Financial Information

First 9 months of 2014

Contents

Results

Financial indicators

The results presented below comply with international financial reporting standards (IFRS). As a result of applying IFRS 5 and IFRS 11, the 2013 nine-month and full-year financial statements have been restated. Consequently, detailed contributions from the entities mentioned below are no longer included in the figures presented, and:

- *the net profit of Eurosport International is reported in "Net profit/loss from discontinued or held-for-sale operations" for the period until May 30, 2014, and the TF1 group's 49% share of that entity's net profit is reported in "Share of profits/losses from joint ventures and associates" from June 1, 2014;*
- *the TF1 group's 50% share of the net profits/losses of TF6 and Serieclub is reported in "Share of profits/losses from joint ventures and associates".*

For details of how IFRS 5 and IFRS 11 are applied, see the notes to the consolidated financial statements.

These key figures are extracted from TF1 consolidated financial data for continuing operations.

€m	9 months 2014	9 months 2013	FY 2013 (12 months)	9 months 2013 reported
Revenue	**1,462.7**	**1,448.2**	**2,075.3**	**1,746.0**
Group advertising revenue	*1,093.1*	*1,099.2*	*1,594.3*	*1,160.0*
Revenue from other activities	*369.6*	*349.0*	*481.0*	*586.0*
Current operating profit/(loss)	**31.8**	**52.6**	**146.7**	**104.3**
Operating profit/(loss)	**31.8**	**52.6**	**146.7**	**104.3**
Net profit/(loss) attributable to the Group from continuing operations	**30.9**	**34.8**	**98.2**	**61.7**
Cash flow *	**70.3**	**92.2**	**178.8**	**148.3**
Basic earnings per share from continuing operations (€)	**0.15**	**0.16**	**0.47**	**0.29**
Diluted earnings per share from continuing operations (€)	**0.15**	**0.16**	**0.47**	**0.29**
Shareholders' equity attributable to the Group	**1,934.7**	**1,630.3**	**1,703.7**	**1,638.0**
Net surplus cash (+) / net debt (-) of continuing operations	**436.3**	**N/A**	**188.9**	**189.7**

** Before cost of net debt and income taxes*

	9 months 2014	9 months 2013	FY 2013 (12 months)	9 months 2013 reported
Weighted average number of shares outstanding (‘000)	211,366	210,487	210,645	210,487
Closing share price at end of period (€)	10.7	12.9	14.0	12.9
Market capitalisation at end of period (€bn)	2.3	2.7	3.0	2.7

Income statement contributions – continuing operations

The following contributions are presented in accordance with IFRS 5 and IFRS 11.

	Contribution to revenue				Contribution to current operating profit/(loss)			
€m	9 months 2014	9 months 2013	FY 2013 (12 months)	9 months 2013 reported	9 months 2014	9 months 2013	FY 2013 (12 months)	9 months 2013 reported
Broadcasting & Content	**1,221.2**	**1,193.8**	**1,729.0**	**1,190.9**	**9.7**	**31.3**	**101.6**	**31.3**
Broadcasting	1,142.1	1,146.6	1,656.0	1,145.9	(4.6)	24.3	92.8	24.3
Content	79.1	47.2	73.0	45.0	14.3	7.0	8.8	7.0
Consumer Products	**140.7**	**148.3**	**205.1**	**148.3**	**10.4**	**6.7**	**25.3**	**6.7**
TF1 Vidéo	34.9	43.2	58.0	43.2	0.4	1.9	0.8	1.9
Home Shopping	66.8	66.9	85.5	66.9	4.0	(0.7)	14.2	(0.7)
TF1 Entreprises	39.0	38.2	61.6	38.2	6.0	5.5	10.3	5.5
Pay-TV	**93.5**	**99.3**	**132.0**	**400.2**	**(1.6)**	**2.1**	**3.1**	**53.8**
Eurosport France	49.4	51.0	67.1	342.5[1]	1.1	3.0	5.2	54.7[1]
Theme Channels France	44.1	48.3	64.9	57.7	(2.7)	(0.9)	(2.1)	(0.9)
Holding company & other	**7.3**	**6.8**	**9.2**	**6.6**	**13.3**	**12.5**	**16.7**	**12.5**
TOTAL	**1,462.7**	**1,448.2**	**2,075.3**	**1,746.0**	**31.8**	**52.6**	**146.7**	**104.3**

[1] Eurosport group (Eurosport International and Eurosport France) for the first nine months of 2013 as reported; Eurosport France for all other periods.

Breakdown of Group advertising revenue (continuing operations)

€m	Contributions to Group advertising revenue 9 months 2014	9 months 2013	FY 2013 (12 months)	9 months 2013 reported
Broadcasting & Content advertising	**1,082.6**	**1,083.1**	**1,572.1**	**1,082.4**
o/w Television	1,026.1	1,025.9	1,488.0	1,025.9
o/w Other media	56.5	57.2	84.1	56.5
Pay-TV advertising	**10.5**	**16.1**	**22.2**	**77.6**
o/w Eurosport [1]	5.1	6.5	9.0	65.2
o/w Theme Channels France	5.4	9.6	13.2	12.4
GROUP ADVERTISING REVENUE	**1,093.1**	**1,099.2**	**1,594.3**	**1,160.0**

[1] *Eurosport group (Eurosport International and Eurosport France) for the first nine months of 2013 as reported; Eurosport France for all other periods.*

Cost of programmes by type for the four free-to-air channels

€m	9 months 2014	9 months 2013	FY 2013 (12 months)
Total cost of programmes	**721.5**	**691.2**	**946.7**
Major sporting events	*73.7*	-	-
Total excluding major sporting events	**647.8**	**691.2**	**946.7**
Entertainment/Gameshows/Magazines	206.2	208.9	285.1
Drama/TV movies/Series/Plays	226.2	239.7	321.9
Sport (excluding major sporting events)	34.6	41.9	60.4
News	76.3	75.0	100.8
Films	93.1	113.5	161.8
Children's programmes	11.4	12.2	16.7

Key events of the first nine months of 2014

January

January 15, 2014: Digital version of Metronews launched on the Apple kiosk.

January 21, 2014: Agreement signed between TF1 and Discovery Communications enabling Discovery to increase its 20% stake in Eurosport International to 51% ahead of schedule.

January 27, 2014: TF1 is the first company in the audiovisual sector to be awarded the "Responsible Supplier Relations" label celebrating French companies which have established long-lasting and fair relationships with their suppliers.

February

February 15, 2014: The *Star Wars Identities* exhibition is launched, produced by TF1 Musique's Shows division. Held at the Cité du Cinéma and presented in Europe for the first time, the exhibition offers the French public an interactive journey to the heart of the *Star Wars* saga.

March

March 1, 2014: Téléshopping opens its fourth store, at the Evry 2 shopping mall in the Paris suburbs.

March 3, 2014: TF1 Licences becomes the agent for two iconic brands: Bécassine, the archetypal female Breton character, and Solex, revitalised by its recent makeover.

March 6, 2014: RSE Médias forum, a corporate social responsibility group bringing together CSR managers working in the French media and headed up by TF1, publishes the first edition of its practical guide "Corporate Social Responsibility in the Media Sector".

March 13, 2014: Following a call for expressions of interest in November 2013, the TF1 Group, exclusive holder of the 2014 FIFA World Cup rights, sells broadcasting rights for all 64 matches in the competition to beIN SPORTS, including exclusive rights to 36 matches. TF1 retains exclusive free-to-air broadcasting rights for the 28 top fixtures, including French national team matches, the round of 16, the quarter finals, the two semi-finals and the final.

March 21, 2014: At the 21st *Anime & Manga Grand Prix* ceremony organised by *AnimeLand* magazine, *Les Mystérieuses Cités d'Or* won best international animation prize. Produced by Blue Spirit Productions in collaboration with TF1, this series of animations has been broadcast on TFOU since December 9, 2012. The series has achieved excellent audience figures among younger viewers. A third season of *Les Mystérieuses Cités d'Or* is currently under development.

April

April 1, 2014: The TF1 Licences subsidiary wins three awards at the *Trophées des Marques* ceremony: Best Sport Licence, Best Brand Licence, and Best Innovation.

April 13, 2014: TF1 unveils its new advertising campaign with the tagline *Partageons des ondes positives.*

April 16, 2014: MYTF1VOD moves up to the no.2 slot in user-declared VoD services.

April 16, 2014: The movie *Qu'est-ce qu'on a fait au bon Dieu?*, co-produced by TF1 Films Production and TF1 Droits Audiovisuels, goes on general release.

May

May 7, 2014: Public hearing before the CSA (the French audiovisual regulator) on the application for the LCI channel to switch to freeview.

May 14, 2014: The selection of the movie *Grace of Monaco* for the official opening of the Cannes film festival gives the TF1 group high-profile exposure at this flagship event.

May 30, 2014: Discovery Communications completes the acquisition of a controlling interest in Eurosport International, raising its stake from 20% to 51%.

June

June 12, 2014: TF1 begins live coverage of the 20th FIFA World Cup in Brazil with an exceptional team assembled especially for the occasion.

June 24, 2014: The LCI channel celebrates its 20th anniversary.

June 24, 2014: TF1 is the favourite established channel of the French population for the second year running in the "TV Notes" popular vote organised by puremedias.com, "20 minutes" and RTL.

July

July 4, 2014: The France-Germany quarter-final attracts 16.9 million viewers, the best audience figure for the World Cup and an all-time high for a sports live broadcast outside prime time.

July 11, 2014: The Home Shopping business signs a strategic agreement with Venteo, for the distribution of its products through retailers. The business's new partner is an instore video specialist with a presence in over 2,700 retail outlets and a 40-strong sales force.

July 29, 2014: The CSA announces that it has rejected the application for LCI to switch to freeview.

August

August 25, 2014: The TF1 group signs a deal with The Walt Disney Company France covering the new productions from the Marvel studios and the upcoming *Star Wars* movies. The deal includes rights to distribute content via new mobile media, and will benefit all of the Group's channels.

September

September 5, 2014: At the 16th CB News media awards ceremony, the TF1 group receives a host of accolades from industry professionals, with six awards including the prestigious *Trophée Grand Prix des Médias 2014* and Best TV Channel. The other prizes awarded to TF1 were:

- best TV entertainment programme, for season 3 of *The Voice*;
- best media advertising campaign, for *Let's share some positive vibes*;
- best editorial or journalistic scoop, for the exclusive interview with Vladimir Putin (in partnership with Europe 1);
- best advertising/special promotion event, for the Multicam Visa system deployed by TF1 Publicité and the MEC agency during the 2014 FIFA World Cup;
- a mention for news and documentary programme, for *Sacrifice*.

September 10, 2014: The TF1 and ITAS groups begin exclusive negotiations with a view to the acquisition of OneCast (a TF1 subsidiary specialising in DTT multiplex transmission) by ITAS TIM (a subsidiary of the ITAS group).

September 12, 2014: *Koh Lanta* makes its much-anticipated return to TF1. The family adventure show got off to a flying start, attracting 6.9 million viewers (an audience share of 32% of individuals aged 4 and over), peaking at nearly 8 million at 9.50 p.m. This is the best *Koh Lanta* launch in terms of audience share since 2009.

September 22, 2014: To help advertisers pack a bigger punch with their campaigns, TF1 Publicité unveils a new "real time advertising" solution. This innovation enables advertisers to enhance and customise their advertising campaigns virtually in real time. The principle is simple: advertisers can tweak an existing ad by altering features like text, photos, video, sound or colour.

Management Review

Boulogne-Billancourt – October 29, 2014

Change in accounting policy

In the first nine months of 2014, the TF1 group applied IFRS 10, IFRS 11 and IFRS 12 for the first time. The main impact for the Group is a change in the consolidation method used for TF6 and Serieclub, which are now accounted for by the equity method (refer to Notes 2.2 and 2.3 to the consolidated financial statements).

TF1 has not made any other changes in accounting policy in 2014 to date other than those required to comply with new or amended IFRS requirements applicable on or after January 1, 2014 (see note 2.2.1 to the financial statements), which have no material impact on the financial statements.

1. Financial performance

1.1. Revenue

Consolidated revenue for the first nine months of 2014 totalled €1,462.7 million, up €14.5 million (+1.0%).

Group advertising revenue was down slightly at €1,093.1 million (-0.6%).

This comprises:

- €1,026.1 million of advertising revenue for the Group's 4 free-to-air channels, flat year-on-year in a market characterised by a broader supply of advertising airtime (largely due to the growing power of DTT channels).
  After slipping back by 1.0% in the first half (+0.3% in the first quarter, and -2.2% in the second), advertising revenue for the Group's 4 free-to-air channels advanced by 2.6% in the third quarter. Volumes of advertising carried on Group channels increased during the quarter, on stronger-than-expected demand from advertisers. However, prices remained under intense pressure given that all market players were able to increase volumes.

- €56.5 million of advertising revenue from other Broadcasting & Content media, down 1.2% year-on-year. Third-party airtime sales and digital advertising performed well, but did not offset lower advertising revenue at Metronews.

- €10.5 million of advertising revenue from pay-TV media, 34.8% lower than in the first nine months of 2013. This reflects intense competition, with the six new DTT channels considerably increasing the advertising slots available. Pay-TV theme channels in France continued to see their advertising revenues tumble.

Non-advertising revenue for the first nine months of 2014 was €369.6 million, a rise of €20.6 million (+5.9%) versus the comparable period of 2013. The recognition of €30 million in revenue from the resale of rights for the 2014 FIFA World Cup to beIN SPORTS more than offset lower revenue at TF1 Vidéo (in a market that remains under pressure) and a drop in interactivity revenue (reflecting changes in programming relative to the previous year).

1.2. Cost of programmes and other current operating income/expenses

The cost of programmes for the TF1 group's 4 free-to-air channels was €721.5 million in the first nine months of 2014, versus €691.2 million a year earlier, an increase of €30.3 million (including €73.7 million for the 28 matches from the 2014 FIFA World Cup screened on TF1 during the second and third quarters).

This means that excluding major sporting events, the cost of programmes for the first nine months of 2014 showed a significant year-on-year saving of €43.4 million, attributable to:

- savings of €15.4 million on programmes replaced by World Cup matches in the June and July schedules;
- €7 million of recurring savings achieved under Phase II of the optimisation plan;
- timing differences in programming schedules in the first quarter (especially football matches involving the French national team, the *NRJ Music Awards*, and *Koh Lanta*);
- tight cost control in a sluggish advertising market;
- better sharing of programmes between the Group's 4 free-to-air channels.

The cost of programmes for the third quarter of 2014 was €208.9 million, up €9.2 million year-on-year, reflecting the screening of the final stages of the 2014 FIFA World Cup on TF1 (€18.0 million). Excluding major sporting events, the cost of programmes for the third quarter of 2014 showed a saving of €8.8 million.

Other expenses and depreciation, amortisation and provisions rose by €5.0 million in the first nine months of 2014. Personnel cost savings and a gain arising from a claim for reimbursement of SMS levies were cancelled out by costs associated with the 2014 FIFA World Cup rights held for resale.

Under Phase II of the optimisation plan launched in 2012, TF1 generated €19 million of recurring savings in the first nine months of 2014; these included €7 million on the cost of programmes for the TF1 channel (including €4 million generated in the third quarter) and €12 million in productivity gains (including €5 million generated in the third quarter).
Overall, €75 million of recurring savings have now been generated since mid-2012 out of the €85 million the Group is committed to achieving by end 2014.

1.3. Current operating profit

The Group reported a current operating profit of €31.8 million in the first nine months of 2014 (after charging costs of programmes of €73.7 million associated with the 2014 FIFA World Cup), versus €52.6 million in the first nine months of 2013.

Third-quarter current operating profit amounted to €7.6 million (after charging costs of programmes of €18.0 million associated with the 2014 FIFA World Cup), versus €10.0 million for the third quarter of 2013.

1.4. Net profit

Cost of net debt was positive €0.7 million in the first nine months of 2014, as the Group ran a net cash surplus during the period.

Other financial income and expenses showed a net gain of €0.2 million for the first nine months of 2014, mainly on remeasurements of currency hedges.

Income tax expense for the first nine months of 2014 was €10.9 million, versus €15.7 million in the comparable period of 2013.

The Group's share of profits of joint ventures and associates rose by €9.8 million to €10.5 million. This includes the share of profits from Eurosport International for the months from June 2014 to September 2014, following the sale of a controlling stake in the company to Discovery Communications on May 30, 2014. Following the first-time application of IFRS 11, this line now also includes the share of profits and losses of TF6 and Serieclub, previously accounted for using the proportionate consolidation method. As with the Group's fully-owned pay-TV channels, results at TF6 and Serieclub have been hit by competition from DTT channels in the advertising market.

The Group made a net profit from continuing operations of €32.3 million, a fall of €5.7 million.
Net profit from discontinued and held-for-sale operations rose by €281.7 million year-on-year to €315.4 million. The 2014 nine-month figure comprises the net profit of Eurosport International for the period from January to May 2014, plus the €299.0 million gain on the sale of a controlling stake in Eurosport to Discovery Communications on May 30, 2014.
Overall, net profit for the first nine months of 2014 totalled €347.7 million.

Net profit attributable to non-controlling interests was €4.5 million in the first nine months of 2014, €5.5 million lower than in the comparable period of 2013. This figure reflects the 20% equity interest held by Discovery Communications in four of the TF1 group's pay-TV theme channels, and also Discovery Communications' share of the net profit of Eurosport International for the period from January to May 2014.

Net profit attributable to the Group for the first nine months of 2014 was €343.2 million, versus €61.7 million a year earlier.

1.5. Financial position

Shareholders' equity attributable to the Group stands at €1,934.7 million, out of a balance sheet total of €3,676.1 million.

Net cash of continuing operations as of September 30, 2014 was €436.3 million, versus €188.9 million as of December 31, 2013. During the first nine months of 2014, the Group recorded cash inflows for:

- the balance of the proceeds from the capital reduction carried out by Groupe AB in 2013;
- the sale of 31% of Eurosport International to Discovery Communications on May 30, 2014.

At September 30, 2014, the Group had confirmed bilateral credit facilities totalling €905 million with various banks.
None of the facilities was drawn down at the end of the period. These facilities, which have maturities of between 1 and 5 years depending on the facility, are renewed regularly as they expire so that the Group always has sufficient liquidity.

1.6. Post balance sheet events

The description of post balance sheet events is shown in Note 17 to the consolidated financial statements.

2. Analysis by segment

2.1. BROADCASTING AND CONTENT

Revenue (€m)	9m 2014	9m 2013	Chg %
Broadcasting	**1,142.1**	**1,146.6**	**-0.4%**
Advertising – TV	1,026.1	1,025.9	=
Advertising – other media	56.5	57.2	-1.2%
Other revenue	59.5	63.5	-6.3%
Content	**79.1**	**47.2**	**+67.6%**
Broadcasting & Content	**1,221.2**	**1,193.8**	**+2.3%**

Current operating profit/(loss) (€m)	9m 2014	9m 2013	Chg €m
Broadcasting	**(4.6)**	**24.3**	**(28.9)**
Content	**14.3**	**7.0**	**+7.3**
Broadcasting & Content	**9.7**	**31.3**	**(21.6)**

Broadcasting & Content segment revenue for the first nine months of 2014 was €1,221.2 million, up 2.3% year-on-year.

Current operating profit fell by €21.6 million, but this includes the effect of the €73.7 million cost of screening 28 matches from the 2014 FIFA World Cup during the second and third quarters.

Broadcasting & Content segment revenue rose by 2.2% to €355.1 million in the third quarter, while the segment reported a current operating loss of €1.8 million (compared with a €2.7 million profit a year earlier).

2.1.1.Broadcasting

Nine-month revenue fell by a modest 0.4% to €1,142.1 million, comprising €1,082.6 million of advertising revenue (flat year-on-year) and €59.5 million of non-advertising revenue (-6.3%).

Current operating profit fell by €28.9 million in the first nine months of 2014, as Broadcasting posted a loss of €4.6 million. This figure includes the €73.7 million cost of programmes linked to the screening of 28 matches from the 2014 FIFA World Cup during the second and third quarters.

Advertising revenue[1]

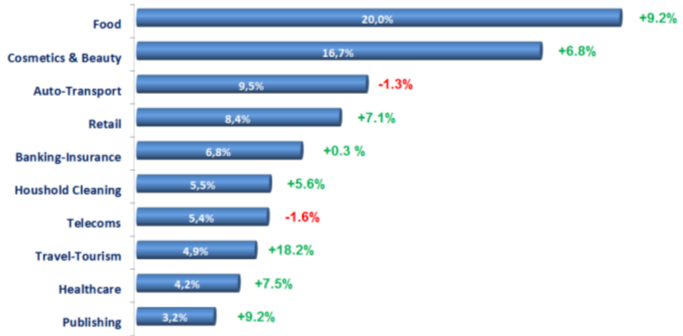
Gross plurimedia advertising spend to end September 2014 was €21,7 billion.
This figure is based on a new methodology for measuring internet advertising spend, meaning that year-on-year comparisons are impossible.
Excluding the internet, plurimedia advertising spend rose by 3.6% to €17.8 billion.

- Television remains the no.1 medium in terms of advertising spend, with gross spend up 10.2% for the first nine months of 2014 at €7.2 billion, representing a market share of 33.2%. Spend on free-to-air DTT continues to grow at a fast pace (+20.9%), driven by the increasing level of penetration of the 6 new channels launched in December 2012. Gross revenues for the established channels rose by 4.9%.
- Print media still ranks second in France with gross revenue of €5.1 billion to end June 2014, down 2.1% year-on-year, and a market share of 23.4%.
- Radio saw gross revenue rise by 1.3% to €3.3 billion.
- Outdoor advertising grew by 0.6% year-on-year to €2.0 billion, while cinema fell by 0.2% to €264.5 million.
- Internet advertising spend was €3.9 billion, with a market share of 18.1%.

The TF1 group's free-to-air channels reported a 5.6% year-on-year increase in gross revenue in the first nine months of 2014.

Trends in gross advertising spend by sector for these four channels during the first nine months of 2014 are shown below.

[1] 2014 plurimedia spend excluding sponsorship (6 media, including the Internet)



Source: Kantar Média, January-September 2014 vs. January-September 2013.

Advertising revenue for the TF1 group's 4 free-to-air channels was stable over the first nine months of 2014. For the segment's other media, revenue was down 1.2%, with a fine performance from third-party airtime sales that did not offset lower advertising spend at Metronews.

Third-quarter advertising revenue for the 4 free-to-air channels was up 2.6. The volume of advertising screened on the Group's channels increased, but to a lesser extent than for other market players.

- **Free-to-air channels**[1]

Market

Average daily TV viewing time remained high in the first nine months of 2014: 3 hours 38 minutes for individuals aged 4 and over, and 3 hours 34 minutes for the target audience of "women aged under 50 purchasing decision-makers".
These figures do not include viewing time spent on secondary devices (computers, tablets, smart-phones), or consumption of catch-up content. However, Médiametrie has been measuring daily catch-up IPTV consumption since September 29, 2014, and these figures will be included in viewing time statistics from the fourth quarter of 2014.

Rollout of the 6 new HD DTT channels launched on December 12, 2012 is ongoing. The channels were potentially receivable in over 71.2% of French households as of June 30, 2014. During the first nine months of 2014, they had a combined audience share of 3.7% of individuals aged 4 and over, and 4.9% of "women aged under 50 purchasing decision-makers", versus 2.1% and 2.9% respectively at end September 2013.

Audiences

In a more competitive marketplace, the TF1 group is striving to provide its four channels with the most complementary and appropriate range of programmes possible.

With highly competitive schedules being offered across all 25 unencrypted free-to-air channels, the TF1 group's 4 free-to-air channels turned in a very good performance, thanks largely to the screening of the 2014 FIFA World Cup on TF1.
To end September 2014, they had a combined audience share of 28.8% among individuals aged 4 and over (stable year-on-year). Among "women aged under 50 purchasing decision-makers", the combined audience share improved substantially to 32.6%, compared with 32.3% a year earlier.

TF1

TF1 is still by far the leading TV channel in France and is pulling further ahead of its closest rival.
The channel's audience share rose to 22.9% of individuals aged 4 and over (versus 22.7% for the first nine months of 2013). This performance was due partly to the channel's coverage of the 2014 FIFA World Cup on the TF1 channel. It is worth noting too that competition was more than usually intense during the first nine months of 2014, due largely to prestige events like the Winter Olympics being broadcast on public-service channels during the first quarter. The audience share of "women aged under 50 purchasing decision-makers" was 24.9%, versus 25.2% in the first nine months of 2013. However, in September 2014 TF1 reached 26.4% of this target audience, against 26.0% in September 2013, suggesting that the channel's autumn schedules were spot on.

The gap between TF1 and its nearest private-sector rival for this key target audience is 9.3 points, versus 9.0 points to end September 2013.

Constant innovation has helped TF1 to confirm its unique position and its status as the must-see channel. In the first nine months of 2014, it attracted over 8 million viewers on 73 occasions. Across all the channel's output, 18 programmes were seen by more than 9 million viewers, and 11 by more than 10 million.

[1] Source: Médiamétrie – Médiamat.

The average prime time audience for the TF1 channel in the first half of 2014 was 5.8 million, double that of its closest private-sector rival; it was the most watched channel for 88% of prime times.

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

Entertainment: *Les Enfoirés* was watched by 13.0 million viewers on March 14, and attracted a record 62% share among "women aged under 50 purchasing decision-makers". The third season of *The Voice* attracted up to 10.1 million viewers, the highest for an entertainment programme since May 2007.

American series: *Mentalist* attracted up to 8.2 million viewers.

French drama: The renaissance of this genre continues. *Ce soir, je vais tuer l'assassin de mon fils* attracted 8.3 million viewers, more than any other one-off drama since January 2011.

Movies: TF1 achieved the highest audience for a film since November 2010 with *Bienvenue chez les Ch'tis*, watched by up to 11.5 million viewers.

News: TF1's regular news bulletins are still the most watched in Europe. The evening bulletin drew up to 10.8 million viewers (the highest figure since September 2011).
Meanwhile, the lunchtime bulletin attracted up to 7.6 million viewers and an average audience share of 43% of individuals aged 4 and over.
The evening election specials in March and May were particularly popular, with viewing figures averaging 4.7 million for the two rounds of local elections (900,000 more than the rival shows on France 2) and 6.2 million for the European elections.
The special D-Day commemoration programme on June 6 was watched by 2.5 million viewers in an afternoon slot, an audience share of 27% of individuals aged 4 and over.

2014 FIFA World Cup

In June and July 2014, TF1 broadcast the 2014 FIFA World Cup from Brazil. This was a major event for the TF1 group, which achieved excellent performances across all of its media.

The 28 matches shown on the TF1 channel were watched by an average of 9 million viewers, giving audience share of 46% among individuals aged 4 and over. These are the second-best figures for any World Cup after the 2006 tournament (in which France reached the final). The biggest audience was for the France-Germany quarter-final, watched by 16.9 million people in access prime time, representing an audience share of 72% among individuals aged 4 and over. The final between Argentina and eventual winners Germany attracted 13.6 million viewers.

This global event also proved a great success in terms of the Group's innovative digital spin-offs. These included an unprecedented second screen system offering web users live multi-cam coverage via 6 different cameras, plus streaming statistics and replays of highlights just a few minutes after they happened via the "Wall of Goals" (*Mur des Buts*).
Over the whole tournament, as many as 32 million videos were watched across the Group's media: 15 million live, and 17 million catch-up and bonus videos. The final alone generated 900,000 live views (the best rating for a match not involving France, apart from the opening match). Overall, the 360 strategy deployed around the World Cup was a resounding success.

In financial terms, the impact of the 2014 FIFA World Cup on the cost of programmes for the TF1 group, comprising rights and production costs, was €73.7 million (€69.0 million for rights, plus €4.7 million of production costs). When spread across the 28 matches broadcast, this gives an average cost per match of €2.6 million (compared with €2.9 million in 2010).

TMC

With rival channels investing heavily in programmes, TMC posted an audience share of 3.2% among individuals aged 4 and over to end September, versus 3.5% a year earlier. Among "women aged under 50 purchasing decision-makers", the channel's audience share proved more resilient, stabilising at 3.6%.

The channel is also a big hitter in prime time, with more than 700,000 viewers in the first nine months of 2014.

Movies continue to score very high ratings, peaking in 2014 with 2.0 million viewers for *Transporter 2*.

Series are also performing well, especially previously unscreened episodes of *Hercule Poirot* (1.5 million viewers) and *CSI:NY* (French title: *Les Experts Manhattan*, 1.2 million viewers). TMC also enjoys excellent viewing figures for its magazine programmes, drawing a record audience for *90' enquêtes* (up to 1.1 million viewers).

NT1

NT1 attracted an average audience share of 1.8% among individuals aged 4 and over in the first nine months of 2014 (-0.3 of a point). NT1 is bearing up well against the competition, and its audience share among "women aged under 50 purchasing decision-makers" is steady year-on-year at 2.8%.

The channel is a particularly big hitter in movies, with as many as 1.6 million viewers watching *X-Men Origins: Wolverine*, the best audience figures posted by NT1 in 2014 to date.

NT1 also scores very well in entertainment: *Super Nanny* drew up to 8% of "women aged under 50 purchasing decision-makers", and the final show of the current season of *Le Bachelor* was watched by 1.1 million people. American series also had excellent ratings, especially *Client List* (up to 12% audience share among "women aged under 50 purchasing decision-makers") and *Walking Dead*.

HD1

Launched in December 2012, HD1 is the market leader among the 6 new HD channels, both for individuals aged 4 and over and "women aged under 50 purchasing decision-makers". Devoted to all forms of narrative, the channel had audience share of 0.9% among individuals aged 4 and over in the first nine months of 2014, and of 1.3% for "women aged under 50 purchasing decision-makers".
HD1 attracted an average prime-time audience of 215,000 thanks to movies like *Lethal Weapon III* (French title: *L'arme fatale III*, 699,000 viewers), French drama (*R.I.S.,* 506,000 viewers), and American series such as *House* (French title: *Dr House*, 312,000 viewers).

HD1 is building on its successful launch and continuing to progress as its geographical rollout nears completion. By end June 2014, the channel had achieved a take-up rate of 71.2%.

- **e-TF1**

The TF1 group is continuing its digital innovation strategy, forging ever closer links between its TV channels and digital media, especially on flagship TF1 news and entertainment programmes.
Online video once again performed very well on MYTF1.fr, thanks largely to good audiences for the 2014 FIFA World Cup. Médiamétrie has been producing a daily measure of IPTV audiences since September 29, 2014, and this will provide more complete data about how viewers use the range of available media.

In September 2014, the TF1 group ranked 4th for time spent watching video, alongside the major multinationals[1].

Revenue slipped by 2.5% over the period to €74.6 million. Very strong performances during the FIFA World Cup failed to fully offset the dip in revenue seen in the first quarter as a result of less favourable programming than in 2013. Current operating profit was €14.1 million, giving current operating margin of 18.9%.

- **Other media**

Metro France[2]

Metronews is the second most widely read daily newspaper in France, with nearly 2.6 million readers. The digital transformation of Metronews is ongoing, with the Metronews application now the second most widely used news app in France. The Metronews mobile audience experienced record growth of 15% in July 2014.
Increased traffic on the Metronews website led to a sharp rise in internet-based revenue. However, price competition in the freesheet advertising market remains intense, and Metronews saw nine-month revenue contract as a result, though ongoing cost control helped limit the impact at operating level.

[1] Source: Médiamétrie NetRatings – July 2014
[2] Source: One Global survey, July 2014; Médiamétrie MNR PIM survey, June 2014

TF1 Publicité (third-party airtime sales)

Revenue from third-party airtime sales (for radio stations and non-Group TV channels) showed a year-on-year increase in the first nine months of 2014.

2.1.2. Content

Revenue from the Content business for the first nine months of 2014 was €79.1 million, a rise of €31.9 million year-on-year. This figure includes €30 million from the resale of rights of the 2014 FIFA World Cup to beIN SPORTS. Current operating profit was €14.3 million, versus €7.0 million a year earlier.

- **TF1 Droits Audiovisuels**

Total box office entries for French cinemas in the first nine months of 2014 reached 151.6 million, 12.8% higher than in the comparable period of 2013. French films accounted for an estimated 46.3% of the market over this period, 14.5 points more than in the first nine months of 2013[1].

TF1 Droits Audiovisuels reported higher revenue in the first nine months of 2014, driven largely by healthy catalogue revenues and the general release of 7 films including *Dallas Buyers Club* (which won 3 Oscars) and *Qu'est-ce qu'on a fait au bon Dieu* (which had attracted more than 12 million cinema-goers by end September). This fed through into a very marked improvement in current operating profit over the period.

- **TF1 Production**

There was a significant increase in intragroup activity at TF1 Production during the first nine months of 2014, thanks mainly to the World Cup and the production of new drama episodes. The subsidiary delivered 366 hours of programming in the period (up 40% year-on-year), with the DTT channels accounting for a rising share of orders.

TF1 Production's contribution to Group operating profit improved, reflecting growth in revenue and a favourable product mix combined with a reduction the cost base following the closure of the subsidiary's post-production platform.

- **TF1 Films Production**

During the first nine months of 2014, 13 films co-produced by TF1 Films Production went on general release (versus 14 in the first nine months of 2013), attracting a combined 30.4 million box office entries (compared with 13.4 million to end September 2013). Six of these films had topped one million box-office entries by end September, starting with the runaway success *Qu'est-ce qu'on a fait au bon Dieu?* which drew 12.2 million cinema-goers in the period. The other five films to top the one million mark were *Supercondriaque* (5.3 million), *Lucy* (5.0 million), *La Belle et la Bête* (1.8 million), *Barbecue* (1.6 million) and *Non Stop* (1.2 million).

2.2. CONSUMER PRODUCTS

Revenue (€m)	9m 2014	9m 2013	Chg %
TF1 Vidéo	34.9	43.2	-19.2%
Home Shopping	66.8	66.9	-0.1%
TF1 Entreprises	39.0	38.2	+2.1%
Consumer Products	**140.7**	**148.3**	**-5.1%**

Current operating profit/(loss) (€m)	9m 2014	9m 2013	Chg €m
TF1 Vidéo	0.4	1.9	(1.5)
Home Shopping	4.0	(0.7)	+4.7
TF1 Entreprises	6.0	5.5	+0.5
Consumer Products	**10.4**	**6.7**	**+3.7**

Revenue for the Consumer Products segment fell by 5.1% to €140.7 million. On a like-for-like basis revenue held steady, with strong trading for Home Shopping and TF1 Entreprises offsetting slippage in physical video. Operating profit rose by €3.7 million to €10.4 million.

2.2.1. TF1 Vidéo

TF1 Vidéo posted a 19.2% decline in revenue in the first nine months of 2014, to €34.9 million. But despite this revenue erosion and a €1.5 million drop in operating profit, TF1 Vidéo remained at breakeven for the period.

This decline reflects the contraction in the physical video market, which shrank by 14.2% by value to end August 2014 versus the comparable period of 2013.

[1] Source: CNC – provisional data at October 3rd 2014.

VoD revenue advanced during the first nine months of 2014, outperforming the broader VoD market (which contracted in 2013). However, the rise in VoD revenue was not enough to offset the decline in traditional media.

2.2.2. Home Shopping

The Home Shopping business generated revenue of €66.8 million in the first nine months of 2014, virtually unchanged year-on-year. However, the 2013 nine-month figure includes revenue from the Place des Tendances business, which was sold in the fourth quarter of 2013. Excluding the effect of this change in structure, Home Shopping posted a sharp rise in nine-month revenue, as the number of orders rose following a successful refreshment of the product mix in 2013 and the opening of new sales outlets.

Current operating profit for the first nine months of 2014 was €4.0 million, a €4.7 million increase versus the comparable period of 2013. Cost control remained tight across the whole of the business, despite the costs incurred on opening new sales outlets.

2.2.3. TF1 Entreprises

TF1 Entreprises posted revenue of €39.0 million for the first nine months of 2014, up 2.1% on the first nine months of 2013.

The subsidiary's businesses are building on past successes, and are generally performing well:

- Licences, thanks largely to contracts tied into successful programmes like *The Voice* and *Masterchef*;
- Publishing, with further success for the *Tintin* and *Barbapapa* collections, and expansion in international activities;
- Music, thanks to in-house productions and co-productions (Les Stentors, Vincent Niclo, Gentlemen, Les Prêtres 3, etc.), partnerships with artists initiated in 2013 (Florent Pagny) and 2014 (Coldplay, Yannick Noah, Calogero), and the *Star Wars Identities* exhibition (transferred to Lyon after its Paris run was extended to October).
- However, the Games business reported a fall in revenue during the first nine months of 2014, reflecting a contracting market for board and card games. Sales are still being driven by the *Mille Bornes* collection and *Money Drop* spin-offs, tracking the success of the TV show.

TF1 Entreprises posted a current operating profit of €6.0 million, an improvement of €0.5 million (+9.1%) on the first nine months of 2013.

2.3. PAY-TV

The results presented below comply with international financial reporting standards (IFRS). As a result of applying IFRS 5 and IFRS 11, the 2013 9-month and full-year financial statements have been restated. Consequently, detailed contributions from the entities mentioned below are no longer included in the figures presented, and:

- *the net profit of Eurosport International is reported in "Net profit/loss from discontinued or held-for-sale operations" for the period until May 30, 2014, and the TF1 group's 49% share of that entity's net profit is reported in "Share of profits/losses from joint ventures and associates" from June 1, 2014;*
- *the TF1 group's 50% share of the net profits/losses of TF6 and Serieclub is reported in "Share of profits/losses from joint ventures and associates".*

For details of how IFRS 5 and IFRS 11 are applied, see the notes to the consolidated financial statements.

Revenue (€m)	9m 2014	9m 2013	Chg %
Eurosport France	**49.4**	**51.0**	**-3.1%**
Advertising	5.1	6.5	-21.5%
Other revenue	44.3	44.5	-0.4%
Theme Channels France	**44.1**	**48.3**	**-8.7%**
Advertising	5.4	9.6	-43.8%
Other revenue	38.7	38.7	=
Pay-TV	**93.5**	**99.3**	**-5.8%**

Current operating profit/(loss) (€m)	9m 2014	9m 2013	Chg €m
Eurosport France	**1.1**	**3.0**	**(1.9)**
Theme Channels France	**(2.7)**	**(0.9)**	**(1.8)**
Pay-TV	**(1.6)**	**2.1**	**(3.7)**

Pay-TV segment revenue fell by 5.8% in the first nine months of 2014 to €93.5 million. Competition from an expanded freeview offer and a sluggish environment for advertising are hitting the segment's advertising revenue hard.

The result at current operating level deteriorated by €3.7 million to a loss of €1.6 million.

2.3.1. Eurosport France

On May 30, 2014, the TF1 group announced that it had completed the sale of a controlling stake in Eurosport International to Discovery Communications. The TF1 group's equity interest in Eurosport International fell from 80% to 49% as a result, but the Group still retains an 80% equity interest in Eurosport France.

Eurosport France posted revenue of €49.4 million in the first nine months of 2014, 3.1% lower than in the comparable period of 2013. The main factor was a 21.5% slump in advertising revenue (combined with a more modest fall of 0.4% in subscription revenue), reflecting the tough competitive environment in pay-TV.

This revenue erosion, plus the increased costs associated with screening the Winter Olympics, fed through into a €1.9 million deterioration in the result at operating level as the business posted a €1.1 million profit.

At end September 2014, Eurosport France was being received by 7.4 million of paying households in France, down 3.1% year on year.

2.3.2. Theme Channels France[1]

Against a backdrop of an expansion in the free-to-air offer in France, pay-TV channels as a whole had audience share of 10.8% in the first nine months of 2014, down 0.1 of a point year-on-year.

Revenue from the TF1 group's theme channels for the first nine months of 2014 was down 8.7% year-on-year at €44.1 million. This fall reflects a marked decline in advertising revenue (43.8%, or €4.2 million lower than in the first nine months of 2013), as pay-TV channels were hit hard during the period by competition from freeview DTT.

The theme channels reported a deterioration of €1.8 million in their current operating loss, reflecting the decline in advertising revenue. However, tight control of the cost base has helped to limit the erosion in profitability since the start of the year despite the contraction in the top line.

- **LCI**

LCI's editorial stance is focused on analysis and explanation of news stories. The channel offers strong brands like *Le Club LCI*, which is now being screened for the fourth successive year. Highlights of 2014 to date include coverage of the local and European elections, and the football World Cup.

The channel reported a heavier operating loss in the first nine months of 2014, largely due to a deterioration in advertising revenue.

The channel's audience share held steady in the first half of 2014 at 0.5% of individuals aged 4 and over.

- **TV Breizh**

TV Breizh confirmed its status as the no.1 cable/ satellite pay-TV channel, with audience share rising by 0.1 of a point in the first half of 2014 to 1.3% among individuals aged 4 and over and stable at 1.4% among "women aged under 50 purchasing decision-makers".

In tough competitive and economic conditions, TV Breizh experienced a drop in revenue in the first nine months of 2014. Distribution revenues held steady, but advertising revenue fell. However, operating profit was higher than in the comparable period of 2013, thanks to cost reductions unlocked by the relocation of the channel from Lorient to Boulogne-Billancourt in March 2013 and to savings on programming.

- **Histoire, Ushuaïa, Stylía**

The three channels had a combined audience share of 0.4% among individuals aged 4 and over in the period from January to June 2014.

Revenue from the three channels fell slightly in the first nine months of 2014 against a backdrop of intense competitive pressure, with a knock-on effect on profitability.
The TF1 group has confirmed that Stylía will cease broadcasting from December 31, 2014, as

[1] Source: Médiamat'Thématik (wave 27, January-June 2014), pay-TV universe, except for cumulative pay-TV channel figures: Médiamat – cumulative January to June 2014.

no operator has expressed an interest in taking on the channel after that date.
However, Histoire and Ushuaïa are strengthening their schedules in anticipation of the renegotiation of distribution contracts. Since the start of 2014, the channels have been screening programmes drawn from the Discovery catalogue, increasing the emphasis on event-driven shows.

Histoire is continuing to focus on its editorial policy and on building awareness of its brand as the gold standard history channel on cable, satellite and ADSL. In pursuit of this agenda, the channel is offering event-driven programmes, like the 2014 specials commemorating the D-Day landings and the liberation of Paris.
Ushuaïa TV is maintaining its editorial policy, with the emphasis on adventure and discovery. Event-based programmes are featuring more strongly, in particular with the *Enfants d'Ushuaïa* competition sponsored by Nicolas Hulot. The channel had an audience share of 0.2% of individuals aged 4 and over in the first half of 2014.

2.4. Holding company and other

Revenue (€m)	9m 2014	9m 2013	Chg %
Holding company & other	7.3	6.8	+7.4%

Current operating profit/(loss) (€m)	9m 2014	9m 2013	Chg %
Holding company and other	13.3	12.5	+0.8

The "Holding company and other" segment, which includes the Group's property and transmission entities, posted revenue of €7.3 million (+7.4%). Current operating profit increased by €0.8 million to €13.3 million.

The bulk of this segment's revenue is generated by transmission activities, while most of its current operating profit derives from property entities.

3. Corporate social responsibility

Innovative new CSR platform for the TF1 group

The TF1 group has set up a new online platform developed in compliance with Global Reporting Initiative G4 (GRI G4) and the GRI Media Sector Supplement. This innovative and interactive online solution gives users direct access to each CSR topic and enables them to generate a full report focused on their area of interest. Each topic covered by the reporting framework is assessed in terms of the Group's commitment, progress on action plans, and performance measures.
In advance of implementation, a materiality survey was conducted with TF1 stakeholders – including a panel of viewers – to rank topics in order of importance.
The TF1 group has proved to be a pioneer in this area, as it is one of only two businesses to have obtained GRI approval for their "Materiality Matters Check" approach.

TF1 wins the *Grand Prix de la Transparence*

At the 5th annual *Grands Prix de la Transparence* corporate transparency awards ceremony, the TF1 group was awarded the 2014 overall *Grand Prix de la Transparence* for the quality of the regulated information issued by the Group (Registration document, half-year financial report, website and notice of Annual General Meeting).

TF1 retained in the DJSI index

In September 2014, the TF1 group retained its place in the Dow Jones Sustainability Index, an index that tracks corporate CSR performance. The DJSI, compiled by the RobecoSAM ratings agency, helps companies benchmark themselves against their best-in-class peers. A total of 983 companies were assessed, including 65 from the media sector. Of these 65, only 10 were chosen for the World Index – including TF1, which was the only French media group to be included.

3.1. Employment

Disabilities: special leave entitlement

As part of its ongoing commitment to promote jobs for disabled people, the TF1 group has signed a new 2014-16 disability agreement that applies to all Group companies. The main new feature of the agreement (approved by DIRECCTE, the regional agency with responsibility for employment) is the introduction of specific leave (5 days, which can be split into half-days) for parents of disabled children.

The agreement also builds on the initiatives begun in the two previous agreements, in three areas:

- Operating a proactive recruitment plan: the agreement calls for the hiring of 24 people (6 on fixed-term contracts of over 6 months, and 18 on sandwich course placements). Since the first agreement was signed in 2008, the TF1 group has recruited 91 disabled people (on permanent or fixed-term contracts).
- Protecting the jobs of existing employees who have disabilities: 46% of registered disabled employees receive benefits financed by the *Mission Actions Handicap* fund.
- Outsourcing activities to sheltered workplace organisations. Between 2008 and 2013, over €2 million of work was contracted out to such organisations.

3.2. Responsible purchasing

Award for the TF1 purchasing department

At the 10th annual *Rencontres Internationales de la Diversité*, the TF1 Purchasing Department received an award in the Responsible Purchasing and Diversity category. Organised by the AFMD (French association of diversity managers) and by IAS (the international social audit institute), this event (held in Pau on October 2 and 3, 2014) is an opportunity to reward organisations that have exemplary and innovative approaches to equal opportunity, non-discrimination, diversity and inclusion. TF1 obtained its trophy for its supplier diversity policy (including use of sheltered workplace organisations, SMEs and innovative businesses, and geographical coverage), and for promoting diversity and combatting discrimination among suppliers in the procurement process.

4. Human Resources update

At September 30, 2014 the TF1 group had 2,724 employees on permanent contracts, versus 2,854 a year earlier and 2,764 on December 31, 2013.

5. Stock market performance

On September 30, 2014, TF1 shares closed at €10.68, 17.0% lower than the price on September 30, 2013.

Over the same period, the CAC 40 and SBF 120 rose by 6.6% and 6.9% respectively.

Over the first nine months of 2014, the TF1 share price fell by 23.8%, while the CAC 40 rose by 2.8% and the SBF 120 by 2.7%.

On September 30, 2014 the TF1 group had a market capitalisation of €2.3 billion, compared with €2.7 billion a year earlier.

Outlook

The TF1 group does not expect any change in the advertising market trends by the end of 2014, in terms of either visibility (which remains poor) or intensity of competition in the market.

Against this backdrop, the Group is continuing the implementation of Phase II of the optimisation plan, which will be completed in the fourth quarter of 2014.

Condensed consolidated financial statements for the nine months ended September 30, 2014

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

Consolidated balance sheet

ASSETS (€ million)	*Note*	**Sept. 30, 2014**	**Dec. 31, 2013** [(a)]	**Sept. 30, 2013** [(a)]
Goodwill		**473.8**	**473.8**	**865.5**
Intangible assets		**105.1**	**108.4**	**127.4**
Audiovisual rights		44.5	48.0	52.0
Other intangible assets		60.6	60.4	75.4
Property, plant and equipment		**183.7**	**190.0**	**207.9**
Investments in joint ventures and associates	*6*	**577.7**	**83.5**	**163.9**
Non-current financial assets		**21.8**	**17.6**	**18.6**
Non-current tax assets		**-**	**-**	**10.2**
Total non-current assets		**1,362.1**	**873.3**	**1,393.5**
Inventories		**738.4**	**679.1**	**684.8**
Programmes and broadcasting rights		718.6	663.1	665.9
Other inventories		19.8	16.0	18.9
Trade and other debtors		**1,118.9**	**1,126.3**	**1,132.1**
Current tax assets		**13.8**	**31.7**	**22.3**
Other current financial assets		**3.8**	**-**	**0.7**
Cash and cash equivalents	*10*	**439.1**	**289.3**	**196.5**
Total current assets		**2,314.0**	**2,126.4**	**2,036.4**
Held-for-sale assets	*4*	**-**	**645.6**	**-**
TOTAL ASSETS		**3,676.1**	**3,645.3**	**3,429.9**
Net surplus cash (+) / Net debt (-)		**436.3**	**256.1**	**188.9**
Net surplus cash of continuing operations		***436.3***	***188.9***	
Net surplus cash of held-for-sale operations		***-***	***67.2***	

(a) Due to the retrospective application of IFRS 11 with effect from January 1, 2013 (see Note 2.2.1), the presentation of the balance sheet as of September 30, 2013 and December 31, 2013 has been changed.

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	*Note*	**Sept. 30, 2014**	**Dec. 31, 2013** [(a)]	**Sept. 30, 2013** [(a)]
Share capital	*7*	42.3	42.2	42.2
Share premium and reserves		1,549.2	1,524.5	1,526.4
Net profit/(loss) for the period attributable to the Group		343.2	137.0	61.7
Shareholders' equity attributable to the Group		**1,934.7**	**1,703.7**	**1,630.3**
Non-controlling interests	*8*	34.7	130.5	125.9
Total shareholders' equity		**1,969.4**	**1,834.2**	**1,756.2**
Non-current debt	*10*	**-**	**1.2**	**2.4**
Non-current provisions		**47.4**	**40.8**	**42.5**
Non-current tax liabilities	*9*	**27.3**	**9.2**	**7.5**
Total non-current liabilities		**74.7**	**51.2**	**52.4**
Current debt	*10*	**2.8**	**99.2**	**5.2**
Trade and other creditors		**1,597.6**	**1,445.0**	**1,565.0**
Current provisions		**31.6**	**30.0**	**42.0**
Current tax liabilities		**-**	**16.2**	**7.0**
Other current financial liabilities		**-**	**3.8**	**2.1**
Total current liabilities		**1,632.0**	**1,594.2**	**1,621.3**
Liabilities related to held-for-sale operations	*4*	**-**	**165.7**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,676.1**	**3,645.3**	**3,429.9**

(a) Due to the retrospective application of IFRS 11 with effect from January 1, 2013 (see Note 2.2.1), the presentation of the balance sheet as of September 30, 2013 and December 31, 2013 has been changed.

Consolidated income statement

(€ million)	Note	9 months to Sept. 30 2014	9 months to Sept. 30 2013 [(a) (b)]	Third quarter 2014	Third quarter 2013[(a)]	Full year 2013[(b)]
Advertising revenue		1,093.1	1,099.2	323.2	316.7	1,594.3
Other revenue		369.6	349.0	113.8	111.8	481.0
Revenue		**1,462.7**	**1,448.2**	**437.0**	**428.5**	**2,075.3**
Other income from operations		0.3	-	0.3	-	0.2
Purchased consumed and changes in inventory		(816.6)	(704.2)	(215.0)	(200.6)	(976.4)
Staff costs		(237.2)	(252.5)	(74.2)	(79.7)	(352.2)
External expenses		(264.0)	(270.4)	(91.4)	(85.1)	(368.1)
Taxes other than income taxes		(88.0)	(92.3)	(27.0)	(27.8)	(131.5)
Depreciation and amortisation, net		(41.0)	(44.2)	(12.4)	(12.9)	(61.4)
Provisions and impairment, net		35.2	(9.7)	(2.8)	(9.4)	(32.2)
Other current operating income		52.2	55.4	14.9	21.2	97.4
Other current operating expenses		(71.8)	(77.7)	(21.8)	(24.2)	(104.4)
Current operating profit/(loss)		**31.8**	**52.6**	**7.6**	**10.0**	**146.7**
Other operating income		-	-	-	-	-
Other operating expenses		-	-	-	-	-
Operating profit/(loss)		**31.8**	**52.6**	**7.6**	**10.0**	**146.7**
Income associated with net debt		0.8	0.5	0.3	0.2	0.6
Expenses associated with net debt		(0.1)	(0.2)	-	(0.1)	(0.2)
Cost of net debt	*11*	**0.7**	**0.3**	**0.3**	**0.1**	**0.4**
Other financial income		0.3	2.2	-	-	2.9
Other financial expenses		(0.1)	(2.1)	-	(0.1)	(2.1)
Income tax expense		(10.9)	(15.7)	(1.2)	(4.3)	(45.2)
Share of profits/(losses) of joint ventures and associates	*6*	10.5	0.7	8.5	1.1	0.5
Net profit/(loss) from continuing operations		**32.3**	**38.0**	**15.2**	**6.8**	**103.2**
Net profit from discontinued/held-for-sale operations	*12*	**315.4**	**33.7**	**5.2**	**16.3**	**48.5**
Net profit/(loss)		**347.7**	**71.7**	**20.4**	**23.1**	**151.7**
attributable to the Group:		***343.2***	***61.7***	***20.0***	***19.6***	***137.0***
Net profit/(loss) from continuing operations		*30.9*	*34.8*	*14.8*	*6.6*	*98.2*
Net profit/(loss) from discontinued or held-for-sale operations		*312.3*	*26.9*	*5.2*	*13.0*	*38.8*
attributable to non-controlling interests:		***4.5***	***10.0***	***0.4***	***3.5***	***14.7***
Net profit/(loss) from continuing operations		*1.4*	*3.2*	*0.4*	*0.2*	*5.0*
Net profit/(loss) from discontinued or held-for-sale operations		*3.1*	*6.8*	*-*	*3.3*	*9.7*
Weighted average number of shares outstanding (in '000)		211,366	210,487	211,396	210,885	210,645
Basic earnings per share from continuing operations (€)		0.15	0.16	0.07	0.03	0.47
Diluted earnings per share from continuing operations (€)		0.15	0.16	0.07	0.03	0.47
Basic earnings per share from held-for-sale operations (€)		1.47	0.13	0.02	0.06	0.18
Diluted earnings per share from held-for-sale operations (€)		1.47	0.13	0.03	0.06	0.18

(a) In accordance with IFRS 5 (see Note 4), the presentation of the income statement for the nine months ended September 30, 2013 as published in November 2013 has been changed in order to show results from discontinued or held-for-sale operations separately.

(b) Due to the retrospective application of IFRS 11 with effect from January 1, 2013 (see Note 2.2.1), the presentation of the income statement for the nine months ended September 30, 2013 and the year ended December 31, 2013 has been changed.

Statement of recognised income and expense

(€ million)	9 months to Sept. 30 2014	9 months to Sept. 30 2013	Full year 2013
Consolidated net profit/(loss) for the period	**347.7**	**71.7**	**151.7**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on employee benefits	(4.6)	-	(3.0)
Net tax effect of equity items not reclassifiable to profit or loss	1.7	-	1.0
Share of non-reclassifiable income and expense of joint ventures and associates recognised in equity	-	-	-
Items reclassifiable to profit or loss			
Remeasurement of hedging instruments *	7.6	(3.3)	(5.7)
Remeasurement of available-for-sale financial assets		-	-
Change in cumulative translation adjustment of controlled entities	0.4	(0.1)	-
Net tax effect of equity items reclassifiable to profit or loss	(2.7)	1.1	2.1
Share of reclassifiable income and expense of associates recognised in equity	-	-	-
Income and expense recognised directly in equity	**2.4**	**(2.3)**	**(5.6)**
Total recognised income and expense	**350.1**	**69.4**	**146.1**
attributable to the Group	345.6	59.3	131.4
attributable to non-controlling interests	4.5	10.1	14.7

** includes +€3.3m relating to the reclassification of cash flow hedges to profit and loss*

Consolidated statement of changes in shareholders' equity

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Non-controlling interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2013	**42.2**	**5.8**	**-**	**1,661.5**	**(5.8)**	**1,703.7**	**130.5**	**1,834.2**
Capital increase (share options exercised)	0.1	1.0	-	-	-	**1.1**	-	**1.1**
Share-based payment	-	-	-	0.5	-	**0.5**	-	**0.5**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(116.2)	-	**(116.2)**	(8.7)	**(124.9)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Total transactions with shareholders	**0.1**	**1.0**	**-**	**(115.7)**	**-**	**(114.6)**	**(8.7)**	**(123.3)**
Consolidated net profit/(loss) for period	**-**	**-**	**-**	**343.2**	**-**	**343.2**	**4.5**	**347.7**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**2.4**	**2.4**	**-**	**2.4**
Other transactions (changes in accounting policy and scope of consolidation, other items)	-	-	-	**-**	-	**-**	**(91.6)**	**(91.6)**
BALANCE AT SEPTEMBER 30, 2014	**42.3**	**6.8**	**-**	**1,889.0**	**(3.4)**	**1,934.7**	**34.7**	**1,969.4**

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Non-controlling interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2012	**42.1**	**-**	**-**	**1,635.2**	**(0.2)**	**1,677.1**	**117.0**	**1,794.1**
Capital increase (share options exercised)	0.2	4.5	-	-	-	**4.7**	-	**4.7**
Share-based payment	-	-	-	0.5	-	**0.5**	-	**0.5**
Purchase of treasury shares	-	-	(3.3)	-	-	**(3.3)**	-	**(3.3)**
Cancellation of treasury shares	(0.1)	-	3.0	(2.9)	-	**-**	-	**-**
Dividends paid	-	-	-	(115.6)	-	**(115.6)**	**(1.2)**	**(116.8)**
Other transactions with shareholders	-	-	-	7.6	-	**7.6**	**-**	**7.6**
Total transactions with shareholders	**0.1**	**4.5**	**(0.3)**	**(110.4)**	**-**	**(106.1)**	**(1.2)**	**(107.3)**
Consolidated net profit/(loss) for period	**-**	**-**	**-**	**61.7**	**-**	**61.7**	**10.0**	**71.7**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(2.4)**	**(2.4)**	**0.1**	**(2.3)**
Other transactions (changes in accounting policy and scope of consolidation, other items)	-	-	-	-	-	**-**	**-**	**-**
BALANCE AT SEPTEMBER 30, 2013	**42.2**	**4.5**	**(0.3)**	**1,586.5**	**(2.6)**	**1,630.3**	**125.9**	**1,756.2**

Consolidated cash flow statement

(€ million)	Note	9 months to Sept.30 2014	9 months to Sept.30 2013 (a) (b)	Full year 2013 (b)
Net profit/(loss) from continuing operations (including non-controlling interests)		32.3	38.0	103.2
Depreciation, amortisation, provisions & impairment (excluding current assets)		37.3	48.0	64.9
Intangible assets and goodwill		*21.9*	*29.8*	*39.0*
Property, plant and equipment		*13.3*	*15.1*	*23.9*
Financial assets		-	-	-
Non-current provisions		*2.1*	*3.1*	*2.0*
Other non-cash income and expenses		(6.4)	(8.4)	(14.1)
Effect of fair value remeasurement		0.2	(0.6)	(0.8)
Share-based payment		0.5	0.5	0.6
Net (gain)/loss on asset disposals		0.2	0.2	(18.3)
Share of (profits)/losses and dividends of joint ventures and associates		(3.8)	(0.7)	(0.5)
Dividend income from non-consolidated companies		(0.2)	(0.2)	(1.0)
Sub-total		**60.1**	**76.8**	**134.0**
Cost of net debt		(0.7)	(0.3)	(0.4)
Income tax expense (including deferred taxes)		10.9	15.7	45.2
Operating cash flow		**70.3**	**92.2**	**178.8**
Income taxes (paid)/reimbursed		(18.8)	(35.8)	(48.8)
Change in operating working capital needs		20.5	7.0	(70.0)
Net cash generated by/(used in) operating activities		**72.0**	**63.4**	**60.0**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(23.2)	(34.2)	(51.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.3	1.9	2.0
Cash outflows on acquisitions of financial assets		(3.1)	(3.4)	(3.4)
Cash inflows from disposals of financial assets		-	1.8	1.8
Effect of changes in scope of consolidation		262.0	-	6.0
Purchase price of investments in consolidated activities		-	-	-
Proceeds from disposals of consolidated activities		*262.4*	-	*6.0*
Net liabilities related to consolidated activities		-	-	-
Other cash effects of changes in scope of consolidation		*(0.4)*	-	-
Dividends received		30.4	0.2	1.0
Change in loans and advances receivable		25.7	(0.7)	53.3
Net cash generated by/(used in) investing activities		**292.1**	**(34.4)**	**9.3**
Cash received on exercise of share options		1.1	4.7	6.0
Purchases and sales of treasury shares		-	(3.3)	(3.3)
Other transactions between shareholders		-	-	-
Dividends paid during the period		(117.2)	(116.8)	(116.8)
Cash inflows from new debt contracted		0.3	0.2	0.2
Repayment of debt (including finance leases)		(2.0)	(3.9)	(4.6)
Net interest paid (including finance leases)		0.7	0.3	0.4
Net cash generated by/(used in) financing activities		**(117.1)**	**(118.8)**	**(118.1)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**247.0**	**(89.8)**	**(48.8)**
Cash position at beginning of period – continuing operations		**191.1**	**239.9**	**239.9**
Change in cash position during the period – continuing operations		247.0	(89.8)	(48.8)
Cash position at end of period – continuing operations		**438.1**	**150.1**	**191.1**

(a) In accordance with IFRS 5 (see Note 4), the presentation of the cash flow statement for the nine months ended September 30, 2013 as published in November 2013 has been changed in order to show results from discontinued or held-for-sale operations separately.
(b) Due to the retrospective application of IFRS 11 with effect from January 1, 2013 (see Note 2.2.1), the presentation of the cash flow statement for the nine months ended September 30, 2013 and the year ended December 31, 2013 has been changed.

CHANGE IN CASH POSITION – DISCONTINUED/HELD-FOR-SALE OPERATIONS		9 months to Sept.30 2014	9 months to Sept.30 2013	Full year 2013
Cash position at start of period – Discontinued or held-for-sale operations	*4*	**69.6**	**13.9**	**13.9**
Change in cash position – Discontinued or held-for-sale operations [a]	*4*	(34.5)	30.9	55.7
Deconsolidation of held-for-sale operations	*4*	(35.1)		
Cash position at end of period – Discontinued or held-for-sale operations	*4*	**-**	**44.8**	**69.6**

(a) For a breakdown of these cash flows, see Note 4, "Held-for-sale operations"

Notes to the condensed consolidated financial statements

1 Significant events

- LCI – CSA rejection of the application to switch to freeview

On July 29, 2014, the CSA (the French audiovisual regulator) announced its decision to reject the application for LCI to switch to freeview.

LCI is contesting this decision, and on September 28, 2014 filed an appeal with the Conseil d'Etat to have the decision overturned; a ruling on this appeal is expected in the first few months of 2015. The appeal was combined with a fast-track application to have the CSA decision suspended with immediate effect, but this application was rejected on October 23, 2014.

Given the appeal pending with the Conseil d'Etat, the ongoing discussions on the "new LCI" project, the launch of consultation with internet service provider and Group Canal Plus, the suspension of negotiations on restructuring of the LCI channel, no impact has been recognised in the consolidated financial statements for the nine months ended September 30, 2014.

- Sale of a 31% interest in Eurosport SAS to Discovery Communications

On May 30, 2014, the TF1 group and Discovery Communications completed the acquisition by Discovery of a controlling interest in Eurosport International, following clearance of the transaction by all the relevant competition authorities. This transaction raised Discovery's stake in Eurosport International from 20% to 51%. Eurosport France continues to be held 80% by the TF1 group and 20% by Discovery Communications.

The TF1 group has a put option to sell its remaining 49% interest in Eurosport SAS to Discovery Communications during specified periods between July 1, 2015 and September 30, 2016, at a price to be determined (depending on the date on which the option is exercised) on the basis of either a pre-determined enterprise value or an expert valuation.

In the consolidated income statement for the nine months ended September 30, 2014, and after the finalisation of the sale price in the third quarter 2014, this sale is reflected by the recognition of (i) a gain on the 31% interest sold and (ii) in accordance with the revised IFRS 3, a gain on the remeasurement of the retained 49% interest determined on the basis described above. The total gain of €299.0 million (net of taxes) is reported in "Net profit/loss of discontinued or held-for-sale operations" (for details see Note 12, "Net profit from discontinued/held-for-sale operations").

In the consolidated balance sheet, the retained 49% interest in the Eurosport Group is measured at €489.9 million, on the basis of the final fair value used for the sale of the 31% interest.

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the nine months ended September 30, 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting". They include the minimum content and disclosures defined in IAS 34 and consequently should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 as published in the 2013 Document de Référence filed with the Autorité des Marchés Financiers (AMF) on March 11, 2014 under reference number D.14-0132.

An English-language version of the audited consolidated financial statements for the year ended December 31, 2013 is included in the TF1 Registration Document, available on the TF1 corporate website at https://s.tf1.fr/mmdia/a/53/9/11119539ahpmv.pdf.

The consolidated financial statements of the TF1 group include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 group's interests in associated undertakings. They comply with recommendation no. 2009-R-03 on the presentation of financial statements, as issued by the CNC (the French national accounting standard-setter, now known as the ANC) on July 2, 2009.

They are presented in millions of euros.

The consolidated financial statements were closed off by the Board of Directors on October 29, 2014, and have been subject to a review by the statutory auditors.

2-2. New and amended accounting standards and interpretations

2-2-1. *New standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after January 1, 2014*

In preparing its condensed financial statements for the nine months ended September 30, 2014, 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, 2013, plus any new standards, amendments and interpretations applicable from January 1, 2014.
The principal new standards, amendments and interpretations which are now effective within the European Union and are mandatorily applicable or permitted for early adoption with effect from January 1, 2014 are:

- **IFRS 10**, "Consolidated Financial Statements", **IFRS 11**, "Joint Arrangements", **IFRS 12**, "Disclosure of Interests in Other Entities", **IAS 27**, "Separate Financial Statements" (as amended in 2011), and **IAS 28**, "Investments in Associates and Joint Ventures": these standards were endorsed by the European Union on December 29, 2012 and are mandatorily applicable from January 1, 2014, with retrospective effect for the comparative period. The main changes and effects are described below.

  ✓ **IFRS 10** replaces those parts of IAS 27, "Consolidated and Separate Financial Statements" that dealt with consolidated financial statements and SIC 12, "Consolidation – Special Purpose Entities", and redefines the concept of control over an entity.

  ✓ **IFRS 11** replaces IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". This new standard establishes how to account for joint arrangements. Under IFRS 11, joint arrangements over which two or more parties exercise joint control are accounted for on the basis of the rights and obligations of each of the parties to the arrangement, taking account of factors such as structure and legal form of the arrangement, the rights of each party under the terms of the arrangement and, when relevant, other facts and circumstances:
    - joint ventures, which give the parties rights to the net assets, must be accounted for by the equity method, with the proportionate consolidation method no longer permitted;
    - for joint operations, which give each of the parties direct rights to the assets and obligations for the liabilities, the assets and liabilities (and income and expenses) must be recognised in proportion to the interests held in the joint operation.

  ✓ **IFRS 12** introduces fuller requirements about disclosures of interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

The main effects arise from the application of IFRS 11 to joint arrangements, and more specifically the change to the equity method in accounting for the joint ventures in which the TF1 group has an interest; until now, these have been accounted for using the proportionate consolidation method.

For the TF1 group, this change applies to the three entities (TF6, Série Club and TF6 Gestion) managed under a joint arrangement with M6.

Based on the activities restated with effect from January 1, 2013, the comparative income statements for 2013 have been restated, the main impacts being as follows:

- a reduction in revenue of €10.0 million for 2013 as a whole (€6.7 million for the first nine months of 2013);
- an increase in operating profit of €0.3 million for 2013 as a whole (immaterial for the first nine months of 2013);
- a reduction of €0.3 million in the share of profits/losses from joint ventures and associates for 2013 as a whole (immaterial for the first nine months of 2013).

In addition, the change to the equity method in accounting for these entities means that it is no longer possible to include them in the overall impairment tests performed at the level of the cash generating unit (CGU) to which they belong. Consequently, impairment tests were performed at individual entity level as of the date of the change in consolidation method. Based on the business plans prepared at the end of 2012, the value in use of the entities to which this change in consolidation method applies is approximately €7.7 million less than their carrying amount.
This amount has therefore been recognised as an impairment loss against the equity-accounted entities, as a deduction in consolidated shareholders' equity as of January 1, 2013.

Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities: effective date January 1, 2014, no impact on the financial statements.

IFRIC 21 – Levies: effective date January 1, 2015. This interpretation, endorsed by the European Union on June 13, 2014, has not been early adopted by the TF1 group with effect from January 1, 2014. The main effects of IFRIC 21 will relate to the timing of the recognition of certain levies (such as C3S and land taxes) during interim accounting periods.

The TF1 group has decided not to early adopt any of the pronouncements issued by the IASB and endorsed by the European Union that are permitted for early adoption with effect from January 1, 2014.

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

Standard/Interpretation	IASB effective date	Expected impact on the TF1 group
IFRS 15: Revenue from Contracts with Customers	January 1, 2017	On May 28, 2014, the IASB issued a new standard on revenue recognition, intended to replace most of the current IAS 18. The new standard, which has not yet been endorsed by the European Union, is applicable from January 1, 2017 with early adoption permitted. The impact of this standard is currently under review.
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2018	Not quantifiable at present

2-3. Changes in accounting policy

TF1 has not made any changes in accounting policy during 2014 to date, other than those required to comply with IFRS requirements applicable on or after January 1, 2014 (see Note 2-2-1), which have no material impact on the financial statements.

2-4. Use of estimates

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

- impairment of audiovisual rights (whether recognised as intangible assets or carried as inventory);
- impairment of goodwill (where there is evidence of impairment);
- impairment of programmes and broadcasting rights;
- measurement of provisions.

These estimates were made using the same valuation approaches as those used in preparing the financial statements for the year ended December 31, 2013 and the 2013 interim financial statements. As of the date on which the financial statements for the nine months ended September 30, 2014 were closed off by the Board of Directors, management believes that as far as possible, these estimates incorporate all information available to it.

2-5. Seasonal trends

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

3 Changes in scope of consolidation

Following the sale of a 31% interest in Eurosport SAS on May 30, 2014 (see "Significant Events"), the TF1 group no longer exercises exclusive control over Eurosport SAS and its international subsidiaries. Consequently, those entities have been deconsolidated with effect from that date.
The TF1 group retains a 49% interest in Eurosport SAS, giving it significant influence over that entity. Consequently, the Eurosport International group has been accounted for by the equity method with effect from that date (see Note 6, "Investments in joint ventures and associates").

4 Held-for-sale operations

In line with the accounting treatment applied from December 31, 2013 until May 30, 2014 – the date when the TF1 group sold an additional 31% interest in Eurosport International (Eurosport group excluding Eurosport France) to Discovery Communications – the activities of Eurosport International are presented as a held-for-sale operation.

- **Income statement of Eurosport International, treated as a held-for-sale operation until May 30, 2014:**

(€ million)	5 months 2014	9 months 2013
Advertising revenue	15.7	58.6
Other revenue	143.8	251.4
Revenue	**159.5**	**310.0**
Operating expenses	**(133.7)**	**(258.3)**
Operating profit	**25.8**	**51.7**
Cost of net debt	**-**	**-**
Other financial income and expenses	(0.1)	(0.1)
Income tax expense	(9.3)	(17.9)
Net profit	**16.4**	**33.7**

➢ **Cash flow statement of Eurosport International, treated as a held-for-sale operation until May 30, 2014:**

	5 months 2014	9 months 2013
Net cash generated by/(used in) operating activities – held-for-sale operations	5.0	34.2
Net cash generated by/(used in) investing activities – held-for-sale operations	(1.6)	(2.1)
Net cash generated by/(used in) financing activities – held-for-sale operations [a]	(37.9)	(1.2)
Total change in cash position of held-for-sale operations	**(34.5)**	**30.9**
CHANGE IN CASH POSITION OF DISCONTINUED OR HELD-FOR SALE OPERATIONS:		
Cash position at start of period - discontinued or held-for-sale operations	**69.6**	**13.9**
Change in cash position – discontinued or held-for-sale operations	(34.5)	30.9
Cash position at end of period - discontinued or held-for-sale operations	**35.1**	**44.8**

(a) Includes €37.8 million of dividends distributed in the second quarter of 2014

5 Operating segments

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

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

The TF1 group reports the following operating segments:

Broadcasting and Content

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

Consumer Products

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

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

Pay-TV

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

Holding company and other

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

(€ million)	BROADCASTING & CONTENT		CONSUMER PRODUCTS		PAY-TV		HOLDING COMPANY & OTHER		TOTAL TF1 GROUP	
SEGMENTAL INCOME STATEMENT	**9m 2014**	**9m 2013**	**9m 2014**	**9m 2013**	**9m 2014**	**9m 2013**	**9m 2014**	**9m 2013**	**9m 2014**	**9m 2013**
Segment revenue	1,241.6	1,223.8	141.6	149.5	105.6	110.2	27.7	25.8	1,516.5	1,509.3
Eliminations of inter-segment transactions	(20.4)	(30.0)	(0.9)	(1.2)	(12.1)	(10.9)	(20.4)	(19.0)	(53.8)	(61.1)
CONTRIBUTION TO GROUP REVENUE	**1,221.2**	**1,193.8**	**140.7**	**148.3**	**93.5**	**99.3**	**7.3**	**6.8**	**1,462.7**	**1,448.2**
Advertising revenue	*1,082.6*	*1,083.1*	*0.0*	*0.0*	*10.5*	*16.1*	*0.0*	*0.0*	*1,093.1*	*1,099.2*
Other revenue	*138.6*	*110.7*	*140.7*	*148.3*	*83.0*	*83.2*	*7.3*	*6.8*	*369.6*	*349.0*
CURRENT OPERATING PROFIT/ (LOSS)	**9.7**	**31.3**	**10.4**	**6.7**	**-1.6**	**2.1**	**13.3**	**12.5**	***31.8***	***52.6***
OPERATING PROFIT/(LOSS)	**9.7**	**31.3**	**10.4**	**6.7**	**-1.6**	**2.1**	**13.3**	**12.5**	**31.8**	**52.6**
% operating margin on Group contribution	*0.8%*	*2.6%*	*7.4%*	*4.5%*	*-1.7%*	*2.1%*	*N/S*	*N/S*	*2.2%*	*3.6%*
Share of profits/(losses) of joint ventures and associates (1)	0.7	-	-	-	9.5	-	0.3	0.7	10.5	0.7

(1) The breakdown of the share of profits and losses of joint ventures and associates (see Note 6) by segment is as follows:
- Broadcasting & Content: relates mainly to UGC Distribution and La Place Média;
- Consumer Products: relates mainly to Direct Optic Participations;
- Pay-TV: relates mainly to Eurosport SAS and its international subsidiaries;
- Holding Company & Other: relates mainly to Groupe AB.

6 Investments in joint ventures and associates

The table below gives details of investments in joint ventures and associates:

(€ million)	Eurosport group [1]	Groupe AB [2]	Other [3]	Total
Country	**France**	**France**	**France**	
December 31, 2012	**-**	159.5	**3.2**	**162.7**
Share of profit/(loss) for the period	-	0.7	-	**0.7**
Provision for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Changes in scope of consolidation	-	-	-	**-**
Other movements	-	-	0.5	**0.5**
September 30, 2013	**-**	160.2	**3.7**	**163.9**
December 31, 2013	**-**	80.2	**3.3**	**83.5**
Share of profit/(loss) for the period	10.3	0.2	-	**10.5**
Provision for impairment	-	-	-	**-**
Dividends paid	-	(6.7)	-	**(6.7)**
Changes in scope of consolidation	489.9	-	-	**489.9**
Other movements	-	-	0.5	**0.5**
September 30, 2014	**500.2**	**73.7**	**3.8**	**577.7**

(1) The Eurosport International group has been accounted for as an associate by the equity method with effect from May 30, 2014 (see "Significant events"). Goodwill is provisionally measured at €402.2 million.

(2) Given the timescale for finalisation of the financial statements of Groupe AB, the share of this entity's losses recognised as of September 30, 2014 was calculated on the basis of its results for the fourth quarter of 2013 and the first half of 2014.

(3) Other investments in joint ventures and associates mainly comprise TF6, Série Club, Direct Optic Participations and UGC Distribution.

With the exception of the Eurosport International group, there is no material difference between the Group's share of the net assets of joint ventures and associates and the carrying amount of the investments in those entities.
No other income and expense recognised directly in equity was reported by joint ventures and associates.

7 Share capital

During the period, 176,501 new shares were issued on exercise of stock options, giving rise to a capital increase of €1.1 million (see the consolidated statement of changes in shareholders' equity). As of September 30, 2014, the share capital of TF1 SA consisted of 211,436,514 shares.

8 Non-controlling interests

The movement reported on the "Other transactions (changes in accounting policy and scope of consolidation, other items)" line in the consolidated statement of changes in shareholders' equity relates to the deconsolidation, effective May 30, 2014, of the 20% interest held by Discovery Communications in the Eurosport International group. This deconsolidation reflects the fact that following the acquisition of an additional 31% interest (see Note 1, "Significant events"), Discovery Communications has exercised control over the Eurosport International group since that date.

9 Non-current tax liabilities

The movement in non-current tax liabilities during the nine months ended September 30, 2014 is attributable mainly to the recognition of a deferred tax liability on the remeasurement of the retained 49% equity interest in the Eurosport International group (see Note 1, "Significant events").

10 Net surplus cash/net debt

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

(€ million)	Sept. 30, 2014	Dec. 31, 2013
Cash and cash equivalents	439.1	289.3
Financial assets held for treasury management purposes	-	-
Available cash	**439.1**	**289.3**
Fair value of interest rate derivative instruments	**-**	**-**
Non-current debt	-	(1.2)
Current debt [(a)]	(2.8)	(99.2)
Total debt	**(2.8)**	**(100.4)**
Net surplus cash/(net debt) – continuing operations	**436.3**	**188.9**
Net surplus cash/(net debt) – held-for-sale operations	**-**	**67.2**

(a) *As of December 31, 2013, this debt included €94.4 million for the surplus cash of Eurosport SAS (held-for-sale operation) deposited with TF1 SA, repaid during the first half of 2014.*

As of September 30, 2014, TF1 had the following financing arrangements in place:

- Confirmed bilateral bank credit facilities of €905 million, backed up by a cash pooling agreement with the Bouygues Group under which nothing was drawn down as of September 30, 2014.
- A residual finance lease obligation of €1.8 million relating to the financing of technical plant and equipment.

11 Cost of net debt

Cost of net debt for the nine months ended September 30 is shown below:

(€ million)	9 months to Sept. 30, 2014	9 months to Sept. 30, 2013
Interest income	0.7	0.4
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	0.1	0.1
Income associated with net debt	**0.8**	**0.5**
Interest expense on debt	(0.1)	(0.2)
Change in fair value of interest rate derivatives	-	-
Expenses associated with debt	**(0.1)**	**(0.2)**
Cost of net debt	**0.7**	**0.3**

12 Net profit from discontinued/held-for-sale operations

(€ million)	2014 5 months	2013 9 months
Net profit from the operations of Eurosport International, before taxes	25.7	51.6
Income taxes on the operations of Eurosport International	(9.3)	(17.9)
Net profit from the operations of Eurosport international	**16.4**	**33.7**
Gain on disposal and remeasurement, before taxes	328.5	-
Current and deferred tax on gain on disposal and remeasurement	(29.5)	-
Net gain on disposal and remeasurement	**299.0**	**-**
Net profit from held-for-sale operations	**315.4**	**33.7**

Net profit from held-for-sale operations for the first nine months of 2014 comprises the net profit from the operations of Eurosport International for the first five months of the year (€16.4 million), and gains arising on disposal and remeasurement (€299.0 million).

13 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)	Sept. 30, 2014	Dec.31, 2013
Cash and cash equivalents in the balance sheet	439.1	289.3
Cash of held-for-sale operations	-	-
Treasury current account credit balances (1)	(1.0)	(98.2)
Bank overdrafts	-	-
Total net cash position at end of period per the cash flow statement	**438.1**	**191.1**

(1) Due to the application of IFRS 5 (see Note 4), treasury current account credit balances as of December 31, 2013 include the €94.4 million balance on the account between TF1 SA and Eurosport SAS, given that the corresponding receivable is classified as a held-for-sale asset.

14 Cash flow statement

- ✓ Effect of changes in scope of consolidation:
  In the cash flow statement for the first nine months of 2014, the line "Proceeds from disposals of consolidated activities" includes a €256.6 million cash inflow for the proceeds from the sale of a 31% interest in Eurosport SAS, and a €5.8 million cash inflow representing two-thirds of the sale price for Place des Tendances.

- ✓ Dividends received:
  Dividends received in the first nine months of 2014 include the dividends paid by Eurosport in the second quarter of 2014.

15 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on April 29, 2014 in respect of the 2013 financial year, and the amount paid in 2013 in respect of the 2012 financial year.

	Paid in 2014	Paid in 2013
Total dividend (€ million)	116.2	115.6
Dividend per ordinary share (€)	0.55	0.55

16 Off balance sheet commitments relating to equity interests

Following the acquisition by Discovery Communications of an additional 31% interest in Eurosport SAS, the parent company of the Eurosport group, the off balance sheet commitments between Discovery Communications and the TF1 group are now as follows:

- Eurosport group:

  a) In association with the sale of an additional 31% equity interest in Eurosport SAS (see Note 1, "Significant events") and further to the repurchase on May 14, 2014 by the TF1 group of 80%

of the shares of Eurosport France, the TF1 group granted Eurosport SAS a call option over all of those shares, exercisable between January 1, 2015 and December 31, 2017.

b) During the same period, TF1 has a put option to sell its entire interest in Eurosport France to Eurosport SAS.

c) Following the sale of the additional 31% equity interest in Eurosport SAS, TF1 has a put option to sell its remaining 49% equity interest in Eurosport SAS to Discovery Communications during specified periods between July 1, 2015 and September 30, 2016.

- Pay-TV theme channels:

d) Discovery Communications has an option to acquire, during a 180-day period commencing May 30, 2014, an additional 29% equity interest in the pay-TV theme channels, thereby raising its interest to 49%.

e) Following the acquisition by Discovery Communications of an additional 31% equity interest in Eurosport SAS (see Note 1, “Significant events”) and in the event that Discovery Communications does not exercise its option to acquire an additional 29% equity interest in the pay-TV theme channels, TF1 would be able to sell Discovery Communications an additional 15% equity interest in those channels during the following 12 months, raising the percentage interest held by Discovery Communications to 35%.

f) If TF1 withdraws completely from the Eurosport group, Discovery Communications can sell TF1 its entire equity interest in the theme channels during a one-year period commencing December 21, 2018.

The amounts reported in the contractual commitments schedule below correspond to the commitments described in points a), b), c) and d) above, measured on the basis of the latest enterprise values. Because the commitments described in points e) and f) above are subject to conditions that have not yet been met, they have not been included in the schedule.

(€ million)	*Reference*	**Sept. 30, 2014**	**Dec. 31, 2013**
Total call options granted by TF1	*a), d)*	*88.3*	*367.8*
Total put options granted by TF1	*a)*	*-*	*68.0*
Total commitments under options granted by TF1		**88.3**	**435.8**
Total call options granted to TF1		*-*	*-*
Total put options granted to TF1	*b), c)*	*533.5*	*68.0*
Total commitments under options granted to TF1		**533.5**	**68.0**
Total TF1/Discovery commitments relating to equity interests		**621.8**	**503.8**

17 Post balance sheet events

The TF1 group is currently finalising the sale to the ITAS group of the entire share capital of OneCast, a TF1 subsidiary specialising in DTT multiplex transmission.
OneCast generated revenue of €7.3 million in the first nine months of 2014 (versus €9.1 million for the year ended December 31, 2013), and current operating profit of €2.0 million in the same period (versus €1.9 million for the year ended December 31, 2013).

Diary dates

- **February 19, 2015**: 2014 full-year revenue and financial statements
- **April 16, 2015**: Shareholders’ Annual General Meeting
- **April 29, 2015**: 2015 first-quarter revenue and financial statements
- **July 23, 2015**: 2015 first-half revenue and financial statements
- **October 28, 2015**: 2015 9 months revenue and financial statements

These dates may be subject to change.

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Société anonyme with capital of €42,252,002.60 – Registered no. R.C.S. Nanterre 326 300 159

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

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