Financial Report

First nine months of 2009

Contents

Consolidated key figures

€m	**2009: 9 months**	**2008: 9 months restated**	**2008: 9 months reported**	**2008: full year**
Revenue*	1,628.5	1,863.9	1,880.3	2,594.7
TF1 channel advertising revenue	*966.9*	*1,187.8*	*1,187.8*	*1,647.3*
Revenue from other activities	*661.6*	*676.1*	*692.5*	*947.4*
Operating profit	32.7	129.8	129.8	176.5
Net profit attributable to the Group	50.7	110.5	110.5	163.8
Operating cash flow**	100.5	205.0	208.5	269.9
Shareholders' equity	1,329.1	1,325.6	1,325.6	1,376.9
Net debt	787.1	714.6	714.6	704.5
Basic earnings per share (€)	0.24	0.52	0.52	0.77
Diluted earnings per share (€)	0.24	0.52	0.52	0.77

* Consolidated revenue has been restated to exclude revenues generated by activities where TF1 acts as agent for third parties (€16.4m for the first nine months of 2008). This has no impact on profit.
** Operating cash flow before cost of net debt and income taxes.

	2009: 9 months	**2008: 9 months**	**2008: full year**
Weighted average number of shares outstanding (in thousands)	213,396	213,401	213,400
Closing share price at end of period (€)	12.01	12.41	10.44
Market capitalisation at end of period (€bn)	2.6	2.6	2.2

Income statement contributions by segment

(€m)	Revenue* 2009: 9 months	2008: 9 months restated	2008: 9 months reported	2008: full year	Operating profit/(loss) 2009: 9 months	2008: 9 months restated	2008: 9 months reported	2008: full year
BROADCASTING FRANCE	**1,288.6**	**1,523.4**	**1,539.8**	**2,103.5**	**24.9**	**123.8**	**123.8**	**164.3**
TF1 SA	973.2	1,193.1	1,193.1	1,655.0	-8.4	104.9	104.9	136.4
Téléshopping	75.8	97.9	109.4	126.3	2.6	5.8	5.8	5.4
Theme channels – France [a]	140.5	138.3	138.3	187.9	13.0	3.8	3.8	3.6
TF1 Entreprises	22.2	20.8	20.8	36.0	-1.0	-1.3	-1.3	-0.4
Production [b]	14.1	24.0	24.0	31.1	4.4	7.4	7.4	2.7
e-TF1	51.8	43.1	38.1	60.4	-4.3	-4.3	-4.3	-4.1
Other [c]	11.0	6.2	16.1	6.8	18.6	7.5	7.5	20.7
AUDIOVISUAL RIGHTS	**104.3**	**105.9**	**105.9**	**174.0**	**-22.5**	**-7.7**	**-7.7**	**-10.8**
Catalogue [d]	40.5	39.0	39.0	54.7	-11.2	-6.3	-6.3	-12.9
TF1 Vidéo [e]	63.8	66.9	66.9	119.3	-11.3	-1.4	-1.4	+2.1
BROADCASTING INTERNATIONAL [f]	**234.7**	**234.0**	**234.0**	**316.2**	**35.7**	**16.7**	**16.7**	**26.6**
OTHER ACTIVITIES [g]	**0.9**	**0.6**	**0.6**	**1.0**	**-5.4**	**-3.0**	**-3.0**	**-3.6**
TOTAL – CONTINUING OPERATIONS	**1,628.5**	**1,863.9**	**1,880.3**	**2,594.7**	**32.7**	**129.8**	**129.8**	**176.5**

[a] Comprises Eurosport France, LCI, TV Breizh, TMC, TF6, Série Club, Odyssée, Histoire, Ushuaïa TV, TFOU, JET and TF1 Digital.
[b] In-house TV and cinema production entities.
[c] Mainly comprises TF1 Publicité, GIE Achats de Droits and GIE Aphélie.
[d] Mainly comprises TF1 International, Telema and TCM.
[e] Including CIC and RCV.
[f] Eurosport International and France 24 (the interest in France 24 was sold to Audiovisuel Extérieur de la France (AEF) on February 12, 2009).
[g] Top Ticket.s (Pilipili).

Quarterly revenue figures*

€m	Q1 2009	Q1 2008	*Change 09/08*	Q2 2009	Q2 2008	*Change 09/08*	Q3 2009	Q3 2008	*Change 09/08*
BROADCASTING FRANCE	435.4	552.6	*-21.2%*	477.6	571.9	*-16.5%*	375.6	398.9	*-5.8%*
AUDIOVISUAL RIGHTS	33.0	36.5	*-9.5%*	35.9	41.2	*-12.9%*	35.4	28.2	*+25.5%*
BROADCASTING INTERNATIONAL	69.2	64.2	*+7.8%*	78.1	86.1	*-9.3%*	87.4	83.7	*+4.4%*
OTHER ACTIVITIES	0.3	0.1	*x 3*	0.6	0.2	*x 3*	0.0	0.3	*ns*
TOTAL – CONTINUING OPERATIONS	**537.9**	**653.4**	***-17.7%***	**592.2**	**699.4**	***-15.3%***	**498.4**	**511.1**	***-2.5%***

* Consolidated revenue has been restated to exclude revenues generated by activities where TF1 acts as agent for third parties (€16.4m for the first nine months of 2008 of which €5.7m for the third quarter 2008). This has no impact on profit.

2009 Key Events

BROADCASTING FRANCE

TF1 Channel

The new French law on audiovisual communication and the new public service television was adopted on January 5, 2009, promulgated on March 5, 2009, and published in the Official Journal on March 7, 2009. This law brought an end to advertising on France Télévisions channels between 8 p.m. and 6 a.m., with effect from January 5, 2009.
It also transposed the European Audiovisual Media Services directive into French law, allowing the insertion of a second commercial break into audiovisual works.
The French audiovisual sector reforms also included a decree, applicable from January 1, 2009, which changed the basis used to count advertising time from a rolling 60 minutes to an actual clock hour, and raised the daily limit on advertising from 144 to 216 minutes (i.e. from an average of 6 minutes per hour to an average of 9 minutes per hour over the day as a whole, with a maximum of 12 minutes per actual clock hour).

Over the first nine months of the year, TF1 was the most-watched channel on 94% of evenings[1], and obtained 49 of the 50 highest audience ratings.

On March 6, 2009, TF1 achieved a record TV audience of 12.3 million viewers[1] with *Les Enfoirés font leur Cinéma*.

On August 26, 2009, TF1 unveiled its autumn schedules, including 40 new shows, the key themes being diversity, proximity, rediscovery, and the unexpected.

On September 25, 2009, the final of *Secret Story* at the end of a 14-week run attracted nearly 5 million viewers, while the dedicated website drew 100 million visitors over the period, or more than 1 million per day. This series demonstrated the success of the cross-fertilisation strategy between the Group's TV channels and the internet.

Theme channels

Over the first nine months of 2009, TMC confirmed its position as the leading DTT channel, with 2.5% national audience share[1] and 18 programmes with over 1 million viewers. TMC has also adopted a new visual identity, unveiled a new logo and switched to 16/9.

On June 11, 2009, TF1 and the AB Group signed an agreement with a view to the purchase by TF1 of 100% of NT1 and the 40% of TMC currently held by the AB Group. This deal, which would raise TF1's stake in TMC to 80%, is subject to approval by the relevant authorities. On August 26, 2009, the French competition authorities decided that the proposed deal should be subject to an in-depth review (Phase II). The CSA (the French audio-visual regulator), to whom the matter was referred by the competition authorities, issued a consultative opinion on September 29, 2009.

On January 15, 2009, LCI launched LCI Radio, a radio channel available free on the web. LCI Radio is a general-interest news channel enhancing the LCI.fr offering, and features original programmes made by journalists from the Group's various editorial teams. It is therefore an example of a successful cross-fertilisation project.
LCI Radio is also available on iPhone and iPod Touch.
LCI Web Radio provides news bulletins on the OUI FM radio station.

On April 7, 2009, LCI announced an alliance with Aéroports de Paris and JC Decaux to supply news programming for broadcast on the first-ever dedicated TV service for passengers using Orly and Roissy-Charles de Gaulle airports.

On May 26, 2009, LCI Radio was selected to be broadcast on digital terrestrial radio in three French cities – Paris, Marseille and Nice – starting at end 2009.

LCI launched its Android application on July 29, 2009 to coincide with the launch by Bouygues Telecom of the Samsung Galaxy, the first consumer smartphone to use the Google operating system.

[1] Source: Médiamétrie Médiamat – Individuals aged 4 and over (NB: over the duration of the TF1 prime time slot)

The period of consultation with satellite operators about possible non-exclusive distribution of the TF1 Group's theme channels expired on August 28, 2009. The financial terms offered by the operators were regarded as inadequate, so the theme channels will continue to be distributed exclusively by Canalsat until end 2011.

Other companies

TF1 Publicité

Since the start of 2009, TF1 Publicité has been marketing the advertising offering of *Les Indépendants*, an economic interest grouping of 120 local and regional radio stations. This leading national offering (18.3% commercial audience share for individuals aged 25-49, April-June 2009[2]) now also includes Sud Radio and Wit FM. Marketing these advertising platforms is part of TF1's multimedia communication strategy.

TF1 Production

With effect from January 1, 2009, Alma, Glem, Quai Sud, TAP, TPP and Yagan have been combined within a single legal entity: TF1 Production. This merger has led to the amalgamation of teams and the development of synergies, accompanied by a pooling of administrative functions.

On June 3, 2009, the French Supreme Court delivered its judgment on the case relating to the *Ile de la Tentation* reality TV show, ruling that the participants' contracts should be reclassified as contracts of employment. However, the ruling denied the claimants the status of "actor/performing artist", and dismissed the claim of clandestine employment.

Téléshopping

On February 12, 2009, Téléshopping finalised the sale of all the shares in its Shopping à la Une subsidiary, producer of the surinvitation.com website, to Initiatives et Développements.

e-TF1

The new tf1.fr website has been on line since April 16, 2009. The site uses news and scheduled TV programmes, a huge range of video content and interaction between TF1 and its viewers as the focus for an online community that complements the channel's core activities.

On July 27, 2009, TF1 moved into the iPhone space, launching the TF1 Player application for live and catch-up viewing of the channel's output. This launch means that TF1 is now available via all media, especially those most popular with consumers.

A pilot of MyTF1 was launched on September 21, 2009. This portal, a first, makes TF1 content available via the Bouygues Telecom BBox. It is a highly innovative development, which gives scope for the Group to expand its products through new channels.

TF1 Entreprises

On May 31, 2009, at the Licensing Show in Las Vegas, TF1 Games was awarded the Silver Medal in the Licensee of the Year category by Twentieth Century Fox for its innovative work on the *Ice Age* franchise. This international recognition – which covers all licences – is just reward for the efforts of TF1 Games in the licensing field.

On July 10, 2009, TF1 Licences was awarded a multi-year agency contract to exploit the All Blacks trademark under a promotional licence in the French market.

[2] Source: Médiamétrie 126,000 Radio April - June 2009 / Monday - Friday / 5 a.m. – midnight / Commercial audience share calculated on the basis of the aggregate of the AQH shares of advertising airtime sales houses (AJ 09 scope): TF1 Publicité Radios + Lagardère Publicité + IP Radio + NRJ Global + Skyrégie + RMC + Radio Classique.

TF1 Entreprises made a further addition to its licence portfolio on September 15, 2009 when it was appointed as agent for the Babar trademark in France and other European territories such as Belgium, the Netherlands, Monaco, Andorra, the French overseas departments and territories, and French-speaking Switzerland.

Following on from the *Cléopâtre* show, the *Mozart* rock opera – which opened on September 22, 2009 – has proved a great success, with 180,754 tickets sold as at October 1, 2009.

AUDIOVISUAL RIGHTS

TF1 International

On July 1, 2009, TF1 and UGC signed an agreement to pool their expertise in the acquisition of film rights, the distribution of films in French cinemas, and the foreign sale of audiovisual rights. Approval having been obtained from the relevant authorities, the completion documents for the agreement between TF1 International and UGC Image were signed on September 28, 2009.

TF1 Vidéo

On January 16, TF1 Vision launched on iTunes Store an iPhone application which makes it possible to find advertising banners and extracts from the latest posts on the TF1 Vision site.

On May 29, 2009, TF1 Vidéo and Sony Pictures Home Entertainment (SPHE) announced the formation of an economic interest grouping for the distribution of video products in the French market. The aim of the grouping, which began trading on September 1, 2009, is to pool resources to sell DVDs and Blu-ray discs from the TF1 Vidéo and SPHE catalogues.

On June 15, 2009, TF1 Vision, in partnership with Sony Ericsson, launched the first video rental on demand platform for the new W995 mobile telephone.

On July 30, 2009, Orange and TF1 Vidéo announced the signature of an agreement under which content supplied by TF1 Vision, the TF1 Group's video on demand service, will be made available on Orange's VoD platform, thereby extending the distribution range of TF1 Vidéo content.

The rollout of TF1 Vision moved forward on September 29, 2009 when it went live on the Orange 24/24 Video service. It is available from the main internet service providers with an offer over 6,500 programmes. TF1 Vision is also benefiting from a movie environment that is particularly buoyant, with the online release of films like *Go Fast*, *LOL* and *Le Transporteur 3*. Finally, teaser episodes of series such as *Grey's Anatomy* Season 5, *Dr House* Season 5 and *Lost* Season 5 have also performed very well.

BROADCASTING INTERNATIONAL

On February 12, 2009, TF1 SA sold its France 24 shares (50% of the capital and voting rights) to Audiovisuel Extérieur de la France (AEF). The sale generated a net gain of some €2m.

In January 2009, SPS (a 50/50 joint venture between Serendipity and Eurosport) obtained a full e-gaming licence to operate in the United Kingdom. On June 1, 2009, SPS launched a UK-based online gaming and betting site, EurosportBET.com, which is intended to operate Europe-wide as new markets are opened up.

On July 30, 2009, Eurosport launched the Eurosport iPhone application, which offers unique sporting content across Europe, including live coverage of major competitions and sports results.

On August 3, 2009, the Eurosport group launched the Eurosport 2 North and Eastern Europe channel, which will be broadcast 24/24 in HD across 22 countries in the region. This new-generation sports channel will carry live coverage and sports news, and demonstrates the international pulling power of the Eurosport brand.

SUSTAINABLE DEVELOPMENT

On April 28, 2009, TF1 joined with five partners to launch the "Ecoprod" campaign, which sets out core principles for environmentally-friendly film and audiovisual production.

At the start of September 2009, TF1 welcomed the second annual intake of the TF1 Enterprise Foundation, as nine young people from deprived areas joined TF1 to spend two years working in various departments.

On September 29, 2009, TF1 launched an internal and external disability awareness campaign, organised by the Group's "Actions Handicap Committee" and the Management Committee.

OTHER EVENTS

On se retrouve sur TF1 ("See you on TF1!") is the tagline in the new advertising campaign launched by TF1 on May 22, 2009 as part of the global strategy to bring TF1 and its audiences even closer together.

Management Review – Third Quarter of 2009

Boulogne, November 10, 2009

Changes in accounting policy

TF1 has not made any changes in accounting policy during 2009 to date except for the IASB standards, amendments and interpretations applicable from January 1, 2009 as indicated in note 2.3 to the consolidated financial statements, which have no impact on the financial statements as presented.

Revenue

The first nine months of 2009 represented a tough challenge for TF1, as the Group was forced to adapt quickly not only to the economic crisis, but also to changes in the French regulatory landscape.

TF1 Group consolidated revenue for the first nine months of 2009 was down 12.6% at €1,628.5m.

Over the first nine months of the year, net advertising revenue of the TF1 channel fell by 18.6% to €966.9m. Total advertising revenue for the TF1 Group was 18.0% lower at €1,085.0m. This decline reflects a sharp drop in advertising spend on established channels, plus heavy price pressure.
Also affected by the economic climate, diversification revenue was down 2.1% at €661.6m.

Third-quarter consolidated revenue fell by 2.5% to €498.4m.

An improvement in advertising market trends emerged in the third quarter on a recovery in advertising spend in some sectors, especially consumer goods.
Against this backdrop, the TF1 channel saw third-quarter advertising revenue fall by 5.5% to €280.4m. Total advertising revenue for the TF1 Group was 6.8% lower at €317.5m.

Diversification revenue rose by 1.6% in the third quarter, to €218.0m.
The third quarter confirmed the revenue downtrend for both Téléshopping (due to shrinking demand) and for the Production business (due to the lack of tours and a touch comparative). Conversely, the third quarter also confirmed the improvement in performances at Eurosport International (driven by subscriptions), e-TF1 (thanks to interactivity), and all of the Group’s other channels.

Optimisation plan

The optimisation plan was stepped up again in the third quarter of 2009.

Programming costs

Excluding sporting events, savings of €5m had been achieved in programming costs by end June 2009. Third-quarter programming costs totalled €209m, representing savings of €26m. Overall, TF1 channel programming costs for the first nine months of 2009 were €664m, a saving of €31m relative to the €695m recorded in the comparable period of 2008.
Programming costs for the first nine months of 2009 excluding special sporting events also included around €10m for programmes shown in the slots occupied by football matches in June 2008.

It is also worth pointing out that the €54m spent on the Euro 2008 football tournament will not be invested in 2009 programming costs.

Consequently, programming costs were down €85m year-on-year to end September.

The significant savings achieved in programme budgets reflect genuine optimisation and a drive to renegotiate the unit cost of programmes, limit our commitments, and make better use of programme stocks. Even though cost was a factor in choosing programmes for our summer schedules, we nonetheless maintained viewing figures and advertising revenue at satisfactory levels.

Other costs

Savings in other costs to end June 2009 amounted to €26m.

By end September, these savings had reached €30m:
- €12m in purchasing efficiencies;
- €10m from discontinued activities (surinvitation.com and France 24), comprising €4m of gains on disposal and €6m of cost savings;
- €8m of other cost reductions.

All our entities have responded to the difficult economic climate by significantly optimising their structures and costs.

Results

Operating profit for the first nine months of 2009 was €32.7m, a year-on-year fall of €97.1m, reflecting:

- the decline in advertising revenue;
- an additional charge of €14m imposed by the new tax to fund public service broadcasting;
- reorganisation costs of €19m.

The third quarter of 2009 saw an operating loss of €4.8m, against €41.6m for the comparable period of 2008. This improvement was due partly to a favourable comparative arising from the absence of sporting events such as the Olympic Games for Eurosport. However, it also reflects the efforts made by the Group over the past few months to adapt to the new environment and keep costs under control.
Net profit for the third quarter of 2009 was €1.7m, versus a €14.5m loss in the third quarter of 2008.

The cost of net debt fell by €5.0m, from €20.3m to €15.3m. This was due mainly to the effect of lower interest rates on interest expense, but also to an increase in the value of the interest rate hedging portfolio.

Other financial income and expenses showed a net gain of €23.7m for the first nine months of 2009, against a gain of €27.8m for the comparable period of 2008. This gain mainly derives from the fair value remeasurement of the put option over the 9.9% interest in Canal+ France held by the TF1 Group and but also to an increase in the value of the interest rate hedging portfolio, partly offset by a provision for impairment booked against a financial asset.

Income tax expense for the period was €2.8m, a year-on-year reduction of €31.9m, reflecting the lower level of taxable profits.

The share of profits from associates rose by €4.5m to €12.4m on a good performance by the AB Group.

Overall, net profit for the first nine months of 2009 came to €50.7m, versus €110.5m for the comparable period of 2008.

Balance sheet

As of September 30, 2009, shareholders' equity was €1,329.1m, out of a balance sheet total of €3,755.0m.

The decline in cash generated by operating activities pushed net debt up to €787.1m, an increase of €82.6m on the end-December 2008 figure. Gearing stands at 59%. Of the Group's net debt, €500m is in the form of a bond issue maturing November 2010, with the rest mainly in the form of drawdowns on credit facilities. The TF1 Group is not subject to any financial covenants.

During the first nine months of 2009, five new credit facilities were contracted, totalling €320m with maturity between three to five years. TF1 also has a put option over its interest in Canal+ France at a guaranteed minimum price of €746m.

Outlook for 2009

To reflect trends in the advertising market between now and the end of the year, the TF1 Group has set a target of a 2009 full-year fall in consolidated revenue of 11% (versus a working hypothesis of a 13% fall), and is reiterating its full-year cost savings target of €70m.

In line with the strategy outlined by Nonce Paolini, the Group is continuing to adapt its business model to the new market environment.

1. Broadcasting France

The Broadcasting France division generated revenue of €1,288.6m in the first nine months of 2009, down 15.4% year-on-year, and an operating profit of €24.9m.

1.1. TF1 channel[3]

As of September 30, 2009, 85% of individuals in France aged 4 and over had access to an extended range of channels, an increase of 12 points relative to the comparable period of 2008.

TF1 has adapted well to these changes in the market, and remains the “people’s channel”, offering a diversified range of programmes across all genres. Thanks to this creative approach to programming, TF1 achieved whole-day audience share of individuals aged 4 and over of 26.3% for the third quarter (versus 26.6% for the first quarter and 25.9% for the second quarter of 2009). TF1’s third-quarter audience share of women aged under 50 purchasing decision-makers reached 30.9% (versus 30.2% for the first quarter and 28.8% for the second quarter of 2009).
Over the first nine months of the year, the channel’s audience share was 26.3% for all individuals, and 29.9% for women aged under 50 purchasing decision-makers, the prime target market for advertisers.

News, sport, French drama, American series, children’s programmes, game-shows and movies remain at the heart of the channel’s schedules. Thanks to this range of programmes, TF1 has in the first nine months of 2009 achieved 49 of the top 50 audience ratings, with 20 broadcasts attracting than 9 million viewers (and 57 attracting more than 8 million). TF1’s prime time audience averaged 6.2 million over the first nine months of 2009, confirming its status as the benchmark channel for mass entertainment and must-see programmes.

A highlight of the third quarter was the impressive viewing figures for the reality TV show *Secret Story 3*. The daily show attracted nearly 3 million viewers and a 41% audience share of women aged under 50 purchasing decision-makers, while the weekly show pulled in 4 million viewers in the late evening slot and 58% of individuals in the 15 to 24 age bracket.

TF1’s current affairs output confirmed its position not only as the cornerstone of the channel’s schedules, but also as the clear market leader in France in both news bulletins and magazines. The lunchtime TV news (*Journal Télévisé de 13h*) attracted an average of 6 million viewers (4 million ahead of its nearest rival) and a 47% audience share.
The evening news (*Journal Télévisé de 20h*) attracted an average of 7 million viewers (3 million ahead of its nearest rival) and a 31% audience share. The new one-hour current affairs slot broadcast between 1 p.m. and 2 p.m. on Saturdays, launched on September 19, 2009, achieved high ratings with *Journal Télévisé de 13h* and *Zoom Sur*, and with *Reportages* which broke its audience record with 6 million viewers.

1.2. Advertising

Gross multimedia advertising spend fell by 1.8% in the nine months to end September 2009, reflecting the troubled economic conditions. Excluding the internet, the media market declined by 3.4%.

Over the first nine months of 2009, gross spend on the internet (display) grew at a more modest pace than in 2008 (7.3%, versus 34.3% in the comparable period of 2008).

Print media remained the no.1 medium in France for advertising spend in the nine months to end September 2009, with gross revenues of €4.9bn, though this represented a decline of 7.5% (or €402m, the steepest fall in value terms).

Television (national and regional channels, DTT, cable and satellite) ranked second, with gross revenues of €4.6bn to end September 2009. This represents a slight fall (of 0.3%), reflecting an 8.3% drop in spend on national TV channels; this is mainly due to the ending of advertising on France Télévisions after 8 p.m. and the poor state of the economy. Advertising spend on free-to-air DTT channels rose by 60.2%, while the cable/ satellite market softened by 8.6%.

[3] Source: Médiamétrie Mediamat/access prime time: 6 p.m.-7.45 p.m./prime time: 8.45 p.m.-10.30 p.m./late evening 10.30 p.m.-0.30 a.m.

Radio confirmed its status as the advertisers' preferred medium in a recession, with 5.1% year-on-year growth to end September 2009.

TF1's share of the total TV advertising market was 42.9%[4], down 2.7 points year-on-year. Over the first nine months of the year, TF1 saw gross advertising revenue fall by 6.1% relative to the comparable period of 2008, the principal factors being:

- The *Food* sector, which is TF1's largest advertiser (23.5% of gross advertising revenue in the first nine months of 2009), saw revenue drop 2.5% over the first nine months. The sector was hit hard by the economic crisis at the start of the year, though the third quarter enjoyed an upturn in advertising spend (18% higher than in the third quarter of 2008).
- The *Retail* sector (6.7% of TF1's advertising revenues) recorded a 4.8% rise in revenue, with the early part of the year also having been difficult. Advertising spend on retailers' own brands picked up slightly in the last few months.
- After a positive first half, the *Household Cleaning* sector continued to improve, with 6.5% growth to end September. Television is an effective medium for the leading brands in this sector.
- The *Automotive* sector (8.8% of TF1's gross revenues) remained in the doldrums, with an 11.1% reduction in advertising spend, despite the car scrappage scheme.
- *Financials'* recent desire for a mouthpiece abated somewhat, especially among insurance companies, leading to a 1.3% cut in advertising spend; this sector contributed 6.9% of TF1's advertising revenue.

In the first nine months of 2009, in a market disrupted by economic and structural factors, TF1's net advertising revenues fell by 18.6%.

Advertising revenue for the third quarter of 2009 was down 5.5%, after falls of 27.1% in the first quarter and 18.9% in the second quarter, on a recovery in advertising spend in some sectors, especially consumer goods.

1.3. Theme channels – France

The TF1 theme channels generated revenue of €140.5m over the first nine months of 2009, up 1.6% on the same period of 2008.
In an economic climate that continued to be difficult, the advertising revenues of the theme channels fell by 5.2% to €56.5m.

TMC, like most DTT channels, benefited in the first nine months of 2009 from advertisers transferring some of their advertising spend to DTT.

Theme channels' other revenues increased by 6.7% thanks to the revenue boost from subscribers attracted by High Definition, catch-up television and the development of internet sites.

There was strong growth in the theme channels' operating profit for the first nine months of the year to €13.0m, €9.2m higher than in the same period of 2008, due to a fine performance by TMC, tight management and cost cutting at the pay-TV channels.

Finally, the consultation exercise involving satellite, xDSL and DTT operators launched by the Group's channels (Eurosport, Eurosport 2, LCI, TV Breizh, Histoire, Ushuaïa TV) in mainland France and the overseas departments and territories demonstrated that the main distributors (Groupe C+, Orange, Free, SFR, TV Numéric, TNS, Parabole Réunion and Médiaserv) were interested in these channels, but the proposals were not sufficiently attractive in financial terms, mainly due to the crisis in the advertising sector. The consultation confirmed that the exclusive distribution business model adopted by the theme channels was the right one.

TMC[5]

With a 2.5% share among individuals aged 4 and over as at end September 2009, TMC showed more than ever that it is France's leading DTT channel. The channel confirmed its ranking as the no.7 channel in France overall, a position it has held since February 2008.

[4] TNS Media Intelligence
[5] Source: Médiamétrie

Since the start of 2009, TMC has been building up its image as a general-interest and family programming channel via its new visual identity and logo, and by expanding its programming. Programmes like *New York Police Judiciaire, 90' Enquêtes* and *Robin des Bois, Prince des voleurs* pushed TMC's audience figures above 1 million on 18 occasions.

Eurosport France

Over the first nine months of the year, Eurosport France was affected both by the downturn in the advertising market and the lack of any of the high-profile events prized by advertisers, such as the African Cup of Nations or Euro 2008. However, the number of paying subscribers to the Eurosport France channel was higher than at end September 2008, mainly due to French-speaking Belgium. The channel was broadcast to 7.4 million paying subscribers.
Eurosport France HD, launched in December 2008, also continued to make progress, demonstrating TV viewers' appetite for High Definition sport and Eurosport France's command of the latest technology. A catch-up TV service was launched in 2009, in association with Canalsatellite.

TV Breizh[5]

In the summer of 2009, TV Breizh recorded record audiences among individuals aged 4 and over and in the target advertising market. The main growth was in daytime audiences, thanks to family and popular viewing like *MacGyver*, *Arabesque*, *Close to Home* and *Terminator,* testimony to the channel's ability to refresh its brand image.

Découverte division

The Découverte division, comprising the Ushuaïa TV, Histoire and Odyssée channels, offers high-quality, targeted offerings at the cutting edge of new technology. Last April's launch by the three channels of a catch-up TV service on CanalSatellite increased their brand awareness.
With its new HD offering, Ushuaïa enhanced its programming around the major theme of sustainable development, with programmes like *Passage au vert* and *Ushuaïa Nature.*
Histoire continued to maximise its brand and update its visual identity. It launched a debate with *Historiquement Show* and reinforced its editorial line, while at the same time cutting costs.
Finally, Odyssée reoriented its schedules to focus on health and design programmes like *Du Beau, du Bon et du Bien-être*. Broadcast on a non-exclusive basis, the channel continued to achieve growth with internet service providers and in French-speaking Europe.

1.4. Other companies

Despite an upturn in household consumption in September 2009, over the first nine months of 2009 the **Téléshopping** group was hit by the economic and financial crisis, which affected its business on all platforms. At €75.8m, Téléshopping's contribution to consolidated revenue was 22.6% lower than in the comparable period of 2008. Despite cost rationalisation measures implemented since the start of the year, Téléshopping posted an operating profit of €2.6m (including a €2m gain on the disposal of surinvitation.com), a decrease of €3.2m (55.2%) on the prior-year figure.

TF1 Entreprises posted a 6.7% rise in revenues to €22.2m over the first nine months of 2009, generating an operating loss of €1.0m for the period (versus a loss of €1.3m for the comparable period of 2008). These results reflect an increase in variable costs, and mixed results from publishing activities. The TF1 Entreprises group reported good performances from its Licensing activities, thanks largely to the acquisition of new licences such as *Barbapapa* and *Hello Kitty*. Games (especially Dujardin, which continued to expand the *1000 Bornes* range) underpinned growth at the division, thanks to good sales for *La Roue de la Fortune* and *Une Famille en Or*. Finally, the Music business managed to achieve good performances despite difficulties in the CD market, thanks to sales of albums by Seal and Calogero and the success of the stage shows *Cléopâtre* and *Mozart, the Rock Opera*.

The **Production** division generated revenue of €14.1m (down €9.9m) and an operating profit of €4.4m (down €3.0m). The drop in revenue reflects:

- For TF1 Films Production, an unfavourable comparative due to the success of the 2008 first-half cinema releases (*Bienvenue chez les Ch'tis*) and the lack of any releases in the third quarter of

2009. Nonetheless, the 2009 releases performed well, with 6 of the 15 cinema releases selling over a million tickets, including *LOL* and *Le Code a changé.*

- For TF1 production, the non-recurrence this year of the *Star Academy* show and the Blue Man Group tour, and the decline in short formats dependent on the advertising market. Operating profit was buoyed up strongly by cuts in production costs and by process industrialisation.

Revenues at **e-TF1**[6] rose by 20.2% to €51.8m, boosted by very good interactivity performances from games (*A Prendre ou à Laisser*, *Attention à la Marche*, *Qui veut gagner des Millions?, La Roue de la Fortune*) and the development of *Petits Plats en Equilibre*.
Internet activities saw a sharp drop in advertising spend due to the economic environment.
In mobile activities, TF1 Player was launched on July 27, 2009, and had already generated 28,000 downloads by end September 2009.
A highlight of the summer of 2009 was the success of *Secret Story*, a perfect illustration of the 360° cross-fertilisation strategy between the TV channels and the internet. The fourteen-week run of *Secret Story* triggered an explosion in audience figures for TF1.fr and WAT with 100 million hits (or more than a million a day) and 310 million video clips viewed since the launch date.
Overall, more than 17.5 million French web users visited or revisited TF1 Group websites in September 2009, confirming the Group's status as the leading media group on the web.
The latest developments, such as the launch of the new tf1.fr and My TF1, have generated increased costs. However, the operating loss of €4.3m was in line with the figure for the comparable period of 2008.

2. Audiovisual rights

The Audiovisual Rights business generated revenues of €104.3m in the first nine months of 2009 (down 1.5%) and an operating loss of €22.5m (versus a loss of €7.7m in the comparable period of 2008).

The **Catalogue** and Cinema Release activities reported a €1.5m rise in revenues to €40.5m.
Revenues from New Films increased despite unfavourable seasonal effects in terms of cinema releases (10 films in 2009, versus 19 in 2008), thanks to this year's two summer releases *Neuilly sa Mère!* and *Une Semaine sur 2*, which by end September 2009 had sold 1.8 million and 500,000 tickets respectively.

The main adverse effect at operating level were the costs incurred by the Cinema Release business, as a result of poorer performances for the films screened in 2009 (W*alkyrie, Bellamy, Le Premier Cercle*) and of losses to completion recognised in the first nine months of 2009.
The Catalogue and New Films businesses posted operating losses of €11.2m, versus €6.3m in the comparable period of 2008.

Revenues from the **Video** business for the first nine months of 2009 were down 4.6% at €63.8m. Kiosk and shop rental revenues were affected by a declining market. And although volumes were maintained, revenues were also hit hard by a double whammy on prices: the fall in DVD prices across the whole market, and TF1 Vidéo's "20 years" promotion. On the other hand, TF1 Vision saw revenues rise thanks to new distribution alliances with internet service providers.
The operating loss for the period came to €11.3m, against a loss of €1.4m for the first nine months of 2008. Of this fall, €4m was due to the fall in revenues, while the rest was due to the reversal of an exceptional provision in the first half of 2008.

3. International Broadcasting

Eurosport International

The Eurosport channel is available in 59 countries and 20 languages. It is received by 117.4 million households in Europe (2.4 million more than at end September 2008), of whom 75.8 million are paying subscribers. Growth is being driven in Eastern Europe by Poland, Romania and Russia (1.8 million new subscribers), and in Southern Europe by Mediterranean countries (Turkey, Spain and Portugal: 0.9 million new subscribers) where new distribution agreements have been signed (Dogan, Sogecable, Meo).

Subscription revenues have risen year-on-year, thanks mainly to the Eurosport HD channel (launched at end May 2008, 4 million subscribers) and to Eurosport 2 (38 million paying subscribers at September 30, 2009). These trends vindicate the strategy of using a combination of localisation and advanced technologies to appeal to the market. Advertising revenues for the first nine months of 2009 were down 25.6% at €47.4m, as advertisers slashed budgets in response to the international economic crisis.

[6] Source: Médiamétrie NNR Panel September 2009, all connection sites, Internet applications excluded

Internet audiences remain buoyant, putting Eurosport at the top of the European rankings. Following the launch of a website in Poland on January 19, 2009, Eurosport now has 9 local versions of its website. These sites confirmed their good performances with a daily average of 1.6 million unique visitors to end September 2009, a year-on-year increase of 26%.

Events organisation revenues recorded year-on-year growth to end September 2009, thanks to an increase in the number of events and the expansion of existing events.

On July 30, 2009, Eurosport launched the Eurosport iPhone application, which offers unique sporting content across Europe, including live coverage of major competitions and sports results. The success of the launch confirmed Eurosport's status as the flagship multimedia sports platform.

Overall, profitability at Eurosport improved, as the effect of lower revenues was offset by significant efforts to optimise the cost structure (including multimedia platform costs) and media rights, cuts in administrative costs and overheads, a favourable comparative (Beijing Olympics in 2008), and lower selling costs (in line with the drop in revenues).

Operating profit for the first nine months of 2009 came to €33.7m, an improvement of €17m relative to the €16.7m recorded in the comparable period of 2008.

SPS

SPS, jointly owned (50/50) by Eurosport and Serendipity, has moved into the online gaming and sports betting market. On June 1, 2009 SPS launched its first commercial platform in the United Kingdom after being awarded a full e-gaming licence for UK territory by the Alderney Gambling Control Commission on January 28, 2009.

After just four months' trading, the revenue generated by this business in the period to September 30, 2009 was not material. TF1's share of SPS's costs amounted to €2.0m, which comprised payroll costs plus the cost of developing the technical platform and the associated depreciation charges.

The next steps in the development of SPS will be the launch of an online poker offering in the United Kingdom in the fourth quarter of 2009, and applications for online gaming licences for the French market in 2010.

4. Post balance sheet events

The shareholders of Top Ticket.s, which publishes the advertising freesheet Pilipili, have begun the process of divesting their subsidiary, in which the TF1 Group holds a 39.2% interest. The proposal has been submitted to the Works Council, which has pronounced itself in favour.
Based on the current terms of the offer received, this divestment is unlikely to have a material effect on profits for the fourth quarter of 2009.

5. Human resources update

Total headcount of the TF1 Group at September 30, 2009 was 3,669, compared with 3,731 at December 31, 2008 and 3,768 at September 30, 2008.

6. Risk factors and litigation

There were no major developments during the third quarter of 2009 in respect of the risk factors and litigation described in the 2009 half-year report, except that the consultation process on the distribution of TF1's theme channels was completed with the conclusion that that the exclusive distribution model should be retained.

A dispute involving TF1 International concerning the acquisition of movie rights will need to be monitored over the coming months.

7. Sustainable development

As France's leading media player, TF1 ought to lead the way in sustainable development. Over the past three years, TF1 has significantly stepped up its contribution to the new social and environmental dynamic. The current year has been no exception, both for TF1's channels and for the Group as a whole.

Following the launch of the Ecoprod environmentally-friendly film and audiovisual production initiative in the second quarter of 2009, the third quarter saw TF1 actively engaging with disability issues. On September 29, 2009 the Group launched a disability awareness campaign which uses word-play to challenge prejudice more effectively. The campaign has two main objectives: change perceptions of disability in the workplace, and highlight the TF1 Group's commitment to disabled people.

8. Share price

On September 30, 2009, TF1 shares closed at €12.0, a rise of 15% since the start of the year. This compares with a rise of 18% for the CAC 40 index and a rise of 12% for the SBF 120 index.

The market capitalisation of the TF1 Group as of September 30, 2009 was €2.6bn.

Consolidated income statement in management accounting format

€m	2009: 9 months	2008: 9 months restated	2008: 9 months reported	2008: full year
TF1 Channel				
Advertising revenue	966.9	1,187.8	1,187.8	1,647.3
Advertising costs	(49.3)	(57.0)	(57.0)	(79.0)
NET BROADCASTING REVENUES	**917.6**	**1,130.8**	**1,130.8**	**1,568.3**
Royalties and contributions				
- Royalties	(36.7)	(46.2)	(46.2)	(63.6)
- CNC	(52.3)	(62.3)	(62.3)	(87.3)
- Tax on broadcast advertising	(14.0)	-	-	-
Broadcasting costs				
- TDF, satellites, transmission costs	(39.9)	(40.7)	(40.7)	(54.0)
Programming costs (excl. Euro 2008)	**(664.3)**	**(694.6)**	**(694.6)**	**(978.2)**
Cost of the Euro 2008		**(54.5)**	**(54.5)**	**(53.9)**
GROSS PROFIT	**110.4**	**232.5**	**232.5**	**331.3**
Diversification revenue and other revenues from operations	659.9	675.1	691.5	946.0
Other operating expenses	(655.0)	(684.6)	(701.0)	(953.7)
Depreciation, amortisation and provisions, net	(82.6)	(93.2)	(93.2)	(147.1)
OPERATING PROFIT	**32.7**	**129.8**	**129.8**	**176.5**
Cost of net debt	**(15.3)**	**(20.3)**	**(20.3)**	**(22.4)**
Other financial income and expenses	**23.7**	**27.8**	**27.8**	**40.9**
Income tax expense	(2.8)	(34.7)	(34.7)	(40.8)
Share of profits/(losses) of associates	12.4	7.9	7.9	9.6
NET PROFIT FROM CONTINUING OPERATIONS	**50.7**	**110.5**	**110.5**	**163.8**
Attributable to minority interests	-	-	-	-
NET PROFIT ATTRIBUTABLE TO THE GROUP	**50.7**	**110.5**	**110.5**	**163.8**

CONSOLIDATED BALANCE SHEET

Assets (€m)	*Note*	**Sep. 30, 2009**	**Dec. 31, 2008**	**Sep. 30, 2008**
Goodwill		**506.9**	**506.1**	**506.4**
Intangible assets		**156.5**	**168.0**	**248.8**
Audiovisual rights		118.0	132.8	213.8
Other intangible assets		38.5	35.2	35.0
Property, plant and equipment		**191.3**	**178.0**	**169.3**
Investments in associates	*5*	**273.2**	**259.3**	**257.6**
Non-current financial assets		**24.8**	**741.0**	**726.0**
Non-current tax assets		**17.3**	**17.2**	**16.0**
Total non-current assets		**1,170.0**	**1,869.6**	**1,924.1**
Inventories		**622.6**	**558.4**	**536.7**
Programmes and broadcasting rights		607.8	542.0	514.4
Other inventories		14.8	16.4	22.3
Trade and other debtors		**1,176.1**	**1,226.8**	**1,110.8**
Current tax assets		**11.9**	**46.8**	**50.9**
Other current financial assets	*6*	**757.0**	**14.0**	**10.3**
Cash and cash equivalents	*10*	**13.4**	**9.8**	**69.0**
Total current assets		**2,581.0**	**1,855.8**	**1,777.7**
Held-for-sale assets		**-**	**14.8**	**-**
TOTAL ASSETS		**3,751.0**	**3,740.2**	**3,701.8**

CONSOLIDATED BALANCE SHEET (CONTINUED)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	*Note*	**Sep. 30, 2009**	**Dec. 31, 2008**	**Sep. 30, 2008**
Share capital		42.7	42.7	42.7
Share premium and reserves		1,235.7	1,170.4	1,172.4
Net profit attributable to the Group		50.7	163.8	110.5
Shareholders' equity attributable to the Group		**1,329.1**	**1,376.9**	**1,325.6**
Minority interests		-		-
Total shareholders' equity		**1,329.1**	**1,376.9**	**1,325.6**
Non-current debt	*7*	**767.1**	**695.5**	**737.5**
Non-current provisions		**58.8**	**57.2**	**33.7**
Non-current tax liabilities		**3.1**	**2.9**	**3.0**
Total non-current liabilities		**829.0**	**755.6**	**774.2**
Current debt	*7*	**41.0**	**22.9**	**49.9**
Trade and other creditors		**1,481.1**	**1,514.9**	**1,482.6**
Current provisions		**52.1**	**43.5**	**61.3**
Current tax liabilities		**0.8**	**1.2**	**1.4**
Other current financial liabilities		**17.9**	**10.2**	**6.8**
Total current liabilities		**1,592.9**	**1,592.7**	**1,602.0**
Liabilities relating to held-for-sale assets		**-**	**15.0**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,751.0**	**3,740.2**	**3,701.8**
Net debt (continuing operations)		**787.1**	**704.5**	**714.6**
Held-for-sale assets and liabilities		**-**	**-**	**-**
Total net debt		**787.1**	**704.5**	**714.6**

CONSOLIDATED INCOME STATEMENT

(€m)	Note	2009 9 months	2008 9 months	2009 third quarter	2008 third quarter	2008 full year
Net advertising revenue		1,085.0	1,322.5	317.5	340.7	1,833.6
- TF1 channel		*966.9*	*1,187.8*	*280.4*	*296.6*	*1,647.3*
- Other media		*118.1*	*134.7*	*37.1*	*44.1*	*186.3*
Diversification revenue (excluding advertising)		543.5	541.4	180.9	170.4	761.1
Revenue		**1,628.5**	**1,863.9**	**498.4**	**511.1**	**2,594.7**
Other operating revenue		-	0.1	-	-	0.2
External production costs		(434.1)	(440.2)	(142.6)	(146.3)	(641.2)
Other purchases and changes in inventory		(325.4)	(406.0)	(97.6)	(128.3)	(524.6)
Staff costs	*8*	(304.1)	(326.8)	(97.7)	(104.9)	(445.3)
External expenses		(349.5)	(369.2)	(112.1)	(122.0)	(527.4)
Taxes other than income taxes		(99.2)	(100.2)	(29.0)	(27.6)	(138.4)
Depreciation and amortisation, net		(69.3)	(68.5)	(24.5)	(20.6)	(94.5)
Provisions and impairment, net		(13.3)	(24.7)	(5.8)	(3.4)	(52.6)
Other operating income		65.7	85.8	25.9	28.1	123.3
Other operating expenses		(66.6)	(84.4)	(19.8)	(27.7)	(117.7)
Current operating profit/(loss)		**32.7**	**129.8**	**(4.8)**	**(41.6)**	**176.5**
Other non-current operating income		**-**	**-**	**-**	**-**	**-**
Other non-current operating expenses		**-**	**-**	**-**	**-**	**-**
Operating profit/(loss)		**32.7**	**129.8**	**(4.8)**	**(41.6)**	**176.5**
Income associated with net debt		8.2	4.4	0.9	(1.0)	13.4
Expenses associated with net debt		(23.5)	(24.7)	(6.4)	(4.2)	(35.8)
Cost of net debt	*9*	**(15.3)**	**(20.3)**	**(5.5)**	**(5.2)**	**(22.4)**
Other financial income		36.5	36.6	13.7	13.4	50.3
Other financial expenses		(12.8)	(8.8)	(9.5)	0.5	(9.4)
Income tax expense		(2.8)	(34.7)	2.8	16.2	(40.8)
Share of profits/(losses) of associates	*5*	12.4	7.9	5.0	2.2	9.6
Net profit/(loss) from continuing operations		**50.7**	**110.5**	**1.7**	**(14.5)**	**163.8**
Post-tax profit from discontinued/ held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**50.7**	**110.5**	**1.7**	**(14.5)**	**163.8**
attributable to the Group		***50.7***	***110.5***	***1.7***	***(14.5)***	***163.8***
attributable to minority interests		-	-	**-**	-	-
Weighted average number of shares outstanding (in thousands)		213,396	213,401	213,396	213,401	213,400
Basic earnings per share (in euros)		0.24	0.52	0.01	(0.07)	0.77
Diluted earnings per share (in euros)		0.24	0.52	0.01	(0.07)	0.77

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	2009: 9 months	2008: 9 months	2008: full year
Consolidated net profit for the period	**50.7**	**110.5**	**163.8**
Fair value adjustments to financial instruments and other financial assets*	0.8	3.2	1.0
Change in cumulative translation difference	-		(0.6)
Actuarial gains/(losses) on employee benefits	-	-	0.3
Taxes on items credited or debited directly to equity	-	(1.2)	(0.9)
Share of profits and losses of associates recognised directly in equity	-	-	-
Other movements, net	-	-	-
Income and expenses recognised directly in equity	**0.8**	**2.0**	**(0.2)**
Total recognised income and expense	**51.5**	**112.5**	**163.6**
attributable to the Group	51.5	112.5	163.6
attributable to minority interests	-	-	-

** Includes reclassification adjustments recognised in net profit for the period: cash flow hedges (amount: €1.5m).*

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2008	**42.7**	**2.8**	**(0.4)**	**1,336.8**	**(5.0)**	**1,376.9**	**-**	**1,376.9**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	1.0	-	**1.0**	-	**1.0**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(100.3)	-	**(100.3)**	-	**(100.3)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Net income attributable to the Group	**-**	**-**	**-**	**50.7**	**-**	**50.7**	**-**	**50.7**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**0.8**	**0.8**	**-**	**0.8**
BALANCE AT SEPTEMBER 30, 2009	**42.7**	**2.8**	**(0.4)**	**1,288.2**	**(4.2)**	**1,329.1**	**-**	**1,329.1**

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2007	**42.7**	**2.8**	**(4.7)**	**1,358.0**	**(4.8)**	**1,394.0**		**1,394.0**
Capital increase (share options exercised)			-	-	-	**-**	-	**-**
Share-based payment	-	-	4.3	(3.8)	-	**0.5**	-	**0.5**
Purchase of treasury shares	-	-		-	-	**-**	-	**-**
Cancellation of treasury shares	-			-	-	**-**	-	**-**
Dividends paid	-	-	-	(181.4)	-	**(181.4)**	-	**(181.4)**
Other transactions with shareholders	-	-	-	-	-	**-**		**-**
Net income attributable to the Group	**-**	**-**	**-**	**110.5**	**-**	**110.5**	**-**	**110.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**2.0**	**2.0**	**-**	**2.0**
BALANCE AT SEPTEMBER 30, 2008	**42.7**	**2.8**	**(0.4)**	**1,283.3**	**(2.8)**	**1,325.6**	**-**	**1,325.6**

CONSOLIDATED CASH FLOW STATEMENT

(€m)	Note	2009: 9 months	2008: 9 months	2008: full year
Consolidated net profit (including minority interests)		50.7	110.5	163.8
Depreciation, amortisation, provisions & impairment (excluding current assets)		80.2	80.3	110.0
Intangible assets and goodwill		*51.5*	*58.5*	*76.7*
Property, plant and equipment		*19.8*	*17.2*	*24.4*
Financial assets		*7.1*	*5.6*	*5.7*
Non-current provisions		*1.8*	*(1.0)*	*3.2*
Other non-cash income and expenses		(10.7)	(12.2)	(18.7)
Effect of fair value remeasurement		(25.8)	(26.3)	(43.7)
Share-based payment		1.0	0.5	0.7
Net (gain)/loss on asset disposals		(0.6)	0.1	1.3
Share of (profits)/losses and dividends of associates		(12.4)	(2.9)	(4.7)
Dividend income from non-consolidated companies		-	-	(2.0)
Sub-total		**82.4**	**150.0**	**206.7**
Cost of net debt		15.3	20.3	22.4
Income tax expense (including deferred taxes)		2.8	34.7	40.8
Operating cash flow		**100.5**	**205.0**	**269.9**
Income taxes (paid)/reimbursed		36.7	(66.2)	(68.0)
Change in operating working capital needs		(35.0)	42.9	5.8
Net cash generated by operating activities		**102.2**	**181.7**	**207.7**
Cash outflows on acquisitions of property, plant and equipment and intangible assets		(77.0)	(77.6)	(87.7)
Cash inflows from disposals of property, plant and equipment and intangible assets		2.5	0.8	1.3
Cash outflows on acquisitions of financial assets		(3.3)	(4.6)	(4.6)
Cash inflows from disposals of financial assets		1.3	0.3	0.3
Effect of changes in scope of consolidation		(4.5)	(2.7)	(3.4)
Dividends received		-	-	2.0
Change in loans and advances receivable		8.1	(2.7)	(12.3)
Net cash used in investing activities		**(72.9)**	**(86.5)**	**(104.4)**
Cash received on exercise of share options		-	-	-
Purchases and sales of treasury shares		-	-	-
Dividends paid during the period	*11*	(100.3)	(181.4)	(181.4)
Cash inflows from new debt contracted		71.6	114.8	197.0
Repayment of debt (including finance leases)		(0.7)	(5.9)	(126.0)
Net interest paid (including finance leases)		(3.5)	(13.6)	(27.0)
Net cash used in financing activities		**(32.9)**	**(86.1)**	**(137.4)**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS		**(3.6)**	**9.1**	**(34.1)**
Cash position at beginning of period		**(4.2)**	**29.9**	**29.9**
Change in cash position during the period		(3.6)	9.1	(34.1)
Cash position at end of period	*10*	**(7.8)**	**39.0**	**(4.2)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events

1.1. Completion of the agreement between TF1 International and UGC Image

On July 1, 2009, TF1 and UGC signed an agreement to pool their expertise in the acquisition of film rights, the distribution of films in cinemas, and the foreign sale of audiovisual rights. Approval having been obtained from the relevant authorities, the completion documents for the agreement between TF1 International and UGC Image were signed on September 28, 2009.

1.2. Signature of an agreement between TF1 and the AB Group

On June 11, 2009, the TF1 Group and the AB Group signed an agreement with a view to the purchase by TF1 of 100% of NT1 and 40% of TMC, currently held by the AB Group, for a cash consideration of €192 million.

TF1 would retain the same equity interest in the other activities of the AB Group as it currently holds (33.5%). The current AB Group management team would be granted a call option to acquire this TF1 minority stake for €155 million within a maximum of 2 years.

This transaction is subject to approval by the relevant authorities, who are currently conducting an in-depth review.

1.3. Alliance between TF1 Video and Sony Pictures Home Entertainment

On May 29, 2009, TF1 Video and Sony Pictures Home Entertainment (SPHE) announced the formation of an economic interest grouping for the distribution of video products in the French market. The aim of the grouping, which began trading in the third quarter of 2009, is to pool resources to sell DVDs and Blu-ray discs from the TF1 Video and SPHE catalogues.

1.4. Divestments during the first half of 2009

The interests held by TF1 in France 24 and Shopping à la Une were divested during the first quarter of 2009 (see notes 3.3and 3.4 – Changes in the 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, 2009 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They include the minimum content and disclosures defined in IAS 34, and consequently should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008 as published in the 2008 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 26, 2009 under reference number D.09-159.

An English-language version of the audited consolidated financial statements for the year ended December 31, 2008 is included in the TF1 Annual Report, which is available on the TF1 corporate website at www.tf1finance.fr/en/index.php.

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 are presented in millions of euros.

They were examined by the Board of Directors on November 10, 2009, and have been subject to a limited review by the statutory auditors.

2.2. New and amended accounting standards and interpretations

2.2.1. New standards, amendments and interpretations effective within the European Union which are mandatorily applicable to, or may be early adopted in, periods beginning on or after January 1, 2009

In preparing its condensed financial statements for the nine months ended September 30, 2009, 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, 2008, plus the new standards, amendments and interpretations applicable from January 1, 2009 as described in the table below.
As of September 30, 2009, the TF1 Group decided not to apply any of the pronouncements issued by the IASB and endorsed by the European Union that companies may elect to early adopt with effect from January 1, 2009.

Standard/Interpretation		**Effective date** EU(1)		TF1	**Impact**
Revised IAS 1	Presentation of Financial Statements	January 1, 2009		January 1, 2009	No impact on the financial statements
Amendment to IAS 23	Borrowing Costs	January 1, 2009		January 1, 2009	No impact on the financial statements
Revised IAS 27	Consolidated and Separate Financial Statements	July 1, 2009	*	January 1, 2010	No impact on the financial statements
Amendments to IAS 27 & IFRS 1	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	January 23, 2009		January 1, 2009	No impact on the financial statements
Amendments to IAS 32 & IAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation	January 21, 2009		January 1, 2009	No impact on the financial statements
Amendment to IAS 39	Financial Instruments – Eligibility of Hedged Items	September 15, 2009		January 1, 2010	No impact on the financial statements
Amendment to IFRS 2	Share-Based Payment – Vesting Conditions and Cancellations	January 1, 2009		January 1, 2009	No impact on the financial statements unless a business combination occurs
Revised IFRS 3	Business Combinations	July 1, 2009	*	January 1, 2010	No impact on the financial statements
IFRS 8	Operating Segments	January 1, 2009		January 1, 2009	No impact on the financial statements
IFRIC 11	Group and Treasury Share Transactions	March 1, 2008		January 1, 2009	No impact on the financial statements
IFRIC 12	Service Concession Arrangements	March 25, 2009		January 1, 2010	No impact on the financial statements
IFRIC 13	Customer Loyalty Programmes	January 1, 2009		January 1, 2009	No impact on the financial statements
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2009		January 1, 2009	No impact on the financial statements
IFRIC 15	Agreements for the Construction of Real Estate	July 22, 2009	*	January 1, 2009	No impact on the financial statements
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	June 4, 2009	*	January 1, 2010	No impact on the financial statements
Annual Improvements to IFRSs (except IFRS 5 and IFRS 1)		January 23, 2009		January 1, 2010	No impact on the financial statements
Annual Improvements to IFRSs (IFRS 5 and IFRS 1 only)		January 23, 2009	*	January 1, 2010	No impact on the financial statements

(1) Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column
** Standards, amendments and interpretations that companies may elect to early adopt*

2.2.2. Standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union

Standard/Interpretation		IASB effective date*	Expected impact on the TF1 Group
Amendments to IAS 39 & IFRIC 9	Embedded Derivatives	June 30, 2009	No impact on the financial statements
Amendment to IAS 32	Classification of Rights Issues	February 1, 2010	No impact on the financial statements
Revised IFRS 1	First-Time Adoption of IFRSs	July 1, 2009	No impact on the financial statements
Amendment to IFRS 1	Additional Exemptions	January 1, 2010	No impact on the financial statements
Amendment to IFRS 2	Share-Based Payment: Group Cash-Settled Transactions	January 1, 2010	No impact on the financial statements
Amendment to IFRS 7	Financial Instruments: Enhanced Disclosures	January 1, 2009	No impact on the financial statements
IFRIC 17	Distributions of Non-Cash Assets to Owners	July 1, 2009	No impact on the financial statements
IFRIC 18	Transfers of Assets From Customers	July 1, 2009	No impact on the financial statements
Annual Improvements to IFRSs		January 1, 2010	
**** Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column***			

2.3. Changes in accounting policy

TF1 has not made any changes in accounting policy during 2009 to date except for the IASB standards, amendments and interpretations indicated in Note 2.2.1, which have no impact on the financial statements.

In 2008, the expansion of some of the Group's activities led TF1 to reassess certain accounting policies on the basis of the proposed amendment to IAS 18 published by the IASB in August 2008[7]. This proposal establishes criteria for determining whether an entity is acting as a principal or as an agent, and hence for determining how revenues and the associated expenses are recognised in the financial statements.
In the case of activities where the Group acts as an agent for third parties (the advertising airtime sales agency business, services requiring recourse to technical service-providers, and the wedding lists business), TF1 has improved the method used to recognise revenue: refer to notes 2-3 (Change in accounting policy) and note 2-20 (Revenue recognition) in the consolidated financial statements for the year ended December 31, 2008 for further details.

This change in accounting policy has no impact on net profit, but has resulted in matching adjustments to revenues and operating expenses. In accordance with IAS 18, the 2008 nine-month figures and 2008 third-quarter figures presented as comparatives in the condensed consolidated financial statements for the first nine months of 2009 have been restated; the net impact on revenues is a reduction of €16.4 million for the first nine months of 2008 and of €5.7 million for the third quarter of 2008.

2.4. Changes in presentation

Changes in presentation and reclassifications are made when they provide information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. If the effect of a change in presentation is regarded as material, comparative information must also be reclassified.

No material changes in presentation have been made in the condensed consolidated financial statements for the nine months ended September 30, 2009.

2.5. 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:

[7] See "Exposure Draft of Proposed Improvements to IFRSs", issued by the IASB on August 7, 2008 (www.iasb.org), and specifically the proposed amendments to IAS 18 on pages 24 to 29 of the Exposure Draft.

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

These estimates were made using the same valuation approaches as those used in preparing the financial statements for the year ended December 31, 2008 and the interim financial statements published during 2008. As of the date on which the condensed consolidated financial statements were examined by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

2.6. Seasonal trends

Advertising revenues are traditionally lower during the summer than during the rest of the year.

3. Changes in the scope of consolidation

3.1. First-time consolidation of the Sony - TF1 Vidéo economic interest grouping

The Sony - TF1 Vidéo economic interest grouping, set up on May 29, 2009 by TF1 Vidéo and Sony Pictures Home Entertainment (SPHE), is consolidated as of September 30, 2009 by the proportionate consolidation method. The activities of this group, which began trading during the third quarter of 2009, did not have a material impact on the financial statements for the nine months ended September 30, 2009.

3.2. First-time consolidation of SPS

SPS, a company formed and owned in equal shares by Eurosport and Serendipity, has been included in the TF1 Group financial statements for the nine months ended September 30, 2009. This company, which is accounted for by the proportionate consolidation method, will develop sports betting and online gaming activities at European level.

3.3. Divestment of the equity interest in France 24

On February 12, 2009, TF1 SA sold its shares in France 24, representing 50% of the capital and voting rights, to Audiovisuel Extérieur de la France (AEF). This sale generated a net gain of €2 million, recognised in "Other operating income" in the financial statements for the nine months ended September 30, 2009.

3.4. Divestment of Shopping à la Une

On February 12 2009, Téléshopping SAS sold all its shares in its "Shopping à la Une" subsidiary to Initiatives et Développements (I&D), in exchange for bonds redeemable in shares of its own subsidiary Global Technologies for a nominal amount of €2 million.
Téléshopping retains the right to sell back to I&D the bonds received in exchange (or the shares obtained on redemption of the bonds) if certain terms and conditions, in particular value creation criteria, are not met in future years.
This sale generated a net gain of €2 million, recognised in "Other operating income" in the financial statements for the nine months ended September 30, 2009.

4. Operating segments

With effect from January 1, 2009, the TF1 Group has applied IFRS 8 (Operating Segments), which has replaced IAS 14. Because senior management already reviews the financial performance of the Group's business activities on the basis of key accounting indicators (see below), the introduction of IFRS 8 has no impact on segment reporting by TF1.

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. This segmentation into business units forms the basis for the presentation of internal management data and is used by the Group's operating decision-makers to assess performance.

Management assesses segment performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

The TF1 Group has the following operating segments:

Broadcasting France

This segment includes the TF1 channel, associated and spin-off activities regarded as inseparable from this channel, and other free-to-air or pay-TV channels broadcasting primarily to France. Activities inseparable from 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 and TF1 Production.

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).

Broadcasting International

This segment comprises subsidiaries involved in the development and broadcasting of pay-TV programmes primarily broadcast outside France, in particular Eurosport and (for the 2008 comparatives) France 24.

Other Activities

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

The contribution of each operating segment to the TF1 condensed consolidated financial statements is as follows:

(€m)	Broadcasting France		Audiovisual Rights		Broadcasting International		Other Activities		**Total TF1**	
	2009:9 months	**2008:9 months***	**2009:9 months**	**2008:9 months**	**2009:9 months**	**2008:9 months**	**2009:9 months**	**2008:9 months**	**2009:9 months**	**2008:9 months**
REVENUE	**1,288.6**	**1,523.4**	**104.3**	**105.9**	**234.7**	**234.0**	**0.9**	**0.6**	**1,628.6**	**1,863.9**
PROFIT										
Current operating profit/(loss)	**24.9**	**123.8**	**(22.5)**	**(7.7)**	**35.7**	**16.7**	**(5.4)**	**(3.0)**	**32.6**	**129.8**
Share of profits/(losses) of associates[(1)]	13.5	9.1	-	-	-	-	(1.1)	(1.2)	12.4	7.9
Post-tax profit from discontinued/held-for-sale operations	-	-	-	-	-	-	-	-	-	-

* Negative impact of change in accounting policy on 2008 9-months revenue: €16.4 million (see note 2.3)

(1) The share of profits/losses of associates recorded for each segment is as follows:
For the first nine months of 2009:
- Broadcasting France: the €13.5 million share of profit for the period relates to the AB Group;
- Other Activities: the loss recorded for the period is the Group's share of the loss of Metro France Publications.

Segmental assets as of September 30, 2009 are not materially different from those reported as of December 31, 2008.

5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	AB Group (1)	Metro France Publications	Other associates (2)	Total
Country	France/Belgium	France	France	
December 31, 2007	238.3	12.0	3.1	**253.4**
Share of net profit/(loss)	9.1	(1.2)	-	**7.9**
Dividends paid	(5.0)	-	-	**(5.0)**
Change in scope of consolidation	-	-	1.3	**1.3**
September 30, 2008	242.4	10.8	4.4	**257.6**
December 31, 2008	244.3	11.2	3.8	**259.3**
Share of net profit/(loss)	13.6	(1.1)	(0.1)	12.4
Dividends paid	-	-	-	-
Change in scope of consolidation	1.5	-	-	1.5
September 30, 2009	259.4	10.1	3.7	**273.2**

(1) Because of the timing of the preparation of the financial statements of the AB Group, the share of this associate's profits for the nine months ended September 30, 2009 has been calculated on the basis of aggregate results for the fourth quarter of 2008 and the first two quarters of 2009.
(2) In 2008 and 2009, "Other Associates" comprise JFG Networks, Sky Art Media and Sailing One.

During the third quarter of 2009, the TF1 Group increased its interest in WBTV, which carries the Belgian activities of the AB Group, from 33.5% to 49% at a cost of €1.5 million. The purchase price allocation is ongoing.

6. Other current financial assets

The Canal+ France financial asset received in exchange for the transfer of TPS shares 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 €745.8 million (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".
The fair value of this financial asset is determined on the basis of the minimum price of €745.8 million, discounted at the interest rate derived from the agreement signed on January 6, 2006. During the nine months ended September 30, 2009, the fair value of the asset increased by €30.7 million, raising the reported value of the asset to €735.3 million as of that date.

Because of the expiry date of the put option, this asset has been classified in "Other current financial assets" in the balance sheet since February 2009.

TF1 has also recognised an additional impairment loss of €7.2 million against its 50% interest in A1 International (whose sole asset is 3% of the capital of The Weinstein Company), thereby writing the value of this investment down to zero.

7. Net debt

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

(€m)	**Sep. 30, 2009**	**Dec. 31, 2008**
Cash and cash equivalents	13.4	9.8
Financial assets held for treasury management purposes	0.7	2.3
Total cash and cash equivalents (A)	**14.1**	**12.1**
Interest rate derivative instruments – assets	20.8	7.3
Interest rate derivative instruments – liabilities	(13.9)	(5.5)
Fair value of interest rate derivative instruments (B)	**6.9**	**1.8**
Non-current debt	767.1	695.5
Current debt	41.0	22.9
Total debt (C)	**808.1**	**718.4**
Net debt (C) – (B) – (A)	**787.1**	**704.5**

In November 2003, TF1 issued €500 million of bonds redeemable at par in a single instalment after 7 years (in 2010). The issue bears interest at 4.375%.

The Group also has credit facilities with various banks totalling €1,110.5 million, with a range of maturities of between one day and five years. These bank facilities are supplemented by a cash pooling agreement with the Bouygues group, under which TF1 had drawn down a total of €268.5 million as of September 30, 2009.

The interest rate derivative instruments held by the Group are described below:

- a €300 million swap (pay floating rate, receive fixed rate) expiring November 2010, designated on inception (in 2003) and until December 31, 2007 as a hedge of the bonds issued by the Group, and designated as held for trading since January 1, 2008;
- two swaps of €150 million each (pay fixed rate, receive floating rate) expiring at the end of 2009, contracted at the start of 2008 and designated as held for trading;
- two swaps of €100 million each (pay fixed rate, receive floating rate) expiring at the start of 2010, one contracted at the end of 2008 and the other in January 2009, designated as hedges of projected bank borrowings.

8. Staff costs

The Board of Directors decided on February 18, 2009 to implement a share option plan for employees of the TF1 Group, including corporate officers. This plan involved the granting of 1,877,000 options to subscribe for shares at a price of €5.98 per share, valid for a period of seven years (until March 20, 2016). The date of grant was March 20, 2009, and the vesting period is three years. The impact of the implementation of this plan as of September 30, 2009 was not material.

The cost of employee benefits under plans awarded to TF1 Group employees by the Bouygues Group was immaterial in the nine months ended September 30, 2009.

9. Cost of net debt

The cost of net debt for the nine months ended September 30, 2009 comprised the following items:

(€m)	**2009: 9 months**	**2008: 9 months**
Interest income	5.0	3.1
Change in fair value of hedged portion of bond issue	-	-
Change in fair value of interest rate derivatives	2.8	0.7
Income and revenues from financial assets	0.4	0.6
Income associated with net debt	**8.2**	**4.4**
Interest expense on net debt	(26.9)	(25.6)
Change in fair value of interest rate derivatives	3.4	0.9
Expenses associated with net debt	**(23.5)**	**(24.7)**
Cost of net debt	**(15.3)**	**(20.3)**

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.

(€m)	**Sep. 30, 2009**	**Dec. 31, 2008**
Cash and cash equivalents in the balance sheet	13.4	9.8
Cash relating to held-for-sale assets	-	5.2
Treasury current account credit balances	(4.9)	(4.2)
Bank overdrafts	(16.3)	(15.0)
Total net cash position at end of period per cash flow statement	**(7.8)**	**(4.2)**

11. Dividends paid

The table below shows the dividend per share paid by the TF1 Group on April 30, 2009 in respect of the 2008 financial year, and the dividend paid during 2008 in respect of the 2007 financial year.

	Paid in 2009	**Paid in 2008**
Total dividend payout (€m)	100.3	181.4
Dividend per share (€)	0.47	0.85

12. Post balance sheet events

The shareholders of Top Ticket.s, which publishes the advertising freesheet Pilipili, have begun the process of divesting their subsidiary, in which the TF1 Group holds a 39.2% interest. The proposal has been submitted to the Works Council, which has pronounced itself in favour.
Based on the current terms of the offer received, this divestment is unlikely to have a material effect on profits for the fourth quarter of 2009.

Télévision Française 1

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