

Boulogne-Billancourt, May 11, 2010

**Consolidated revenue up 11%**  
**An operating profit of €44m**

The TF1 Board of Directors, chaired by Nonce Paolini, met on May 11, 2010 to adopt the financial statements for the three months ended March 31, 2010.

<b>CONSOLIDATED FIGURES (€m)</b>	<b>Q1 2010</b>	<b>Q1 2009</b>	<b>Change %</b>	<b>Change €m</b>
<b>Revenue</b>	<b>597</b>	<b>538</b>	<b>+11%</b>	<b>+59</b>
<i>TF1 Channel advertising</i>	<i>363</i>	<i>321</i>	<i>+13%</i>	<i>+42</i>
<i>Other activities</i>	<i>234</i>	<i>217</i>	<i>+8%</i>	<i>+17</i>
<b>Operating profit / (loss)</b>	<b>44</b>	<b>(12)</b>	<b>na</b>	<b>+56</b>
Cost of net debt	(5)	(3)	na	(2)
<b>Net profit attributable to the Group</b>	<b>33</b>	<b>6</b>	<b>na</b>	<b>+27</b>

<b>Revenue by segment (€m)</b>	<b>Q1 2010</b>	<b>Q1 2009</b>	<b>Change %</b>	<b>Operating profit/(loss) by segment (€m)</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Broadcasting France	481	436	+10%	Broadcasting France	38	(3)
Audiovisual Rights	32	33	(3%)	Audiovisual Rights	(4)	(14)
Broadcasting International	84	69	+22%	Broadcasting International	10	6
Other Activities	0	0	na	Other Activities	0	(1)
<b>Total Group TF1</b>	<b>597</b>	<b>538</b>	<b>+11%</b>	<b>Total Group TF1</b>	<b>44</b>	<b>(12)</b>

**11% growth in consolidated revenue**

TF1 Group consolidated revenue rose by €59m (11%) in the first quarter of 2010 to €597m.

**TF1 channel: 13% growth in advertising revenue**

TF1 channel first-quarter advertising revenue totalled €363m, a year-on-year increase of €42m (13%).

This marks a continuation of the trend seen in the final quarter of 2009, with a soft comparative (especially in volume terms) but price pressure remaining strong in an uncertain economic climate.

With 89% of individuals aged 4 and over in France now having access to 18 or more channels (10 percentage points more than a year ago), TF1 maintained its high level of audience share in the first quarter of 2010, attracting 25.1% of individuals aged 4 and over and 29.3% of the target audience of "women aged under 50 purchasing decision-makers"<sup>(1)</sup>. TF1 has retained its position as unrivalled market leader among French and European TV channels.

The channel also attracted the highest viewing figures for the year to date, when 11.6 viewers watched the *Les Enfoirés* show on March 12, 2010. TF1 is continuing to record excellent figures in time slots with high monetisation potential (7 p.m. to 1 a.m.), with an increased gap over its nearest competitors than over the day as a whole<sup>(1)</sup>.

In the first quarter of 2010, the channel maintained prime time viewing figures at a high level, attracting an average of 6.8 million viewers and 49 of the 50 biggest audiences (the same as in the first quarter of 2009). It was the only channel to attract more

than 9 million viewers, a feat it achieved 11 times. TF1 is market leader in 90% of prime time slots, thanks to the diversity of its programmes<sup>(1)(2)</sup>.

#### **Diversification activities: 8% revenue growth**

Revenue from diversification activities was €234m, a year-on-year increase of €17m (or 8%).

The strategy applied over the past two years mainly through:

- forging alliances;
- adopting a 360° vision;
- expanding Eurosport channels, especially in Eastern Europe and Asia, and Eurosport2, Eurosport HD and EurosportNews channels;

helped the various divisions return to revenue growth in the first quarter of 2010.

#### **Ongoing optimisation plan: €6m savings**

**Programming costs** for the TF1 channel for the first quarter of 2010 were €223m, against €228m for the comparable period of 2009, a reduction of €5m. Of these €5m savings, €3m can be regarded as recurring.

Savings on **other costs** during the first quarter of 2010 were €3m, obtained by renegotiating supplier contracts.

These savings come on top of the €106m achieved in the previous two years.

#### **7.3% operating margin**

The TF1 Group made a €44m operating profit in the first quarter of 2010, an improvement of €56m on the comparable period of 2009. Operating margin for the period was 7.3%.

These first-quarter figures demonstrate TF1's success in adapting its business model: while revenue increased by €59m, operating profit rose by €56m.

The TF1 Group as a whole still places a high priority on rigorous management and on adapting its business model to the new economic and competitive landscape.

Following the buyout of the remaining 50% interest in SPS, the operating profit for the first quarter of 2010 also includes a gain of €6m on the remeasurement of Eurosport's existing equity interest in SPS to reflect the price paid to Serendipity. This non-recurring contribution to 2010 first-quarter operating profit is of a similar nature to the €4m gains recognised on the divestment of Surinvitation.com and France 24 in the first quarter of 2009.

#### **Net profit of €33m**

The **cost of net debt** rose from €3m to €5m, due to two factors: the cost of carrying the Group's bond debt in the first quarter of 2010, and non-recurrence of the fair value remeasurement gains on interest rate hedges recognised in the first quarter of 2009.

**Other financial income and expenses** showed a net gain of €1m in the first quarter of 2010, versus a net gain of €9m in the first quarter of 2009. The main reason was the non-recurrence of the fair value remeasurement of the Canal+ France put option.

**Income tax expense** was €11m, an increase of €19m compared with the first quarter of 2009, reflecting an increase in profits.

The **share of profits from associates** was €4m, reflecting in particular results from the AB Group.

Overall, **net profit** for the first quarter of 2010 was €33m, against €6m for the comparable period of 2009.

### **Healthy balance sheet**

As of March 31, 2010, TF1 had **shareholders' equity** of €1,433m, out of a balance sheet total of €3,560m.

The Group had **net surplus cash** of €167m at March 31, 2010, versus net surplus cash of €73m at December 31, 2009, the improvement being attributable mainly to the pick-up in revenue in the first three months of the year.

As of March 31, 2010, TF1 had confirmed **bilateral credit facilities** of €1,030.5m with various banks, enabling the Group to retain a solid financial position.

### **2010 Guidance**

In order to integrate the resale of rights of the 2010 FIFA World Cup for €33m and the acquisition of TMC and NT1, TF1 Group has raised its guidance for 2010 full-year growth in consolidated revenue to + 4%.

While the early part of 2010 has proved rather buoyant for advertising, vigilance will remain the watchword over the coming months. Although volumes have picked up, advertisers are still wary in the current economic climate; they are giving little visibility on their future spending, and are maintaining strong price pressure. In addition, TF1 will face tougher comparatives in the second half.

The coming months will present many initiatives: the broadcast of the 2010 FIFA World Cup, the implementation of the partnership with Française des Jeux, the opening of the gaming and sports gambling market and the integration of TMC and TN1. TF1 Group will meet these initiatives with creativity and its usual combination of innovation and economic realism and will thus continue to adapt its business model and actively develop diversifications.

### **Corporate Governance**

The Board of Directors has acknowledged the resignation of Haïm Saban, for personal reasons, as a Director and thanked him for his participation at the Board for more than seven years. It will appoint a replacement at the next Board meeting, scheduled for July 22, 2010.

<sup>1</sup> Source: Médiamétrie

<sup>2</sup> Market leadership in TF1 prime time slots

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