Boulogne-Billancourt – November 7, 2013

2013 third-quarter operating profit: €33.5m (up €38.0m)
Group audience share of 28.8% (up 2.1%) over the first nine months of the year

The TF1 Board of Directors, chaired by Nonce Paolini, met on November 7, 2013 to adopt the financial statements for the first nine months of 2013.

CONSOLIDATED FIGURES (€m)	Q3 2013	Q3 2012	Change €m	Change %	9m 2013	9m 2012	Change €m	Change %
Revenue	**538.0**	**551.7**	**(13.7)**	**-2.5%**	**1,746.0**	**1,852.9**	**(106.9)**	**-5.8%**
TF1 group advertising revenue	*339.8*	*351.3*	*(11.5)*	*-3.3%*	*1,160.0*	*1,248.1*	*(88.1)*	*-7.1%*
Revenue from other activities	*198.2*	*200.4*	*(2.2)*	*-1.1%*	*586.0*	*604.8*	*(18.8)*	*-3.1%*
Current operating profit/(loss)	**33.5**	**20.3**	**+13.2**	**+65.0%**	**104.3**	**154.2**(2)	**(49.9)**	**-32.4%**
Operating profit/(loss)	**33.5**	**(4.5)**(1)	**+38.0**	**ns**	**104.3**	**129.4**(1)(2)	**(25.1)**	**-19.4%**
Cost of net debt	0.2	-	+0.2	ns	0.3	-	+0.3	ns
Net profit/(loss)	**23.1**	**(6.1)**	**+29.2**	**ns**	**71.7**	**89.5**	**(17.8)**	**-19.9%**
Net profit/(loss) attributable to the Group	**19.6**	**(5.9)**	**+25.5**	**ns**	**61.7**	**87.6**	**(25.9)**	**-29.6%**

(1) Includes non-recurring costs of €24.8m relating to phase II of the optimisation plan and to the TF1 Vidéo job protection plan
(2) Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes

Consolidated revenue for the third quarter of 2013 was €538.0m, down 2.5% year-on-year.

It comprises:

- **Group advertising revenue** of €339.8m, a fall of €11.5m (-3.3%) relative to the third quarter of 2012, reflecting a tough comparative for the pay-TV segment.

- **Revenue from other activities** of €198.2m, down slightly (-1.1%) year-on-year.

Current operating profit for the third quarter of 2013 was €33.5m, up €13.2m year-on-year. **Net profit attributable to the Group** amounted to €19.6m, versus a loss of €5.9m in the third quarter of 2012.

Given a particularly difficult start to the year, consolidated revenue for the first nine months of 2013 fell by 5.8% to €1,746.0m. Current operating profit to end-September 2013 was €104.3m, down €49.9m year-on-year, but bear in mind that the Group booked a gain of €27.1m during the first nine months of 2012 in respect of a successful claim for reimbursement of CNC taxes.

Audiences

During the first nine months of 2013, the Group's 4 free-to-air channels achieved audience share of 28.8% among individuals aged 4 and over, up 0.6 of a point year-on-year, making TF1 France's leading broadcasting group.

The TF1 channel attracted audience share of 22.7%, 0.2 of a point higher than in the first nine months of 2012. It was the only major channel to increase its share during the period, in a market now expanded to 25 channels. TF1 achieved 49 of the top 50 audience ratings, and was the most-watched channel on 88% of evenings.

In a highly competitive environment, TMC retained its position as the no.5 French channel and the established market leader in DTT during the first nine months of 2013, with audience share of 3.5% among individuals aged 4 and over.

NT1 held audience share at 2.1%, but made further gains among "women aged under 50 purchasing decision-makers", raising its share of this target audience to 2.8% in the first nine months of 2013 (3.7% growth).

Over the same period, HD1 ranked no.1 of the 6 new HD channels launched at end 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 by segment

€m	Q1 2013	Q1 2012	Q2 2013	Q2 2012	Q3 2013	Q3 2012	9m 2013	9m 2012	Change 9m
Broadcasting and Content	386.1	435.8	458.1	471.9	346.7	346.0	1,190.9	1,253.7	(62.8)
of which TV advertising	*331.8*	*381.2*	*396.6*	*417.2*	*297.5*	*297.4*	*1,025.9*	*1,095.8*	*(69.9)*
Consumer Products	54.2	67.2	46.4	52.7	47.7	47.4	148.3	167.3	(19.0)
Pay-TV	123.1	123.5	135.7	145.8	141.4	156.1	400.2	425.4	(25.2)
Holding Company & Other	2.2	2.1	2.2	2.2	2.2	2.2	6.6	6.5	+0.1
Consolidated revenue	**565.6**	**628.6**	**642.4**	**672.6**	**538.0**	**551.7**	**1,746.0**	**1,852.9**	**(106.9)**

Broadcasting and Content segment revenue advanced slightly (by 0.2%) in the third quarter of 2013. Advertising revenue for the free-to-air channels stabilised in the quarter, after falling 13.0% in the first quarter and 4.9% in the second quarter. Revenue from the segment's other activities rose slightly in the quarter, driven by the dynamism of the Group's production and co-production activities.

The **Consumer Products** segment reported quarterly revenue of €47.7m, with growth at TF1 Entreprises offsetting the decline at TF1 Vidéo and Home Shopping.

The year-on-year drop in revenue for the **Pay-TV** segment was mainly due to a tough comparative at Eurosport, which screened the London Olympics in 2012.

Current operating profit/loss by segment

€m	Q1 2013	Q1 2012	Q2 2013	Q2 2012	Q3 2013	Q3 2012	9m 2013	9m 2012	Change 9m
Broadcasting and Content	(25.9)	38.3*	54.5	52.0	2.7	(7.6)	31.3	82.7*	(51.4)
of which cost of programmes	*(258.2)*	*(259.0)*	*(233.3)*	*(252.3)*	*(199.7)*	*(228.3)*	*(691.2)*	*(739.6)*	*+48.4*
Consumer Products	2.9	10.4	1.9	(0.5)	1.9	3.6	6.7	13.5	(6.8)
Pay-TV	3.0	3.5	26.1	22.2	24.7	21.0	53.8	46.7	+7.1
Holding Company & Other	4.3	3.8	4.0	4.2	4.2	3.3	12.5	11.3	+1.2
Current operating profit/(loss)	**(15.7)**	**56.0***	**86.5**	**77.9**	**33.5**	**20.3**	**104.3**	**154.2***	**(49.9)**

** Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes*

Cost of programmes under control at a time of rising audience share

The **cost of programmes** for the Group's channels in the third quarter of 2013 was €199.7m, a saving of €28.6m relative to the third quarter of 2012.

Over the first nine months of 2013, the cost of programmes for the Group's channels (including the HD1 launch) was €691.2m, a year-on-year saving of €48.4m. Even excluding major sporting events, savings were still substantial at €24.1m. Optimising the cost of programmes for the TF1 channel freed up funds to launch HD1 and reinvest in programming on TMC and NT1.

Marked improvement in profitability in the third quarter of 2013

The adaptation measures introduced by the Group continued to bear fruit, with a further improvement in profitability in the third quarter of 2013. **Current operating profit** reached **€33.5m**, a rise of €13.2m year-on-year. This achievement should be looked at in relation to a €13.7m drop in quarterly revenue. As a result, operating margin showed a 2.5-point improvement year-on-year, rising to 6.2%.

In the third quarter of 2013, the current operating profit for the **Broadcasting and Content** segment improved by €10.3m year-on-year, in a context of flat advertising revenue from the Group's 4 free-to-air channels. **Consumer Products** made a current operating profit of €1.9m. **Pay-TV** saw profitability boosted by the Eurosport group, which widened its current operating margin by 5 points year-on-year to 19.5%.

During the third quarter of 2013, the Group generated **€13m of recurring savings** under Phase II of the optimisation plan:

- €8m on the cost of TF1 programmes;
- €3m in productivity gains;
- €2m on Group overheads.

This takes the total amount of recurring savings generated by the Group since June 30, 2012 to €44m, out of the €85m target to be achieved by end 2014 under Phase II of the optimisation plan.

Financial position still very sound

At September 30, 2013, shareholders' equity attributable to the Group was €1,638.0m out of a balance sheet total of €3,446.7m.

The net cash surplus at September 30, 2013 was €189.7m, compared with a net cash surplus of €236.3m at December 31, 2012 and net debt of €17.7m at September 30, 2012.

Changes in share capital

The Board of Directors has approved the cancellation of 30,000 treasury shares. Following the exercise of stock options, the number of shares and voting rights now stands at 211,093,892, and the share capital at €42,218,778.40.

Outlook for 2013 as a whole

The Group is reiterating its 2013 full-year consolidated revenue hypothesis of €2,500m on a constant structure basis, against a backdrop of continuing poor visibility and strong volatility in the advertising market.

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

A conference call will be held on November 7, 2013 at 18.30 (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 nine months of 2013.
Full details about this change are also available on our corporate website: http://www.groupe-tf1.fr/.

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Financial Information

First 9 months of 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 to 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	2013 9 months	2012 9 months	FY 2012 12 months
Consolidated revenue	**1,746.0**	**1,852.9**	**2,620.6**
Group advertising revenue	*1,160.0*	*1,248.1*	*1,775.5*
Revenue from other activities	*586.0*	*604.8*	*845.1*
Current operating profit	**104.3**	**154.2** (1)	**258.1** (1)
Operating profit	**104.3**	**129.4** (1)	**210.4** (1)
Net profit attributable to the Group	**61.7**	**87.6**	**136.0**
Operating cash flow (2)	**148.3**	**168.9**	**277.0**
Shareholders' equity attributable to the Group	**1,638.0**	**1,540.8**	**1,684.8**
Net surplus cash (+)/Net debt (-)	**189.7**	**(17.7)**	**236.3**
Basic earnings per share (€)	**0.29**	**0.42**	**0.65**
Diluted earnings per share (€)	**0.29**	**0.41**	**0.64**

(1) Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes
(2) Before cost of net debt and income taxes.

	2013 9 months	2012 9 months	FY 2012 12 months
Weighted average number of shares outstanding ('000)	**210,487**	210,747	210,716
Closing share price at end of period (€)	**12.9**	6.5	8.9
Market capitalisation at end of period (€bn)	**2.7**	1.4	1.9

Income statement contributions by segment

€ million	Revenue 2013 9 months	Revenue 2012 9 months	Revenue 2012 Full year	Current operating profit/(loss) 2013 9 months	Current operating profit/(loss) 2012 9 months	Current operating profit/(loss) 2012 Full year
Broadcasting & Content	**1,190.9**	**1,253.7**	**1,809.3**	**31.3**	**82.7***	**160.1**
Broadcasting	1,145.9	1,213.6	1,737.8	24.3	78.5*	154.9
Content	45.0	40.1	71.5	7.0	4.2	5.2
Consumer Products	**148.3**	**167.3**	**240.3**	**6.7**	**13.5**	**18.0**
TF1 Vidéo	43.2	61.8	84.1	1.9	2.4	0.3
Home Shopping	66.9	74.8	99.3	(0.7)	6.4	6.8
TF1 Entreprises	38.2	30.7	56.9	5.5	4.7	10.9
Pay-TV	**400.2**	**425.4**	**562.7**	**53.8**	**46.7**	**64.3**
Eurosport group	342.5	360.8	475.1	54.7	46.5	63.6
Theme Channels France	57.7	64.6	87.6	(0.9)	0.2	0.7
Holding company & other	**6.6**	**6.5**	**8.3**	**12.5**	**11.3**	**15.7**
TOTAL	**1,746.0**	**1,852.9**	**2,620.6**	**104.3**	**154.2***	**258.1**

(*) Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes

Breakdown of group advertising revenue

€ million	Contributions to Group advertising revenue 2013 9 months	2012 9 months	2012 Full year
Broadcasting & Content advertising	**1,082.4**	**1,151.0**	**1,649.7**
Television	1,025.9	1,095.8	1,566.0
Other media	56.5	55.2	83.7
Pay-TV advertising	**77.6**	**97.1**	**125.8**
Eurosport Group	65.2	77.7	98.6
Theme Channels France	12.4	19.4	27.2
GROUP ADVERTISING REVENUE	**1,160.0**	**1,248.1**	**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	**2013 9 months**	**2012 9 months**	**2012 Full year**
Total cost of programmes	**691.2**	**739.6**	**1,004.6**
Major sporting events	**-**	*24.3*	*24.2*
Total excluding major sporting events	**691.2**	**715.3**	**980.4**
Entertainment/Gameshows/Magazines	208.9	212.1	293.6
Drama/TV movies/Series/Plays	239.7	226.0	313.4
Sport (excluding major sporting events)	41.9	77.1	101.0
News	75.0	81.5	107.9
Films	113.5	107.1	147.5
Children's programmes	12.2	11.5	17.0

Key events of the first nine months 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 February16, 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.

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: HD1broadcasts 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.

July

July 8, 2013: Kaptainmusic.com, the TF1 Group’s music library set up by Une Musique/TF1 Entreprises, is launched.

July 11, 2013: A public/private partnership agreement is signed between a consortium led by Bouygues and the General Council of the Hauts-de-Seine region to build and operate the future “Cité musicale” on the Ile Séguin in Boulogne. TF1 Entreprises will be responsible for managing and operating the site.

August

August 19, 2013: NT1 starts to broadcasts *VDM*, a humorous short programme based on real-life stories from the successful *viedemerde.fr* website.

September

September 4, 2013: Meltygroup (France’s leading youth-oriented web-based media group) combines with WAT.tv (the TF1 online video platform) to announce an alliance designed to create the most powerful and complete web-based media offering yet for the 15-34 age bracket.

September 5, 2013: *The Voice* is awarded the "Grand Prix des Médias" prize by the CB News trade journal . This is the first time in 15 years that an individual programme has received this award, which usually goes to a media group. *The Voice* also won two other prizes: best unscripted TV entertainment show, and best multi-screen programme or vehicle.

September 5, 2013: TF1 Publicité and Twitter sign a commercial partnership agreement, the first of its kind in France, involving Twitter Amplify. The deal allows advertisers to sponsor videos of TF1 programmes, thereby increasing their viral footprint on the social network via sponsored tweets. The arrangement enables TF1 Publicité and Twitter to offer brands the opportunity to strengthen their association with a programme while benefiting from its social resonance on Twitter.

September 14, 2013: The jury at the 15th La Rochelle TV Drama Festival, chaired by the actor and director Alexandre Astier, awarded 3 prizes to TF1: best series for *Profilage*, best new series for *Falco*, and best music for *Nom de code Rose*.

September 26, 2013: According to the One 2012/ 2013 survey, Metronews has 2,866,000 readers, up 2.2% on the One 2012 survey, representing the strongest growth in readership among news freesheets.

September 28, 2013: Eurosport and Discovery Communications finalise their first programming agreement: *Eurosport on Velocity*, a new motor sports highlights show screened between 1 p.m. and 3 p.m. on Saturdays on Discovery's Velocity channel, a leading U.S. network targeting a high-end male audience.

Management Review

Boulogne-Billancourt – November 7, 2013

Changes in accounting policy

TF1 has not made any changes in accounting policy during the first nine months of 2013 other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2012 (see note 2-2-1 to the financial statements), which have no impact on the financial statements.

Changes in presentation

During the first nine months of 2013, TF1 changed the way it presents its segment information during the period (see notes 1, 4 & 13 to the financial statements).

1. Financial Performance

1.1. Revenue

Consolidated revenue for the **first nine months of 2013** amounted to €1,746.0 million, a year-on-year fall of €106.9 million (down 5.8%).

Group advertising revenue, at €1,160.0 million, was 7.1% lower than in the comparable period of 2012.

It comprised:

- €1,025.9 million for the Group's 4 free-to-air channels (down 6.4%), reflecting very tough economic conditions and price erosion due to intense competitive pressure. However, the Group successfully adapted its commercial policy during the course of the year, such that revenue for the 4 free-to-air channels – which fell by 13.0% in the first quarter of 2013 and by 4.9% in the second quarter – stabilised at €297.5 million in the third quarter.

- €56.5 million for other Broadcasting and Content segment media, up 2.4% year-on-year. Dynamic performances from internet advertising (e-TF1) and from TF1 Publicité's third-party airtime sales (especially the radio business) more than offset lower advertising revenue at Metro France.

- €77.6 million for Pay-TV segment media, 20.1% lower than in the first nine months of 2012. This drop was due partly to lower advertising revenue at the French pay-TV 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 the UEFA Euro 2012 football tournament were shown).

Non-advertising revenue for the first nine months of 2013 was €586.0 million, a year-on-year fall of 3.1% (€18.8 million). Sales growth at TF1 Entreprises only partially offset the decline at TF1 Vidéo (tough comparative, due to the success of the movie Intouchables in 2012) and in the Home Shopping business.

Consolidated revenue for the **third quarter of 2013** was down 2.5% at €538.0 million.

Group advertising revenue for the quarter was €339.8 million, 3.3% lower than in the comparable period of 2012.

It comprised:

- €297.5 million of advertising revenue for the Group's 4 free-to-air channels (stable year-on-year);
- €14.8 million of advertising revenue for other Broadcasting and Content segment media, down 6.3% year-on-year, largely due to declining revenue at Metro France;
- €27.5 million of advertising revenue for Pay-TV segment media (down 27.8% on the third quarter of 2012).

Non-advertising revenue for the third quarter of 2013 was €198.2 million, a year-on-year fall of 1.1%, reflecting in particular lower sales in Video and a decline in subscription revenue for the Eurosport group.

1.2. Cost of programmes and other operating income and expenses

Phase II of the optimisation plan, launched in 2012, generated €29 million of recurring savings in the first nine months of 2013. These comprised €16 million on the cost of TF1 programmes (of which €8 million in the third quarter), €7 million on overheads (of which €2 million in the third quarter) and €6 million in productivity gains (of which €3 million in the third quarter). When added to the €15 million of savings generated in 2012, this means that €44 million of recurring savings have been achieved since the optimisation plan began, out of the €85 million the Group is committed to achieve by the end of 2014.

The cost of programmes for the TF1 group's 4 free-to-air channels reached €691.2 million in the first nine months of 2013, against €739.6 million a year earlier, a fall of €48.4 million.
Excluding major sporting events, the cost of programmes fell by €24.1 million, reflecting the fact that TF1 screened 9 matches from the UEFA Euro 2012 football tournament in the second and third quarters of 2012 at a cost of €24.3 million.
These figures show that the TF1 channel made substantial savings, since the cost of programmes for 2013 to date includes HD1 (launched at the end of December 2012) and the strengthening of TMC and NT1 programme schedules in response to increased competition in digital terrestrial television.

Other expenses and depreciation, amortisation, provisions and impairment for the first nine months of 2013 were €8.6 million lower than in the comparable period of 2012.
Bear in mind that in 2012, other operating income and expenses included a 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 €104.3 million in the first nine months of 2013, compared with €154.2 million a year previously. Although this represents a €49.9 million year-on-year drop, bear in mind that revenue fell by €106.9 million over the same period.

In the third quarter of 2013, the adaptation measures introduced by the Group paid off, and margins improved. Current operating profit rose by €13.2 million to €33.5 million (up 65.0%), even though consolidated revenue fell by €13.7 million (down 2.5%). Overall, the Group posted a current operating margin of 6.2%, versus 3.7% in the third quarter of 2012, a year-on-year improvement of 2.5 points.

1.4. Operating profit

The Group posted a €104.3 million operating profit in the first nine months of 2013, €25.1 million lower than in the comparable period of 2012.
Operating margin was 6.0%, versus 7.0% a year earlier.

Bear in mind that operating profit for the first nine months of 2012 included €24.8m of non-recurring costs relating to phase II of the optimisation plan and to the TF1 Vidéo job protection plan.

1.5. Net profit

Cost of net debt for the first nine months of 2013 was in fact a profit of €0.3 million.

Other financial income and expenses showed a net balance of close to zero to end September 2013, versus net income of €5.0 million a year earlier. Bear in mind that the 2012 second-quarter figure includes 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 €33.6 million in the first nine months of 2013, versus €42.2 million in the comparable period of 2012.
Associates contributed net income of €0.7 million in the first nine months of 2013, up €3.4 million year-on-year, thanks to a better performance from Groupe AB.

Net profit attributable to non-controlling interests was €10.0 million in the first nine months of 2013, versus €1.9 million a year earlier. This rise is due mainly 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 nine months of 2013 reached €61.7 million, versus €87.6 million a year earlier.

Net profit attributable to the Group for the third quarter of 2013 came to €19.6 million, versus a loss of €5.9 million in the third quarter of 2012.

1.6. Financial position

Shareholders' equity attributable to the Group as of September 30, 2013 was €1,638.0 million, out of a balance sheet total of €3,446.7 million.

The net cash surplus at September 30, 2013 was €189.7 million, compared with €236.3 million at December 31, 2012 and net debt of €17.7 million at September 30, 2012.

At September 30, 2013, the Group had confirmed bilateral credit facilities totalling €1,100 million with various banks.
None of these facilities was drawn down at the end of the period.
The facilities are renewed regularly as they expire, so that the Group has sufficient liquidity at all times.

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

1.7. Cancellation of shares

A total of 838,255 shares have been issued during 2013 to date as a result of the exercise of stock options:

- 787,146 on options exercised between January 1, 2013 and September 30, 2013;
- 51,109 on options exercised between October 1, 2013 and November 7, 2013.

In addition, TF1 has repurchased a number of its own shares during 2013 to date, and the Board of Directors has approved the cancellation of these shares during the period:

- 338,684 shares cancelled by the Board of Directors on February 19, 2013;
- 30,000 shares cancelled by the Board of Directors on November 7, 2013.

Following these changes, the number of shares and voting rights stands at 211,093,892, and the share capital at €42,218,778.40.

1.8. Post balance sheet events

On November 5th, 2013, the TF1 group completed the sale of its equity interest in Place des Tendances to Printemps Holding France SAS. Under the terms of the agreement, all of the shares held by TF1 (representing 80% of the capital of Place des Tendances) were sold, along with the associated receivables. The impact of this divestment will be recognised in the financial statements for the fourth quarter of 2013.

In the first nine months of 2013, Place des Tendances generated revenue of €7.6 million (versus €9.4 million for the year ended December 31, 2012), and broke even at operating level (versus an operating loss of €1.6 million for the year ended December 31, 2012).

2. Analysis by segment

2.1. BROADCASTING AND CONTENT

Revenue (€m)	9m 2013	9m 2012	Chg %
Broadcasting	**1,145.9**	**1,213.6**	**-5.6%**
Advertising – TV	1,025.9	1,095.8	-6.4%
Advertising – other media	56.5	55.2	+2.4%
Other revenue	63.5	62.6	+1.4%
Content	**45.0**	**40.1**	**+12.2%**
Broadcasting & Content	**1,190.9**	**1,253.7**	**-5.0%**

Current operating profit (€m)	9m 2013	9m 2012	Chg €m
Broadcasting	**24.3**	**78.5**	**(54.2)**
Content	**7.0**	**4.2**	**+2.8**
Broadcasting & Content	**31.3**	**82.7**	**(51.4)**

The Broadcasting and Content segment saw nine-month revenue fall by 5.0% to €1,190.9 million.

The segment made a current operating profit of €31.3 million, compared with €82.7 million in the first nine months of 2012 (though the latter figure included a gain of €27.1 million from a successful claim for reimbursement of CNC taxes).

In the third quarter of 2013, Broadcasting and Content segment revenue rose by €0.7 million (+0.2%), while the segment reported a current operating profit of €2.7 million (an improvement of €10.3 million year-on-year).

2.1.1. Broadcasting

Revenue fell by 5.6% to €1,145.9 million in the first nine months of 2013. Advertising revenue fell by 6.0% to €1,082.4 million, but non-advertising revenue was up 1.4% at €63.5 million.

The business posted a current operating profit of €24.3 million, €54.2 million lower than in the first nine months of 2012 (when a €27.1 million gain was booked for a successful claim for reimbursement of CNC taxes).

Advertising revenue[1]

Gross plurimedia advertising spend rose by 1.9% to end September 2013, to €19.0 billion.

- Television remains the no.1 medium in terms of advertising spend, with market share up 1.2 year-on-year to 34.5%, driven by a 5.4% rise in gross advertising spend to €6.5 billion. Advertising spend on free-to-air DTT recorded further growth (+14.4%), thanks mainly to the 6 new HD DTT channels launched in December 2012. Gross spend on established channels rose by 3.6%. Revenues for cable and satellite channels fell sharply, by 11.8%.

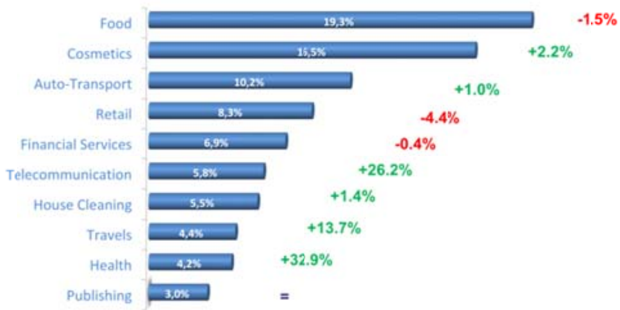
- Print media still ranks second behind TV in France, with gross advertising revenue to end September 2013 reaching €5.2 billion, 1.0% lower than in the comparable period of 2012.

- Radio managed to increase gross advertising revenue by 7.4% to €3.2 billion.

- Outdoor advertising was down 8.1% year-on-year at €1.9 billion, the internet was 0.3% lower at €1.8 billion, and cinema advanced by 7.5% to €265.1 million.

Gross revenue for the free-to-air channels of the TF1 group was up 3.1% to end September 2013 versus the comparable period of 2012.

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



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

Advertising revenue for the Group's 4 free-to-air channels fell by 6.4% to end September, but advertising revenue from other media advanced by 2.4%, thanks to growth in digital advertising and in advertising on radio stations for which TF1 Publicité handles airtime sales.

After two quarters of declining advertising revenue for the Group's 4 free-to-air channels (down 13.0% and 4.9% respectively), the picture stabilised at zero growth in the third quarter.
Advertising revenue from other media fell by 6.3% in the third quarter of 2013 due to declining revenue at Metro France.

- **Free-to-air broadcasting**

Market

Average daily TV viewing time to end September 2013 remained high at 3 hours, 44 minutes for individuals aged 4 and over, 4 minutes less than in the first nine months of 2012. For the target audience of "women aged under 50 purchasing decision-makers", the figure was 3 hours and 47 minutes, 10 minutes less than in the same period of 2012.

The 6 new DTT HD channels launched on December 12, 2012 were potentially accessible to over 47% of the French population on September 30, 2013. As of that date, these channels had a combined audience share of 2.1% among individuals aged 4 and over, and of 2.9% among "women aged under 50 purchasing decision-makers".

Audiences

In this more competitive marketplace, the TF1 group is the leading French broadcasting Group. The Group is striving successfully to provide 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 end September 2013 was 28.8% among individuals aged 4 and over, a rise of 0.6 of a point (or 2.1%) versus the first nine months of 2012. For "women aged under 50 purchasing decision-makers", the combined audience share was 32.3%, versus 32.1% to end September 2012 (a 0.6% increase).

TF1

The TF1 channel was the only major French channel to increase its audience share to end September 2013, reaching 22.7% for individuals aged 4 and over (versus 22.5% to end September 2012). This performance reflects the channel's ability to deliver innovative, unmissable programmes. Among "women aged under 50 purchasing decision-makers", the audience share was 25.2%, 0.2 of a point lower than to end September 2012 (a fall of 0.8%).

These figures confirm TF1's unique position and its status as the must-see channel. In the first nine months of 2013, it attracted more than 8 million viewers on 28 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 nine months of 2013 was 5.9 million; it was the most-watched channel in 88% 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: This year saw two new series successfully launched: *Unforgettable* (up to 9.0 million viewers) and *Person of Interest* (up to 7.5 million). The *Mentalist* and *Criminal Minds* (French title: *Esprit Criminels*) series achieved very good audience figures of up to 8.8 million and 8.0 million respectively.

French drama: *Profilage* had a record season, drawing up to 8 million+ viewers. The drama's audience grew by 500,000 from one season to the next.

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

News: TF1's regular 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 nine months of 2013: the lunchtime bulletin added 1.5 points of market share to 43.9%, and the evening bulletin added 1.1 points to 27.5% (among individuals aged 4 and over in both cases).

TF1's news bulletins are extending their lead over their nearest rival, with the gap now standing at 3.6 million viewers (up 0.3 million year-on-year) for the lunchtime bulletin and at 1.7 million viewers (up 0.4 million year-on-year) for the evening bulletin.

TMC

In an intensely competitive environment, TMC had audience share of 3.5% among individuals aged 4 and over in the first nine months of 2013 (down 0.1 of a point year-on-year), rising to 3.6% 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 800,000, stable year-on-year. Prime-time movies proved to be particularly popular, and TMC was the best performing of the DTT channels, averaging 1.0 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 for a DTT channel in 2013, 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), and in the autumn of 2013 launched the magazine programme *Sans Aucun Doute*, which attracted up to 500,000 viewers in access prime time.

NT1

NT1 again posted strong year-on-year growth in the first nine months of 2013 among "women aged under 50 purchasing decision-makers", as audience share reached 2.8% (up 3.7%). 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 increased competitive pressure.
The channel had an average prime time audience of 500,000 (versus 600,000 a year earlier).

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 *Vampire Diaries*, etc. In the autumn of 2013, NT1 had two major new programme launches: *VDM*, an original short humorous programme, and the successful magazine programme *Confessions Intimes*.

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 September 30, 2013.

Over the first nine months of 2013, HD1 was market leader among the 6 new HD channels launched in late 2012. In the period, 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 139,000 at the start of 2013 autumn season and has attracted the 2 highest viewing figures of any of the 6 new HD 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 adding further audience share.

- **e-TF1**

e-TF1 continued to innovate during the first nine months 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 and Wat.tv. The TF1 group is the leading French media group in terms of time spent on video, ranking alongside the major multinationals[2], with nearly 8 million unique video viewers watching an average of more than 1.5 hours of videos per month.

[1] Brand recognition observatory: add-on channels, 2013 wave, CSA
[2] Source: Médiamétrie NetRatings – July 2013

The MYTF1 app is also going from strength to strength, with over 6.0 million downloads to end September 2013[1].

There was no let-up in the momentum of e-TF1 during the first nine months of 2013, with revenue up 4.2% year-on-year at €76.2 million.
This good performance was driven not only by higher revenue from online advertising, but also by a further rise in non-advertising revenue.

Topline growth coupled with ongoing cost control helped e-TF1 post current operating profit of €17.5 million to end September 2013 (compared with €14.0 million a year earlier), taking current operating margin to 23.0% (versus 19.2% a year earlier, a rise of 3.8 points).

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

- **Other media**

Metro France[2]

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

Metronews is the 2nd most-read daily newspaper in France, with nearly 2.9 million readers. The strategy adopted at the start of 2012 is paying off in terms of readership, with a significant increase of 2.2% since the last survey, thanks to the geographical rollout and the reverse publishing policy.

With the print media gross advertising market showing a 1.0% contraction, Metro France suffered erosion in both revenue and current operating profit in the first nine months 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, Numéro 23).

2.1.2.Content

Revenue for the Content business was up 12.2% at €45.0 million to end September 2013, largely on good performances by TF1 Production and TF1 Films Production. Current operating profit for the first nine months was €7.0 million, versus €4.2 million a year earlier.

- **TF1 Droits Audiovisuels**

TF1 Droits Audiovisuels revenue was down year-on-year in the first nine months of 2013, due mainly to a drop in the number of films on general release (7 in the period, versus 11 in the first nine months of 2012).
However, current operating profit was higher year-on-year thanks to film catalogue sales.

- **TF1 Production**

Revenue at TF1 Production were up at end-September 2103 thanks to growth coming from short programmes and Entertainment.

Also, TF1 Production produced *Splash* and the scripted reality show *Petits secrets entre voisins* for TF1 channels. TF1 Production delivered the new *Crossing Lines* series to TF1 in the third quarter of 2013. Bear in mind also that in 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[3]**

In the first nine months of 2013, TF1 Films Production co-produced 14 films that went on general release (versus 11 to end September 2012). Of these, 6 had topped one million box office entries by September 30 (unchanged from the same period of 2012): *Les Profs* (4.0 million), *Boule et Bill* (2.0 million), *Jappeloup* (1.8 million), *Les gamins* (1.6 million), *20 ans d'écart* (1.4 million) and *La cage dorée* (1.2 million).
Consequently, co-production revenues were up on the comparable period of 2012.

[1] Source: XiTi, estat Médiamétrie, iTunes Connect, Google Play
[2]One 2012-2013 survey (July 1, 2012-June 30, 2013)
[3]Source: Ecran Total

2.2. CONSUMER PRODUCTS

Revenue (€m)	9m 2013	9m 2012	Chg %
TF1 Vidéo	43.2	61.8	-30.1%
Home Shopping	66.9	74.8	-10.6%
TF1 Entreprises	38.2	30.7	+24.4%
Consumer Products	**148.3**	**167.3**	**-11.4%**

Current operating profit/(loss) (€m)	9m 2013	9m 2012	Chg €m
TF1 Vidéo	1.9	2.4	(0.5)
Téléshopping	(0.7)	6.4	(7.1)
TF1 Entreprises	5.5	4.7	+0.8
Consumer Products	**6.7**	**13.5**	**(6.8)**

Revenue for the Consumer Products division fell by 11.4% to €148.3 million, and current operating profit was €6.8 million lower at €6.7 million.

2.2.1.TF1 Vidéo

TF1 Vidéo posted revenue of €43.2 million to end September 2013, versus €61.8 million a year earlier. This €18.6 million drop in revenue was almost entirely due to the successful release of the movie *Intouchables* in 2012, which had a strong positive impact at the time. In the first nine months of 2013, both the TF1 Vidéo catalogue business and VoD performed well.

Current operating profit for the Video business fell by €0.5 million to €1.9 million. Bear in mind that although the 2012 nine-month 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 €66.9 million in the first nine months of 2013, versus €74.8 million a year earlier, a fall of 10.6%. 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.

To end September 2013, Home Shopping made a current operating loss of €0.7 million, versus a profit of €6.4 million a year earlier, reflecting the fall in revenue.

2.2.3.TF1 Entreprises

TF1 Entreprises posted revenue of €38.2 million for the first nine months of 2013, 24.4% more than in the comparable period of 2012.

All components of the business performed well:

- **Licences**, with brands like *Mille Bornes*, *The Voice* and *Masterchef*;
- **Games**, with the children's range and spin-offs from the TF1 show *Money Drop*;
- **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 €5.5 million, an increase of €0.8 million relative to the first nine months of 2012.

2.3. PAY-TV

Revenue (€m)	9m 2013	9m 2012	Chg %
Eurosport group	**342.5**	**360.8**	**-5.1%**
Advertising	65.2	77.7	-16.1%
Other revenue	277.3	283.1	-2.0%
Theme Channels France	**57.7**	**64.6**	**-10.7%**
Advertising	12.4	19.4	-36.1%
Other revenue	45.3	45.2	+0.2%
Pay-TV	**400.2**	**425.4**	**-5.9%**

Current operating profit/ (loss) (€m)	9m 2013	9m 2012	Chg €m
Eurosport group	**54.7**	**46.5**	**+8.2**
Theme Channels France	**(0.9)**	**0.2**	**(1.1)**
Pay-TV	**53.8**	**46.7**	**+7.1**

Pay-TV segment revenue for the first nine months of 2013 was down 5.9% at €400.2 million.

Current operating profit increased to €53.8 million, versus €46.7 million for the first nine months of 2012, a rise of €7.1 million.

2.3.1.Eurosport group

Revenue for the Eurosport group fell by 5.1% to €342.5 million in the first nine months of 2013.

Non-advertising revenue was 2.0% lower year-on-year, at €277.3 million. Difficulties in the Spanish market and in Scandinavia almost fully offset by the success of the channel in Central and Eastern Europe, and of Eurosport Asia-Pacific.

Eurosport advertising revenue fell by 16.1% (or €12.5 million) to €65.2 million in the first nine months of 2013 due to a tough comparative following the strong sporting calendar of 2012 (UEFA Euro 2012 football tournament and the London Olympics). Bear in mind that in the first nine months of 2012, Eurosport advertising revenue surged by 36.1% (or €20.6 million).

Profitability at Eurosport is continuing to improve, with current operating profit rising by €8.2 million to €54.7 million.

In the third quarter of 2013, Eurosport posted a 9.4% drop in revenue to €123.0 million. This fall was mainly due to a 26.1% decline in advertising revenue to €24.3 million, as compared with a rise of 62.9% in the third quarter of 2012 (boosted by the London Olympics).

Current operating profit was €4.3 million higher at €24.0 million thanks to very tight cost control, pushing operating margin up to 19.5% (versus 14.5% for the third quarter of 2012).

Operating performance

At end September 2013, the Eurosport channel was being received in 130.7 million households in Europe (up 1.1 million year-on-year). 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 an ever-more crowded market, TV audiences fell by 2.1%. This decline should however be seen in the context of a particularly strong sporting calendar in 2012, especially with the screening of the London Olympics in the summer. Despite this, the fall in audience figures to end September 2013 was limited, thanks to a strong winter sports calendar and other key events in Eurosport channel schedules (such as the world alpine ski championships, French Open of tennis, and the Africa Cup of Nations).
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 3.8 million[1] unique visitors to end September 2013, up 4.7% year-on-year.
During the first nine months of 2013, the partnership with Discovery Communications has been materialised through several operational and organisational initiatives.

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 had a 10.9% audience share to end September 2013, down 0.3 of a point year-on-year.

TF1 theme channel revenue for the first nine months of 2013 was €57.7 million, down 10.7% year-on-year, reflecting a €7.0 million reduction in advertising revenue.

The channels made a current operating loss of €0.9 million in the first nine months of 2013, down €1.1 million year-on-year. The decline was limited thanks to a healthier cost base, especially at LCI and the Découverte division channels.

[1]Source: NedStats unique visitor cookies
[2]Source: Médiamat'Thématik (Wave 25 January 2013 – June 2013) Pay-TV Universe

- **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*.

- **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 nine months of 2013.

- **Histoire, Ushuaïa, Stylía[1]**

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**

Nine-month 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, rising to 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).

2.4. Holding company and other

Revenue (€m)	9m 2013	9m 2012	Chg %
Holding company & other	6.6	6.5	+1.5%

Current operating profit (€m)	9m 2013	9m 2012	Chg €m
Holding company & other	12.5	11.3	+1.2

The "Holding company & other" segment, which includes the Group's property and transmission entities, posted revenue of €6.6 million (up 1.5%) and current operating profit of €12.5 million.

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

[1] Brand recognition observatory: add-on channels, 2013 wave, CSA Institute

3. Corporate social responsibility

3.1. Dialogue and solidarity

Job opportunities via the 2013 Enterprise Foundation campaign

In September, the TF1 Foundation welcomed the 13 candidates selected to join the 6th annual intake. The Foundation's 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

In partnership with Cap Emploi, TF1 has launched an initiative to recruit disabled people (students, and adults retraining for a new career) for work experience. In September, eight people joined the Group on vocational training contracts of 12 to 24 months. Participants are offered opportunities in a range of fields, from technical 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 (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. Stock market performance

TF1 shares closed at €12.87 on September 30, 2013, 98.6% higher than the end-September 2012 closing price.
Over the same period, the CAC 40 and SBF 120 indices rose by 23.5% and 24.0% respectively.

During the first nine months of the year, the share price rose by 45.4%, versus growth of 13.8% for the CAC 40 and 14.8% for the SBF 120.

TF1 had a market capitalisation of €2.7 billion on September 30, 2013, compared with €1.4 billion a year earlier.

Outlook

During the first nine months of 2013, the TF1 group intensified its efforts to adapt to the new economic and competitive landscape.

In line with its commitments, the Group has accelerated the implementation of phase II of its optimisation plan, which aims to generate €85 million of recurring savings by end 2014. In parallel, the Group has adopted specific measures to achieve additional savings in 2013.
During the second and third quarters of 2013, these initiatives pushed up current operating profit even though revenue declined over the same period year-on-year.

For 2013 as a whole, the Group is reiterating its consolidated revenue guidance of €2,500m on a constant structure basis, against a backdrop of continuing poor visibility and strong volatility in the advertising market.

Consolidated financial statements for the nine months ended September 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*	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Goodwill	*5*	**874.3**	**874.3**	**874.3**
Intangible assets		**127.8**	**129.8**	**126.7**
Audiovisual rights		52.0	55.2	53.0
Other intangible assets		75.8	74.6	73.7
Property, plant and equipment		**208.1**	**216.8**	**220.0**
Investments in associates	*6*	**161.9**	**161.1**	**160.2**
Non-current financial assets		**18.6**	**15.8**	**16.2**
Non-current tax assets		**10.5**	**10.6**	**7.0**
Total non-current assets		**1,401.2**	**1,408.4**	**1,404.4**
Inventories		**688.0**	**632.1**	**646.7**
Programmes and broadcasting rights		669.1	615.2	625.8
Other inventories		18.9	16.9	20.9
Trade and other debtors		**1,137.0**	**1,302.0**	**1,175.7**
Current tax assets		**22.5**	**14.5**	**22.8**
Other current financial assets		**0.7**	**2.1**	**3.0**
Cash and cash equivalents	*8*	**197.3**	**258.7**	**35.1**
Total current assets		**2,045.5**	**2,209.4**	**1,883.3**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,446.7**	**3,617.8**	**3,287.7**
Net surplus cash (+) / Net debt (-)		**189.7**	**236.3**	**(17.7)**

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€ million)	*Note*	**Sept. 30, 2013**	**Dec. 31, 2012**	**Sept. 30, 2012**
Share capital		42.2	42.1	42.2
Share premium and reserves		1,534.1	1,506.7	1,411.0
Net profit/(loss) for the period attributable to the Group		61.7	136.0	87.6
Shareholders' equity attributable to the Group		**1,638.0**	**1,684.8**	**1,540.8**
Non-controlling interests		125.9	117.0	13.0
Total shareholders' equity		**1,763.9**	**1,801.8**	**1,553.8**
Non-current debt	*8*	**2.4**	**13.6**	**14.7**
Non-current provisions		**42.5**	**39.3**	**43.7**
Non-current tax liabilities		**7.5**	**9.8**	**8.6**
Total non-current liabilities		**52.4**	**62.7**	**67.0**
Current debt	*8*	**5.2**	**8.8**	**38.1**
Trade and other creditors		**1,573.7**	**1,687.2**	**1,576.6**
Current provisions		**42.4**	**53.5**	**51.2**
Current tax liabilities		**7.0**	**2.9**	**0.3**
Other current financial liabilities		**2.1**	**0.9**	**0.7**
Total current liabilities		**1,630.4**	**1,753.3**	**1,666.9**
Liabilities related to held-for-sale assets		**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,446.7**	**3,617.8**	**3,287.7**

Consolidated income statement

(€ million)	Note	2013 9 months	2012 9 months	2013 3rd quarter	2012 3rd quarter	2012 Full year
Advertising revenue		1,160.0	1,248.1	339.8	351.3	1,775.5
Other revenue		586.0	604.8	198.2	200.4	845.1
Revenue		**1,746.0**	**1,852.9**	**538.0**	**551.7**	**2,620.6**
Other income from operations		-	-	-	-	0.4
Purchased consumed and changes in inventory		(835.9)	(885.5)	(245.8)	(289.8)	(1,214.7)
Staff costs		(303.0)	(303.5)	(96.8)	(85.3)	(423.9)
External expenses		(324.9)	(354.4)	(106.8)	(115.3)	(488.2)
Taxes other than income taxes		(96.1)	(102.2)	(29.0)	(27.1)	(147.0)
Depreciation and amortisation, net		(49.0)	(52.1)	(14.2)	(15.5)	(71.8)
Provisions and impairment, net		(10.4)	(11.5)	(9.1)	2.4	(12.6)
Other current operating income		63.9	100.2	24.2	24.6	126.0
Other current operating expenses		(86.3)	(89.7)	(27.0)	(25.4)	(130.7)
Current operating profit/(loss)		**104.3**	**154.2**	**33.5**	**20.3**	**258.1**
Other operating income		-	-	-	-	-
Other operating expenses		-	(24.8)	-	(24.8)	(47.7)
Operating profit/(loss)		**104.3**	**129.4**	**33.5**	**(4.5)**	**210.4**
Income associated with net debt		0.5	0.5	0.2	0.1	0.6
Expenses associated with net debt		(0.2)	(0.5)	-	(0.1)	(0.6)
Cost of net debt	*9*	**0.3**	**-**	**0.2**	**-**	**-**
Other financial income		2.2	6.5	-	-	7.6
Other financial expenses		(2.2)	(1.5)	(0.2)	(0.7)	(1.8)
Income tax expense		(33.6)	(42.2)	(11.2)	1.7	(70.5)
Share of profits/(losses) of associates	*6*	0.7	(2.7)	0.8	(2.6)	(6.4)
Net profit/(loss) from continuing operations		**71.7**	**89.5**	**23.1**	**(6.1)**	**139.3**
Post-tax profit from discontinued/held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**71.7**	**89.5**	**23.1**	**(6.1)**	**139.3**
attributable to the Group		***61.7***	***87.6***	***19.6***	***(5.9)***	***136.0***
attributable to non-controlling interests		*10.0*	*1.9*	*3.5*	(0.2)	*3.3*
Weighted average number of shares outstanding ('000)		210,487	210,747	210,487	210,747	210,716
Basic earnings per share from continuing operations (€)		0.29	0.42	0.09	(0.02)	0.65
Diluted earnings per share from continuing operations (€)		0.29	0.41	0.09	(0.03)	0.64

Statement of recognised income and expense

(€ million)	2013 9 months	2012 9 months	2012 Full year
Consolidated net profit / (loss) for the period	**71.7**	**89.5**	**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 *	(3.3)	(2.6)	(3.8)
Remeasurement of available-for-sale financial assets	-	-	-
Change in cumulative translation adjustment of controlled entities	(0.1)	0.2	0.1
Net tax effect of equity items reclassifiable to profit or loss	1.1	1.0	1.4
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
Income and expense recognised directly in equity	**(2.3)**	**(4.1)**	**(7.0)**
Total recognised income and expense	**69.4**	**85.4**	**132.3**
attributable to the Group	59.3	83.5	129.0
attributable to non-controlling interests	10.1	1.9	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)	0.2	4.5				**4.7**		**4.7**
Share-based payment				0.5		**0.5**		**0.5**
Purchase of treasury shares			(3.3)			**(3.3)**		**(3.3)**
Cancellation of treasury shares	(0.1)		3.0	(2.9)		**-**		**-**
Dividends paid				(115.6)		**(115.6)**	(1.2)	**(116.8)**
Other transactions with shareholders				7.6		**7.6**		**7.6**
Total transactions with shareholders (a)	**0.1**	**4.5**	**(0.3)**	**(110.4)**	**-**	**(106.1)**	**(1.2)**	**(107.3)**
Consolidated net profit / (loss) for the period				**61.7**		**61.7**	**10.0**	**71.7**
Income and expense recognised directly in equity					**(2.4)**	**(2.4)**	**0.1**	**(2.3)**
Other transactions (changes in accounting policy and in scope of consolidation, & other items)						**-**		**-**
BALANCE AT SEPTEMBER 30, 2013	**42.2**	**4.5**	**(0.3)**	**1,594.2**	**(2.6)**	**1,638.0**	**125.9**	**1,763.9**

Consolidated cash flow statement

(€ million)	Note	2013 9 months	2012 9 months	2012 Full year
Consolidated net profit/(loss) for the period (including non-controlling interests)		71.7	89.5	139.3
Depreciation, amortisation, provisions & impairment (excluding current assets)		52.5	44.7	75.3
Intangible assets and goodwill		*31.2*	*24.3*	*44.7*
Property, plant and equipment		*18.0*	*20.9*	*30.4*
Financial assets		*-*	*-*	*(0.2)*
Non-current provisions		*3.3*	*(0.5)*	*0.4*
Other non-cash income and expenses		(8.4)	(5.2)	(9.2)
Effect of fair value remeasurement		(0.6)	(5.1)	(5.2)
Share-based payment		0.5	0.5	0.7
Net (gain)/loss on asset disposals		0.2	-	0.4
Share of (profits)/losses and dividends of associates		(0.7)	2.7	6.4
Dividend income from non-consolidated companies		(0.2)	(0.4)	(1.2)
Sub-total		**115.0**	**126.7**	**206.5**
Cost of net debt	*9*	(0.3)	-	-
Income tax expense (including deferred taxes)		33.6	42.2	70.5
Operating cash flow		**148.3**	**168.9**	**277.0**
Income taxes (paid)/reimbursed		(38.5)	(84.4)	(102.1)
Change in operating working capital needs		(11.8)	101.1	87.6
Net cash generated by / (used in) operating activities		**98.0**	**185.6**	**262.5**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(36.5)	(41.1)	(51.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		2.0	0.6	1.1
Cash outflows on acquisitions of financial assets		(3.4)	(3.6)	(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		0.2	0.4	1.2
Change in loans and advances receivable		(0.8)	-	0.2
Net cash generated by / (used in) investing activities		**(36.7)**	**(43.7)**	**(58.6)**
Cash received on exercise of share options		4.7	-	-
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		(0.3)	0.4	0.4
Repayment of debt (including finance leases)		(4.6)	(3.5)	(4.7)
Net interest paid (including finance leases)		0.3	-	-
Net cash generated by / (used in) financing activities		**(120.0)**	**(122.4)**	**68.7**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**(58.7)**	**19.5**	**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		(58.7)	19.5	272.6
Cash position at end of period – continuing operations	*10*	**195.7**	**1.3**	**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 nine months ended September 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 nine months ended September 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 November 7, 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 nine months ended September 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 September 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 (a)
IFRS 10: Consolidated Financial Statements	January 1, 2014	Under review (a)
IFRS 11: Joint Arrangements	January 1, 2014	Under review (a)
IFRS 12: Disclosure of Interests in Other Entities	January 1, 2014	Under review (a)
Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities	January 1, 2014	No impact on the financial statements

(a) The impacts of these standards, which were not early adopted by the TF1 group as of January 1, 2013, are currently being determined. Based on the analyses completed to date, the main impacts identified arise solely from implementation of IFRS 11, "Joint Arrangements", and more specifically from the fact that the joint ventures in which the Group has an interest will be accounted for by the equity method, rather than by the proportionate consolidation method as at present. The impact of the first-time application of IFRS 11 on the consolidated financial statements would be immaterial (reduction of less than 1% in consolidated revenues , operating profit and consolidated shareholders' equity for the year ended December 31, 2012).

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. Changes in accounting policy

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 are 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 in volumes 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 nine months ended September 30, 2013.

Because the divestment of Place des Tendances on November 5, 2013 is a post balance sheet event (see Note 12, "Post balance sheet events"), this entity was still included in the consolidation as of September 20, 2013 using the full consolidation method.

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 to its clients. 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	2013 9 months	2012 9 months	2013 9 months	2012 9 months	2013 9 months	2012 9 months	2013 9 months	2012 9 months	2013 9 months	2012 9 months
Segment revenue	1,221.7	1,291.8	149.5	168.1	414.1	439.6	25.8	22.5	1,811.1	1,922.0
Elimination of inter-segment transactions	(30.8)	(38.1)	(1.2)	(0.8)	(13.9)	(14.2)	(19.2)	(16.0)	(65.1)	(69.1)
CONTRIBUTION TO GROUP REVENUE	**1,190.9**	**1,253.7**	**148.3**	**167.3**	**400.2**	**425.4**	**6.6**	**6.5**	**1,746.0**	**1,852.9**
o/w advertising revenue	*1,082.4*	*1,151.0*	*0.0*	*0.0*	*77.6*	*97.1*	*0.0*	*0.0*	*1,160.0*	*1,248.1*
o/w other revenue	*108.5*	*102.7*	*148.3*	*167.3*	*322.6*	*328.3*	*6.6*	*6.5*	*586.0*	*604.8*
OPERATING PROFIT/(LOSS) (1)	**31.3**	**64.1**	**6.7**	**8.7**	**53.8**	**45.3**	**12.5**	**11.3**	**104.3**	**129.4**
% operating margin on Group contribution	*2.6%*	*5.1%*	*4.5%*	*5.2%*	*13.4%*	*10.6%*	*N/S*	*N/S*	*6.0%*	*7.0%*
Share of profits/(losses) of associates (2)	0.0	(0.0)	(0.1)	(0.4)	-	-	0.7	(2.3)	0.7	(2.7)

(1) In 2012, includes €27.1 million 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 nine months of 2013 and 2012) and La Place Média;
- Consumer Products: relates mainly to Direct Optic Participations;
- Holding Company & Other: relates mainly to Groupe AB in 2013 and 2012, and to WBTV in 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 September 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**	**Total**
Country	**France**	**Belgium**	**France**	
December 31, 2011	**-**	**-**	**1.3**	**1.3**
Share of profit/(loss) for the period	(1.6)	(0.7)	(0.4)	**(2.7)**
Provisions for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Changes in scope of consolidation	160.9	-	-	**160.9**
Other movements	-	0.7	-	**0.7**
September 30, 2012	**159.3**	**-**	**0.9**	**160.2**
December 31, 2012	**159.5**	**-**	**1.6**	**161.1**
Share of profit/(loss) for the period	0.7	-	-	0.7
Provisions for impairment	-	-	-	-
Dividends paid	-	-	-	-
Changes in scope of consolidation	-	-	-	**-**
Other movements	-	-	0.1	**0.1**
September 30, 2013	**160.2**	**-**	**1.7**	**161.9**

(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 September 30, 2013 was calculated on the basis of its results for the first half 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").
Other associates include in particular Direct Optic Participations and UGC Distribution.

7 Share capital

Under the terms of the authorisations granted by the Annual General Meeting on April 19, 2012 and renewed by the Annual General Meeting 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.

During the period, 787,146 new shares were issued on exercise of stock options, giving rise to a capital increase of €4.7 million (see the consolidated statement of changes in shareholders' equity).

As of September 30, 2013, the share capital of TF1 SA consisted of 211,072,783 shares.

8 Net surplus cash/net debt

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

(€ million)	September 30, 2013	December 31, 2012
Cash and cash equivalents	197.3	258.7
Financial assets held for treasury management purposes	-	-
Available cash	**197.3**	**258.7**
Fair value of interest rate derivative instruments	**-**	**-**
Non-current debt	(2.4)	(13.6)
Current debt	(5.2)	(8.8)
Total debt	**(7.6)**	**(22.4)**
Net surplus cash/(net debt)	**189.7**	**236.3**

- Non-current debt:

The commitment to buy out the 20% stake held by the minority shareholders of Place des Tendances, which was accounted for as a financial liability and had a net present value of €7.6 million, no longer applies (see Note 12, “Post balance sheet events”). In accordance with the accounting policies of the TF1 Group (see Note 2.17.2 to the consolidated financial statements for the year ended December 31, 2012, as included in the 2012 Registration Document), the corresponding financial liability has been reversed out and credited to shareholders’ equity attributable to the Group as of September 30, 2013.

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

- Confirmed bilateral bank credit facilities of €1.1 billion, backed up by a cash pooling agreement with the Bouygues Group under which nothing was drawn down as of September 30, 2013.
- A residual finance lease obligation of €6 million relating to the financing of technical plant and equipment.

9 Cost of net debt

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

(€ million)	2013 9 months	2012 9 months
Interest income	0.5	0.5
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	-	-
Income associated with net debt	**0.5**	**0.5**
Interest expense on debt	(0.2)	(0.5)
Change in fair value of interest rate derivatives	-	-
Expenses associated with debt	**(0.2)**	**(0.5)**
Cost of net debt	**0.3**	**-**

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)	September 30, 2013	December 31, 2012
Cash and cash equivalents in the balance sheet	197.3	258.7
Treasury current account credit balances	(1.1)	(2.5)
Bank overdrafts	(0.5)	(1.8)
Total net cash position at end of period per the cash flow statement	**195.7**	**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

On November 05th, 2013, the TF1 group completed the sale of its equity interest in Place des Tendances to Printemps Holding France SAS. Under the terms of the agreement, all of the shares held by TF1 (representing 80% of the capital of Place des Tendances) were sold, along with the associated receivables. The impact of this divestment will be recognised in the financial statements for the fourth quarter of 2013.

In the first nine months of 2013, Place des Tendances generated revenue of €7.6 million (versus €9.4 million for the year ended December 31, 2012), and broke even at operating level (versus an operating loss of €1.6 million for the year ended December 31, 2012).

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:

	September 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
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

	September 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

- **February 19, 2014**: 2013 full-year revenue and financial statements – analyst meeting
- **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
- **October 24, 2014:** 9 months 2013 revenue and financial statements

These dates may be subject to change.

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