TV	**258.8**	**269.3**	**-3.9%**

Current operating profit/ (loss) (€m)	H1 2013	H1 2012	Chg €m
Eurosport group	**30.7**	**26.8**	**+3.9**
Theme Channels France	**(1.6)**	**(1.1)**	**-0.5**
Pay-TV	**29.1**	**25.7**	**+3.4**

Revenue for the Pay-TV segment was down 3.9% at €258.8 million.

Current operating profit increased to €29.1 million, versus €25.7 million for the first half of 2012, a rise of €3.4 million.

2.3.1.Eurosport group

Revenue for the Eurosport group fell by 2.4% to €219.5 million in the first half of 2013 (a €5.5 million drop).

Non-advertising revenue was down slightly year-on-year, at €178.6 million. Distribution revenue are virtually stable. Difficulties on the Spanish market are almost offset by the success of the HD channel in the United Kingdom, the dynamism of Eurosport 2 and growth for Eurosport Asia-Pacific.

Due to tough year-on-year comparative, because of a strong sporting calendar events in 2012, such as the UEFA Euro 2012 and the London Olympics, Eurosport advertising revenue fell by 8.7% to €40.9 million in the first half of 2013.

Tight cost control in the first half of 2013 helped current operating profit to advance by €3.9 million, to €30.7 million.

In the second quarter of 2013, Eurosport posted a 5.9% drop in revenue to €115.8 million. This fall was mainly due to a 17.5% decline in advertising revenue to €26.4 million, as compared with a rise of 51.7% in the second quarter of 2012 (the year of the Olympics).
However, current operating profit was €5.0 million higher at €27.6 million thanks to very tight cost control, pushing operating margin up to 23.8% (versus 18.4% for the second quarter of 2012).

Operating performance

At end June 2013, the Eurosport channel was being received in 130.8 million households in Europe (0.9 million up on the first half of 2012). The number of paying households was up 0.2%.
All the Group's channels (including HD versions) saw an increase in their subscriber base.

In a still increasingly fragmented market, TV audiences were up 0.6%, thanks to a strong winter sports calendar and other key events in the Eurosport channels' schedules (world alpine ski championships, French Open tennis tournament, Africa Cup of Nations, etc).
Internet audiences also rose sharply, putting Eurosport in the top rank of European sports networks. With 14 local versions of its website, the Eurosport network attracted a daily average of

3.9 million[1] unique visitors to end June 2013, up 26.2% year-on-year.

The acquisition of 20% of Eurosport group by Discovery Communications in December 2012 has materialised during the first half of 2013 through the effective implementation of the partnership in both operational and organisational fields.

2.3.2. Theme Channels France[2]

At a time when the range of free-to-air channels in France is increasing, pay-TV channels as a whole attracted audience share of 11.0% in the first half of 2013, down 0.4 of a point year-on-year.

TF1 theme channel revenue for the first half of 2013 was €39.3 million, down 11.3% year-on-year, mainly due to a €5.0 million reduction in advertising revenue.

The French theme channels made a current operating loss of €1.6 million in the first half of 2013, €0.5 million more than the loss for the first half of 2012, with the year-on-year decline limited thanks to a healthier cost base, especially at LCI.

- **LCI**

LCI is maintaining an editorial stance focused on analysis and explanation of news stories. The channel also continues to offer strong brands like *Le Club LCI*.
Rationalisation of the cost base from 2012 onward helped LCI control its operating loss in the first half of 2013, with a marked decrease in advertising revenue.

- **TV Breizh**

TV Breizh confirmed its position as the leading general interest mini-channel on cable and satellite, with audience share of 1.2% among individuals aged 4 and over, rising to 1.4% among "women aged under 50 purchasing decision-makers".

Since March 2013, the channel has been transmitted from the TF1 site in Boulogne, rather than its historical base in Lorient.

In a tough competitive and economic context, TV Breizh reported a fall in both revenue and operating profit in the first half of 2013.

- **Histoire, Ushuaïa, Stylía**[3]

Since April 2013, the Découverte channels have also been transmitted from the TF1 site in Boulogne rather than from their historical base in Lorient.

Ushuaïa TV is maintaining its editorial policy, with the emphasis on adventure and discovery; this policy is paying off, with the channel enjoying the highest brand recognition in the discovery/lifestyle segment.
Histoire is continuing to focus on its editorial policy and on building awareness of its brand as the benchmark history channel on cable, satellite and ADSL. The channel has moved up one place to 6th in the brand recognition rankings for the discovery/lifestyle segment.
Finally, Stylía continues to base its editorial policy on women's lifestyle issues.

The division's revenues are proving resilient in a challenging market, and cutting the cost base has enabled the division to improve margins.

- **TF6 and Serieclub**

First-half revenue and current operating profit for these two channels – owned 50/50 by TF1 and M6 – were down year-on-year.

TF6 continues to add new first-run series and new entertainment shows. The channel's audience share is 0.6% among individuals aged 4 and over, and 1.3% among "women aged under 50 purchasing decision-makers".

Serieclub has been pulling in excellent audiences thanks to ambitious scheduling of first-run series, and is the fastest-growing French pay-TV channel among "women aged under 50 purchasing decision-makers". The channel has a 1.1% share of this audience (versus 0.8% a year ago). Among individuals aged 4 and over, the audience share also increased (by 0.1 of a point, to 0.6 of a point).

[1] Source: NedStats unique visitor cookies
[2] Source: Médiamat'Thématik (Wave 25 January 2013 – June 2013) Pay-TV Universe
[3] Brand recognition observatory: add-on channels, 2013 wave, CSA Institute

2.4. Holding company and other

Revenue (€m)	H1 2013	H1 2012	Chg %
Holding company & other	4.4	4.3	+ 0.1%

Current operating profit (€m)	H1 2013	H1 2012	Chg €m
Holding company & other	8.3	8.0	+ 0.3

The “Holding company & other” segment, which includes the Group’s property and transmission entities, posted revenue of €4.4 million (up 0.1%) and current operating profit of €8.3 million.

The bulk of this segment’s revenue is generated by the Group’s transmission activity. However, its current operating profit includes all margin generated by entities in the segment.

3. Corporate social responsibility

3.1. Dialogue and solidarity

Job opportunities via the 2013 Corporate Foundation campaign

Recruitment is under way for the 6th annual TF1 Enterprise Foundation intake. The main aim is to provide training and jobs in the audiovisual industry via a range of initiatives targeted at applicants from deprived neighbourhoods.

Supporting the economic, social and cultural development of deprived neighbourhoods

On June 20, 2013, the TF1 group signed up to the "Business & Neighbourhoods" (*Entreprises et Quartiers*) charter in the presence of François Lamy, the minister with responsibility for cities. The aim is to promote the economic development of deprived neighbourhoods. By signing up to the charter, the TF1 group – represented by Arnaud Bosom (Executive Vice President Human Resources and Organisation) and Samira Djouadi (chief representative of the TF1 Foundation) – is committing to promoting access to jobs for people from deprived neighbourhoods, and also to supporting the economic, social and cultural development of these neighbourhoods.

3.2. Career development and employment

Sandwich courses: helping disabled people into employment

TF1 has launched an initiative to recruit people for sandwich courses (in the form of vocational training or apprenticeships) to start in the autumn of 2013. This campaign, a joint initiative with Cap Emploi, is targeted at disabled people, whether students or adults retraining for a new career. The Group is offering opportunities in a range of fields, from technical jobs to audiovisual production and from marketing to administration. The "Actions Handicap" team will help successful candidates plan their career path, in particular by helping the choose the right college and course (which will be funded by TF1).

TF1 staff tackle illiteracy

TF1 is a founder member of B'A'ba Solidarité, a not-for-profit organisation fighting illiteracy in the corporate world. B'A'ba Solidarité is asking TF1 staff to volunteer to help employees of the Group's cleaning contractor learn French, or improve their French, via tuition and one-to-one support. In March 2013, 30 TF1 employees responded by committing to provide their support until the training is completed in October 2014.

TF1 and LCI launch the "Grand Prix Patrick Bourrat"

Open to students at the thirteen French journalism schools accredited by the profession, this prize has enabled the two best news editors and two best news reporters to secure fixed-term contracts at TF1 and LCI. The prize emphasises the value of communication, testimony and experience, in line with what Patrick Bourrat (a star reporter at TF1, who died in the line of duty in Kuwait on December 22, 2002), would have wanted.

3.3. Environment

Jo, the first-ever carbon-neutral international production

Atlantique Productions (a subsidiary of Lagardère Entertainment) and TF1 have joined forces to make *Jo* – screened on TF1 on April 25 – the first-ever carbon-neutral production. TF1, a founding partner of the Ecoprod collective, retained expert consultants during shooting to advise on the environmental footprint and measure carbon emissions. The series producers decided to offset the residual CO_2 emissions from the shooting by buying carbon credits, involving a financial contribution to environment and biodiversity-friendly projects suggested by EcoAct, a partner of Ecoprod. Scheduled for broadcast on the TF1 channel on April 25, and then for transmission on international channels, this production should provide a template for a growing number of producers building eco-design into their shoots.

3.4. Purchasing

Award for the Purchasing Department

The TF1 group's Purchasing Department was awarded the prize for "Responsible Purchasing and Diversity" at the 2013 *Trophées des Achats* awards, organised by the French federation of managers and buyers. This award is particularly encouraging given that TF1, which has already signed up to the "Company Relations charter" (*Charte des relations inter-entreprises*), applied in May 2013 for accreditation under the French "Responsible Supplier Relations" (*Relations Fournisseurs responsables*) label.

4. Human resources update

At June 30, 2013, the TF1 group had 3,615 employees on permanent contracts, versus 3,820 a year earlier and 3,680 at December 31, 2012.

5. Stock market performance

TF1 shares closed at €9.19 on June 30, 2013, up 46.2% compared with the price on June 30, 2012. Over the same period, the CAC 40 and SBF 120 indices rose by 17.0% and 17.7% respectively.

During the first six months of the year, the share price rose by 3.8%, compared with growth of 2.7% for the CAC 40 and 3.3% for the SBF 120.

TF1 had a market capitalisation of €1.9 billion on June 30, 2013, versus €1.3 billion a year earlier.

6. Share ownership

	Situation at June 30, 2013		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.7%**	**43.7%**
Treasury shares	**30,000**	**0.0%**	**0.0%**
TF1 employees	**16,117,143**	**7.6%**	**7.6%**
via the FCPE TF1 fund	*16,029,916*	*7.6%*	*7.6%*
as registered shares	*87,227*	*0.0%*	*0.0%*
Free float	**102,528,843**	**48.7%**	**48.7%**
Total	**210,622,283**	**100.0%**	**100.0%**

	Situation at December 31, 2012		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.7%**	**43.7%**
Treasury shares	**0**	**0.0%**	**0.0%**
TF1 employees	**15,261,434**	**7.2%**	**7.2%**
via the FCPE TF1 fund	*15,176,013*	*7.2%*	*7.2%*
as registered shareholders	*85,421*	*0.0%*	*0.0%*
Free float	**103,416,590**	**49.1%**	**49.1%**
Total	**210,624,321**	**100.0%**	**100.0 %**

	Situation at June 30, 2012		
	Number of shares	% of capital	% of voting rights
Bouygues	**91,946,297**	**43.6%**	**43.7%**
Treasury shares	**311,682**	**0.1%**	**0.1%**
TF1 employees	**15,065,631**	**7.1%**	**7.2%**
via the FCPE TF1 fund	*14,981,000*	*7.1%*	*7.1%*
as registered shareholders	*84,631*	*0.0%*	*0.0%*
Free float	**103,609,393**	**49.1%**	**49.2%**
Total	**210,933,003**	**100.0%**	**100.0%**

Outlook

During the first half of 2013, the TF1 group continued its efforts to adapt to the new economic and competitive landscape. The Group is reiterating its 2013 full-year revenue assumption of €2,500m.

TF1 is delivering on its commitment to accelerate the implementation of phase II of the optimisation plan, aimed at generating €85m of recurring savings by end 2014. The Group is also bringing in specific measures intended to generate further savings in 2013.

The Group's ongoing ability to adapt its business model through 2013 was reflected in the second quarter by the fact that current operating profit increased despite a fall in revenue.

During the second half of the year, the TF1 group will focus on five priorities:

- delivering strong audience ratings;
- optimizing the value of major advertising slots;
- remaining at the cutting edge of innovation in all fields;
- continuing with its development;
- keep adapting the business model.

Related Parties

There have been no significant developments in respect of related parties since publication of the TF1 Registration Document, the French version of which was filed with the AMF on March 13, 2013 (reference D. 13-0129).

Risk factors

The principal risk factors identified by the TF1 group are as follows:

- **operational risks:**
  - risk of loss of key programmes;
  - risk of loss of market leadership premium for TF1 core channel;
  - risk of non-recovery of advances;
  - risks related to the economic crisis;
- **industrial and environmental risks:**
  - industrial risks related to TF1 programme broadcasting: risk of signal transmission interruption and execution risk;
  - competition risks:
    - risks related to the growth of digital terrestrial television and to the development of the internet and new media;
    - risks related to radio spectrum developments (frequency changes, 4G interference, second dividend).
- **legal risks:**
  - regulatory risks: broadcasting licence and CSA enforcement powers;
  - risks related to societal pressure on advertising and programmes;
  - risks related to additional taxes or legislative changes;
  - risks related to the rights of individuals (privacy and defamation);
  - risks related to intellectual property rights (copyright, related rights);
  - specific risks related to certain reality TV shows;
  - risks related to competition law;
  - acquisition of 100% of NT1 and of the 40% of TMC held by Groupe AB;
- **credit and/or counterparty risk**
- **financial risks:**
  - liquidity risk;
  - market risk.

As far as the company and the Group are aware, no new risk factors or new litigation that taken individually would be liable to have a significant impact on the revenue, profits, financial position or assets of the company or the Group have been identified since publication of the TF1 Registration Document, filed with the *Autorité des Marchés Financiers* (AMF) on March 13, 2013 as no. 13-0129. A description of the principal risk factors listed above is provided on pages 62 to 69 of the Registration Document.

Further information on certain issues is provided below:

Risks related to radio spectrum developments:

The proposed reallocation of the 700 MHz (694-790 MHz) frequency band to telecoms operators is liable to result in changes to the way in which digital terrestrial television is currently organised.

Risks related to intellectual property rights (copyright, related rights):

In its legal action against Dailymotion, TF1 has appealed against the judgment of the Paris District Court dated September 13, 2012, in an attempt to win its case in relation to content that was deemed inadmissible at first instance.

Specific risks related to certain reality TV shows:

Further rulings have been delivered during the first half of 2013:

- the Versailles Court of Appeal (April 23, 2013) significantly reduced the sums awarded to the contestants who had brought proceedings, as regards their claims for both back salary and for damages. For non time-barred contestants, the result was an award of €4,500, where previously they had stood to obtain €10,000 (or in some rulings, as much as €17,000), i.e. a total reduction in the region of €5,500.

- in March 2013, the *Cour de Cassation* (the French supreme court) examined around fifty appeals lodged by contestants from the *Île de la Tentation*, *Marjolaine* and *Mister France* shows whose back salary claims were not time-barred and who were claiming not only performing artist status but also recognition of undeclared employment. In a joint ruling issued on April 24, 2013, although the court upheld the existence of an employment contract, it rightly refused to grant performing artist status to the claimants.

Consolidated financial statements for the six months ended June 30, 2013

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

Consolidated balance sheet

ASSETS (€ million)	*Note*	June 30, 2013	Dec. 31, 2012	June 30, 2012
Goodwill	*5*	**874.3**	**874.3**	**874.3**
Intangible assets		**126.2**	**129.8**	**128.8**
Audiovisual rights		50.6	55.2	55.4
Other intangible assets		75.6	74.6	73.4
Property, plant and equipment		**212.3**	**216.8**	**224.0**
Investments in associates	*6*	**161.2**	**161.1**	**162.1**
Non-current financial assets		**14.8**	**15.8**	**12.8**
Non-current tax assets		**10.4**	**10.6**	**7.2**
Total non-current assets		**1,399.2**	**1,408.4**	**1,409.2**
Inventories		**647.2**	**632.1**	**625.2**
Programmes and broadcasting rights		630.3	615.2	604.8
Other inventories		16.9	16.9	20.4
Trade and other debtors		**1,339.7**	**1,302.0**	**1,354.0**
Current tax assets		**18.8**	**14.5**	**-**
Other current financial assets		**2.1**	**2.1**	**5.5**
Cash and cash equivalents	*8*	**183.4**	**258.7**	**31.5**
Total current assets		**2,191.2**	**2,209.4**	**2,016.2**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,590.4**	**3,617.8**	**3,425.4**
Net surplus cash (+) / Net debt (-)		**165.7**	**236.3**	**(91.7)**

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€ million)	*Note*	**June 30, 2013**	**Dec. 31, 2012**	**June 30, 2012**
Share capital		42.1	42.1	42.2
Share premium and reserves		1,525.8	1,506.7	1,412.2
Net profit/(loss) for the period attributable to the Group		42.1	136.0	93.5
Shareholders' equity attributable to the Group		**1,610.0**	**1,684.8**	**1,547.9**
Non-controlling interests		122.5	117.0	13.2
Total shareholders' equity		**1,732.5**	**1,801.8**	**1,561.1**
Non-current debt	*8*	**10.9**	**13.6**	**15.8**
Non-current provisions		**41.3**	**39.3**	**45.6**
Non-current tax liabilities		**8.7**	**9.8**	**9.6**
Total non-current liabilities		**60.9**	**62.7**	**71.0**
Current debt	*8*	**6.8**	**8.8**	**107.4**
Trade and other creditors		**1,735.6**	**1,687.2**	**1,633.0**
Current provisions		**44.9**	**53.5**	**51.2**
Current tax liabilities		**9.3**	**2.9**	**1.3**
Other current financial liabilities		**0.4**	**0.9**	**0.4**
Total current liabilities		**1,797.0**	**1,753.3**	**1,793.3**
Liabilities related to held-for-sale assets		**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,590.4**	**3,617.8**	**3,425.4**

Consolidated income statement

(€ million)	Note	1st half 2013	1st half 2012	2nd quarter 2013	2nd quarter 2012	Full year 2012
Advertising revenue		820.2	896.8	451.5	477.6	1,775.5
Other revenue		387.8	404.4	190.9	195.0	845.1
Revenue		**1,208.0**	**1,301.2**	**642.4**	**672.6**	**2,620.6**
Other income from operations		-	-	-	-	0.4
Purchased consumed and changes in inventory		(590.1)	(595.7)	(274.9)	(294.0)	(1,214.7)
Staff costs		(206.2)	(218.2)	(100.8)	(112.6)	(423.9)
External expenses		(218.1)	(239.1)	(113.4)	(119.3)	(488.2)
Taxes other than income taxes		(67.1)	(75.1)	(35.7)	(38.1)	(147.0)
Depreciation and amortisation, net		(34.8)	(36.6)	(17.5)	(18.1)	(71.8)
Provisions and impairment, net		(1.3)	(13.9)	(2.3)	(5.1)	(12.6)
Other current operating income		39.7	75.6	21.5	26.7	126.0
Other current operating expenses		(59.3)	(64.3)	(32.8)	(34.2)	(130.7)
Current operating profit/(loss)		**70.8**	**133.9**	**86.5**	**77.9**	**258.1**
Other operating income		-	-	**-**	**-**	-
Other operating expenses		-	-	**-**	**-**	(47.7)
Operating profit/(loss)		**70.8**	**133.9**	**86.5**	**77.9**	**210.4**
Income associated with net debt		0.3	0.4	0.1	0.1	0.6
Expenses associated with net debt		(0.2)	(0.4)	(0.1)	(0.2)	(0.6)
Cost of net debt	*9*	**0.1**	**-**	**-**	**(0.1)**	**-**
Other financial income		2.2	6.5	2.1	6.4	7.6
Other financial expenses		(2.0)	(0.8)	(1.5)	(0.1)	(1.8)
Income tax expense		(22.4)	(43.9)	(33.8)	(24.4)	(70.5)
Share of profits/(losses) of associates	*6*	(0.1)	(0.1)	(0.2)	(0.6)	(6.4)
Net profit/(loss) from continuing operations		**48.6**	**95.6**	**53.1**	**59.1**	**139.3**
Post-tax profit from discontinued/held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**48.6**	**95.6**	**53.1**	**59.1**	**139.3**
attributable to the Group		***42.1***	***93.5***	***48.4***	***58.2***	***136.0***
attributable to non-controlling interests		*6.5*	*2.1*	*4.7*	*0.9*	*3.3*
Weighted average number of shares outstanding ('000)		210,352	210,812	210,352	210,812	210,716
Basic earnings per share from continuing operations (€)		0.20	0.44	0.23	0.28	0.65
Diluted earnings per share from continuing operations (€)		0.20	0.44	0.23	0.28	0.64

Statement of recognised income and expense

(€ million)	1st half 2013	1st half 2012	Full year 2012
Consolidated net profit/(loss) for the period	**48.6**	**95.6**	**139.3**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on employee benefits	-	(4.2)	(7.2)
Net tax effect of equity items not reclassifiable to profit or loss	-	1.5	2.5
Share of non-reclassifiable income and expense of associates recognised in equity	-	-	-
Items reclassifiable to profit or loss			
Remeasurement of hedging instruments *	-	(0.4)	(3.8)
Remeasurement of available-for-sale financial assets	-	-	-
Change in cumulative translation adjustment of controlled entities	-	0.3	0.1
Net tax effect of equity items reclassifiable to profit or loss	-	0.1	1.4
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
Income and expense recognised directly in equity	**-**	**(2.7)**	**(7.0)**
Total recognised income and expense	**48.6**	**92.9**	**132.3**
attributable to the Group	42.1	90.8	129.0
attributable to non-controlling interests	6.5	2.1	3.3

Consolidated statement of changes in shareholders' equity

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Non-controlling interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2012	**42.1**	**-**	**-**	**1,642.9**	**(0.2)**	**1,684.8**	**117.0**	**1,801.8**
Capital increase (share options exercised)	-	1.9			-	**1.9**	-	**1.9**
Share-based payment	-			0.3	-	**0.3**	-	**0.3**
Purchase of treasury shares	-		(3.3)		-	**(3.3)**	-	**(3.3)**
Cancellation of treasury shares	-		3.0	(3.0)	-	**-**	-	**-**
Dividends paid	-	-	-	(115.6)	-	**(115.6)**	(1.2)	**(116.8)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Total transactions with shareholders	**-**	**1.9**	**(0.3)**	**(118.3)**	**-**	**(116.7)**	**(1.2)**	**(117.9)**
Consolidated net profit/(loss) for the period	**-**	**-**	**-**	**42.1**	**-**	**42.1**	**6.5**	**48.6**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(0.2)**	**(0.2)**	**0.2**	**-**
Other transactions (changes in accounting policy and in scope of consolidation, & other items)	-	-	-	-	-	**-**	**-**	**-**
BALANCE AT JUNE 30, 2013	**42.1**	**1.9**	**(0.3)**	**1,566.7**	**(0.4)**	**1,610.0**	**122.5**	**1,732.5**
BALANCE AT DECEMBER 31, 2011	**42.2**	**-**	**(0.7)**	**1,526.8**	**6.8**	**1,575.1**	**12.1**	**1,587.2**
Capital increase (share options exercised)	-		-	-	-	**-**	-	**-**
Share-based payment	-	-	-	0.3	-	**0.3**	-	**0.3**
Purchase of treasury shares	-	-	(2.3)	-	-	**(2.3)**	-	**(2.3)**
Cancellation of treasury shares			0.7	(0.7)	-	**-**	-	**-**
Dividends paid	-	-	-	(116.0)	-	**(116.0)**	**(1.0)**	**(117.0)**
Other transactions with shareholders	-	-	-	-	-	**-**	**-**	**-**
Total transactions with shareholders	**-**	**-**	**(1.6)**	**(116.4)**	**-**	**(118.0)**	**(1.0)**	**(119.0)**
Consolidated net profit/(loss) for the period	**-**	**-**	**-**	**93.5**	**-**	**93.5**	**2.1**	**95.6**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(2.7)**	**(2.7)**	**-**	**(2.7)**
Other transactions (changes in accounting policy and in scope of consolidation, & other items)	-	-	-	-	-	**-**	**-**	**-**
BALANCE AT JUNE 30, 2012	**42.2**	**-**	**(2.3)**	**1,503.9**	**4.1**	**1,547.9**	**13.2**	**1,561.1**

Consolidated cash flow statement

(€ million)	Note	1st half 2013	1st half 2012	Full year 2012
Consolidated net profit/(loss) for the period (including non-controlling interests)		48.6	95.6	139.3
Depreciation, amortisation, provisions & impairment (excluding current assets)		33.1	32.9	75.3
Intangible assets and goodwill		*18.7*	*17.9*	*44.7*
Property, plant and equipment		*12.3*	*13.6*	*30.4*
Financial assets		*-*	*-*	*(0.2)*
Non-current provisions		*2.1*	*1.4*	*0.4*
Other non-cash income and expenses		(5.3)	(1.9)	(9.2)
Effect of fair value remeasurement		(0.5)	(5.8)	(5.2)
Share-based payment		0.3	0.3	0.7
Net (gain)/loss on asset disposals		0.5	(0.3)	0.4
Share of (profits)/losses and dividends of associates		0.1	0.1	6.4
Dividend income from non-consolidated companies		(0.3)	(0.4)	(1.2)
Sub-total		**76.5**	**120.5**	**206.5**
Cost of net debt	*9*	(0.1)	-	-
Income tax expense (including deferred taxes)		22.4	43.9	70.5
Operating cash flow		**98.8**	**164.4**	**277.0**
Income taxes (paid)/reimbursed		(21.1)	(62.2)	(102.1)
Change in operating working capital needs		(5.1)	(5.9)	87.6
Net cash generated by/(used in) operating activities		**72.6**	**96.3**	**262.5**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(27.7)	(29.2)	(51.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		1.6	0.6	1.1
Cash outflows on acquisitions of financial assets		-	-	(3.4)
Cash inflows from disposals of financial assets		1.8	-	0.1
Effect of changes in scope of consolidation		-	-	(6.4)
Purchase price of investments in consolidated activities		-	-	*(6.4)*
Proceeds from disposals of consolidated activities		-	-	-
Net liabilities related to consolidated activities		-	-	-
Other cash effects of changes in scope of consolidation		-	-	-
Dividends received		0.3	0.4	1.2
Change in loans and advances receivable		(0.5)	(0.1)	0.2
Net cash generated by/(used in) investing activities		**(24.5)**	**(28.3)**	**(58.6)**
Cash received on exercise of share options		1.9	-	-
Purchases and sales of treasury shares		(3.3)	(2.3)	(2.3)
Other transactions between shareholders		-	-	192.3
Dividends paid during the period		(116.8)	(117.0)	(117.0)
Cash inflows from new debt contracted		(0.5)	0.4	0.4
Repayment of debt (including finance leases)		(3.7)	(2.4)	(4.7)
Net interest paid (including finance leases)		0.1	-	-
Net cash generated by/(used in) financing activities		**(122.3)**	**(121.3)**	**68.7**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**(74.2)**	**(53.3)**	**272.6**
Cash position at beginning of period – continuing operations		**254.4**	**(18.2)**	**(18.2)**
Change in cash position during the period – continuing operations		(74.2)	(53.3)	272.6
Cash position at end of period – continuing operations	*10*	**180.2**	**(71.5)**	**254.4**

Notes to the consolidated financial statements

1 Significant events

In order to more fairly represent the strategy of the TF1 group in its published financial information, with effect from January 1, 2013 the Group's activities have been allocated to the following three operating segments:

- ✓ Broadcasting & Content
- ✓ Consumer Products
- ✓ Pay-TV

A definition of each of these segments is provided below in Note 4, "Operating segments", along with revenue and operating profit comparatives for the six months ended June 30, 2012. The allocation of consolidated entities to the various operating segments is indicated in Note 13, "Scope of consolidation".

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the six months ended June 30, 2013 were 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, 2012 as published in the 2012 Document de Référence filed with the Autorité des Marchés Financiers (AMF) on March 13, 2013 under reference number D.13-0129.

An English-language version of the audited consolidated financial statements for the year ended December 31, 2012 is included in the TF1 Registration Document, available on the TF1 corporate website at http://www.groupe-tf1.fr/en/finance/financial-results-publications/financial-reports/2012-7242819-843.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, now known as the ANC) on July 2, 2009.

They are presented in millions of euros.

The consolidated financial statements were closed off by the Board of Directors on July 24, 2013, 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 and mandatorily applicable or permitted for early adoption in periods beginning on or after January 1, 2013

In preparing its condensed financial statements for the six months ended June 30, 2013, 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, 2012, plus any new standards, amendments and interpretations applicable from January 1, 2013.
The principal new standards, amendments and interpretations which are now effective within the European Union and are mandatorily applicable or permitted for early adoption with effect from January 1, 2013 are:

- Amendment to IAS 1 - Presentation of Items of Other Comprehensive Income (OCI): this amendment, early adopted by the TF1 group with effect from January 1, 2011, relates to changes in the presentation of the statement of recognised income and expense. This amendment became mandatorily applicable with effect from January 1, 2013.

- Amendment to IAS 19, "Employee Benefits": this amendment is mandatorily applicable from January 1, 2013, with early adoption permitted on or after January 1, 2012. The TF1 group early adopted this amendment in its consolidated financial statements for the year ended December 31, 2012, but the impact was immaterial since the Group already recognised in equity any actuarial gains and losses arising on employee benefits under defined benefit plans.

- Amendment to IAS 12 – Deferred Taxes: Recovery of Underlying Assets. This amendment is mandatorily applicable from January 1, 2013, but has no impact on the financial statements.

- Amendment to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters. This amendment is mandatorily applicable from January 1, 2013, but has no impact on the financial statements.

- IFRS 13, "Fair Value Measurement": This standard is mandatorily applicable from January 1, 2013, but has no material impact on the financial statements.

The TF1 group has decided not to early adopt any of the pronouncements issued by the IASB and endorsed by the European Union that are permitted for early adoption with effect from January 1, 2013.

2-2-2. New standards, amendments and interpretations effective within the European Union but not applicable until after June 30, 2013

Standard/Amendment	IASB effective date	Expected impact on the TF1 group
Revised IAS 27: Separate Financial Statements	January 1, 2014	No impact on the financial statements
Revised IAS 28: Investments in Associates and Joint Ventures	January 1, 2014	Under review
IFRS 10: Consolidated Financial Statements	January 1, 2014	Under review
IFRS 11: Joint Arrangements	January 1, 2014	Under review
IFRS 12: Disclosure of Interests in Other Entities	January 1, 2014	Under review
Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities	January 1, 2014	Under review

2-2-3. New standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union

Standard/Interpretation	IASB effective date	Expected impact on the TF1 group
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2015	Not quantifiable at present (endorsement process suspended by the European Union)
IFRIC 21: Levies	January 1, 2014	Under review

2-3. <u>Changes in accounting policy</u>

TF1 has not made any changes in accounting policy during 2013 to date, other than those required to comply with IFRS requirements applicable on or after January 1, 2013 (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 various assumptions regarded as realistic or reasonable. Subsequent 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 (whether recognised as intangible assets or carried as inventory);
- impairment of goodwill (where there is evidence of impairment);
- 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, 2012, and the 2012 interim financial statements. As of the date on which the financial statements for the six months ended June 30, 2013 were closed off 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

In accordance with the terms of the agreement between the TF1 group and Claude Berda signed in November 2012, the Group's 49% interest in WBTV was sold on March 29, 2013 for €1. This sale did not have a material impact on the consolidated financial statements for the six months ended June 30, 2013.

4 Operating segments

With effect from January 1, 2013 the TF1 group changed the presentation of the internal reports used to manage and monitor the performance of its operating activities. The new presentation is a response to the competitive, economic and technological changes that the Group has faced in recent years, and gives a fairer representation of the strategy implemented by the Group to address those changes.
The segment information presented below has been updated to take account of this change in the Group's internal management reporting. For details of how Group entities are allocated to these segments, refer to Note 13, "Scope of consolidation".

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operational decision-makers to monitor performance. The operating segments reported by the Group are those reviewed by the chief operational decision-maker; they are not aggregated for segment reporting purposes.

Management assesses 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 reports the following operating segments:

Broadcasting and Content

The Broadcasting and Content segment includes all services that are accessible to consumers free of charge. These activities generate revenue primarily from the sale of advertising space on broadcast media, the internet, and print media.
This segment also includes activities that generate non-advertising revenue derived directly from programmes broadcast on the Group's free-to-air channels, such as interactivity between viewers and programmes.
Finally, this segment includes content subsidiaries whose activities are primarily intended to produce content for another subsidiary that belongs to the Broadcasting and Content segment, such as the acquisition and exploitation of audiovisual rights, in-house production of programmes, or advertising airtime sales.

Consumer Products

The Consumer Products segment includes all paid-for products and services sold by the Group to consumers, either directly or via an intermediary:

- ✓ distance selling via internet or telephone and in-store sales by the Home Shopping business (Téléshopping group);
- ✓ the activities of the TF1 Entreprises business, including the sales of card/board games and exploitation of licences;
- ✓ the acquisition and distribution of video products on physical and digital media.

Pay-TV

This segment includes all paid-for services accessible via third-party operators. Revenues from these activities are generated mainly by the fees negotiated with and collected from cable, satellite and ADSL operators for access to the pay-TV channels produced by the TF1 group. The customer is an operator with whom the revenue is negotiated; the operator is responsible for relations with the end user, and in particular for collecting the price for the provision of the service to the end user.

Holding company and other

This segment contains entities with no operational activities and entities that carry the Group's property assets. It also includes entities whose activities do not match the business models of any of the other segments but which are insufficiently material to constitute a separate segment.

(€ million)	**BROADCASTING & CONTENT**		**CONSUMER PRODUCTS**		**PAY-TV**		**HOLDING COMPANY & OTHER**		**TOTAL: GROUP**	
SEGMENTAL INCOME STATEMENT	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**
Segment revenue	867.7	935.7	101.3	120.5	268.0	278.3	17.4	15.6	1,254.4	1,350.1
Elimination of inter-segment transactions	-23.5	-28.0	-0.7	-0.6	-9.2	-9.0	-13.0	-11.3	-46.4	-48.9
CONTRIBUTION TO GROUP REVENUE	**844.2**	**907.7**	**100.6**	**119.9**	**258.8**	**269.3**	**4.4**	**4.3**	**1,208.0**	**1,301.2**
Advertising revenue	*770.1*	*837.8*	*0.0*	*0*	*50.1*	*59.0*	*0.0*	*0.0*	*820.2*	*896.8*
Other revenue	*74.1*	*69.9*	*100.6*	*119.9*	*208.7*	*210.3*	*4.4*	*4.3*	*387.8*	*404.4*
OPERATING PROFIT/(LOSS) (1)	**28.6**	**90.3**	**4.8**	**9.9**	**29.1**	**25.7**	**8.3**	**8.0**	**70.8**	**133.9**
% operating margin on Group contribution	*3.4%*	*9.9%*	*4.8%*	*8.3%*	*11.2%*	*9.5%*	*N/S*	*N/S*	*5.9%*	*10.3%*
Share of profits/(losses) of associates (2)	-	-	(0.1)	(0.1)	-	-	-	-	(0.1)	(0.1)

(1) In 2012, includes €27.1m of reimbursements of taxes on television services recognised in Broadcasting & Content operating profit, all rights to appeal having been extinguished in February 2012.
(2) The breakdown of the share of profits and losses of associates (see Note 6) by segment is as follows:
- Broadcasting & Content: relates mainly to UGC Distribution (zero in the first half of 2013 and 2012);
- Consumer Products: relates mainly to Direct Optic Participations;
- Holding Company & Other: relates mainly to Groupe AB in 2013, and WBTV in 2012 (zero in the first half of 2013 and 2012).

5 Goodwill

Based on an analysis of cash flows and of synergies between the Group's different activities, goodwill has been allocated between the cash generating units (CGUs) as follows with effect from January 1, 2013:

(€ million)	BROADCASTING & CONTENT	CONSUMER PRODUCTS	PAY-TV	HOLDING COMPANY & OTHER	Total
Goodwill at January 1, 2013	**408.9**	**-**	**465.3**	**-**	**874.3**
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Impairment	-	-	-	-	-
Other movements	-	-	-	-	-
Goodwill at June 30, 2013	**408.9**	**-**	**465.3**	**-**	**874.3**

Impairment tests performed on the basis of the new CGUs (as indicated in the table above) using end-2012 assumptions and data showed no evidence of impairment.

The sensitivity tests described in the 2012 Registration Document were applied to the valuations of these CGUs, and identified no probable scenario in which the recoverable amount of any CGU would fall below its carrying amount.

6 Investments in associates

The table below gives details of investments in associates:

(€ million)	Groupe AB [(1)]	WBTV [(2)]	Other associates [(3)]	Total
Country	**France**	**Belgium**	**France**	
December 31, 2011	**-**	**-**	**1.3**	**1.3**
Share of profit/(loss) for the period	-	-	(0.1)	**(0.1)**
Provisions for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Changes in scope of consolidation	160.9	-	-	**160.9**
Other movements	-	-	-	**-**
June 30, 2012	**160.9**	**-**	**1.2**	**162.1**
December 31, 2012	**159.5**	**-**	**1.6**	**161.1**
Share of profit/(loss) for the period	-	-	(0.1)	(0.1)
Provisions for impairment	-	-	-	-
Dividends paid	-	-	-	-
Changes in scope of consolidation	-	-	-	**-**
Other movements	-	-	0.2	**0.2**
June 30, 2013	**159.5**	**-**	**1.7**	**161.2**

(1) Given the timescale for finalisation of the financial statements of Groupe AB (consolidated by the equity method since June 11, 2012), the share of this entity's profits recognised as of June 30, 2013 was calculated on the basis of its results for the first quarter of 2013 and the fourth quarter of 2012.

(2) The interest in WBTV was sold on March 29, 2013 (see Note 3, "Changes in scope of consolidation").

(3) Includes in particular Direct Optic Participations and UGC Distribution.

7 Share buyback programme

Under the terms of the authorisations granted by the Annual General Meeting on April 19, 2012 and renewed on April 18, 2013, TF1 repurchased 368,684 of its own shares during the period for €3.3 million with a view to their cancellation, and cancelled 338,684 of those shares with a value of €3 million.

8 Net surplus cash/net debt

Net surplus cash (or net debt) as reported by the TF1 Group comprises the following items:

(€ million)	June 30, 2013	December 31, 2012
Cash and cash equivalents	183.4	258.7
Financial assets held for treasury management purposes	-	-
Available cash	**183.4**	**258.7**
Fair value of interest rate derivative instruments	**-**	**-**
Non-current debt	(10.9)	(13.6)
Current debt	(6.8)	(8.8)
Total debt	**(17.7)**	**(22.4)**
Net surplus cash/(net debt)	**165.7**	**236.3**

As of June 30, 2013, TF1 had the following financing arrangements in place:

- Confirmed bilateral bank credit facilities of €950 million, backed up by a cash pooling agreement with the Bouygues Group under which nothing was drawn down as of June 30, 2013.
- A residual finance lease obligation of €6.9 million relating to the financing of technical plant and equipment.

9 Cost of net debt

Cost of net debt for the six months ended June 30, 2013 is shown in the table below:

(€ million)	2013 1st half	2012 1st half
Interest income	0.3	0.4
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	-	-
Income associated with net debt	**0.3**	**0.4**
Interest expense on debt	(0.2)	(0.4)
Change in fair value of interest rate derivatives	-	-
Expenses associated with debt	**(0.2)**	**(0.4)**
Cost of net debt	**0.1**	**-**

10 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.

(€ million)	June 30, 2013	December 31, 2012
Cash and cash equivalents in the balance sheet	183.4	258.7
Treasury current account credit balances	(3.2)	(2.5)
Bank overdrafts	-	(1.8)
Total net cash position at end of period per the cash flow statement	**180.2**	**254.4**

11 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on April 30, 2013 in respect of the 2012 financial year, and the amount paid in 2012 in respect of the 2011 financial year.

	Paid in 2013	Paid in 2012
Total dividend (€ million)	115.6	116.0
Dividend per ordinary share (€)	0.55	0.55

12 Post balance sheet events

There are no post balance sheet events to report.

13 Scope of consolidation

The table below shows how the entities included in the scope of consolidation are allocated to operating segments following the changes made to the presentation of the Group's segmental information:

	June 2013		December 2012	
COMPANY	% CONTROL	METHOD	% CONTROL	METHOD
Broadcasting & Content				
TF1 SA	***Parent company***		***Parent company***	
TELE MONTE CARLO	80.00%	Full	80.00%	Full
NT1	100.00%	Full	100.00%	Full
HD1	100.00%	Full	100.00%	Full
e-TF1	100.00%	Full	100.00%	Full
WAT	100.00%	Full	100.00%	Full
METRO FRANCE PUBLICATIONS	100.00%	Full	100.00%	Full
TMC REGIE	80.00%	Full	80.00%	Full
TF1 PUBLICITE	100.00%	Full	100.00%	Full
LA PLACE MEDIA	24.70%	Equity	26.00%	Equity
OUEST INFO	100.00%	Full	100.00%	Full
TF1 FILMS PRODUCTION	100.00%	Full	100.00%	Full
TF1 PRODUCTION	100.00%	Full	100.00%	Full
GIE TF1 Acquisitions de droits	100.00%	Full	100.00%	Full
TF1 DS	100.00%	Full	100.00%	Full
CIBY 2000	100.00%	Full	100.00%	Full
TF1 DROITS AUDIOVISUELS	100.00%	Full	100.00%	Full
SOFICA VALOR 6 [(a)]	100.00%	Full	100.00%	Full
TF1 INTERNATIONAL	66.00%	Full	66.00%	Full
UGC DISTRIBUTION	34.00%	Equity	34.00%	Equity
Consumer Products				
TELESHOPPING	100.00%	Full	100.00%	Full
TOP SHOPPING	100.00%	Full	100.00%	Full
PLACE DES TENDANCES	80.00%	Full	80.00%	Full
DIRECT OPTIC PARTICIPATIONS	47.85%	Equity	47.85%	Equity
TF1 VIDEO	100.00%	Full	100.00%	Full
GIE SONY TF1 VIDEO	50.00%	Prop	50.00%	Prop
TF1 ENTREPRISES	100.00%	Full	100.00%	Full
DUJARDIN	100.00%	Full	100.00%	Full
SF2J	100.00%	Full	100.00%	Full
UNE MUSIQUE	100.00%	Full	100.00%	Full
SKY ART MEDIA	27.54%	Equity	27.54%	Equity

Key:

Full = Full consolidation method

Prop = Proportionate consolidation method

Equity = Equity method (associates)

(a) Merged into TF1 DA on June 30, 2013

	June 2013		December 2012	
COMPANY	% CONTROL	METHOD	% CONTROL	METHOD
Pay-TV				
EUROSPORT France SA	80.00%	Full	80.00%	Full
EUROSPORT SAS	80.00%	Full	80.00%	Full
EUROSPORT BV	80.00%	Full	80.00%	Full
EUROSPORT TELEVISION LTD	80.00%	Full	80.00%	Full
EUROSPORT TV AB	80.00%	Full	80.00%	Full
EUROSPORT MEDIA GMBH	80.00%	Full	80.00%	Full
EUROSPORT EVENT LTD	80.00%	Full	80.00%	Full
EUROSPORT ITALIA	80.00%	Full	80.00%	Full
EUROSPORT ASIA-PACIFIC	80.00%	Full	80.00%	Full
EUROSPORT MEDIA SA	80.00%	Full	80.00%	Full
EUROSPORT SA SPAIN	80.00%	Full	80.00%	Full
EUROSPORT FINLAND	80.00%	Full	80.00%	Full
EUROSPORTNEWS DISTRIBUTION LTD	80.00%	Full	80.00%	Full
EUROSPORT NORVEGE AS	80.00%	Full	80.00%	Full
EUROSPORT POLSKA	80.00%	Full	80.00%	Full
EUROSPORT DANMARK APS	80.00%	Full	80.00%	Full
EUROSPORT ARABIA FZ LLC	80.00%	Full	80.00%	Full
EUROSPORT MEDIA DISTRIBUTION Portugal	80.00%	Full	80.00%	Full
TV BREIZH	80.00%	Full	80.00%	Full
TF6	50.00%	Prop	50.00%	Prop
LA CHAINE INFO	100.00%	Full	100.00%	Full
TF6 GESTION	50.00%	Prop	50.00%	Prop
SERIE CLUB	50.00%	Prop	50.00%	Prop
STYLIA	80.00%	Full	80.00%	Full
HISTOIRE	80.00%	Full	80.00%	Full
USHUAIA TV	80.00%	Full	80.00%	Full
TF1 DISTRIBUTION	100.00%	Full	100.00%	Full
Holding Company & Other				
TF1 THEMATIQUES	100.00%	Full	100.00%	Full
MONTE CARLO PARTICIPATIONS	100.00%	Full	100.00%	Full
HOLDING OMEGA PARTICIPATIONS	100.00%	Full	100.00%	Full
PREFAS 18	80.00%	Full	80.00%	Full
TF1 EXPANSION	100.00%	Full	100.00%	Full
APHELIE	100.00%	Full	100.00%	Full
FIRELIE	100.00%	Full	100.00%	Full
PERELIE	100.00%	Full	100.00%	Full
ONE CAST	100.00%	Full	100.00%	Full
WB TELEVISION	-	-	49.00%	Equity
GROUPE AB	33.50%	Equity	33.50%	Equity

Diary dates

- **November 7, 2013**: 9 months 2013 revenue and financial statements
- **February 19, 2014**: 2013 full-year revenue and financial statements
- **April 17, 2014**: Annual General Meeting
- **April 30, 2014**: 2014 first-quarter revenue and financial statements
- **July 24, 2014**: 2014 first-half revenue and financial statements

These dates may be subject to change.

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

Boulogne-Billancourt - July 24, 2013

2013 HALF-YEAR FINANCIAL REPORT STATEMENT

To the best of my knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2013 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and of the undertakings included in the consolidation as a whole, and the interim management report appended hereto gives a fair presentation of important events that have occurred during the first six months of the financial year, of their impact on the financial statements, and of major related party transactions, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Chairman and Chief Executive Officer

Nonce Paolini

Statutory Auditors' report

KPMG AUDIT IS
Immeuble Le Palatin
3 cours du Triangle
92939 Paris La Défense Cedex
France

Mazars
Tour Exaltis - 61, rue Henri Regnault
92075 Courbevoie

TELEVISION FRANCAISE 1 S.A.

Statutory Auditors' Review Report

on the half-yearly consolidated financial statements

For the six-month period ended 30 June 2013
TELEVISION FRANCAISE 1 S.A.
1, quai du Point du Jour - 92656 Boulogne Cedex
This report contains 19 pages

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Immeuble Le Palatin
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Tour Exaltis - 61, rue Henri Regnault
92075 Courbevoie

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

TELEVISION FRANCAISE 1 S.A.

Registered office: 1, quai du Point du Jour - 92656 Boulogne Cedex
Share capital: €.42,057,517

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

For the six-month period ended 30 June 2013

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of TELEVISION FRANCAISE 1 S.A. for the six-month period ended 30 June 2013,
- the verification of information contained in the half-yearly management report.

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

I. Conclusion on the financial statements

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

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

II. Specific verification

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

Paris La Défense and Courbevoie, on the 24th July 2013

KPMG Audit IS — MAZARS

Stéphanie Ortega — Guillaume Potel — Olivier Thireau

Télévision Française 1

Société anonyme with capital of €42,057,516.60 euros
Registered No. 326 300 159 R.C.S. Nanterre

1, quai du Point du Jour
92 656 Boulogne Cedex – France
www.mytf1.fr

Contacts:
Investor Relations Department
Website: www.groupe-tf1.fr
e-mail: comfi@tf1.fr