Press release

9 months 2007 net profit: €166.4 M

Boulogne, 12 November 2007

TF1 Board of Directors met on November 12, 2007, under the chairmanship of Patrick Le Lay, and examined the following accounts for the first nine months 2007:

CONSOLIDATED FIGURES (€m)*	9 months 2007	9 months 2006	2006	Change 07/06
Revenues	**1,970.3**	**1,885.1**	**2,653.7**	**+ 4.5%**
TF1 channel advertising revenue	1,228.7	1,222.7	1,707.9	+ 0.5%
Revenue from other activities	741.6	662.4	945.8	+ 12.0%
Current operating profit	234.5	194.5	300.8	+ 20.6%
Cost of net debt	(14.3)	(8.6)	(11.6)	+ 66.3%
Net profit from continuing operations	**166.5**	**130.6**	**198.7**	**+ 27.5%**
Post-tax profit of discontinued or held-for-sale operations	-	*41.8*	*253.6*	*N.A.*
Net profit attributable to the Group	**166.4**	**172.3**	**452.5**	**- 3.4%**

* *All financial data are presented in accordance with IFRS and take into account the specific provisions of IFRS 5.*

At the end of September 2007, **TF1 Group consolidated revenue increased by 4.5% to €1,970.3m**. The TF1 channel's net advertising revenue rose by 0.5% to €1,228.7m. Revenue from other activities grew by 12.0% to €741.6m.

Current operating profit for the first nine months of 2007 was up 20.6% **at €234.5m**, and operating margin increased by 1.6 points to 11.9%. This improvement mainly reflected a reduction of 8.9% in TF1 channel programming costs relative to the first nine months of 2006, after including the cost of the 2006 Football World Cup. Excluding one-off events, TF1 channel programming costs rose by a modest 1.9% to €684.9m, due to increases in expired rights and in the number of movies broadcast.

The cost of net debt reached €14.3m, mainly reflecting an increase in the average amount of net debt. Other financial income and expenses showed a net gain of €21.9m for the nine months to end September 2007, against a net loss of €0.8m for the comparable period of 2006. This gain was mainly due the remeasurement at fair value of the Canal+ France financial asset, comprising a 9.9% interest and a put option (+ €27.4m).

Net profit from continuing operations advanced by 27.5% **to €166.5m**. In the nine months to end September 2006, post-tax profit from discontinued or held-for-sale operations amounted to €41.8m. Consequently, net income attributable to the Group fell by 3.4% year-on-year to €166.4m, giving a net margin of 8.4%.

At 30 September 2007, shareholders' equity stood at €1,334.6m, and the balance sheet total at €3,632.8m. Net debt was €563.7m (or 42.2% of shareholders' equity). The increase in net debt relative to the 31 December 2006 figure of €378.5m was mainly due to the initial payment of €115m for the 33.5% stake in the AB Group.

REMINDER :

The full TF1's 9 months report is available under the following address http://www.tf1finance.fr

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Interim Report

2007 – 9 months

Contents

Consolidated Key Figures

(€ million)	**2007: 9 months**	**2006: 9 months**	**2006: full year**
Revenues	1,970.3	1,885.1	2,653.7
TF1 channel advertising revenue	*1,228.7*	*1,222.7*	*1,707.9*
Revenue from other activities	*741.6*	*662.4*	*945.8*
Current operating profit	234.5	194.5	300.8
Post-tax profit of discontinued or held-for-sale operations	-	*41.8*	*253.6*
Net profit attributable to the Group	166.4	172.3	452.5
Operating cash flow[1]	296.9	280.9	393.0
Shareholders' equity	1,334.6	1,097.6	1,358.0
Net debt	563.7	416.6	378.5
Basic earnings per share (€)	0.78	0.81	2.12
Diluted earnings per share (€)	0.78	0.80	2.11

	2007: 9 months	**2006: 9 months**	**2006: full year**
Average number of shares outstanding ('000)	213,881	213,868	213,874
Closing share price at end of period (€)	18.85	25.19	28.11
Average market capitalisation for the period (€bn)	4.0	5.4	6.01

[1] Before net interest expense and income tax expense

2007 Key Events

BROADCASTING FRANCE

TF1 channel[2]

Since the start of the year, TF1 has reaped the benefits of its **innovation strategy**, achieving success in the **prime time access** slot with programmes such as *Roue de la Fortune, Un contre cent* and *Secret Story*, which recorded 39.3% audience share among women aged under 50 during the first nine months of the year. **These were the best viewing figures for TF1 in the prime time access slot (6.15 p.m.–7.45 p.m.) for a nine-month period since 1992.**

During the summer of 2007, TF1's reality shows demonstrated stronger pulling power than ever. *Koh Lanta* enjoyed its best-ever season, with an average of 8.2m viewers, or a 39% audience share among individual viewers and 50% among women aged under 50. And the final of *Koh Lanta* was watched by 9.4m people, the best-ever audience for a prime-time reality show in any season.

The start of the autumn season offered a series of high-profile sporting events (Rugby World Cup, Euro 2008 qualifiers, Champions League and F1), all broadcast exclusively on TF1. The England vs. France Rugby World Cup semi-final (Saturday 13 October) attracted 18.3 million viewers, the highest individual viewing figure for the year to date.

Theme channels

As part of the end-January global launch of **Windows Vista**, Microsoft chose LCI and Eurosport to develop new TV/video applications. The two channels applied their considerable know-how to design two innovative platforms for consumers of multimedia services. The new **LCI Intégrale** application offers three live channels: LCI, LCI Express and LCI Bonus. Eurosport has developed the **Eurosport Player** application, a multi-channel sports service offering the Eurosport, Eurosport 2 and Eurosportnews channels.

According to the latest Médiacabsat survey, 4 of the 8 most-watched channels belong to the TF1 Group. **Eurosport** occupies the top spot, and has gained 0.2 of a point since the previous survey. **TV Breizh** retains its third place, while **TF6** has risen from 8th to 4th and **LCI** from 8th to 7th.

In-house production companies

Since the start of 2007, four films co-produced by **TF1 Films Production** have attracted more than a million cinema-goers: *La Môme* (5.1 million), *Taxi 4* (4.6 million), *Le Prix à payer* (2.3 million), and *Ensemble c'est tout* (1.4 million).

Other companies

Following an agreement signed in June 2006, **Téléshopping** and the Dogan group launched their **home shopping** programme in **Turkey** in early January 2007, on the Star TV and Kanal D channels.

In June, TF1 acquired a 67.4% stake in Aronet, publisher of the **embauche.com** job board website. This site currently has 2 million web pages viewed per month[3], and is dedicated to non-executive positions, which account for over 80% of the French labour force.

On 20 June, the **TF1 Group** and **Telecom Italia** signed a partnership agreement covering content provision and advertising space-selling on the www.aliceadsl.fr. consumer portal site. A number of TF1 Group websites (such as lci.fr, eurosport.fr and tfou.fr) will be featured on the Alice portal, and TF1 Publicité will sell advertising space on the site.

In July, TF1 acquired **Dujardin**, the publisher of the *Mille Bornes* motor-race card game. The new entity created by the combination of TF1 Games and Dujardin is now France's leading card and board games producer, with a catalogue of over 200 games.

[2] Source: Médiamat Médiamétrie
[3] Source: Xiti – May 2007

INTERNATIONAL BROADCASTING

On 21 February, **Eurosport** and **Yahoo!** announced that they were joining forces to create the biggest European online sports news website. The service has so far been rolled out in Germany, Italy, Spain and the United Kingdom.

In May, **Eurosport Events** was formed. This new subsidiary is responsible for organizing, promoting and developing international sporting events, and is already involved in the WTCC (World Touring Car Championship™) and IRC (International Rally Challenge).

AUDIOVISUAL RIGHTS

TFM Distribution, the movie distribution arm of TF1 International, has achieved great success with the release of ***La Môme***, which has attracted 5.1 million cinema-goers since the start of the year.

OTHER EVENTS

On 4 January, TF1, M6 and Vivendi signed the final agreement uniting the French pay-TV activities of the **Canal+ Group** and **TPS** in a new entity, Canal+ France, controlled by Vivendi.

Following a decision by the CSA (the French audiovisual regulator) published on 27 March 2007, **TF1** and the **AB Group** completed the acquisition by TF1 of a 33.5% minority interest in AB Group on 2 April 2007.

In May, TF1, Artémis and Recruit signed an agreement to create a joint venture to develop and operate a **free urban magazine** from September 2007. On 5 September, the new magazine – **PiliPili** – was launched in the French cities of Grenoble and Rennes.

On 20 August, TF1 filed a bid with the CSA for a new **HD frequency**. The CSA is expected to announce the results of the call for tenders around mid-November.

Management Review for first nine months of 2007

Boulogne, 12 November 2007

(€ million)	*2007: 9 months*	*2006: 9 months*	*2006: full year*
TF1 Channel			
Advertising revenue	1,228.7	1,222.7	1,707.9
Advertising costs	(58.4)	(58.8)	(80.9)
NET BROADCASTING REVENUES	**1,170.3**	**1,163.9**	**1,627.0**
Royalties and contributions			
- Royalties	(47.8)	(48.6)	(66.6)
- CNC	(64.5)	(60.3)	(84.8)
Broadcasting costs			
- TDF, satellites, transmission costs	(40.9)	(39.6)	(53.6)
Programming costs (excluding Football and Rugby World Cups)	**(684.9)**	**(672.1)**	**(946.5)**
2006 Football World Cup/2007 Rugby World Cup costs	**(31.1)**	**(113.6)**	**(113.6)**
GROSS PROFIT	**301.1**	**229.6**	**361.9**
Diversification revenues and other revenues from operations	740,2	654.9	938.4
Other operating expenses	(705.4)	(626.8)	(888.0)
Depreciation, amortisation and provisions, net	(101.4)	(63.2)	(111.5)
OPERATING PROFIT	**234.5**	**194.5**	**300.8**
Cost of net debt	**(14.3)**	**(8.6)**	**(11.6)**
Other financial income and expenses	**21.9**	**(0.8)**	**(4.9)**
Income tax expense	(74.8)	(64.7)	(98.7)
Share of profits/(losses) of associates	(0.8)	10.2	13.1
NET PROFIT FROM CONTINUING OPERATIONS	**166.5**	**130.6**	**198.7**
Post-tax profit of discontinued or held-for-sale operations	-	41.8	253.6
NET PROFIT	**166.5**	**172.4**	**452.3**
Minority interests	0.1	0.1	(0.2)
NET PROFIT ATTRIBUTABLE TO THE GROUP	**166.4**	**172.3**	**452.5**

Over the first nine months of 2007, TF1 channel net advertising revenue rose by 0.5% to €1,228.7m. Third-quarter growth was 1.5%, boosted by a strong September. The main sectors driving growth over this period were consumer goods[4] (up 4.2%)[5], services (up 17.0%)[5] and retail chains, which more than offset the decline in advertising spend over the period from the telecommunications sector (down 27.5%)[5] and the publishing sector (down 31.1%)[5].

Revenue from other activities (excluding TF1 core channel advertising) rose by 12.0% over the first nine months of 2007 to €741.6m, thanks to strong performances from:

- The Téléshopping Group (up 37.8%), helped by a 35% surge in internet sales, by the new businesses launched in 2005 (sales outlets and infomercials), and by 1001listes.

- Theme channels in France (up 22.7%), which reported 21.9% growth in advertising revenues.

- The audiovisual catalogue business, which posted a 43.7% increase in revenues thanks to the cinema distribution of *La Môme*, which has attracted 5.1 million cinema-goers since its release in February.

- Eurosport International, which grew revenues by 5.6% on the back of a 9.9% increase in the number of paying subscribers (now totalling 59 million households, plus the impact of new developments: Eurosport 2, WTCC (World Touring Car Championship™).

Operating profit for the first nine months of 2007 was up 20.6% at €234.5m, and operating margin increased by 1.6 points to 11.9%. This improvement mainly reflected a reduction of 8.9% in TF1 channel programming costs relative to the first nine months of 2006, after including the cost of the 2006 Football World Cup. Excluding one-off events, TF1 channel programming costs rose by a modest 1.9% to €684.9m, due to increases in expired rights and in the number of movies broadcast.

The cost of net debt rose by 66.3% to €14.3m, mainly reflecting an increase in the average amount of net debt.

Other financial income and expenses showed a net gain of €21.9m for the nine months to end September 2007, against a net loss of €0.8m for the comparable period of 2006. This gain was mainly due the remeasurement at fair value of the Canal+ France financial asset, comprising a 9.9% interest and a put option.

Net profit from continuing operations advanced by 27.5% to €166.5m. In the nine months to end September 2006, post-tax profit from discontinued or held-for-sale operations amounted to €41.8m. Consequently, net income attributable to the Group fell by 3.4% year-on-year to €166.4m, giving a net margin of 8.4%.

At 30 September 2007, shareholders' equity stood at €1,334.6m, and the balance sheet total at €3,632.8m. Net debt was €563.7m (or 42.2% of shareholders' equity). The increase in net debt relative to the 31 December 2006 figure of €378.5m was due to the €182m dividend payout and the initial payment of €115m for the 33.5% stake in the AB Group.

Between 1 January and 12 November 2007, TF1 issued 439,900 new shares (ranking for dividend from 1 January 2007) on exercise of share options. Between 1 and 7 August 2007, TF1 repurchased 900,000 of its own shares, representing 0.02% of the share capital, at an average price of €20.81 per share. The 900,000 shares were cancelled by the Board on 12 November 2007. Overall, these transactions reduced the share capital of TF1 to €42,682,098.40, divided into 213,410,492 shares with a par value of €0.20.

Guidance

The 2007 targets of slight growth in full-year advertising revenue for the TF1 channel and a 3% decrease in programming costs (including the Football and Rugby World Cups) are unchanged.

These forecasts reflect elements currently known by TF1. They depend on economics fluctuations of the coming months.

[4] Food, Cosmetics/Beauty, Household Cleaning and Beverages sectors
[5] TNS Media Intelligence gross data

I. Broadcasting France

The Broadcasting France division generated revenues of €1,587.5m and an operating profit of €199.1m in the nine months to end September 2007. The division's operating margin improved by 2.1 points to 12.5%, due to a favourable comparative arising from the inclusion of the 2006 Football World Cup in the previous year's figures.

TF1 channel *(Source: Médiamétrie)*

In the first nine months of 2007, average daily viewing time for individuals aged 4 and over was 3 hours and 24 minutes, two minutes more than in the comparable period of 2006. For women aged under 50, average daily viewing time was 3 hours and 37 minutes, one minute more than in the comparable period of 2006.

The audience share of the TF1 channel for the first nine months of 2007 was 35.2% for women aged under 50 (unchanged versus the comparable period of 2006) and 31.0% for individuals aged 4 and over (down 0.9 of a point).

In the Digital Terrestrial TV environment, based on figures to end September 2007, TF1's audience share of individuals aged 4 and over was 29.8%, just 1.2 points below the channel's share of the national audience (Médiamat). This performance underlines TF1's strong resistance to market fragmentation in a multi-channel environment.

TF1 has confirmed its ability to deliver popular and innovative programming by attracting 99 of the top 100 audience figures in the first nine months of 2007 for individuals aged 4 and over (versus 97 in the comparable period of 2006). These successes were achieved across the full range of programme types, and included the biggest audience of the period (14.6 million viewers for the France vs. Ireland rugby match) and the best viewing figures for a French drama (*Joséphine Profession Ange Gardien*, 11.3 million viewers).

With an average of 7 million prime-time viewers, TF1 widened the gap on its nearest rivals by a further 200,000 to 2.5 million.

Advertising *(Source: TNS Media Intelligence)*

Over the period from January to September 2007, TF1's market share was 55.1%, an increase of 0.3 of a point.

Growth sectors during the period included:

- *Food*, the no.1 sector for advertising on TF1 (25.0% of gross advertising revenue), up 6.1%, with TF1's market share up by 2.3 points at 59.8%;
- *Cosmetics/Beauty*, up 3.5%;
- *Household Cleaning* (up 6.6%), with TF1's market share up 1.7 points at 62.4%;
- *Services* (up 17.0%), which now account for 7.7% of TF1's gross advertising revenue, driven by the *Banking* and *Insurance* sub-sectors.

However, some sectors were in decline:

- *Publishing* (down 31.1%), affected by difficulties in the music industry,
- *Telecommunications* (down 27.5%), which in 2006 was boosted by deregulation of directories and the arrival of "118" directory enquiries advertising on TV;
- *Automotive*, down 6.8% over the nine-month period.

Theme channels – France

Revenues from the French theme channels of the TF1 Group grew by 22.6% overall in the first nine months of 2007 to €138.0m. The division reported an operating profit of €5.1m.

The Group's French theme channels continue to attract advertisers, posting average growth of 21.9% in advertising revenue relative to the first nine months of 2006.

TMC is the leading nationwide theme channel (apart from the established terrestrial channels) with a 1.2% audience share among individuals aged 4 and over to end September 2007, 48% higher than for the comparable period of 2006.

TF1 Group has also decided to stop the activity of its game thematic channel called JET, that was launched at the end of last year, due to a lack of positive outlooks.

Number of households per channel

Channel	30 September 2007 (in millions)	30 September 2006 (in millions)	Change
Eurosport France	7.2	6.6	+9.0%
TV Breizh	5.8	4.7	+23.4%
LCI	6.8	5.8	+17.2%
TMC*	20.9	12.5	+67.2%
TF6	5.9	2.9	+ 03.4%
Série Club	5.2	2.3	+126.1%
Odyssée	2.2	2.2	+0.0%
Histoire	4.6	4.4	+4.5%
Ushuaia TV	2.7	1.1	+145.5%

** Includes both terrestrial in south-east France (approximately 2.2m households) and Digital Terrestrial.*

Other companies

The revenue contribution from the **Téléshopping group** for the first nine months of 2007 was up 37.8% at €110.9m, thanks to a rise of some 35% in internet sales (which now account for over 25% of Téléshopping group revenues), combined with expansion of the new businesses launched in 2005 (sales outlets and infomercials) and the contribution from *1001listes* (approximately €15m for the period). Operating profit for the Téléshopping group advanced by €0.6m to €7.0m.

TF1 Entreprises reported a 9.1% fall in revenues to €23.1m, reflecting a decline in the Publishing and Music businesses. The drop in revenues pushed TF1 Entreprises into the red, with an operating loss of €1.3m.

E-TF1 reported a 12.2% fall in revenues for the nine months to end September 2007, to €42.3m. In 2006, E-TF1 was boosted by the success of the *A Prendre ou à Laisser* show, broadcast on the TF1 channel. However, E-TF1 is benefiting from a sharp rise in audiences for the tf1.fr network, which recorded 9.7 million unique visitors in September 2007, a 62% increase on September 2006[6]. Operating profit was €1.1m, compared with €3.8m for the comparable period of 2006.

II. Audiovisual Rights

The Audiovisual Rights division generated revenues of €177.9m in the first nine months of 2007, an increase of 18.4%. Operating profit was lower year-on-year, at €4.3m.

The revenue contribution from **TF1 Vidéo** rose by 6.1% to €107.2m. Despite a declining DVD market, TF1 Vidéo saw revenues for the first nine months boosted by the DVD releases of *Indigènes*, *Les Infiltrés*, and *La Môme*. Operating profit fell by €2.7m to €5.9m, due to losses on some licensed titles.

The **Catalogue** business (including TF1 International) reported 43.7% growth in revenues to €70.7m, largely due to the success of *La Môme*, distributed by TFM, which attracted 5.1 million cinema-goers. Nonetheless, depreciation booked during the first nine months of the year to cover less successful than expected cinema releases led to an operating loss of €1.6m.

[6] Source: Médiamétrie / Xiti / NielsenNetRatings/Cyberestat panel.

III. International Broadcasting

Eurosport International

At end September 2007, the Eurosport channel was received in over 104 million homes in 58 European countries (excluding France). There were 59 million paying subscribers, a year-on-year increase of 5 million (10%). The bulk of the growth came from Central and Eastern Europe.

At end 2006, Eurosport capitalised on its expertise by starting to broadcast in Asia. In 2007, the investment made to capture this new market is beginning to pay off: by end September, 2.4 million Asian homes were receiving the Eurosport channel.

On 21 May 2007, Eurosport International and Yahoo! launched a joint website in the United Kingdom, Germany, Spain and Italy. This collaboration is part of Eurosport's strategy in its quest to become the no.1 sports website in Europe, drawing on the quality of Eurosport's editorial content and Yahoo's marketing power and technical expertise. Overall, the eurosport.com site and its 8 local versions have confirmed their solid performances, with a substantial increase in visits (up 74% relative to end September 2006[7]).

In April 2007, the Eurosport group set up a new company, Eurosport Events, to support the development of international sporting events. As well as organising the FIA World Touring Car Championship™, Eurosport Events also promotes the International Rally Challenge (IRC), the European and World Karting Championships, the Global Champions Tour (showjumping) and, since 25 May 2007, the SolOceans single-handed yacht race for 16-metre monohulls.

Eurosport International reported revenues of €204.4m, an increase of 5.6%. Higher subscription revenues and the contribution from new ventures outweighed the fall in advertising revenues over the first nine months of 2007, which faced a tough comparative due to the broadcasting of the Turin Winter Olympics in 2006. Eurosport International posted an operating profit of €25.2m, against €22.1m for the comparable period of 2006.

IV. Risk factors and litigation

As far as TF1 SA and the TF1 Group are aware, no new risk factors or litigation have arisen since the publication of the TF1 Annual Report on 23 March 2007 that taken individually would be liable to have a material effect on the business activities, profits, financial position or net assets of TF1 SA or the TF1 Group.

V. Corporate Governance

In accordance with the proposal made by Patrick Le Lay on 20 February 2007 to separate the office of Chairman from that of Chief Executive Officer, the meeting of the Board of Directors held on 22 May 2007 appointed Nonce Paolini as Chief Executive Officer of TF1 SA, with Patrick Le Lay remaining in office as Chairman of the Board of Directors.

Changes to the TF1 Board of Directors:
The Board meeting of 22 May 2007 noted the resignation of Philippe Montagner as a Director, and acting on the recommendation of the Selection Committee co-opted Nonce Paolini to serve as a Director.
The Board meeting of 31 July 2007 noted the resignation of Etienne Mougeotte as a Director, and acting on the recommendation of the Selection Committee co-opted Société Française de Participation & Gestion (SFPG), a 100%-owned subsidiary of the Bouygues Group, represented by Philippe Montagner, to serve as a Director.

VI. Regulatory Update

Formation of the France Télé Numérique Public Interest Grouping
French Law No. 2007-309 dated 5 March 2007 on "the modernization of the audiovisual broadcasting landscape and the television of the future" provides for the creation of a public interest grouping that will implement specific measures to support the phasing-out of analogue broadcasting and the continued reception of analogue channels under guidelines issued by the Prime Minister and decisions issued by the CSA (the French audiovisual regulator). The public interest grouping will manage the viewers' assistance fund, and may also coordinate work related to frequency redistribution (GIE Fréquences). The public

[7] Source: Médiamétrie, Yahoo.

interest grouping comprises the French State and the following companies: France Télévisions, Arte-France, TF1, Métropole Télévision and Canal Plus.

The order approving the Articles of Association for the France Télé Numérique Public Interest Grouping was published in the French Official Journal on 27 April 2007.

The grouping will be automatically dissolved six months after publication in the French Official Journal of the CSA decision terminating the last licence for terrestrial analogue broadcasting in France (excluding overseas departments and territories), though its corporate life may be extended beyond this point if necessary.

The arrangements for the public interest grouping (recruitment, premises, etc.) are due to be finalised in the first quarter of 2009, as are the preliminary studies on the starting of the phasing out of analogue services.

Changes to the legal and regulatory regime for the audiovisual industry
In a briefing letter dated 1 August 2007, the French President requested the Minister for Culture and Communication to institute a fundamental review of the laws and regulations applying to the audiovisual industry, one of the principal aims being to encourage the emergence of French national champions in the sector.

The Minister of Culture, Catherine Albanel, responded on 8 October 2007 when she opened the “Assises de l’Audiovisuel” with the announcement of four core projects: public broadcasting, the producer-broadcaster relationship, advertising, and anti-trust rules.

At present, we do not have any specific information about the content or timing of these reforms.

VII. Human Resources Update

The TF1 Group’s workforce increased during the first nine months of 2007, at both TF1 SA and its subsidiaries. At 30 September 2007, the Group had 3,636 employees, compared with 3,498 at 31 December 2006.

VIII. TF1 Share Price

On 28 September 2007, TF1 shares closed at €18.85, a fall of 32% since the start of the year. This compares with a 3.4% rise for the CAC 40 index, a 3% rise for the SBF 120 index and a 1.7% fall for the CAC Next 20 index. The market capitalisation of the TF1 Group at 28 September 2007 was €4.04 billion.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	*9 months*		*3rd quarter*		*Full year*
		2007	*2006*	*2007*	*2006*	*2006*
Net advertising revenue		1,355.9	1,337.9	342.5	332.5	1,870.9
- TF1 channel		*1,228.7*	1,222.7	*304.0*	*299.6*	*1,707.9*
- Other channels		*127.2*	115.2	*38.5*	*32.9*	*163.0*
Diversification revenue		614.4	547.2	197.2	166.9	782.8
Revenue		**1,970.3**	**1,885.1**	**539.7**	**499.4**	**2,653.7**
Other operating revenue		0.2	0.3	0.1	-	0.4
External production costs		(428.3)	(418.7)	(137.1)	(128.5)	(608.7)
Other purchases and changes in inventory		(403.5)	(462.7)	(144.8)	(134.4)	(581.4)
Staff costs		(308.8)	(268.8)	(100.2)	(87.3)	(382.7)
External expenses		(387.7)	(352.1)	(127.4)	(114.5)	(504.7)
Taxes other than income taxes		(103.8)	(98.3)	(28.7)	(24.0)	(136.1)
Depreciation and amortisation, net		(64.5)	(55.0)	(18.2)	(23.0)	(85.5)
Provisions and impairment, net		(36.9)	(8.2)	(16.2)	(1.4)	(26.0)
Other operating income and expenses		(2.5)	(27.1)	3.8	(0.6)	(28.2)
Current operating profit		**234.5**	**194.5**	**(29.0)**	**(14.3)**	**300.8**
Other non-current operating income and expenses		-	-	-	-	-
Operating profit		**234.5**	**194.5**	**(29.0)**	**(14.3)**	**300.8**
Cost of debt		(18.6)	(14.3)	(6.8)	(5.4)	(19.4)
Income from cash and cash equivalents		4.3	5.7	0.6	2.1	7.8
Cost of net debt	10	**(14.3)**	**(8.6)**	**(6.2)**	**(3.3)**	**(11.6)**
Other financial income and expenses	11	21.9	(0.8)	4.8	2.0	(4.9)
Income tax expense		(74.8)	(64.7)	11.6	4.0	(98.7)
Share of profits/(losses) of associates		(0,8)	10.2	(0.4)	0.8	13.1
Net profit from continuing operations		**166.5**	**130.6**	**(19.2)**	**(10.8)**	**198.7**
Post-tax profit of discontinued or held-for-sale operations		**-**	**41.8**	**-**	**11.6**	**253.6**
Net profit		**166.5**	**172.4**	**(19.2)**	**0.8**	**452.3**
Minority interests		0.1	0.1	0.1	-	(0.2)
Net profit attributable to the Group		**166.4**	**172.3**	**(19.3)**	**0.8**	**452.5**
Average number of shares outstanding ('000)		213,881	213,868	213,752	214,105	213,874
Basic earnings per share (€)		0.78	0.81	(0.09)	0.00	2.12
Diluted earnings per share (€)		0.78	0.80	(0.09)	0.00	2.11

CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	***30 September 2007***	***31 December 2006***	***30 September 2006 (1)***
Intangible assets	**164.0**	**158.3**	**176.4**
Audiovisual rights	134.5	*127.8*	*146.1*
Other intangible assets	29.5	*30.5*	*30.3*
Goodwill	**505.0**	**505.2**	**482.7**
Property, plant and equipment	**152.9**	**153.0**	**157.2**
Investments in associates	**244.0**	**40.2**	**49.8**
Other financial assets	**696.1**	**657.1**	**23.9**
Non-current tax assets	**53.4**	**56.4**	**52.7**
Total non-current assets	**1,815.4**	**1,570.2**	**942.7**
Inventories	**567.8**	**569.1**	**570.1**
Programmes and broadcasting rights	547.9	*551.6*	*550.4*
Raw materials and supplies	19.9	*17.5*	*19.7*
Trade and other debtors	**1,117.5**	**1,278.7**	**1,105.6**
Current tax assets	**79.3**	**1.7**	**97.5**
Foreign exchange derivative instruments	**-**	**1.4**	**2.4**
Interest rate derivative instruments	**4.8**	**1.9**	**11.7**
Cash and cash equivalents	**48.0**	**275.2**	**346.3**
Total current assets	**1,817.4**	**2,128.0**	**2,133.6**
Assets of held-for-sale operations	**-**	**-**	**644.2**
TOTAL ASSETS	**3,632.8**	**3,698.2**	**3,720.5**

(1) In the balance sheet at 30 September 2006, TPS is reported as a held-for-sale operation.

CONSOLIDATED BALANCE SHEET (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	***30 September 2007***	***31 December 2006***	***30 September 2006 (1)***
Share capital	42.9	42.8	43.2
Share premium and reserves	1,125.3	862.8	882.9
Net profit attributable to the Group for the period	166.4	452.5	172.3
Shareholders' equity attributable to the Group	**1,334.6**	**1,358.1**	**1,098.4**
Minority interests	-	(0.1)	(0.8)
Total shareholders' equity	**1,334.6**	**1,358.0**	**1,097.6**
Long-term debt	**497.2**	**505.6**	**546.0**
Non-current provisions	**34.8**	**34.7**	**31.9**
Non-current tax liabilities	**37.6**	**38.1**	**41.3**
Total non-current liabilities	**569.6**	**578.4**	**619.2**
Short-term debt	**119.3**	**148.7**	**126.4**
Foreign exchange derivative instruments	**5.9**	**2.6**	**0.4**
Interest rate derivative instruments	**-**	**1.3**	**-**
Trade and other creditors	**1,466.9**	**1,554.5**	**1,384.0**
Current tax liabilities	**74.1**	**1.6**	**70.0**
Current provisions	**62.4**	**53.1**	**36.2**
Total current liabilities	**1,728.6**	**1,761.8**	**1,617.0**
Liabilities of held-for-sale operations	**-**		**386.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,632.8**	**3,698.2**	**3,720.5**

(1) In the balance sheet at 30 September 2006, TPS is reported as a held-for-sale operation.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Changes in fair value and other	Translation reserve	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT 31 DECEMBER 2005	**42.8**	**24.1**	**(7.4)**	**988.7**	**2.9**	**-**	**1,051.1**	**(1.3)**	**1,049.8**
Cash flow hedges	-	-	-	-	(0.9)	-	**(0.9)**	-	**(0.9)**
Change in translation reserve	-	-	-	-	-	-	**-**	-	**-**
Net profit for the period	-	-	-	172.3	-	-	**172.3**	0.1	**172.4**
Total recognised income and expense	**-**	**-**	**-**	**172.3**	**(0.9)**	**-**	**171.4**	**0.1**	**171.5**
Dividends paid	-	-	-	(139.0)	-	-	**(139.0)**	(0.1)	**(139.1)**
Capital increase (share options exercised)	0.4	49.0	-	-	-	-	**49.4**	-	**49.4**
Share-based payment	-	-	-	3.8	-	-	**3.8**	-	**3.8**
Purchase of treasury shares	-	-	(37.6)	-	-	-	**(37.6)**	-	**(37.6)**
Cancellation of treasury shares	-	(5.3)	5.3	-	-	-	**-**	-	**-**
Other movements	-	0.1	-	0.1	(0.9)	-	**(0.7)**	0.5	**(0.2)**
BALANCE AT 30 SEPTEMBER 2006	**43.2**	**67.9**	**(39.7)**	**1,025.9**	**1.1**	**-**	**1,098.4**	**(0.8)**	**1,097.6**

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Changes in fair value and other	Translation reserve	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT 31 DECEMBER 2006	**42.8**	**20.7**	**(12.1)**	**1,307.3**	**(0.6)**	**-**	**1,358.1**	**(0.1)**	**1,358.0**
Cash flow hedges	-	-	-	-	(2.1)	-	**(2.1)**	-	**(2.1)**
Change in translation reserve	-	-	-	-	-	-	**-**	-	**-**
Net profit for the period	-	-	-	166.4	-	-	**166.4**	0.1	**166.5**
Total recognised income and expense	**-**	**-**	**-**	**166.4**	**(2.1)**	**-**	**164.3**	**0.1**	**164.4**
Dividends paid	-	-	-	(181.8)	-	-	**(181.8)**	-	**(181.8)**
Capital increase (share options exercised)	0.1	8.7	-	-	-	-	**8.8**	-	**8.8**
Share-based payment		-	-	3.8	-	-	**3.8**	-	**3.8**
Purchase of treasury shares	-	-	(18.7)	-	-	-	**(18.7)**	-	**(18.7)**
Cancellation of treasury shares	(0.0)	(7.4)	7.4	-	-	-	**0.1**	-	**0.1**
Other movements	-	-		-		-	**-**	-	**-**
BALANCE AT 30 SEPTEMBER 2007	**42.9**	**22.1**	**(23.4)**	**1,295.7**	**(2.7)**	**-**	**1,334.6**	**0.0**	**1,334.6**

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	***2007 9 months***	***2006 9 months***	***2006 full year***
Consolidated net profit (including minority interests)	166.5	172.4	452.3
Depreciation, amortisation, provisions & impairment (excluding current assets)	71.9	52.6	101.7
Intangible assets and goodwill	*53.0*	*47.9*	*81.5*
Property, plant and equipment	*15.6*	*15.1*	*20.4*
Financial assets	*(0.5)*	*(0.1)*	*(0.1)*
Provisions	*3.8*	*(10.3)*	*(0.1)*
Other non-cash income and expenses	(6.9)	(14.9)	(11.8)
Effect of fair value remeasurement	(23.6)	0.1	0.9
Share-based payment expense	3.8	3.8	5.1
Net (gain)/loss on asset disposals	(4.8)	0.2	(252.7)
Share of (profits)/losses of associates	0.8	(10.2)	(13.1)
Dividend income from non-consolidated companies	-	-	(2.1)
Sub-total	**207.7**	**204.0**	**280.3**
Net interest expense	14.4	11.5	14.0
Income tax expense (including deferred taxes)	74.8	65.5	98.7
Operating cash flow	**296.9**	**281.0**	**393.0**
Income taxes paid	(72.5)	(90.3)	(112.0)
Change in operating working capital needs	(23.2)	55.9	42.4
Net cash generated by operating activities	**201.2**	**246.6**	**323.4**
including discontinued or held-for-sale operations	***-***	***16.0***	***-***
Cash outflows on acquisitions of property, plant & equipment and intangible assets	(71.9)	(67.3)	(75.5)
Cash inflows on disposals of property, plant & equipment and intangible assets	1.0	0.9	1.4
Cash outflows on acquisitions of financial assets	(9.5)	(4.0)	(7.2)
Cash inflows on disposals of financial assets	0.2	-	-
Effect of changes in scope of consolidation	(95.8)	(0.2)	(55.8)
Dividends received	-	-	2.1
Change in loans and advances receivable	(2.6)	(0.3)	(0.4)
Net cash used in investing activities	**(178.6)**	**(70.9)**	**(135.4)**
including discontinued or held-for-sale operations	***-***	***(10.8)***	***-***
Cash received on exercise of share options	8.8	49.4	50.9
Purchases and sales of treasury shares	(18.7)	(33.2)	(54.5)
Dividends paid during the period	(181.8)	(139.0)	(139.0)
Cash inflows from new debt contracted	82.6	188.3	132.7
Repayment of debt (including finance leases)	(140.7)	(11.4)	(11.3)
Net interest paid (including finance leases)	(7.0)	(2.3)	(12.6)
Net cash generated by/(used in) financing activities	**(256.8)**	**51.8**	**(33.8)**
including discontinued or held-for-sale operations	***-***	***(7.4)***	***-***
Effect of changes in exchange rates	-	-	-
Effect of changes in accounting policies	-	-	-
Effect of changes in fair value	-	-	-
including discontinued or held-for-sale operations	-	-	-
TOTAL CHANGE IN CASH POSITION	**(234.2)**	**227.5**	**154.2**
including discontinued or held-for-sale operations	-	(2.2)	-
			-
Cash position at beginning of period	**271.8**	**117.6**	**117.6**
Change in cash position	(234.2)	227.5	154.2
Cash position at end of period	**37.6**	**345.1**	**271.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT EVENTS IN THE NINE MONTHS ENDED 30 SEPTEMBER 2007

1.1. Acquisition by TF1 of a 33.5% interest in the AB Group

Following a decision issued on 27 March 2007 by the CSA, the French audiovisual regulator, TF1 and the Berda family completed, on 2 April 2007, the acquisition by TF1 of a 33.5% interest in the capital of the AB Group, which comprises the AB SAS group and the WB Télévision SA group. The acquisition price was €230m, payable in two instalments of €115m. The first payment was made by TF1 on 2 April 2007, the completion date of the transaction. In accordance with the terms of the agreement, the second instalment was paid on 2 October 2007.

The AB Group owns a catalogue of French-language television rights representing over 1,300 titles, and produces free-to-air TV channels in France and pay-TV channels available via satellite, cable, digital terrestrial TV or ADSL.

The interest in the AB Group has been accounted for as an associate (by the equity method) with effect from 1 April 2007.

Remeasurement of the assets, liabilities and contingent liabilities of the AB Group at fair value is ongoing. Consequently, TF1's share of the consolidated net profit of the AB Group for the six months from the acquisition date has not been recognised in the income statement for the nine months ended 30 September 2007.

The TF1 Group currently expects to have finalised the purchase accounting treatment of the AB Group prior to publication of the consolidated financial statements for the year ended 31 December 2007, and to include the contribution from the AB Group in the TF1 consolidated income statement on the basis of AB Group financial statements prepared as of 30 September 2007.

1.2. Completion of the sale of Europa TV

The sale of the 29% interest held by TF1 SA in Europa TV for a valuation of €32.2m was agreed with Holland Coordinator & Service Company Italia on 20 December 2006, subject to conditions precedent. Following approval by AGCOM (the Italian communications authority) on 6 June 2007, the sale was completed on 14 June 2007.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The condensed financial statements for the nine months ended 30 September 2007 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2006 as published in the 2006 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on 23 March 2007 under reference number D.07-0216. An English-language version of the audited consolidated financial statements for the year ended 31 December 2006 is included in the TF1 Financial Report, available on the TF1 corporate website at www.tf1finance.fr/en/index.php.

They have been prepared using accounting policies that comply with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable to periods beginning on or after 1 January 2007, and in accordance with IAS 34 (Interim Financial Reporting).

The consolidated financial statements of the TF1 Group include the financial statements of TF1 SA and its subsidiaries, and the TF1 Group's interests in associated undertakings. They are presented in millions of euros.

They were adopted by the Board of Directors on 12 November 2007, and have been subject to a limited review by the statutory auditors.

2.2. Accounting policies

The TF1 Group has applied the same accounting policies as those applied in the consolidated financial statements for the year ended 31 December 2006, except for those standards, amendments and interpretations that are mandatorily applicable with effect from 1 January 2007.

New standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2007

The new standards, amendments and interpretations that apply to the TF1 Group are as follows:

- IFRS 7 (Financial Instruments: Disclosures)

Applicable to annual periods beginning on or after 1 January 2007

- Amendment to IAS 1 (Capital Disclosures)

Applicable to annual periods beginning on or after 1 January 2007

IFRS 7 and the amendment to IAS 1 have no impact on the TF1 interim condensed financial statements.

- IFRIC 8 (Scope of IFRS 2 – Share-Based Payment)

Applicable to annual periods beginning on or after 1 May 2006

- IFRIC 10 (Interim Financial Reporting and Impairment)

Applicable to annual periods beginning on or after 1 November 2006

These interpretations had no material impact on the TF1 Group as at 30 September 2007.

The new standards, amendments and interpretations that do not apply to the TF1 Group are as follows:

- IFRIC 7 (Applying the Restatement Approach under IAS 29 – Financial Reporting in Hyperinflationary Economies)

Applicable to annual periods beginning on or after 1 March 2006

- IFRIC 9 (Reassessment of Embedded Derivatives)

Applicable to annual periods beginning on or after 1 June 2006

New standards early adopted by TF1

The TF1 Group has decided not to early adopt the following interpretation, issued by the IASB and adopted by the European Union, which did not become mandatorily applicable until after 1 January 2007:

- IFRIC 11 (Group and Treasury Share Transactions)

Applicable to annual periods beginning on or after 1 March 2007

Standards, amendments and interpretations issued by the IASB but not yet approved by the European Union

Standards whose application could have an impact on the presentation of the TF1 Group's financial statements:

- IFRS 8 (Operating Segments)

Applicable to annual periods beginning on or after 1 January 2009

- Amended IAS 1 (Presentation of Financial Statements)

Applicable to annual periods beginning on or after 1 January 2009

Amendments and interpretations whose application is not expected to have a material impact on the presentation of the TF1 Group's financial statements:

- Amendment to IAS 23 (Borrowing Costs)

Applicable to annual periods beginning on or after 1 January 2009

- IFRIC 12 (Service Concession Arrangements)

Applicable to annual periods beginning on or after 1 January 2008

- IFRIC 13 (Customer Loyalty Programmes)

Applicable to annual periods beginning on or after 1 July 2008

- IFRIC 14, IAS 19 (Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)

Applicable to annual periods beginning on or after 1 January 2008

Use of estimates

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

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

2.3. Consolidation methods

Subsidiaries

Companies over which TF1 exercises exclusive control are accounted for using the full consolidation method.

Exclusive control is presumed to exist where the parent company has the power directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are included in the consolidation from the date on which control is effectively transferred to the Group. Divested subsidiaries are excluded from the consolidation from the date on which the Group ceases to have control.

Jointly controlled entities

The TF1 Group uses the proportionate consolidation method to account for jointly controlled entities, defined as entities over which control is contractually shared by TF1 with a limited number of other shareholders.

Associates

The TF1 Group uses the equity method to account for investments in associates, defined as entities over which the Group exercises significant influence.

Where TF1 directly or indirectly holds 20% or more of the voting rights of an investee, significant influence is presumed to exist, unless it can be clearly demonstrated that this is not the case. The existence of significant influence may be evidenced by other criteria such as representation on the investee's Board of Directors or equivalent governing body, participation in policy-making processes, material transactions with the investee, or interchange of managerial personnel.

3. SEASONAL TRENDS

Advertising revenues are traditionally lower during the summer than during the rest of the year. The effect on third-quarter operating profit arises from the combined effects of lower advertising revenue and the broadcasting of any significant one-off events, especially sporting events.

4. PRINCIPAL CHANGES IN SCOPE OF CONSOLIDATION

4.1. Acquisition by TF1 of a 33.5% interest in the AB Group

With effect from 2 April 2007, the TF1 Group has exercised significant influence over the AB Group, as evidenced by its 33.5% interest in the capital and representation on the AB Group Board of Directors. Consequently, the TF1 Group has accounted for the AB Group as an associate (by the equity method) with effect from that date, in accordance with IAS 28.

At 1 April 2007, TF1's interest in the AB Group was recognised in the balance sheet at acquisition cost, which amounted to €230.3m after taking account of directly-attributable transaction costs and the effect of deferred payment terms. The investment is reported on a single line in the balance sheet, "Investments in associates". The liability for the second instalment of the payment for the AB Group, due on 2 October 2007, is reported at its discounted value as of 30 September 2007 under "Trade and other creditors".

In accordance with IAS 28, the value of the investment initially recognised at the acquisition date corresponds to TF1's share of the fair value of the AB Group's identifiable assets, liabilities and contingent liabilities, plus goodwill representing the excess of the acquisition price over TF1's share of the fair value of these assets, liabilities and contingent liabilities.

Under IAS 28, the carrying amount of the investment must be increased or decreased with effect from 2 April 2007 to recognise TF1's share of the profits or losses of the AB Group. This share must be reported in the TF1 consolidated financial statements on a single line, "Share of profits/(losses) of associates". Remeasurement of the assets, liabilities and contingent liabilities of the AB Group at fair value is ongoing. Consequently, TF1's share of the consolidated net profit of the AB Group for the six months from the acquisition date has not been recognised in the income statement for the nine months ended 30 September 2007, in order to avoid incompleteness in the components of the contribution to the consolidated net profit of the TF1 Group.

As at and from 31 December 2007, TF1's share of the profits or losses of the AB Group will be recognised by TF1 on the basis of the latest available financial statements of the AB Group. Given the timing of the financial statement preparation process within the AB Group, this share will be reported with a three-month time-lag.

For the six months ended 30 June 2007, the AB Group has reported a net profit of €19.5m, of which TF1's share amounts to €6.5m before any restatements or adjustments yet to be finalised as a result of the application of purchase accounting, the harmonisation of accounting policies, fair value remeasurements, and eliminations of intragroup transactions.

4.2. Other changes in the scope of consolidation

Buyout of minority interests in TV Breizh

In February 2007, the TF1 Group's interest in TV Breizh was increased from 98.28% to 100%, as the result of a capital increase with a total cost of €5.3m.

First-time consolidation of the foreign subsidiaries of Eurosport

With effect from 1 January 2007, the foreign companies Eurosport Media, Eurosport Spain, APT Eurosportnews Distribution, Eurosport Polska, Eurosport Norge, Eurosport Danmark and Eurosport Finland, all of which trade primarily with other companies in the Eurosport group, have been consolidated by TF1 using the full consolidation method. The aggregate contribution of these companies to TF1's consolidated revenues and operating profit for the nine months ended 30 September 2007 was not material.

Acquisition of exclusive control over Téléma

On 17 April 2000, TF1 International SAS acquired a 49% stake in Téléma, which was accounted for by the proportionate consolidation method from that date. Since 1 January 2007, Téléma has been accounted for by the full consolidation method, TF1 International having acquired the remaining 51% of the capital and voting rights for €5.6m. The €4.2m excess of the acquisition cost over the carrying amount of the minority interests acquired was allocated to "Audiovisual rights" in intangible assets.

Completion of the sale of Europa TV

Following the agreement by TF1 SA in December 2006 to sell its 29% interest in Europa TV subject to conditions precedent, TF1 SA's investment in Europa TV and its subsidiary Europa Network continued to be accounted for as an associate (by the equity method) pending fulfilment of the conditions.

Following approval by AGCOM (the Italian communications authority) on 6 June 2007, the sale was completed on 14 June 2007, generating a gain of €5.9m. This gain was recognised in "Other operating income and expenses" in the income statement for the nine months ended 30 September 2007.

Merger of TJM into Mediaplazza.com

A meeting of the Board of Directors of TJM (owned 50% by e-TF1 and 50% by Jet Publishing) on 14 June 2007 finalised the terms for the merger of TJM into Mediaplazza.com, a 100% subsidiary of the Jet Multimédia group. As a result of this merger, e-TF1 holds a 17.5% interest in Mediaplazza.com, which is classified an available-for-sale financial asset. The proposed merger of TJM into Mediaplazza was approved on 27 July 2007. TJM was deconsolidated as of 31 March 2007, and the transaction had no effect on the consolidated financial statements.

5. DISCONTINUED/HELD-FOR-SALE OPERATION AS AT 30 SEPTEMBER 2006

Transfer of TPS to Canal+ France

Under the terms of an agreement described in note 1-1 to the 2006 Financial Report, TF1 and M6 ceased to exercise joint control over TPS SNC and its subsidiaries and over TPS Gestion with effect from 1 September 2006. In the consolidated income statement for the year ended 31 December 2006, the impact of the discontinued operation was reported on a separate line, which included the income and expenses of TPS for the first eight months of the year and the gain realised on the sale of TPS. The amounts involved were:

- The post-tax gain of €211.8m on the transfer of the assets of TPS to Canal+ France, computed as the difference between the net value of the transferred assets and the fair value of the financial assets received in exchange minus transaction costs.
- Income and expenses from discontinued operations for the eight months ended 31 August 2006, of a net amount of €41.8m.

The breakdown of the post-tax profit of the discontinued operation (TPS) is as follows:

(€ million)	**8 months ended 31 August 2006**
Revenue	**235.1**
External production costs	(56.3)
Other purchases and changes in inventory	(15.7)
Staff costs	(23.6)
External expenses	(85.3)
Taxes other than income taxes	(4.6)
Depreciation and amortisation, net (1)	0.0
Provisions and impairment, net	(5.9)
Other operating income and expenses	1.2
Current operating profit	**44.9**
Cost of debt	(1.4)
Income from cash and cash equivalents	(0.4)
Cost of net debt	**(1.8)**
Other financial income and expenses	**(0.6)**
Income tax expense	(0.7)
Post-tax profit of discontinued or held-for-sale operations	**41.8**

(1) In accordance with IFRS 5, the TF1 Group ceased depreciating and amortising the non-current assets of TPS when it was classified as held-for-sale. Unrecognised depreciation and amortisation expense for the eight months to 31 August 2006 amounted to €14.6m.

Details of the impact of the discontinued operation on the balance sheet are presented below:

ASSETS (€ million)	**31 August 2006**
Intangible assets	10.4
Goodwill	420.3
Property, plant and equipment	54.2
Other financial assets	0.2
Non-current tax assets	3.8
NON-CURRENT ASSETS	**488.9**
Programmes and broadcasting rights	28.9
Trade and other debtors	123.0
Current tax assets	-
Foreign exchange derivative instruments	0.1
Cash and cash equivalents	3.3
CURRENT ASSETS	**155.3**
TOTAL ASSETS OF HELD-FOR-SALE OPERATIONS	**644.2**

LIABILITIES (€ million)	**31 August 2006**
Long-term debt	7.2
Non-current provisions	0.5
Non-current tax liabilities	1.1
NON-CURRENT LIABILITIES	**8.8**
Short-term debt	98.2
Foreign exchange derivative instruments	0.5
Interest rate derivative instruments	0.1
Trade and other creditors	252.0
Current provisions	27.1
CURRENT LIABILITIES	**377.9**
TOTAL LIABILITIES OF HELD-FOR-SALE OPERATIONS	**386.7**

6. SEGMENT INFORMATION

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. The primary level of segment reporting adopted by TF1 is the business segment, because risks and returns on investment are affected by the nature of the products or services sold. Management measures segment performance by reference to current operating profit.

The business segments used in primary-level segment reporting are:

Broadcasting France

This segment includes the TF1 channel, associated and spin-off activities regarded as inseparable from this channel, and other free-to-air or pay-TV channels broadcasting primarily to France. Activities inseparable from TF1 include the in-house advertising airtime sales agency, and companies involved in the production or co-production of programmes intended exclusively for the TF1 channel, such as Ushuaïa, Alma Productions and Glem.

Broadcasting International

This segment comprises subsidiaries involved in the development and broadcasting of pay-TV programmes primarily broadcast outside France, in particular Eurosport and France 24.

Audiovisual Rights

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

Other Activities

This segment comprises all activities not included in any of the segments described above.

In the year ended 31 December 2006, the TF1 Group had a fifth business segment, "Distribution". This segment comprised subscription-based distribution of the TPS pay-TV offering, a business that was transferred to Canal+ France. Refer to note 5, "Discontinued/held-for-sale operation as at 30 September 2006", for details of this transaction.

The contribution of each business segment to the TF1 consolidated financial statements for the nine months ended 30 September 2007 was as follows:

(€ million)	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities		Distribution		Eliminations		**Consolidated total**	
	2007 9 months	2006 9 months	2007 9 months	2006 9 months	2007 9 months	2006 9 months	2007 9 months	2006 9 months	2007 9 months	2006 9 months	2007 9 months	2006 9 months	**2007 9 months**	**2006 9 months**
Third-party revenue	1,587.5	1,541.3	177.9	150.2	204.9	193.6	-	-	-	-	-	-	**1,970.3**	**1,885.1**
Inter-segment revenue	3.9	3.0	4.2	4.3	11.3	11.3	-	-	-	-	(19.4)	(18.6)	**-**	**-**
Total revenue	**1,591.4**	**1,544.3**	**182.1**	**154.5**	**216.2**	**204.9**	**-**	**-**	**-**	**-**	**(19.4)**	**(18.6)**	**1,970.3**	**1,885.1**
Current operating profit	**199.1**	**160.6**	**4.3**	**12.1**	**31.1**	**21.8**	**-**	**-**	**-**	**-**	**-**	**-**	**234.5**	**194.5**
Share of profits/(losses) of associates (1)	-	-	-	-	-	8.8	(0.8)	1.4	-	-	-	-	**(0.8)**	**10.2**
Post-tax profit of discontinued or held-for-sale operations (2)	-	-	-	-	-	-	-	-	-	41.8	-	-	**-**	**41.8**

(1) The share of profits of associates for the Broadcasting International segment relates to Europa TV and its subsidiary Europa Network, which made a zero contribution to the TF1 Group's consolidated net profit for the nine months ended 30 September 2007. TF1's interest in the Europa TV sub-group was sold on 14 June 2007.

The share of losses of associates for the Other Activities segment for the nine months ended 30 September 2007 relates to Metro France Publications, the only associate belonging to this segment since the sale of Prima TV in December 2006.

(2) Post-tax profit of discontinued or held-for-sale operations for the nine months ended 30 September 2006 represents the net profit of TPS.

Inter-segment sales and transfers are conducted on an arm's-length basis.

7. 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)	30 September 2007	31 December 2006
Cash and cash equivalents in the balance sheet	48.0	275.2
Treasury current account credit balances	(5.2)	(1.6)
Bank overdrafts	(5.2)	(1.8)
Total net cash position at end of period per cash flow statement	**37.6**	**271.8**

8. NET DEBT

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

(€ million)	30 September 2007	31 December 2006
Cash and cash equivalents (1)	48.0	275.2
Financial assets held for treasury management purposes	-	-
Total cash and cash equivalents (A)	**48.0**	**275.2**
Fair value of interest rate derivative instruments (B)	**4.8**	**0.6**
Long-term debt (2)	497.2	505.6
Short-term debt (1)	119.3	148.7
Total debt (C)	**616.5**	**654.3**
Net debt (C) - (B) - (A)	**563.7**	**378.5**

(1) The amount of cash and cash equivalents at 30 September 2007 reflects the repayment in the first quarter of 2007 of the €99m advance paid by Vivendi on 6 January 2006, which with accrued interest totalled €101.9m. Because the matching liability for this advance was classified as short-term debt, the repayment had no effect on consolidated net debt.

(2) In November 2003, the TF1 Group issued €500m of fixed-rate bonds maturing 2010. Of this issue, €300m is hedged against interest rate risk. The effective interest rate of the issue at 30 September 2007 was 4.53% before hedging and 4.22% after hedging.

The fair value of this bond issue recognised in the balance sheet at 30 September 2007 was €495 million. This value includes amortisation arising from the measurement of the initial €500m debt at amortised cost, and changes in the fair value of the hedged portion (which fell by €2.9m in the nine months to 30 September 2007). The change in fair value is determined by discounting future cash flows on the basis of market interest rates at 30 September 2007, after factoring in credit risk.

9. OTHER FINANCIAL ASSETS

The Canal+ France financial asset received in exchange for the transfer of TPS shares in the transaction described in note 4 represents a 9.9% interest in the capital of Canal+ France plus a put option exercisable in February 2010. This option will enable TF1 to sell all its Canal+ France shares at the greater of:

- a minimum price of €745.8m (for TF1's interest);
- an independent valuation at the exercise date.

On initial recognition, the TF1 Group designated the Canal+ France financial asset (comprising the equity interest and the put option) as a financial asset at fair value through profit or loss. Changes in the fair value of the asset are recognised in "Other financial income and expenses" (see note 11).

The fair value of this financial asset is determined on the basis of the minimum price of €745.8m, discounted at the interest rate derived from the agreement signed on 6 January 2006. During the nine months to 30 September 2007, the fair value of the asset increased by €27.4m, raising the reported value of the asset to €656.2m as at that date.

10. COST OF NET DEBT

Cost of net debt comprises the following items:

(€ million)	2007 9 months	2006 9 months
Interest expense on debt	(18.3)	(15.5)
Change in fair value of bond issue	2.9	8.9
Change in fair value of swap contract used to hedge bond issue	(3.0)	(8.5)
Change in fair value of other swap contracts	(0.2)	0.8
Cost of debt	**(18.6)**	**(14.3)**
Proceeds on disposals of short-term investments, net of impairment losses	3.1	3.3
Income from short-term investments	0.2	0.3
Interest income/(expense) on cash, cash equivalents and current accounts	1.0	2.1
Income from cash and cash equivalents	**4.3**	**5.7**
Cost of net debt	**(14.3)**	**(8.6)**

11. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise:

(€ million)	2007 9 months	2006 9 months
Dividends	-	-
Change in fair value of Canal+ France financial asset	27.4	-
Change in fair value of forward currency purchase contracts	(3.4)	(0.6)
Impairment of financial assets	-	-
Provisions for liabilities and charges on financial items	-	0.4
Effect of discounting of assets and liabilities	(2.3)	-
Other items	0.2	(0.6)
Other financial income and expenses	**21.9**	**(0.8)**

The change in the fair value of the Canal+ France financial asset (interest in Canal+ France plus put option) represents an increase of €27.4m relative to the fair value measured at 31 December 2006 (see note 9).

12. DIVIDENDS PAID

The table below shows the dividend per share paid by the TF1 Group on 2 May 2007 in respect of the 2006 financial year, and the dividend paid during 2006 in respect of the 2005 financial year.

	Paid in 2007	Paid in 2006
Total dividend payout (€ million)	181.8	139.0
Dividend per share (€)	0.85	0.65

13. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

Télévision Française 1

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