Interim Report

2008 – First Quarter

Contents

Consolidated Key Figures

€m	**2008 1st quarter**	**2007 1st quarter**	**2007 full year**
Revenues	658.4	702.3	2,763.6
TF1 channel advertising revenue	*440.1*	*457.0*	*1,718.3*
Revenue from other activities	*218.3*	*245.3*	*1,045.3*
Operating profit	98.8	125.0	305.2
Net profit attributable to the Group	70.4	88.5	227.8
Operating cash flow[1]	116.6	142.3	390.8
Shareholders' equity	1,463.2	1,448.3	1,394.0
Net debt	539.1	336.6	597.3
Basic earnings per share (€)	0.33	0.41	1.07
Diluted earnings per share (€)	0.33	0.41	1.06

	2008 1st quarter	**2007 1st quarter**	**2007 full year**
Average number of shares outstanding ('000)	213,410	213,885	213,763
Closing share price at end of period (€)	13.93	25.06	18.30
Average market capitalisation for the period (€bn)	2.97	5.36	3.91

[1] Before cost of net debt and income tax expense

Income statement contributions by segment

€m	Revenue			Operating profit		
	Q1 2008	Q1 2007	FY 2007	Q1 2008	Q1 2007	FY 2007
BROADCASTING FRANCE	**557.6**	**581.6**	**2,220.5**	**99.6**	**118.6**	**252.0**
TF1 SA	442.5	458.0	1,729.3	93.7	111.8	221.1
Téléshopping Group	38.0	41.9	153.1	0.6	2.4	7.9
Theme channels – France [a]	46.4	46.2	188.6	0.5	(0.6)	2.0
TF1 Entreprises	5.6	7.0	40.5	(1.2)	0.1	1.6
In-house production company [b]	7.5	8.9	28.1	3.1	1.5	2.1
E-TF1	12.4	13.9	57.1	(0.6)	(0.7)	2.0
Other [c]	5.2	5.7	23.8	3.5	4.1	15.3
AUDIOVISUAL RIGHTS	**36.5**	**60.7**	**268.1**	**(1.5)**	**4.9**	**17.2**
Catalogue [d]	11.9	33.0	101.4	1.2	3.5	6.1
TF1 Vidéo [e]	24.6	27.7	166.7	(2.7)	1.4	11.1
INTERNATIONAL BROADCASTING [f]	**64.2**	**60.0**	**274.8**	**1.5**	**1.5**	**38.2**
OTHER ACTIVITIES [g]	**0.1**	**-**	**0.2**	**(0.8)**	**-**	**(2.2)**
TOTAL – CONTINUING OPERATIONS	**658.4**	**702.3**	**2,763.6**	**98.8**	**125.0**	**305.2**

[a] Comprises Eurosport France, LCI, TV Breizh, TMC, TF6, Série Club, Odyssée, Histoire, Ushuaïa TV, TFOU, JET and TF1 Digital.
[b] Mainly comprises TF1 Films Production, TPP, Alma Productions, Glem, TAP, Yagan Productions and Quai Sud.
[c] Mainly comprises TF1 Publicité, GIE Aphélie and WAT.
[d] Mainly comprises TF1 International, Telema and TCM.
[e] Includes CIC and RCV.
[f] Comprises Eurosport International and France 24.
[g] Top Tickets.

BROADCASTING FRANCE

TF1 channel

Despite the proliferation of media offerings, TF1 has retained a strong position, attracting **47 of the top 50 audience ratings** since the start of the year, including the top-ranking programmes in each genre. The channel also achieved the record audience, when 10.7 million viewers tuned into *Les Secrets des Enfoirés* on February 15, 2008[2].

Theme channels

TMC is the first and only French DTT channel to have topped the million-viewer mark in prime time, attracting an average audience of 1,152,000 for the episode of *Preuve à l'Appui* broadcast on Sunday March 16[2].

On April 2, 2008, **Ushuaïa TV** was relaunched as the "Sustainable Development and Environmental Protection Channel", with a new programming schedule. A sustainable development website, *Ushuaïa, la terre et nous* (http://ushuaia-terre.tf1.fr), went online to coincide with the relaunch.

Other companies

In March 2008, **Téléshopping** launched the *placedestendances.com* online ready-to-wear department store, with 32 brands offered in the debut range for the 2008 spring/summer season.

In January, TF1 Pub was France's no.1 web advertising offering for children, with nearly 1 million unique visitors per month across its kids' sites (*Disney, tfou, ptifou, toonnetwork, boomerangtv* and *totallyspies*)[3].

In March, **Lci.fr** broke the 4 million unique visitors barrier (4.197 million)[3]. This record figure made lci.fr the **third most-viewed news site** in France behind *lemonde.fr* and *lefigaro.fr*, and represented a doubling of the audience relative to March 2007.

INTERNATIONAL BROADCASTING

Eurosport 2, launched in 2005, continued its rapid growth. This new-generation sports channel was being received in 30.7 million subscriber households as of March 31, 2008 (up 12% versus March 31, 2007). This success reflects the channel's unique blend of team sports, mechanical sports, extreme sports, news, and unusual sports.

AUDIOVISUAL RIGHTS

Olivier Dahan's movie *La Môme* (English title: *La Vie en Rose*) was premiered worldwide. A number of TF1 subsidiaries played their part in this smash hit: **TF1 Films Production** as co-producer, **TFM Distribution** as French distributor, **TF1 International** which handled the export of the movie to over 50 countries, and **TF1 Vidéo** which distributed the DVD.

OTHER ACTIVITIES

On November 6, 2007, bids were invited from potential **mobile TV operators** in France. The TF1 Group responded on January 15, 2008, submitting a bid for three frequencies for its **TF1, LCI** and **Eurosport France** channels. The Group also filed a joint bid with the AB Group for **TMC**.

TF1, **France's most socially-responsible media company (March, 2008)** : with a **91.43%** score for environmental awareness and compliance, TF1 was ranked top out of around sixty media companies evaluated by the French Ministry for Ecology, Energy, Sustainable Development and Regional Development .

TF1 and **Endemol** announce the signature of a global partnership agreement, on May 6, 2008, between the TF1 and Endemol France groups, for a period of two years with effect from September 1st 2008. TF1 and the channels in its Group will have the benefit of access to the whole catalogue of rights and formats from the network of Endemol. TF1 will at the same time acquire exclusive free and paying "new media" rights from Endemol France in relation to the programmes acquired.

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[2] Source: Médiamétrie
[3] Source: Panel Nielsen NetRatings

Management Review – 1st quarter of 2008

Boulogne – May 14, 2008

TF1 Group consolidated revenue fell by 6.3% in the first quarter of 2008 to €658.4m. Net advertising revenue from the TF1 channel was down 3.7% at €440.1m, while revenue from other activities was 11.0% lower at €218.3m.

For the TF1 channel, the decline in advertising revenues during the first quarter of 2008 was mainly due to the challenging comparative for the first quarter of 2007, when advertising revenues rose by 6.1% thanks largely to retailers being allowed to advertise on TV for the first time. Since the start of 2008, the advertising market has been affected by the announcement by French President Nicolas Sarkozy, on January 8, 2008, about the removal of advertising from French public-service channels and by the new tariff scales introduced by France Télévision at the start of 2008. These two factors, coupled with less favourable economic conditions, led advertisers to adopt a wait-and-see attitude during the first quarter of 2008.

Revenue from other activities was down 11.0% at €218.3m mostly because of the successful cinema release of *La Môme* (English title: *La Vie en Rose*) in the first quarter of 2007. Excluding this impact, the decline on the diversification revenue is -3.1%.
The activities of the Téléshopping Group, TF1 Entreprises and TF1 Vidéo were affected by the slowdown in consumer demand.
Eurosport International enjoyed higher subscription revenue, mostly as a result of the channel's ongoing expansion across the full range of media (satellite, ADSL and DTT).

Operating profit for the first quarter of 2008 was down 21.0% at €98.8m, giving an operating margin of 15.0%. TF1 channel programming costs rose by 3.6% to €235.5m, in line with our expectations; the main reason was the broadcasting of *Star Academy*, which was shown in January and February 2008 but not in January 2007. On a full year basis, the programming cost growth will be below 3%.

The cost of net debt increased from €3.5m to €4.4m due to a rise in the average level of net debt following the acquisition of a 33.5% interest in the AB Group in April 2007.

Other financial income and expenses showed a net gain of €2.7m, compared with a net gain of €9.5m in the comparable period of 2007. Most of this came from the remeasurement at fair value of the Canal+ France financial asset, comprising a 9.9% interest and a put option, as well as non recurrent write off for asset depreciation.

Net profit from continuing operations was down 20.5% at €70.4m, reflecting the decline in revenue. This amount includes reorganisation expenses and a non recurrent write off for a total amount of roughly €12m

As of March 31, 2008, shareholders' equity stood at €1,463.2m and the balance sheet total at €3,673.5m. Net debt was €539.1m, giving gearing of 36.8%.

Guidance

The current situation of the media market, the uncertain economic environment and the lake of visibility concerning the regulatory framework, lead TF1 to revise its annual consolidated revenue guidance for 2008 to around -3% (vs + 2.4% previously).

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

I. Broadcasting France

The Broadcasting France division generated revenue of €557.6m (down 4.1%) and an operating profit of €99.6m (down 16.0%).

TF1 channel *(Source: Médiamétrie)*

Over the first three months of the year, the TF1 channel recorded a 31.8% audience shares for women aged under 50 and a 27.8% audience share for individuals aged 4 and over. Despite the proliferation of media offerings, TF1 demonstrated strong pulling power in the DTT sphere, increasing the audience share lead over its nearest rival (France 2) to 11 points, compared with 9.7 points in the national sphere.

TF1 also confirmed its market leadership by securing the top 47 audience ratings during the first three months of the year with a broad range of programming. The channel has 64 programmes with over 7 million viewers, and was the most-watched broadcaster on 89% of the evenings during the period.

Advertising

TF1 net advertising revenue fell by 3.7% in the first quarter of 2008. In addition to a tough comparative in the first quarter of 2007, when revenue rose by 6.1%, the early part of the year was hit by a wait-and-see attitude from advertisers in response to uncertainties over the economy and the regulatory environment.

TF1's share of the advertising market in the first quarter of 2008 was 59.5%[4].

Within the overall decline in advertising revenues, different sectors enjoyed contrasting fortunes.

Sectors in decline[5] during the period included:

- *Food*, the no.1 sector for advertising on TF1 (25.1% of gross advertising revenue), showed a slight fall of 1.1%. The channel took 61.9% of the market, a 2.4-point improvement. Among the factors that affected the sector was a rise in commodity prices.
- *Retail* (down 8.1%) suffered from a tough comparative, TV advertising having been opened up to the retail sector in the first quarter of 2007. However, TF1 increased its market share by 6.5 points to 63.1%.
- *Cosmetics/Beauty*, down 5.3%.
- *Household Cleaning*, down 12.4%, but with market share up 2.2 points at 64.1%.
- *Banking and Insurance* (down 19.2%), with the banking sector facing an unfavourable environment due to the subprime crisis.

However, some sectors reported growth:

- *Automotive*, with revenues up 6.8% and a 4.5-point rise in TF1's market share to 58.2%.
- *Publishing* (up 29.9%) and *Telecommunications* (up 14%), both helped by weak comparatives.
- *Pharmaceuticals/Medicine*, which continue to achieve strong growth rates (49.2%) and now account for 4.0% of the TF1 portfolio.

Internet advertising revenue generated by the TF1 Group as a whole rose by 20.8% in the first quarter of 2008.

Theme channels – France

During the first quarter of 2008, the French theme channels generated revenue of €46.4m, a rise of 0.4%. The division's advertising revenues increased by 5.1% over the period. This growth was driven by strong viewing figures for TMC, which attracted the 5 largest audiences on DTT in the first quarter of 2008 and which in March 2008 topped the rankings for DTT channels for the fifth consecutive month.

The division made an operating profit of €0.5m, against an operating loss of €0.6m in the first quarter of 2007. This improvement was largely due to the closure of the JET channel at the end of 2007 and the fine performance of TMC.

Number of households per channel:

[4] TNS Media Intelligence

Channel	March 31, 2008 (million)	March 31, 2007 (million)	Change
Eurosport France	7.4	7.0	+5.7%
TV Breizh	6.0	5.6	+7.1%
LCI	7.0	6.5	+7.7%
TMC*	15.9	12.4	+28.2%
TF6	5.9	5.8	+1.7%
Série Club	5.2	5.2	-
Odyssée	1.9	2.3	-17.4%
Histoire	4.6	4.6	-
Ushuaïa TV	2.4	2.8	-14.3%

** Includes both terrestrial in south-east France (approximately 2.2 million households) and DTT.*

Other companies

The consolidated revenue contribution of the **Téléshopping Group** for the first quarter of 2008 was down 9.3% at €38.0m, mainly due to unfavourable economic conditions. Internet revenues held steady at the 2007 first-quarter level, but the Programmes, Catalogues and Store activities all saw a decline. Higher audience figures for the TMC and NT1 channels led to increased revenue for the Infomercials business. The operating profit for the quarter was €0.6m.

In a tough environment marked by a sharp slowdown in consumer demand, **TF1 Entreprises** reported a 20% drop in revenue to €5.6m. Most of this fall was attributable to two businesses: Music, still affected by adverse market trends, and Games. TF1 Entreprises made an operating loss of €1.2m for the period.

E-TF1 reported a 10.8% decline in revenue in the first quarter of 2008, to €12.4m. The business was hit by a weaker performance from the *1 contre 100* gameshow and lower audience figures for the TF1 channel itself, which had an inevitable knock-on effect on interactive operations. E-TF1 reported an operating loss of €0.6m for the quarter.

II. Audiovisual Rights

The Audiovisual Rights division generated 2008 first-quarter revenues of €36.5m, down 40.0%, and moved into the red at operating level with a loss of €1.5m.

The revenue contribution from **TF1 Vidéo** (including CIC) was down 11.2% at €24.6m. TF1 Vidéo is selling into a declining market, and sales volumes fell by 4%. Despite good performances from the movie and special promotions (kiosk/bundle) sectors and strong growth in VOD, TF1 Vidéo was hit by the downturn in the non-movie sector. Overall, TF1 Vidéo reported an operating loss of €2.7m, compared with an operating profit of €1.4m in the first quarter of 2007.

Revenue from the **Catalogue** business fell to €11.9m for the first quarter of 2008. The main reason was the lack of any box-office success on the scale of *La Môme* (*La Vie en Rose*), distributed by TFM, which attracted 5.2 million cinema-goers on general release in the first quarter of 2007. Operating profit was €1.2m, leaving operating margin virtually unchanged at 10.1%.

III. International Broadcasting

Eurosport International

At end March 2008, the Eurosport channel was received in over 112.4 million homes in 59 European countries. The paying subscriber base was 69.7 million, a year-on-year increase of 8.3% or 5.4 million homes. Most of this growth came from Central and Eastern Europe.

The investment programme initiated in late 2006 to roll out the Eurosport channel across Asia is starting to pay off. At end March 2008, 2.0 million Asian homes were receiving Eurosport. The channel is already available in Malaysia and Hong Kong, and to a lesser extent in Australia, Indonesia and Burma.

Eurosport 2, which was launched on January 10, 2005, continued its expansion in Eastern Europe, boosted by the showing of Premier League matches in Hungary and Romania since October 1, 2007 and by the addition of a Serbian version. Broadcast in 43 countries and 11 languages, Eurosport 2 was received in over 30 million households at end March 2008, up 30.4% on the end March 2007 figure.

Eurosport Events, the events management offshoot of Eurosport that started trading on May 25, 2007, is continuing to grow and to develop its expertise.

Eurosport's internet activities are benefiting from the alliance deal agreed with Yahoo on May 21, 2007, covering the UK, German, Spanish and Italian markets. In addition the eurosport.com site now has 8 local versions, the latest addition being a Swedish version.

Eurosport International reported revenue growth for the quarter of 6.7%, to €64.0m, driven mainly by higher subscription revenues and the contribution from new initiatives. On the down side, first-quarter advertising revenues were affected by almost all pan-European advertisers playing a waiting game, holding back their budgets ahead of flagship events (the Olympic Games and the Euro 2008 football tournament). Eurosport International made an operating profit of €1.4m.

IV. Risk Factors

As far as TF1 SA and the TF1 Group are aware, no new risk factors or litigation have arisen since the publication of the TF1 Annual Report on 26 March 2008 that taken individually would be liable to have a material effect on the business activities, profits, financial position or net assets of TF1 SA or the TF1 Group.

V. Human Resources Update

The TF1 Group's workforce fell during the first quarter of 2008, both at the parent company and in its subsidiaries. As of March 31, 2008, the Group had 3,738 employees, compared with 3,768 as of December 31, 2007.

VI. TF1 Share Price

On March 31, 2008, TF1 shares closed at €13.93, a fall of 23.9% since December 31, 2007. This was in line with the trend for other European media stocks. Over the same period, the CAC 40 index fell by 16.2%, and the CAC Next 20 index by 16.6%. The market capitalisation of the TF1 Group as of March 31, 2008 was €2.97bn.

VII. Changes in accounting policy and presentation

Changes in accounting policy

With effect from January 1, 2007, the TF1 Group has applied the option allowed under the amendment to IAS 19 (Employee Benefits) to recognise all actuarial gains and losses on defined-benefit plans directly in equity. Previously, the Group applied the "corridor" method, under which actuarial gains and losses greater than 10% of (i) the future obligation or (ii) the fair value of plan assets were recognised in profit or loss over the average remaining working lives of the employees. The retrospective application of this change in accounting policy has no material effect on the 2007 financial statements.

Changes in presentation

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

Change in presentation of taxes in the balance sheet

TF1 reviewed the presentation of deferred taxes historically used by the Group effective January 1, 2007. In its annual financial statements, TF1 offsets deferred tax assets and liabilities if (i) the entity has a legally enforceable right to offset tax assets and tax liabilities and (ii) these tax assets and liabilities relate to income tax levied by the same tax authority. For the purposes of quarterly financial information, TF1 now offsets current tax assets and liabilities, in line with the treatment applied in the annual financial statements.

The effect of this change in presentation on the financial statements for the three months ended March 31, 2007 is to reduce current tax assets and liabilities by €39.6m, and to reduce deferred tax assets and liabilities by €34.9m.

Consolidated income statement in management accounting format

€m	*2008 1st quarter*	*2007 1st quarter*	*2007 Full year*
TF1 Channel			
Advertising revenue	440.1	457.0	1,718.3
Advertising costs	(20.7)	(21.7)	(81.1)
NET BROADCASTING REVENUES	**419.4**	**435.3**	**1,637.2**
Royalties and contributions			
- Royalties	(17.1)	(17.8)	(66.4)
- CNC	(22.8)	(23.7)	(90.3)
Broadcasting costs			
- TDF, satellites, transmission costs	(13.8)	(13.5)	(54.2)
Programming costs (excluding Rugby World Cup)	**(235.5)**	**(227.3)**	**(974.3)**
Programming Costs – Rugby World Cup	-	-	**(49.9)**
GROSS PROFIT	**130.2**	**153.0**	**402.1**
Diversification revenue and other revenues from operations	218	244.5	1,038.0
Other operating expenses	(222.6)	(238.1)	(1,005.6)
Depreciation, amortisation and provisions, net	(26.8)	(34.4)	(129.3)
OPERATING PROFIT	**98.8**	**125.0**	**305.2**
Cost of net debt	**(4.4)**	**(3.5)**	**(21.4)**
Other financial income and expenses	**2.7**	**9.5**	**28.7**
Income tax expense	(28.6)	(42.0)	(93)
Share of profits/(losses) of associates	1.9	(0.5)	8.3
NET PROFIT FROM CONTINUING OPERATIONS	**70.4**	**88.5**	**227.8**
Post-tax profit of discontinued or held-for-sale operations	-	-	-
NET PROFIT	**70.4**	**88.5**	**227.8**
Minority interests	-	-	-
NET PROFIT ATTRIBUTABLE TO THE GROUP	**70.4**	**88.5**	**227.8**

Consolidated Financial Statement

CONSOLIDATED INCOME STATEMENT

(€m)	Note	2008 1st quarter	2007 1st quarter	2007 Full year
Net advertising revenue		478.1	494.1	1,900.2
- TF1 channel		*440.1*	*457.0*	*1,718.3*
- Other channels		*38.0*	*37.1*	*181.9*
Diversification revenue		180.3	208.2	863.4
Revenue		**658.4**	**702.3**	**2,763.6**
Other operating revenue		-	0.1	0.2
External production costs		(163.6)	(143.6)	(627.6)
Other purchases and changes in inventory		(113.0)	(127.8)	(562.1)
Staff costs	8	(110.9)	(107.3)	(437.5)
External expenses		(115.0)	(121.2)	(546.6)
Taxes other than income taxes		(36.2)	(37.5)	(141.5)
Depreciation and amortisation, net		(20.9)	(24.6)	(88.4)
Provisions and impairment, net		(5.9)	(9.8)	(40.9)
Other operating income and expenses		5.9	(5.6)	(14.0)
Current operating profit		**98.8**	**125.0**	**305.2**
Other non-current operating income and expenses		**-**	**-**	**-**
Operating profit		**98.8**	**125.0**	**305.2**
Income associated with net debt	9	5.1	4.0	9.6
Expenses associated with net debt	9	(9.5)	(7.5)	(31.0)
Cost of net debt		**(4.4)**	**(3.5)**	**(21.4)**
Other financial income and expenses		2.7	9.5	28.7
Income tax expense		(28.6)	(42.0)	(93.0)
Share of profits/losses of associates	5	1.9	(0.5)	8.3
Net profit from continuing operations		**70.4**	**88.5**	**227.8**
Post-tax profit from discontinued/held-for-sale operations		**-**	**-**	**-**
Net profit		**70.4**	**88.5**	**227.8**
Attributable to the Group		**70.4**	**88.5**	**227.8**
Attributable to minority interests		**-**	-	-
Weighted average number of shares outstanding (in thousands)		213,410	213,885	213,763
Earnings per share (in euros)		0.33	0.41	1.07
Diluted earnings per share (in euros)		0.33	0.41	1.06

CONSOLIDATED BALANCE SHEET

ASSETS (€m)	Note	**March 31, 2008**	**Dec. 31, 2007**	**March 31, 2007**
Intangible assets		**213.7**	**209.7**	**147.9**
Audiovisual rights		182.6	179.8	118.1
Other intangible assets		31.1	29.9	29.8
Goodwill		**510.0**	**509.7**	**505.9**
Property, plant and equipment		**162.4**	**158.3**	**154.0**
Investments in associates	5	**256.6**	**253.4**	**39.6**
Other financial assets	6	**699.7**	**691.6**	**670.6**
Non-current tax assets		**23.2**	**21.8**	**20.5**
Total non-current assets		**1,865.6**	**1,844.5**	**1,538.5**
Inventories		**518.8**	**520.4**	**585.4**
Programmes and broadcasting rights		497.6	499.8	569.1
Raw materials and supplies		21.2	20.6	16.3
Trade and other debtors		**1,219.6**	**1,232.5**	**1,192.3**
Current tax assets		**15.4**	**14.4**	**1.0**
Foreign exchange derivative instruments		**0.4**	**0.3**	**1.1**
Interest rate derivative instruments	7	**2.6**	**0.9**	**1.7**
Financial assets used for treasury management purposes	7	**3.7**	**3.8**	**-**
Cash and cash equivalents	7	**47.4**	**34.9**	**220.1**
Total current assets		**1,807.9**	**1,807.2**	**2,001.6**
Held-for-sale assets		**-**	**-**	**-**
TOTAL ASSETS		**3,673.5**	**3,651.7**	**3,540.1**

CONSOLIDATED BALANCE SHEET (continued)

SHAREHOLDERS' EQUITY & LIABILITIES (€m)	Note	March 31, 2008	Dec. 31, 2007	March 31, 2007
Share capital		42.7	42.7	42.8
Share premium and reserves		1,350.1	1,123.5	1,317.0
Net profit attributable to the Group		70.4	227.8	88.5
Shareholders' equity attributable to the Group		**1,463.2**	**1,394.0**	**1,448.3**
Minority interests		-	-	-
Total shareholders' equity		**1,463.2**	**1,394.0**	**1,448.3**
Non-current debt	7	**571.8**	**617.6**	**504.3**
Non-current provisions		**34.7**	**34.7**	**34.6**
Non-current tax liabilities		**2.8**	**0.8**	**1.8**
Total non-current liabilities		**609.3**	**653.1**	**540.7**
Current debt	7	**20.1**	**14.8**	**54.1**
Foreign exchange derivative instruments		**10.6**	**7.3**	**2.3**
Interest rate derivative instruments	7	**0.9**	**4.5**	**-**
Trade and other creditors		**1,504.2**	**1,513.1**	**1,429.4**
Current tax liabilities		**6.8**	**4.5**	**4.7**
Current provisions		**58.4**	**60.4**	**60.6**
Total current liabilities		**1,601.0**	**1,604.6**	**1,551.1**
Liabilities relating to held-for-sale assets		**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,673.5**	**3,651.7**	**3,540.1**

CONSOLIDATED CASH FLOW STATEMENT

(€m)	2008 1st quarter	2007 1st quarter	2007 Full year
Consolidated net profit (including minority interests)	70.4	88.5	227.8
Depreciation, amortisation, provisions & impairment (excluding current assets)	25.0	26.8	95.8
Intangible assets and goodwill	*13.4*	*21.1*	*74.9*
Property, plant & equipment	*5.7*	*5.2*	*21.2*
Financial assets	*5.5*	*-*	*3.0*
Provisions	*0.4*	*0.5*	*(3.3)*
Other non-cash income and expenses	(1.7)	(11.5)	(10.3)
Effect of fair value remeasurement	(9.5)	(9.0)	(33.1)
Share-based payment expense	-	1.3	4.7
Net (gain)/loss on asset disposals	(0.3)	0.4	(0.6)
Share of (profits)/losses of associates	(1.9)	0.5	(8.3)
Dividend income from non-consolidated companies	-	-	(2.1)
Sub-total	**82.0**	**97.0**	**273.9**
Net interest expense	6.0	3.3	23.9
Income tax expense (including deferred taxes)	28.6	42.0	93.0
Operating cash flow	**116.6**	**142.3**	**390.8**
Income taxes paid	(26.2)	(31.8)	(99.8)
Change in operating working capital needs	5.7	(26.7)	34.4
Net cash generated by operating activities	**96.1**	**83.8**	**325.4**
	-		
Cash outflows on acquisitions of property, plant & equipment and intangible assets	(27.3)	(31.9)	(102.0)
Cash inflows from acquisitions of property, plant & equipment and intangible assets	0.5	0.1	3.2
Cash outflows on acquisitions of financial assets	(0.6)	(3.6)	(1.3)
Cash inflows from disposals of financial assets	0.5	-	0.2
Effect of changes in scope of consolidation	(1.9)	(3.3)	(233.2)
Dividends received	-	-	2.1
Change in loans and advances receivable	(0.5)	(1.1)	(1.3)
Net cash used in investing activities	**(29.3)**	**(39.8)**	**(332.3)**
Cash received on exercise of share options	-	0.8	9.0
Purchases and sales of treasury shares	-	-	(18.7)
Dividends paid during the year	-	-	(181.8)
Cash inflows from new debt contracted	-	(0.7)	119.7
Repayment of debt (including finance leases)	(50.6)	(102.0)	(140.5)
Net interest paid (including finance leases)	(3.9)	(0.1)	(22.7)
Net cash used in financing activities	**(54.5)**	**(102.0)**	**(235.0)**
CHANGE IN CASH POSITION OF CONTINUING OPERATIONS	**12.3**	**(58.0)**	**(241.9)**
Cash position at beginning of period	**29.9**	**271.8**	**271.8**
Change in cash position during the period	12.3	(58.0)	(241.9)
Cash position at end of period	**42.2**	**213.8**	**29.9**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2007	**42.7**	**2.8**	**(4.7)**	**1,358.0**	**(4.8)**	**1,394.0**	**-**	**1,394.0**
Capital increase (share options exercised)	-	-	-	-	-	**-**	-	**-**
Share-based payment	-	-	-	-	-	**-**	-	**-**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	**-**	-	**-**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Net income attributable to the Group	**-**	**-**	**-**	**70.4**	**-**	**70.4**	**-**	**70.4**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(1.2)**	**(1.2)**	**-**	**(1.2)**
BALANCE AT MARCH 31, 2008	**42.7**	**2.8**	**(4.7)**	**1,428.4**	**(6.0)**	**1,463.2**	**-**	**1,463.2**

(€m)	Share capital	Share premium	Treasury shares	Reserves	Income and expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Minority interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2006	**42.8**	**19.8**	**(12.1)**	**1,307.6**	**-**	**1,358.1**	**(0.1)**	**1,358.0**
Capital increase (share options exercised)	-	0.8	-	-	-	**0.8**	-	**0.8**
Share-based payment	-	-	-	1.3	-	**1.3**	-	**1.3**
Purchase of treasury shares	-	(7.4)	7.4	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	-	-	**-**	-	**-**
Other transactions with shareholders	-	0.1	-	(0.1)	-	**-**	0.1	**0.1**
Net income attributable to the Group	**-**	**-**	**-**	**88.5**	**-**	**88.5**	**-**	**88.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**	**-**	**(0.4)**
BALANCE AT MARCH 31, 2007	**42.8**	**13.3**	**(4.7)**	**1,397.3**	**(0.4)**	**1,448.3**	**-**	**1,448.3**

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	2008 1st quarter	2007 1st quarter	2007 Full year
Consolidated net profit for the period	**70.4**	**88.5**	**227.8**
Fair value adjustments to financial instruments and other financial assets	(1.7)	(0.3)	(3.9)
Change in cumulative translation difference	-	(0.1)	(0.2)
Actuarial gains and losses on employee benefits	-	-	(1.1)
Taxes on items credited or debited directly to equity	0.5		0.4
Income and expense recognised directly in equity	**(1.2)**	**(0.4)**	**(4.8)**
Total recognised income and expense	**69.2**	**88.1**	**223.0**
Attributable to the Group	69.2	88.1	223.0
Attributable to minority interests	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events in the period

There were no events with a significant impact during the three months ended March 31, 2008.

2. Accounting policies

2.1 Declaration of compliance and basis of preparation

The condensed financial statements for the three months ended March 31, 2008 should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2007 as published in the 2007 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 26, 2008 under reference number D.08-0152. An English-language version of the audited consolidated financial statements for the year ended December 31, 2007 is included in the TF1 Annual Report, available on the TF1 corporate website at www.tf1finance.fr/en/index.php.

They have been prepared using accounting policies that comply with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable to periods beginning on or after January 1, 2008, and in accordance with IAS 34 (Interim Financial Reporting).

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

They were adopted by the Board of Directors on May 14, 2008, and have been subject to a limited review by the statutory auditors.

2.2 New and amended accounting standards and interpretations

2.2.1 New standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after January 1, 2008

The TF1 Group has 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, 2007. The Group has elected to apply IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions) with effect from January 1, 2009, as permitted by EC Regulation 611-2007.

2.2.2 New standards, amendments and interpretations for which early adoption is allowed

The TF1 Group has decided not to early adopt the following pronouncement, issued by the IASB and endorsed by the European Union, which is not mandatorily applicable until after January 1, 2008:

- IFRS 8 (Operating Segments)

Applicable to annual periods beginning on or after January 1, 2009.

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

Standards whose application could have an impact on the TF1 Group financial statements:

- Revised IAS 1 (Presentation of Financial Statements)

Applicable to annual periods beginning on or after January 1, 2009

- Revised IFRS 3 (Business Combinations)

Applicable to business combinations with an acquisition date in the first annual period beginning on or after July 1, 2009

- Revised IAS 27 (Consolidated and Separate Financial Statements)

Applicable to annual periods beginning on or after July 1, 2009

- Amendment to IFRS 2 (Share-Based Payment): vesting conditions and cancellations

Applicable to annual periods beginning on or after January 1, 2009

Amendments and interpretations whose application is unlikely to have a material impact on the TF1 Group financial statements:

- Amendment to IAS 23 (Borrowing Costs)

Applicable to annual periods beginning on or after January 1, 2009

- IFRIC 13 (Customer Loyalty Programmes)

Applicable to annual periods beginning on or after July 1, 2008

- Amendments to IAS 32 and IAS 1 (Puttable Financial Instruments and Obligations Arising on Liquidation)

Applicable to annual periods beginning on or after January 1, 2009

2.3 Changes in accounting policy

With effect from January 1, 2007, the TF1 Group has applied the option allowed under the amendment to IAS 19 (Employee Benefits) to recognise all actuarial gains and losses on defined-benefit plans directly in equity. Previously, the Group applied the "corridor" method, under which actuarial gains and losses greater than 10% of (i) the future obligation or (ii) the fair value of plan assets were recognised in profit or loss over the average remaining working lives of the employees. The retrospective application of this change in accounting policy has no material effect on the 2007 financial statements.

2.4 Changes in presentation

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

Change in presentation of taxes in the balance sheet

TF1 reviewed the presentation of deferred taxes historically used by the Group effective January 1, 2007. In its annual financial statements, TF1 offsets deferred tax assets and liabilities if (i) the entity has a legally enforceable right to offset tax assets and tax liabilities and (ii) these tax assets and liabilities relate to income tax levied by the same tax authority. For the purposes of quarterly financial information, TF1 now offsets current tax assets and liabilities, in line with the treatment applied in the annual financial statements.

The effect of this change in presentation on the financial statements for the three months ended March 31, 2007 is to reduce current tax assets and liabilities by €39.6m, and to reduce deferred tax assets and liabilities by €34.9m.

2.5 Use of estimates

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

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

There have been no significant changes in respect of such estimates since December 31, 2007.

2.6 Seasonal trends

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

3. Significant changes in the scope of consolidation

There were no significant changes in the scope of consolidation during the first quarter of 2008.

4. Segment information

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold and the specific economic environment. The primary level of segment reporting adopted by

TF1 is the business segment, because risks and returns on investment are affected by the nature of the products or services sold. The secondary level of segment reporting is the geographical segment.

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 business segments used in primary-level segment reporting are:

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

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

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

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

The contribution of each business segment to the TF1 consolidated financial statements was as follows:

(€m)	Broadcasting France Q1 2008	Q1 2007	Audiovisual Rights Q1 2008	Q1 2007	International Broadcasting Q1 2008	Q1 2007	Other Activities Q1 2008	Q1 2007	Eliminations (2) Q1 2008	Q1 2007	**Total TF1** Q1 2008	Q1 2007
REVENUE												
Third-party revenue	557.6	581.6	36.5	60.7	64.2	60.0	0.1	-	-	-	658.4	702.3
Inter-segment revenue	1.3	1.1	2.9	1.7	3.0	3.7	-	-	(7.2)	(6.5)	-	-
Total revenue	**558.9**	**582.7**	**39.4**	**62.4**	**67.2**	**63.7**	**0.1**	**-**	**(7.2)**	**(6.5)**	**658.4**	**702.3**
PROFIT												
Current operating profit	**99.5**	118.6	**(1.4)**	4.9	**1.5**	1.5	**(0.8)**	-	**-**	-	**98.8**	125.0
Share of profits/losses of associates(1)	2.1	-	-	-	-	-	(0.2)	(0.5)	-	-	1.9	(0.5)
Post-tax profit from discontinued and held-for-sale operations	-	-	-	-	-	-	-	-	-	-	-	-

(1) The share of profits/losses of associates recorded for each segment is as follows:
- Broadcasting France: the €2.1m share of profits for the first quarter of 2008 relates to the AB Group.
- Other Activities: the share of profits relates to Metro France Publications.

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

5. Investments in associates

The table below gives a breakdown of investments in associates:

(€m)	**AB Group (1)**	**Metro France Publications**	**Other associates (2)**	**Total**
Country:	France/Belgium	France		
December 31, 2006	-	11.8	28.4	**40.2**
Share of net profit/(loss)	-	(0.5)	-	(0.5)
Change in scope of consolidation	-	-	(0.1)	(0.1)
March 31, 2007	-	11.3	28.3	**39.6**
December 31, 2007	238.3	12.0	3.1	**253.4**
Share of net profit/(loss)	2.1	(0.2)	-	1.9
Change in scope of consolidation	-	-	1.3	1.3
March 31, 2008	240.4	11.8	4.4	**256.6**

(1) Because of the timing of preparation of the financial statements of the AB Group, the share of this associate's profits for the three months ended March 31, 2008 has been calculated on the basis of 2007 fourth-quarter figures.
(2) Other associates comprise JFG Networks, Sky Art Media and Sailing One.

6. Other financial assets

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

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

On initial recognition, the TF1 Group designated the Canal+ France financial asset (comprising the equity interest and the put option) as a financial asset at fair value through profit or loss. Changes in the fair value of the asset are recognised in "Other financial income and expenses".
The fair value of this financial asset is determined on the basis of the minimum price of €745.8m, discounted at the interest rate derived from the agreement signed on January 6, 2006. During the three months ended March 31, 2008, the fair value of the asset increased by €9.6m, raising the reported value of the asset to €675.2m as at that date.

7. Net debt

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

(€m)	**March 31, 2008**	**Dec. 31, 2007**
Cash and cash equivalents	47.4	34.9
Financial assets held for treasury management purposes	3.7	3.8
Total cash and cash equivalents (A)	**51.1**	**38.7**
Fair value of interest rate derivative instruments (B)	**1.7**	**(3.6)**
Long-term debt	571.8	617.6
Short-term debt	20.1	14.8
Total debt (C)	**592.0**	**632.4**
Net debt (C) – (B) – (A)	**539.1**	**597.3**

In 2003, the TF1 Group issued €500m of fixed-rate bonds maturing 2010, classified as long-term debt.
Until December 31, 2007, €300m of this bond issue was designated as a hedged item in a fair value hedging relationship, hedged by a €300m interest rate swap (pay floating rate, receive fixed rate) maturing on the same date.
At the start of January 2008, the TF1 Group contracted two swaps of €150m each (pay fixed rate) maturing November 12, 2009 in order to supplement its overall interest rate risk coverage. These swaps do not qualify for hedge accounting.
On January 1, 2008, the Group decided to discontinue hedge accounting for the relationship between the €300m portion of the bond issue and the original swap (pay floating rate, receive fixed rate).

Since January 1, 2008, the bond issue has been measured at amortised cost using the effective interest method, which discounts the future cash flows of the issue over its remaining life at a rate that exactly discounts these cash flows to the net carrying amount of the issue as at January 1, 2008, the date on which the designation of the hedging relationship was discontinued.
The effect of accounting for the bond issue at amortised cost in the three months ended March 31, 2008 was an additional interest expense of €0.2m (see note 9).
The interest rate swap with the same maturity as the bond issue, no longer designated as a hedging instrument, continues to be recognised in the balance sheet at fair value.

8. Staff costs

Expense arising on share subscription option plan no. 10 awarded by TF1
The TF1 Board of Directors decided on February 20, 2008 to award a share subscription option plan reserved for TF1 Group employees, including corporate officers. The plan involved the granting of 2,000,000 options to subscribe for shares at a price of €15.35. The grant date of the options, which are valid for a period of 7 years (i.e. until March 20, 2015), was March 20, 2008. The impact of this plan on the financial statements for the three months ended March 31, 2008 was not material.

9. Cost of net debt

The cost of net debt for the three months ended March 31, 2008 comprised the following items:

(€m)	**Q1 2008**	**Q1 2007**
Interest income	0.5	0.4
Change in fair value of the hedged portion of the bond issue (1)	-	1.3
Change in fair value of interest rate derivatives	4.3	0.3
Income and revenues from financial assets	0.3	2.0
Income associated with net debt	**5.1**	**4.0**
Interest expense on net debt (2)	(7.2)	(5.9)
Change in fair value of interest rate derivatives (3)	(2.3)	(1.6)
Expenses associated with net debt	**(9.5)**	**(7.5)**
Cost of net debt	**(4.4)**	**(3.5)**

(1) With effect from January 1, 2008, the TF1 bond issue ceased to be designated as the hedged item in a fair value hedging relationship (see note 7).
(2) The increase in interest expense between the first quarter of 2007 and the first quarter of 2008 includes the additional interest expense of €0.2m due to the bond issue being measured at amortised cost with effect from January 1, 2008.
(3) The increase in the line "Change in fair value of interest rate derivatives" between the first quarter of 2007 and the first quarter of 2008 relates mainly to the interest rate swap contracted on January 2, 2008, for which there was a negative change in fair value of €0.9m during the first quarter of 2008.

10. Definition of cash position

The cash flow statement analyses movements in the net cash position, which equals cash and cash equivalents less bank overdrafts and treasury current account credit balances.

(€m)	**March 31, 2008**	**Dec. 31, 2008**
Cash and cash equivalents in the balance sheet	47.4	34.9
Treasury current account credit balances	(4.4)	(2.1)
Bank overdrafts	(0.8)	(2.9)
Total net cash position at end of period per cash flow statement	**42.2**	**29.9**

11. Dividends paid

The table below shows the dividend per share paid by the TF1 Group on April 30, 2008 in respect of the 2007 financial year, and the dividend paid during 2007 in respect of the 2006 financial year.

	Paid in 2008	Paid in 2007
Total dividend payout (€m)	181.4	182.0
Dividend per share (€)	0.85	0.85

12. Post balance sheet events

There are no post balance sheet events to report.

Télévision Française 1

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