

Boulogne-Billancourt, July 23, 2010

**Consolidated revenue up 14%**  
**Three-fold increase in operating profit to €104m**  
**Net profit up 51% at €74m**

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 22, 2010 to adopt the financial statements for the first half of 2010.

CONSOLIDATED FIGURES (€m)	H1 2010	H1 2009	Change %	Change €m
<b>Revenue</b>	<b>1,285</b>	<b>1,130</b>	<b>+14%</b>	<b>+155</b>
<i>TF1 Channel advertising</i>	<i>765</i>	<i>687</i>	<i>+11%</i>	<i>+78</i>
<i>Other activities</i>	<i>520</i>	<i>443</i>	<i>+17%</i>	<i>+77</i>
<b>Operating profit</b>	<b>104</b>	<b>38</b>	<b>x3</b>	<b>+66</b>
Cost of net debt	(10)	(10)	-	-
<b>Net profit attributable to the Group</b>	<b>74</b>	<b>49</b>	<b>+51%</b>	<b>+25</b>

#### Revenue growth

TF1 Group **consolidated revenue** rose by €155m (14%) in the first half of 2010 to €1,285m.

**Advertising revenue** for the TF1 channel was €765m, up €78m (11%) on the first half of 2009. TV became the no.1 medium in France in terms of advertising spend in the first six months of 2010, and advertisers upped their spending on the TF1 channel.

**Diversification revenue** came to €520m, a year-on-year increase of €77m (17%), including €33m from the resale of 2010 FIFA World Cup rights. Excluding this resale, diversification revenue rose by 10%. Most diversification activities enjoyed a dynamic first half, with Eurosport International performing particularly well.

#### Tight cost control

**Programming costs** for the TF1 channel totalled €483m (versus €455m in the first half of 2009), reflecting the €60m of costs associated with the 2010 FIFA World Cup during the period.

Excluding exceptional sporting events, programming cost savings of €33m were achieved, including €12m of recurring savings under the optimisation plan.

Contract renegotiations generated a further €6m of savings.

Overall, the **ongoing optimisation measures** therefore generated a **further €18m of recurring cost savings** in the first half of 2010.

#### Significant growth in operating margin

The TF1 Group made an **operating profit** of €104m in the first half of 2010, an advance of €66m on the 2009 first-half figure.

**Operating margin** reached 8.1%, compared with 3.3% for the first half of 2009 and 4.3% for 2009 as a whole.

Second-quarter operating profit was €60m, an increase of €11m (23%) on the comparable period of 2009. Operating margin for the second quarter was 8.8%, even after the costs associated with the 2010 FIFA World Cup.

These performances confirm, quarter by quarter, the effectiveness of the steps taken by the TF1 Group to migrate towards a more favourable business model.

#### Net profit of €74m

**Cost of net debt** was unchanged at €10m.

**Net profit** for the first half of 2010 was **€74m**, an increase of 51% relative to the 2009 first-half figure of €49m (which included a €20m gain on the remeasurement of the Canal+ France put option).

### Healthy balance sheet

As of June 30, 2010, **shareholders' equity** stood at €1,388m, out of a balance sheet total of €3,704m.

**Net debt** at end June 2010 was €120m, compared with a net cash surplus of €73m at December 31, 2009 and net debt of €820m at June 30, 2009. The year-on-year change reflects TF1's sale of its 9.9% interest in Canal+ France, partly offset by the acquisition of additional equity interests in the TMC and NT1 channels.

On July 7, 2010, Standard & Poor's reiterated the TF1 Group's "BBB/A-2" credit rating, but upgraded its outlook from "stable" to "positive".

### Segmental analysis

Revenue by segment (€m)	Q1 2010	Q1 2009	Change %	Q2 2010	Q2 2009	Change %	H1 2010	H1 2009	Change %
Broadcasting France	481	436	+10%	563	477	+18%	1 044	913	+14%
Audiovisual Rights	32	33	-3%	28	36	-22%	60	69	-13%
Broadcasting International	84	69	+22%	97	78	+24%	181	147	+23%
Other Activities	0	0	na	0	1	ns	0	1	ns
<b>Total Group TF1</b>	<b>597</b>	<b>538</b>	<b>+11%</b>	<b>688</b>	<b>592</b>	<b>+16%</b>	<b>1,285</b>	<b>1,130</b>	<b>+14%</b>

### Broadcasting France: strong audience ratings

Revenue for the Broadcasting France division rose by 14% in the first half of 2010 to €1,044m, driven mainly by an upturn in advertising spend on TF1, TMC, Eurosport and e-TF1.

During the period, the **TF1 channel** retained its unrivalled position as France's leading TV channel and a leading European media player, with an audience share of 24.8% among individuals aged 4 and over and of 28.2% among "women aged under 50 purchasing decision-makers", the prime target audience for advertisers<sup>(1)</sup>.

The channel was the **only established TV channel to increase its prime-time audience ratings** in the first half of 2010, attracting an average of 6.6 million viewers (up 200,000 year-on-year) and achieving 49 of the top 50 audience ratings<sup>(1)</sup>.

**The 2010 FIFA World Cup** was a great success, with the TF1 Group registering very good performances and record viewing figures across its various media channels. TF1 attracted the highest audience since the start of the year as **15.2 million people** watched the France-Mexico match on June 17, 2010. The World Cup Final between the Netherlands and Spain attracted 14.1 million viewers, the highest audience for a football match not involving a French team since Médiamat was created in 1989<sup>(1)</sup>.

In the first half of 2010, **827 million free videos** were watched on the Group's websites, including 418 million catch-up videos. This means that in the first half of 2010 alone, more catch-up videos were viewed on the TF1.fr site than over the whole of 2009 (400 million)<sup>(3)</sup>.

In June 2010, **TMC** attracted 3.2% of individuals aged 4 and over, making this general-interest channel (France's leading DTT broadcaster) the **sixth most-watched national channel**.

Tight cost control across all activities enabled the Broadcasting France segment to report an operating profit of €83m, giving an operating margin of 8.0%.

### Audiovisual Rights: lower revenues, but a sharp reduction in costs

The Audiovisual Rights segment reported a €9m fall in revenue relative to the first half of 2009.

The success of the films released into cinemas during the period by **TF1 Droits Audiovisuels** was not enough to offset the fact that there were fewer releases than in the first half of 2009.

**TF1 Vidéo** saw a decline in volumes sold, due to a limited line-up and a tough comparative as a result of successful releases in 2009. The volume effect was exacerbated by structural downward price pressure.

The impact of the drop in revenues was cushioned by cost reductions, limiting the operating loss to €6m (versus a €15m loss for the first half of 2009).

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### **International Broadcasting: 15% operating margin**

**Eurosport International** achieved 23% revenue growth, to €181m. Eurosport International reported a 19% rise in subscription revenue thanks to expansion into new territories (such as South-East Asia and Australia), a new strategy of developing add-on channels, and technological innovations such as HD. Tight cost control helped Eurosport International generate an operating profit of €27m, giving an operating margin of 15% (versus 14% in the first half of 2009).

**SPS** launched its online gaming and betting operations in France under the EurosportBET and EurosportPoker banners in June 2010.

### **Outlook for 2010**

After a dynamic first half in terms of both advertising and diversification revenue, and with TMC and NT1 due to be consolidated from July 1, 2010, TF1 is revising its 2010 full-year revenue guidance upward to €2,530m (7%), compared with the 2009 full-year figure of €2,365m.

The strategy adopted just over two years ago is now in place, as demonstrated by the acquisition of control over TMC and NT1 on June 11, 2010; the success of the 2010 FIFA World Cup across all the Group's media channels; the forging of alliances to protect some of the Group's businesses (movie production, online gaming/betting); the distribution of TF1 content by telecoms operators; and the ability to constantly adapt the business model, as illustrated by the 2010 first-half results.

The medium-term objective of raising profitability to the average enjoyed by leading European TV channels remains in place, though the EBITDA/revenue ratio of 20% is no longer viable given the changes in economic conditions between 2008 and 2010. The strategy should have the added benefits of stabilising programming costs and giving a more balanced mix of revenues between the TF1 channel and the Group's other activities.

### **Corporate governance**

The Board of Directors – acting on a proposal from the Director Selection Committee – co-opted Laurence Danon, Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance, to serve as an independent Director.

(1) Source: Médiamétrie

(2) Market leadership in TF1 prime-time slots

(3) Source: Médiamétrie NNR Panel May 2010 and eStat, streaming TV

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

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