Ladies and Gentlemen, Dear Shareholders,

We are assembled here today at the Ordinary General Meeting, as required by French law and by our Articles of Incorporation, to report to you on our management during the past business year, submit the accounts for the 2012 business year for your approval, and review the situation and growth prospects of the company and the Group.

This report also includes information on the social and environmental management of your company.

As in previous years, the accounts for 2012 are presented for both the TF1 group (consolidated accounts) and for the parent company, Télévision Française 1.

The consolidated accounts have been prepared in accordance with IFRS standards, as adopted by the European Union (EU), while the accounts for TF1 SA have been prepared according to accounting rules and principles applicable in France (French GAAP). The change made to the format of the financial statement is indicated on pages 110 and 167.

These financial statements were approved by the Board of Directors of TF1 SA on February 19, 2013.

Post balance sheet events are disclosed in this chapter.

3.1 2012 MARKET TRENDS

3.1.1 Television

Television remained a highly attractive medium for the French population in 2012, both on a daily basis and for major events. The development of new technologies is opening up more possibilities, with a continuous improvement in TV set image quality, an ever increasing choice of channels, and additional services alongside live viewing *via* the web and companion screens.

HIGH PENETRATION OF TV SETS ENCOURAGES CONSUMPTION[(1)]

Almost every French home now has a TV set: 98% have at least one, and of these 50% have more than one.

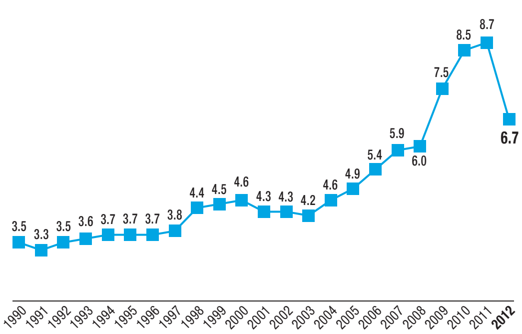
After setting a sales record in 2011 with 8.7 million units, TV set sales naturally trended downwards in 2012, to 6.7 million.

Television technology continues to modernise in French households. 81% now have a 16/9 set, and 80% a high-definition (HD) set, up six points for the two functions in one year.

While the attractiveness of video equipment continues to rise, growth in audio equipment is relatively flat, with 15% of homes equipped with a home cinema system.

SALES OF TELEVISION SETS, VOLUME

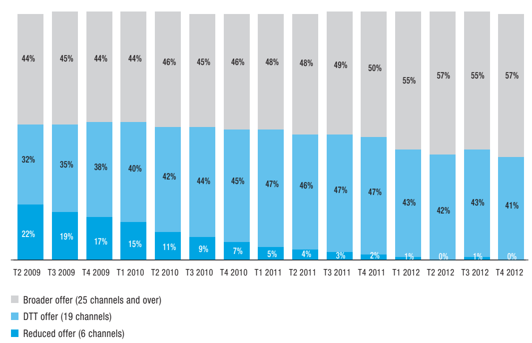
(million of units)[(2)]



MULTI-CHANNEL ACCESS NOW THE NORM[(1)]

In fourth-quarter 2012, apart from the 1% of households receiving television *via* analogue cable, all French households received at minimum the 19 freeview DTT channels and 58% of them received a broader channel offer *via* satellite, cable, ADSL or pay TV. This huge shift in the French broadcasting landscape has happened quickly: at end 2006, only 39% of homes with TV sets could access multi-channel offerings.

TREND IN MULTI-CHANNEL OFFER IN HOUSEHOLDS WITH TV SETS



DTT is the most popular way of receiving television, with 59% of homes having a DTT connection (i.e. an external or internal decoder combined with a Yagi aerial). Since the end of the switch to all-digital, this TV reception mode has declined slightly (by 1 point in one year), but high-definition reception (HD DTT) is increasing at a brisk pace (45% of households, up 11 points in one year).

ADSL/fibre optic ranks second. With 37% of homes connected, it ranks far ahead of satellite and cable and remains the fastest-growing reception mode, up 6 points in one year.

Satellite, the longest-standing reception mode, is stabilising (24% of households, stable year-on-year), notably *via* pay subscriptions (13%, stable), while free satellite is on the rise (12%, up 3 points).

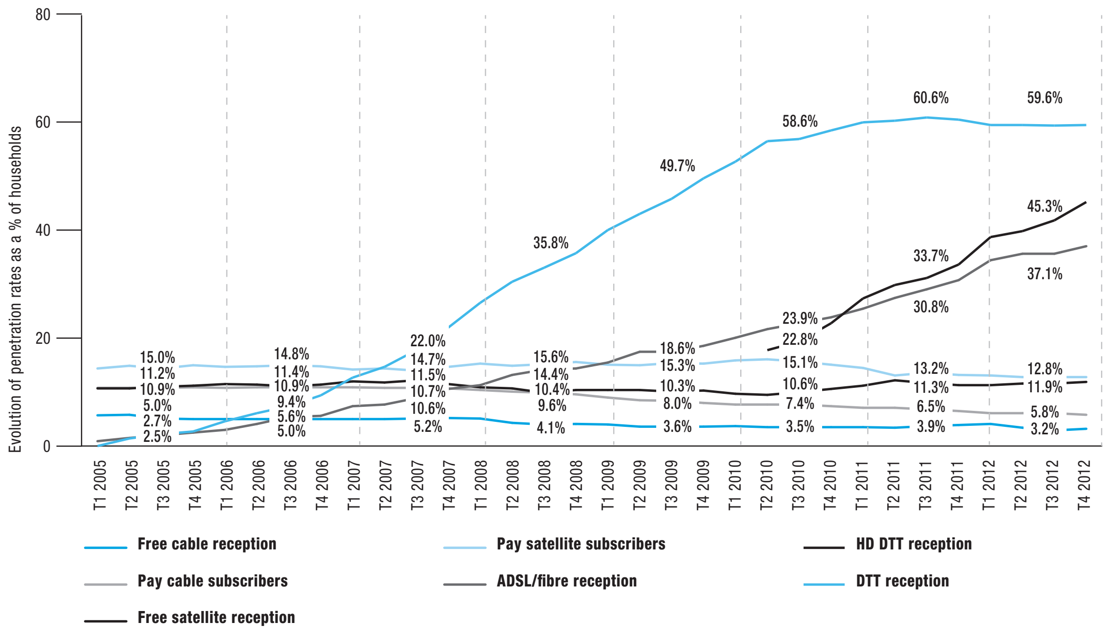
Cable continues to decline (9%, down 1 point in one year), both for pay offers (6%, down 1 point) and free offers (3%, down 1 point).

(1) Médiamétrie/GfK – Référence des Equipements Multimédias – October/December 2012 – Base: households with TV sets.

(2) GFK Retail & Technology – Annual sales (1990-2012).

TELEVISION RECEPTION MODES

(% of households with TV sets)[(1)]



TELEVISION – THE TOP MEDIA CHOICE [(2)]

Overall, 81% of French people have at least one contact a day with television, compared with 79% for radio and 43% for fixed Internet (via a computer), giving television the broadest reach of all media.

Television also ranked highest in terms of time spent on media consumption by French people during 2012. French people aged 15+ spent an average of 4 hours and 6 minutes a day watching TV, compared with 2 hours and 15 minutes listening to the radio and 36 minutes surfing the fixed Internet.

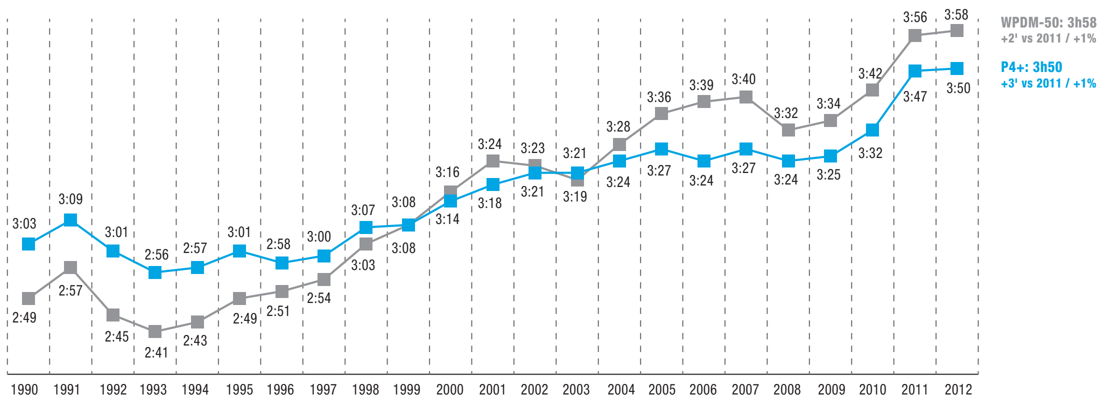
Television consumption continues to grow, setting a record in 2012 across all targets. For over 15s, consumption was up 4 minutes year on year, compared with +3 minutes for radio and +4 minutes for fixed Internet.

(1) Médiamétrie/GFK – Référence des Equipements Multimédias – October/December 2012 – Base: households with TV sets.

(2) Médiamétrie – Médiamat / 126.000 Radio / NetRatings –2012.

TRENDS IN TELEVISION CONSUMPTION[1]

Individual viewing times for "Individuals aged 4 and over" and "Women under 50 purchasing decision-makers".



TV CONSUMPTION METHODS: CHANGING, BUT SLOWLY[2]

New ways to watch TV are developing, but are still only marginal.

Only 2 minutes a day was spent watching live TV outside the home ("anywhere" viewing), just 0.8% of the level of traditional live viewing.

For non-TV set devices (computers, smartphones or touchscreen tablets – "any device" viewing) the average live viewing time was 1 minute a day, or 0.4% of current live TV consumption.

In terms of non-live, or "anytime", viewing, a distinction is made between watching catch-up TV on sets, computers, smartphones and tablets, amounting to 3 minutes a day or 1.1% of live TV consumption, and viewing recordings made at home (timeshift viewing), included in Médiamat statistics since January 3, 2011. Timeshift viewing upped audience ratings by 1.9% (an extra 4 minutes and 26 seconds per day for French people aged 15+). Over 44% of timeshift viewing is VOSDAL (View on Same Day as Live).

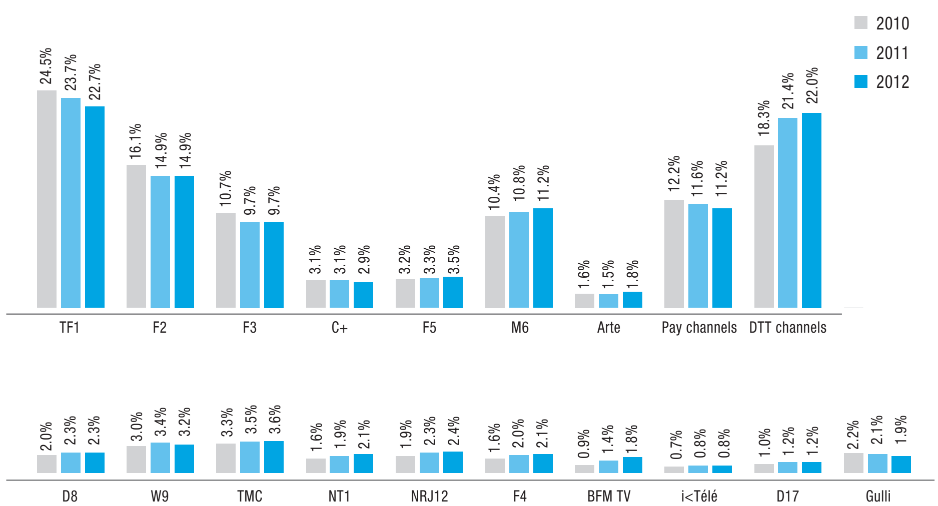
The vast majority of DTT channels are now included in the Médiamat national daily viewing statistics, the only exceptions being LCP, BFM TV, i>Télé, D17, France Ô and the six new freeview DTT channels launched on December 12, 2012.

(1) Médiamétrie – Médiamat – Annual totals.

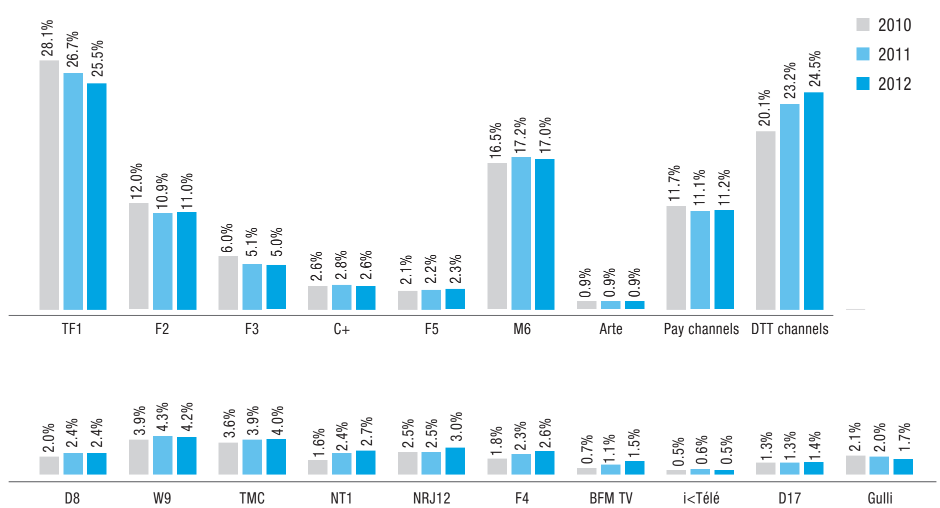
(2) Médiamétrie – Global TV – April/May 2012; Médiamétrie – Médiamat – YTD 2012.

The charts below show how audience shares of the French channels are evolving in response to the explosion in the number of channels available and the changes in the broadcasting landscape.

AUDIENCE SHARE – INDIVIDUALS AGED 4 AND OVER(1)



AUDIENCE SHARE – WOMEN UNDER 50 PURCHASING DECISION-MAKERS(1)



(1) Médiamétrie – Médiamat – Annual totals.

3.1.2 The Internet and non-live viewing: four access options

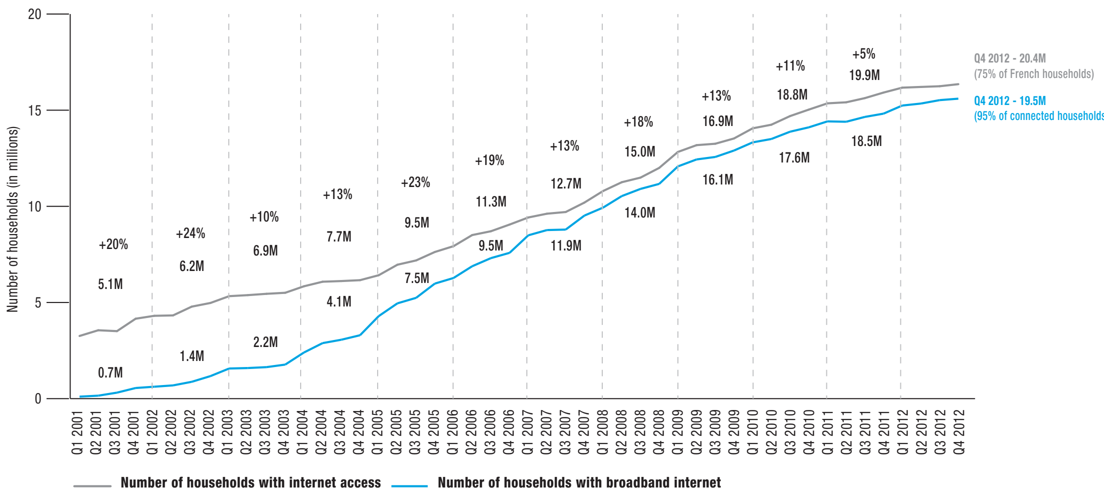
PENETRATION OF INTERNET ACCESS AMONG FRENCH HOUSEHOLDS(1)

An ever-growing number of French people have Internet access: in the fourth quarter of 2012, 20.4 million homes were connected to the Internet (a penetration rate of 75%, up 1.5 point on the fourth quarter of 2011).

Broadband is by far the most popular means of access, accounting for 95% of households with Internet access (19.5 million households).

BROADBAND INTERNET ACCESS – HISTORICAL DATA 2001-2011

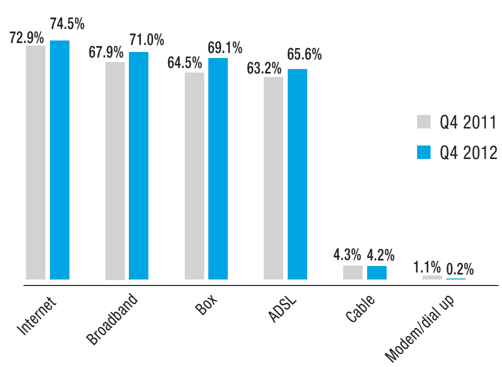
(Basis: 27.5 million French households)



Source: Observatoires Médiamétrie, REM, Q4 2012. Base: French households with TV.

TYPE OF INTERNET ACCESS

(Basis: 27.5 million French households)

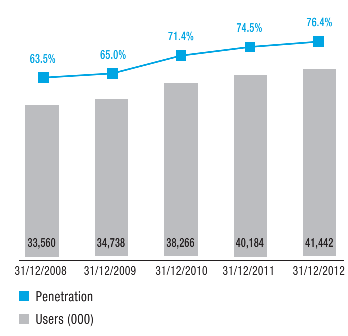


Source : Observatoires Médiamétrie. REM. T4 2012.

INTERNET USE IN FRANCE(2)

At end 2012, France had 41 million internet users (Individuals aged 11 and over), a penetration rate of 76% (up 3 points on December 2011).

TRENDS IN PROPORTION OF INTERNET USERS AMONG INDIVIDUALS AGED 11 AND OVER



Source: OUI Médiametrie.

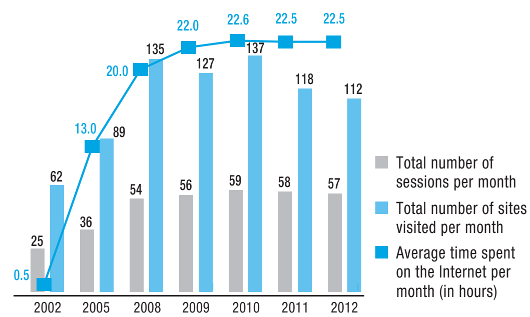
(1) *Source: Observatoires Médiamétrie, REM, Q4 2012. Base: French households with TV.*

(2) *Sources: Panel NNR, December 2012, all connection sites. Observatoires Médiamétrie OUI, December 2012.*

The number of French web users continues to rise. The population is spending more time on the Internet but visiting fewer different sites. In December 2012 French web users went online an average of 57 times in the month and visited an average of 112 different sites (compared with 118 in 2011).

In December 2012 the average time spent online per month was 23 hours, compared with 22 hours and 28 minutes in December 2011.

TRENDS IN MONTHLY USAGE PER UNIQUE VISITOR(1)



RANKINGS OF WEBSITES IN FRANCE(2)

The TF1 group ranks 20th among all groups on the Internet in France, thanks to the performance of sites associated with the TF1 channel (MYTF1 and TF1News) and pure player sites such as WAT, Plurielles.fr and Eurosport.

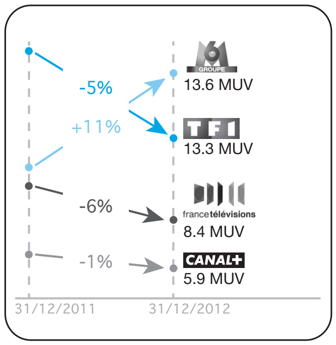
MYTF1 remains number one in the TV Media category with 10.4 million UVs. Eurosport.com ranks 2nd in the Sports category.

At Group level, the M6 group has overtaken TF1 with the integration of the Clubic brand and the purchase of Tom's Games in November 2012.

TF1 the 20th group on the web

1	Google	40.4 MUV
2	Facebook	32.3 MUV
3	Microsoft	25.6 MUV
4	France Telecom	23.2 MUV
5	Wikimedia Foundation	20.8 MUV
6	Groupe Lagardere	20.0 MUV
7	CCM Benchmark	19.8 MUV
8	Vivendi	19.0 MUV
9	Pages Jaunes	18.9 MUV
10	Iliad	18.2 MUV

Competition in television market



(1) *UV: unique visitor. The total number of individuals having visited a website or used an app at least once in the period in question. Individuals having visited the same website or used the same app several times are counted once only.*

(2) *Source: Panel NNR, December 2012, all connection sites, excluding web apps.*

NON-LIVE VIDEO CONSUMPTION

CATCH-UP TV[1]

Catch-up remained the most popular consumption mode for programme viewing in 2012. As such, 80% of TF1 programming is available on MYTF1.

In France, the average time spent per online video viewer in December 2012 was 5 hours, up 1 hour and 30 minutes year on year. The average number of videos watched was 89 per unique viewer. France has 33.4 million online video viewers

In November 2012 Google/YouTube topped the rankings at 30 million unique viewers; Dailymotion was second at 14 million. The brand player[2] TF1/WAT attracted 10 million, putting it in third place in the overall rankings and in second place in terms of total time spent, with an average 1 hour and 45 minutes per video viewer per month.

VIDEO ON DEMAND – VoD[3]

The VoD market grew once again in 2012, reaching over €251 million in consumer purchases, for a near 15% year-on-year increase. The market grew 22% in terms of total consumer revenue excluding adult programmes, on a consistent scope with the sector of physical video transactions.

Awareness of VoD also rose once again in 2012, with nearly 9 in 10 French people saying they know about the service and nearly 1 in 3 saying they use it.

These increases are a result of the increased rate in the number of households with ADSL, cable and fibre boxes, which rose 5 points year on year to 70%, with an estimated 55% of households hooking their boxes up to their TV sets (up 6 points on 2011). VoD has thus become more visible and accessible for more VoD consumers on IPTV, a practice that accounts for over 70% of total consumption in terms of value.

The most popular VoD programmes are recent cinema-release movies, with a favourable market share for French films (especially in comedy), which account for nearly 35% of films watched *via* VoD (compared with 24% of DVD and Blu-ray purchases).

By staking out its own territory alongside live and non-live TV viewing while providing a growth source for the physical video market, VoD has strong growth potential for the coming years. VoD revenues, including SVoD subscriptions, are expected to reach €300 million in 2013 and top the €400 million mark by 2015.

The arrival of new distribution media, especially connected TVs, game consoles and tablets, opens up attractive growth prospects, as does the development of new offerings like ESTVoD (Electronic Sell-Through VoD) and definitive VoD (as opposed to rental VoD), which have become a major focus of the big players in the sector.

TF1 is already looking at a range of solutions to tomorrow's demand for VoD.

SOCIAL MEDIA TRENDS[4]

Médiamétrie published the results of its second Social Networks survey in July 2012.

The main finding was that the social networks are an immense success. A full 99% of web users know of at least one social network, 77% are registered users and 1.6 million users signed up in the last year. With the complementary fit between the networks, web users join not one but several, depending on what they want to do. Users are connected at all times, out and about and even at their workplace.

Twitter made the biggest increase in 2012. More than 2 out of 3 web users know the network and 15% are members. Initially the realm of experienced users, the network has since benefitted from strong news events. The latest arrival, Google+, is known by 7% of web users, yet boasts almost as many registered users as Twitter.

Facebook continued to grow in France, attracting 32.3 million unique visitors in December 2012, ahead of Microsoft, with 25.6 million. Facebook remains behind Google and its 40.4 million unique visitors, but unique visitors spend more time on Facebook, at 4 hours and 57 minutes a month. Facebook has topped the billion users mark worldwide, of whom 25.6 million active users in France.

Another leading social media, Twitter, has roughly 5.5 million users in France (out of over 500 million registered users worldwide, 200 million of whom are active users) and counted 4.4 million unique visitors in December 2012. Visitor numbers grew 25% in France year on year. Surprisingly, this growth was mainly driven by over 55s, whose numbers rose 100% in one year (1.3 million accounts), as well as by 15-24 year-olds (1.2 million, up 62%). France ranks seventh worldwide in Twitter users, far behind the United States, Brazil, Japan, the UK and Indonesia.

Google+ reported sharp growth in 2012 with some 4.9 million unique visitors in December 2012, up 60%. Google+ is relying on the compatibility with the search engine's other services – Gmail, Chrome, Maps, especially on mobile handsets – to increase market penetration. From this standpoint, Google+, which today claims to have 400 million members, of whom 100 million active members, could have a potential 1.5 billion users, i.e. those from the other services (search, Gmail, YouTube and so on) liable to switch over to the social networking site.

(1) Source: Médiamétrie/NetRatings November 2012.

(2) The Player rankings record (by parent or brand) the number of unique video viewers who watched a video not only on a group or brand's website, but also on a third-party website. Consequently, Player data includes all pages where the player has a presence (in particular, via syndication and Facebook pages).

(3) Source: GFK, Médiamétrie / GFK, CNC and GFK / NPA

(4) Source: Médiamétrie.

The TF1 group now has around 11 million fans and 40 fan pages.

Facebook made a number of changes to its algorithm in 2012 that had a negative impact on the visibility of posts on our fan pages. This impact has been visible on our traffic from the social media since August 2012, with a decrease in that traffic.

Through several leading programmes, including *The Voice, Secret Story, MasterChef* and *Danse avec les Stars*, etc., TF1 is pursuing its innovation strategy and going even further with social TV.

The Voice was the most connected entertainment programme in spring 2012. Two "V Reporters" working behind the scenes of the show and actively in the social networks brought social media users live news about the show all season long. The Facebook page (150,000 fans) and Twitter account (80,000 followers) also presented exclusive content. The songs featured on the show were available on iTunes, while every Saturday night a catch-up tweet allowed web users to follow the live action, synchronised with the best tweets from the community and the stars of the show on MYTF1.

During *Danse avec les Stars*, web users were encouraged to make live comments on the show and share their thoughts on the social media. Their comments were included in the show, with the most representative tweets broadcast on TF1 after each dance. In parallel, viewers could get a behind-the-scenes experience of the show live on the official Twitter account, the Instagram account and the programme fanpage. They could interact with the stars, professional dancers, jury members and hosts, who all have extremely active personal accounts. In "Your opinion of prime time" ("Votre avis sur le prime"), a special report in the *Danse avec les Stars, la suite* programme, a host presented the highlights of show in the social networks, the most commented dances, and the funniest tweets. At the end of the season, over 2.7 million tweets had been posted about the programme and the programme's Twitter account ranked number one in the entertainment show category with some 80,000 followers.

USAGE AND NEW TECHNOLOGIES

DEVELOPMENTS IN TV SET TECHNOLOGY: MOVING TO EVEN HIGHER-IMPACT TV[(1)]

Connected TV sets

Connected, or "Smart", televisions continue to raise a number of issues, including the real use made of this technology, the raising of market awareness, competition with Internet operator set-top boxes, and the need to adapt regulation to new viewing behaviour.

Over 1.6 million connected TV sets were sold in France in 2012, a significant 8.9% increase on 2011. Sales are set to continue growing, with connected TVs expected to account for almost all TV sales in five years.

The HbbTV trials launched in 2011 have changed dimension, with almost all channels now having launched services. In July 2012 France Télévisions released the Salto service on its channels, allowing viewers to return to the start of their programme at any time. TF1 launched the first synchronised HbbTV advertisement in France with the advertiser Amaguiz.

Last year also saw the publication of "DTT 2.0" specifications by France's "HD Forum", setting forth the digital rights management guidelines to be followed by service producers and TV manufacturers in France. These guidelines are beginning to be adopted in other European countries, including Spain, where the government approved this choice in December.

3D and Ultra HD

Customers continued to lose interest in 3D in 2012. The number of 3D cinema releases was stable but focused on major productions. However, 3D programmes came to the end of a cycle on television, disappearing almost in their entirety. Sales of 3D sets rose by 63.7%, but this was a result of range effect (the 3D function features on large-format TV set ranges) rather than consumer demand.

3D may be flagging, but Ultra HD – featuring, as the name suggests, higher-definition images – is starting to make name for itself. HD images contain 1,920 pixels per line, while UHD images contain around 4,000, hence the "4K Video" term generally used to describe these new formats. The first 4K TV models arrived on the market in 2012, targeting the very high-end segment. But caution remains the keyword for now, as work on standardisation (new connections, contrast and colour settings) has only just begun and compatible televisions will not be launched for several years.

TV ON THE MOVE: COMPANION SCREENS AS TV SCREEN EXTENSIONS

Smartphones, tablets and app stores

Smartphone ownership rates continue to rise and app stores are selling more and more products. But the main stories in 2012 were the record sales of tablets and the explosion in the number of device formats.

After the surprise success of tablets in 2012, consumer electronics manufacturers impacted by the crisis and the fall in TV and PC sales stepped up their efforts to develop innovative products. They launched telephones close to the size of tablets (Samsung Galaxy Note) and tablets closer to the size of telephones (iPad Mini) and PCs (Microsoft Surface). Diversity was also the rule in prices and configurations, with the entry-level segment scoring a big success at Christmas with prices starting at €100.

(1) Source: GFK.

The only group to resist the domination of the Apple and Google Android ecosystems was Microsoft, which with Windows 8 is seeking to reinvent itself with a new OS and interface (Metro). Initial sales have been modest but it is still too early to measure the success of the new system.

TF1 continued to strengthen its MYTF1 offer in 2012. MYTF1 was launched for Android and Windows 8 environments in addition to the iOS environment covered for several years now. In all, more than 4.5 million MYTF1 downloads were made on smartphones and tablets.

3.1.3 Advertising

The slowdown observed in advertising in second-half 2011 continued in 2012.

Net plurimedia advertising revenues fell 4.6% in first-half 2012 with the same trend expected in the second half of the year. Annual net IREP-France Pub data will be published on March 20, 2013.

Gross investments were down slightly in 2012, by 0.6% year on year[1].

The following data are gross. As such, they should be treated with caution owing to the continuing strong pressure on prices in 2012, and hence the differing scope for price negotiation in the various media.

TRENDS IN PLURIMEDIA ADVERTISING SPEND IN 2012[1][2]

As mentioned above, plurimedia advertising spend in 2012 fell 0.6% on 2011.

Television (excluding sponsorship) was more than ever the top media, accounting for 32.7% of gross plurimedia expenditure, up 1.5 points. Revenues for television rose 4.2% in 2012 to €9.0 billion (largest increase in gross value).

Within the TV category, incumbent channels continued on a positive trend, with a 1.0% rise in gross spend to €5.4 billion. Freeview DTT channels pursued their momentum, up 13.7% to €2.7 billion, but at a slower pace than in 2011 (+28.4%). However, cable and satellite were down 2.3% to €0.9 billion.

Gross advertising spend rose 3.8% in the first half of the year compared with first-half 2011 while net spend for the same period was down 4.2% year on year.

In terms of gross spend, print media remained the second-ranked market with €7.5 billion despite a 2.7% contraction in revenues. The market share of print media was down 0.6 points. The freesheet sector was one of the few to post an improvement, up 6.3%, and now accounts for 14.9% of print media revenues.

In terms of net spend, print media posted the biggest decline, down 8.1% on first-half 2011 (small ads included).

Gross spend in radio was up 3.7% to €4.3 billion. Market share also rose, by 0.6 points to 15.6%. While the increase mainly came from spend on music stations (up 2.4%) and general-interest stations (up 2.2%), local stations were also dynamic (up 16.9%) and now account for 11.5% of radio spend.

(1) Gross advertising spend – source : Kantar Média (January-December 2012) – Excluding self-promotion – subscription, excluding small ads in the daily press and excluding TV sponsorship.

(2) Net advertising spend – source: IREP in H1 2012 (annual data available on March 20, 2013).

Net spend on national radio was up slightly year on year in first-half 2012, by 0.9%.

Gross spend on Internet (display) came to €3.4 billions, down 7.0% on 2011[(1)]. Internet accounted for 12.2% of advertising spend, down 0.9 points.

On a net basis, in the first half of 2012, display segment spend was up 5.5% on the first half of 2011.

It was a difficult year for outdoor advertising, with gross spend down 6.7% to €2.9 billion and market share down 0.7 points to 10.7%.

Net spend on outdoor advertising also contracted in the first half of 2012 (down 4.2% on first-half 2011).

After a strong year in 2011, cinema maintained gross revenues in 2012 (up 0.3%) and continued to improve in net terms, with a 10.1% increase in first-half 2012.

TRENDS IN GROSS PLURIMEDIA ADVERTISING SPEND[(2)]

	Gross revenues	Change in revenues	Market share
	Jan-Dec 2012	Jan-Dec 2012/ Jan-Dec 2011	Jan-Dec 2012
PRESS	€7,533.8m	-2.7%	27.4%
RADIO	€4,305.3m	+3.7%	15.6%
TELEVISION	**€8,998.8m**	**+4.2%**	**32.7%**
FREEVIEW	**€8,143.1m**	**+5.0%**	**29.6%**
o/w incumbent	**€5,409.3m**	**+1.0%**	**19.7%**
o/w DTT	**€2,733.8m**	**+13.7%**	**9.9%**
TV CABSAT	**€855.7m**	**-2.3%**	**3.1%**
INTERNET	€3,359.1m	-7.0%	12.2%
OUTDOOR ADVERTISING	€2,933.1m	-6.7%	10.7%
CINEMA	€380.8m	+0.3%	1.4%
TOTAL	**€27,510.8M**	**-0.6%**	**100.0%**

TELEVISION IN 2012[(2)]

With 36.5% of TV advertising spend (down 0.7 points), TF1 was the leading channel in 2012, with gross revenues of €3.3 billion. M6 ranked second, with €1.5 billion and a 16.9% share of the market (down 0.2 points).

Advertising spend on freeview DTT channels continued to increase, but at a slower pace (up 13.7%). Gross spend in 2012 came to €2.7 billion, accounting for 30.3% of the television total.

Cable and satellite channels were down 2.3% to €856 million on a gross basis. TF1 Publicité was the number-two advertising airtime sales agency on cable and satellite with a 23.6% share of the market (up 2.9 points).

Gross/net spend conversion rates are not comparable between DTT and cable/satellite on the one hand and incumbent television channels on the other, because gross spend overweights the first two categories in the television total.

(1) Internet advertising scope: excluding Microsoft Advertising, CCM Benchmark, Senior Planet, La Tribune and Mistral Media, which stopped disclosing their gross Internet revenues in 2012, and excluding TF1 Publicité revenues from December 2011 and 2012.

(2) Gross advertising spend – source: Kantar Média (January-December 2012) – Excluding self-promotion – subscription, excluding small ads in the daily press and excluding TV sponsorship.

GROSS MARKET SHARE OF TV CHANNELS - ALL TV UNIVERSE(1)

	2012	2011	2010
TOTAL MEDIA TELEVISION	100.0%	100.0%	100.0%
Incumbent TV	**60.2%**	**62.0%**	**66.9%**
TF1	36.5%	37.2%	40.3%
M6	16.9%	17.1%	18.4%
FRANCE 2	2.9%	3.6%	3.9%
CANAL+	1.9%	2.0%	2.0%
FRANCE 3	1.5%	1.8%	2.0%
FRANCE 5	0.3%	0.4%	0.4%
Freeview DTT	**30.3%**	**27.9%**	**23.1%**
Other channels	**9.5%**	**10.1%**	**9.9%**

GROSS MARKET SHARE OF FREEVIEW DTT CHANNELS - ALL TV UNIVERSE(1)

	2012	2011	2010
Freeview DTT	**30.3%**	**27.9%**	**23.1%**
TMC	4.9%	4.3%	3.9%
W9	4.7%	4.1%	4.1%
NRJ12	4.0%	3.7%	2.6%
i>Télé	3.5%	3.7%	2.7%
BFM TV	3.3%	2.6%	2.0%
NT1	3.2%	2.6%	1.9%
D8	2.9%	2.9%	2.3%
Gulli	2.2%	2.2%	1.9%
D17	1.4%	1.4%	1.4%
FRANCE 4	0.3%	0.3%	0.2%

DIGITAL MEDIA IN 2012(2)

According to the SRI group of advertising airtime sales agencies, the Internet display advertising market (excluding search, affiliation, directories, e-mails and comparison sites), was worth a net €649 million in 2012. The market continues to grow (up 5% year on year in 2012), but at a slower pace (up 11% year on year in 2011). The mobile Internet ad market (mobile and tablet sites and apps) confirmed its extremely strong growth, increasing 30% to €48 million net.

There were five major trends in 2012:

- the arrival of Ad exchanges, whose weight in the display market more than doubled (7% of spend in 2012 compared with 3% in 2011). The development of Ad exchanges appears to be a deep-seated trend likely to continue in the coming years(3).

  By launching the first premium market place in France, La Place Média, with Amaury Médias, Le Figaro Médias and Lagardère Publicité, TF1 Publicité is reasserting its aim to enhance its digital display inventory through improved audience qualification.
- the particularly dynamic special operations segment (OPS) continued to develop across all digital platforms. The special operations budgets of advertisers rose 18% on 2011. Special operations are increasingly multi-screen and multi-site, and have formats that are more engaging and technically more elaborate.

  By giving digital pride of place in its special operations systems, TF1 Publicité brings advertisers a broad range of possibilities for expression and interaction with their customers. TF1 Publicité is continuously enhancing its offering by taking greater account of the social networks and by taking full advantage of the special characteristics of each screen.

(1) Gross advertising spend – source: Kantar Média (January-December 2012) – excluding TV sponsorship.
(2) Source: net data – Barometer Capgemini SRI/UDECAM and IREP.
(3) Source: International Data Conseil (IDC) forecasts.

- video (instream) continued to grow sharply in 2012 reaching €90 million of revenues (up 50% on 2011) with an accelerated rise in spend in the second half of the year (+60% in H2 2012 compared with +40% in H1 2012). The strong momentum comes from high demand, especially in catch-up TV, which is leading publishers to draw up strategies to develop video content across all screens.

  TF1 Publicité has a strong position in this segment, first of all with MYTF1, which covers practically all TF1 programming between 6 pm and midnight (excluding cinema) and is available on the web, mobiles, tablets and connected TVs.

- more and more households are being equipped with connected TVs. The number of households with ADSL or fibre TV reception was up 22% year on year in October-December 2012, while the number of households with a connected TV was up 84%[(1)].

  TF1 Publicité is taking advantage of the specificities of this screen, notably as part of the rollout of special operations. One of the most decisive special operations in 2012 was the launch of a channel dedicated to the Yves Rocher brand, available on MYTF1 *via* set-top box operators.

- mobile and tablet ownership rates are on the increase. As such, advertisers are giving these technologies greater pride of place in their communication plans.

  TF1 Publicité has a strong position on this market and stands as a leader in "second screens" with the introduction of innovative offerings such as the partnership with Shazam (check-in). And with the launch of MYTF1 "Connect", TF1 is raising the bar even higher in terms of screen synchronisation, both at editorial and advertising level.

OUTLOOK FOR 2013

The economic environment was lacklustre in 2012 and is expected to be much the same in 2013. GDP could stagnate or even fall (by 0.2% according to Xerfi forecasts), while unemployment is expected to continue its rise.

That being so, France is not expected to benefit from the global recovery in advertising spend, with some agencies even forecasting a decline in spend in the country in 2013.

France would also seem to be something of a unique case internationally speaking in that it is faced with a three-fold phenomenon:

- an expanding TV offering;
- an explosion in the digital offering, especially in video;
- a fall in advertising demand.

To cope with this market situation and prepare for an economic recovery, TF1 Publicité is pursuing its strategy to segment its offering from a cross-cutting standpoint and is conducting a comprehensive review of multi-channel sales approaches with a view to adapting the value of each segment.

To bolster the value of our offering in a deflationary market, TF1 Publicité has brought the market a new demographic target, "Shoppers", i.e. working people with children aged under 25. Reflecting changing trends in society and consumption, the new demographic covers buyers, opinion leaders and consumers in the food sector and the goods and services industry. The new target rounds out the range of tools for measuring advertising effectiveness and returns that TF1 has provided for a number of years.

In today's increasingly fragmented landscape, the TF1 channel continues to hold a singular position thanks to its mass media strength and ability to generate the greatest amount of impact with related targets.

TF1 Publicité today proposes a comprehensive television offering with its new advertising responsibilities for HD1 and Numéro 23, which allow it to cover the entire range of segments and audiences.

3.1.4 Regulation

COMPENSATORY CHANNELS

Article 103 of Act 2007-309 of March 5, 2007 amending the Act of September 30, 1986 established that the three analogue private channels (TF1, M6, Canal+) would, on the complete close-down of analogue television, be awarded an additional channel, called a "compensatory channel". However, following a complaint, the European Commission addressed a formal demand to France on November 24, 2010 in which it judged the attribution of these compensatory channels incompatible with the European directives that form the European framework applicable to electronic communications networks and services, known as the "Telecoms Package", because it would constitute a prohibited special and exclusive right and would penalise competing operators. In a substantiated opinion dated September 29, 2011, it called on France to take all the necessary measures to put an end to this breach.

Taking account of this opinion, the French government decided to repeal this system and on May 4, 2012 submitted Bill No. 515 on the abrogation of compensatory DTT channels to the French Senate.

(1) *Source: REM Médiamétrie – User households.*

3.2 2012 ACTIVITY AND RESULTS

3.2.1 The Group

CONSOLIDATED INCOME STATEMENT IN MANAGEMENT ACCOUNTING FORMAT

(€m)	2012	2011
TF1 channel		
Advertising revenue	1,402.8	1,504.1
Advertising costs	(73.5)	(75.2)
NET BROADCASTING REVENUE	**1,329.3**	**1,428.9**
Royalties and levies		
Royalties	(56.5)	(60.6)
CNC (National Centre for Cinematography)	(81.6)	(82.0)
Tax on broadcast advertising	(6.0)	(6.4)
Broadcasting costs		
TDF, satellites, transmission costs	(17.8)	(25.7)
Programming costs (excluding exceptional sporting events)	**(911.3)**	**(881.4)**
Exceptional sporting events	**(24.2)**	**(24.1)**
GROSS PROFIT	**231.9**	**348.7**
Diversification revenue and other revenue from operations	1,212.7	1,114.7
Other operating expenses	(1,102.0)	(1,072.2)
Depreciation, amortisation, provisions and impairment, net	(84.4)	(108.3)
CURRENT OPERATING PROFIT	**258.1**	**282.9**
Non-current operating income and expenses	(47.7)	-
OPERATING PROFIT	**210.4**	**282.9**
Cost of net debt	***0.0***	***0.5***
Other financial income and expenses	***5.8***	***5.1***
Income tax expense	(70.5)	(88.7)
Share of profits/(losses) of associates	(6.4)	(13.7)
NET PROFIT	**139.3**	**186.1**
ATTRIBUTABLE TO THE GROUP	**136.0**	**182.7**
Attributable to minority interests	3.3	3.4

CONSOLIDATED DATA

(€m)	2012	2011
REVENUE	**2,620.6**	**2,619.7**
TF1 channel advertising revenue	1,402.8	1,504.1
Other activities	1,217.8	1,115.6
CURRENT OPERATING PROFIT	**258.1**	**282.9**
OPERATING PROFIT	**210.4**	**282.9**
NET RESULT	**136.0**	**182.7**

CONSOLIDATED REVENUE

The TF1 group was faced with a very challenging environment in 2012, due in particular to the impact of the economic situation on advertising spend.

However, thanks to a capacity for innovation and a good business mix, the Group proved highly resilient to the tough conditions.

As a result, consolidated revenue held steady year-on-year, reaching €2,620.6m in 2012 versus €2,619.7m in 2011.

Full-year revenue for 2012 comprised:

- €1,402.8m of advertising revenue from the TF1 channel, down €101.3m (-6.7%), in an environment made turbulent by the impact of the economic situation on advertising spend;
- €1,217.8m of revenue from other activities, up €102.2m year-on-year (+9.2%), with most of the Group's other activities making a contribution to this increase. Over the full year, the effect of 100% of Metro France being included in the consolidation from July 28, 2011 largely offset the non-recurrence of the €13.3m generated by the resale of Rugby World Cup rights booked in the third quarter of 2011.

Advertising revenue for the TF1 group as a whole reached €1,775.5m, €46.0m (-2.5%) lower than in 2011. The drop in advertising revenue from the TF1 channel was partly offset by the inclusion of Metro France advertising, growth in advertising revenue for the DTT channels and Eurosport International, and greater monetisation of online video.

In the fourth quarter of 2012, the Group generated consolidated revenue of €767.7m, down €13.2m (-1.7%).

This comprised:

- €423.3m of advertising revenue from the TF1 channel, down €26.4m (-5.9%) year-on-year. During the quarter, the TF1 channel continued to suffer as adverse economic conditions deterred advertisers;
- €344.4m of revenue from other activities, a rise of €13.2m (+4.0%), driven by good performances from TMC, NT1 and TF1 Entreprises in particular.

The geographical split of full-year consolidated revenue in 2012 was 83% from France, 15% from the rest of the European Union, and 2% from the rest of the world.

PROGRAMMING COSTS AND OTHER OPERATING COSTS

TF1 channel programming costs were €935.5m in 2012, versus €905.5m in 2011. This €30.0m rise was due mainly to:

- increased scheduling of first-run drama nearing the end of rights protection, to comply with regulatory requirements;
- a beneficial rise in investment in terms of audience, particularly in the 5.30 p.m. – 8.50 p.m. slot.

The nine UEFA Euro 2012 matches screened in June and July 2012 cost €24.2m. This compares with €24.1m for the 2011 Rugby World Cup, which TF1 broadcast in the third and fourth quarters of 2011.

Sport programming costs (other than exceptional sporting events) fell by 7.0%, largely due to the non-screening of the UEFA Champions League in the second half of 2012. The other genres saw programming costs rise:

- entertainment, gameshows and magazine programmes (+6.4%), reflecting increased scheduling of unscripted formats;
- drama and series (+5.1%), largely as a result of the screening early in the year of first-run drama nearing the end of rights protection, to comply with regulatory requirements;
- news (+3.8%), reflecting strong news flow in 2012, an election year in France;
- films (+2.3%), as more feature films were screened in 2012.

In the fourth quarter of 2012, programming costs were down €16.8m year-on-year, mainly due to the non-recurrence in 2012 of the Rugby World Cup matches shown in October 2011 and to the savings generated by the non-renewal of the UEFA Champions League broadcasting contract. Excluding sporting events, programming costs for the fourth quarter of 2012 were €5.9m lower than in the comparable period of 2011.

Operating costs were up €19.6m at €1,342.6m, a major factor being the impact of the acquisition of Metro France in the second half of 2011.

At the start of 2012, the TF1 group launched phase II of its optimisation plan, with the objective of generating €85m of recurring savings between 2012 and 2014. Pursuant to this Phase II, the Group had already achieved in 2012 recurring savings of €8m on the programming cost of TF1, and €7m on overheads, therefore totalling €15m.

Net charges for depreciation, amortisation, provisions and impairment amounted to €84.4m in 2012, €23.9 million lower than in 2011. In 2011, a high but non-recurring provision for risks and charges had been booked.

CURRENT OPERATING PROFIT

The Group made a current operating profit of €258.1m in 2012, €24.8m less than in 2011.

Operating margin was 9.8%, versus 10.8% a year earlier.

However, there was a further improvement in profitability for diversification activities, whose operating margin reached 12.5% (versus 9.4% a year earlier, an improvement of 3.1 points). This performance illustrates again how in each successive quarter, these activities are proving to be a good source of fresh earnings growth.

Bear in mind that 2012 full-year current operating profit includes a €27.1m gain from a successful claim for reimbursement of CNC (National Centre for Cinematography) taxes, recognised in the first quarter of 2012.

In the fourth quarter of 2012, current operating profit was €103.9m, up €16.5m (+18.9%) on the fourth quarter of 2011. Current operating margin was 13.5%, versus 11.2% in the fourth quarter of 2011, an improvement of 2.3 points.

OPERATING PROFIT

The Group made an operating profit of €210.4m in 2012, €72.5m less than in 2011. Operating margin was 8.0%, versus 10.8% in 2011.

Operating profit for the year includes €47.7m of non-recurring expenses which consists of the costs incurred on Phase II of the optimisation plan, and various other adaptation measures introduced during the year.

NET PROFIT

Cost of net debt was not material, since the TF1 group has no debt.

Other financial income and expenses showed net income of €5.8m in 2012, a year-on-year rise of €0.7m. This reflects the fair value remeasurement during the second quarter of 2012 of the call option over TF1's 33.5% equity interest in the AB Group, which was granted to Claude Berda in June 2010 and expired on June 10, 2012 without having been exercised. With effect from June 11, 2012, the AB group has been accounted for as an associate by the equity method.

Income tax expense for 2012 was €70.5m, versus €88.7m for 2011.

Associates contributed a net loss of €6.4m in 2012. This compares with a loss of €13.7m a year earlier; most of this was attributable to a provision of €8.0m taken against the investment in Metro France, which at that time was 34,3% held by TF1 and accounted for by the equity method. Metro France has been fully consolidated since July 28, 2011.

Net profit attributable to minority interests was €3.3m in 2012, compared with €3.4m in 2011.

Net profit attributable to the Group therefore came to €136.0m in 2012, versus €182.7m in 2011. Fourth-quarter net profit amounted to €48.4m in 2012, versus €57.5m in 2011.

FINANCIAL POSITION

TF1 had shareholders' equity of €1,801.8m as of December 31, 2012, out of a balance sheet total of €3,617.8m.

Shareholders' equity attributable to the Group was €1,684.8m as of December 31, 2012.

On December 31, 2012, the Group had a net cash surplus of €236.3m, compared with a net debt of €40.6m on December 31, 2011. The cash surplus at end 2012 includes the cash proceeds in connection with the acquisition by the Discovery group of a 20% equity interest in the Eurosport group (based on an enterprise value of €170m) and a 20% stake in the TV Breizh, Histoire, Ushuaïa TV and Stylía channels (based on an enterprise value of €14m).
Note that net debt at end-2011 included €58.5m spent by TF1 to acquire a previously rented building occupied by staff from TF1 SA and LCI.

As of December 31, 2012, the TF1 group had confirmed bilateral credit facilities of €1,040m with various banks, versus €1,015m at end-2011.

These facilities are renewed regularly as they expire (terms of up to 5 years, depending on the facility), so that the Group has sufficient liquidity at all times.

On July 24, 2012, the Standard & Poor's financial ratings agency reiterated TF1's rating of BBB+, stable outlook.

The financial position of the TF1 group remains very healthy.

QUARTERLY REVENUE AND OPERATING PROFIT FIGURES

(€m)	Q1 2012	Q1 2011	Q2 2012	Q2 2011	Q3 2012	Q3 2011	Q4 2012	Q4 2011	2012	2011
Broadcasting France	504.9	499.4	540.5	552.8	408.2	442.3	631.2	640.3	2,084.8	2,134.8
Audiovisual Rights	38.1	29.0	26.4	21.1	25.0	23.0	40.3	42.4	129.8	115.5
Broadcasting International	85.6	84.5	105.7	89.3	118.5	95.9	96.2	98.2	406.0	367.9
Other Activities	-	1.5	-	-	-	-	-	-	-	1.5
CONSOLIDATED REVENUE	**628.6**	**614.4**	**672.6**	**663.2**	**551.7**	**561.2**	**767.7**	**780.9**	**2,620.6**	**2,619.7**
Broadcasting France	39.6	62.4	62.5	118.6	1.8	6.6	93.2	78.9	197.1	266.5
Audiovisual Rights	11.1	0.1	(6.2)	(11.2)	1.8	(14.5)	(3.5)	(14.5)	3.2	(40.1)
Broadcasting International	5.3	10.0	21.6	17.6	16.7	16.9	14.2	20.7	57.8	65.2
Other Activities	-	(11.0)	-	-	-	-	-	2.3	-	(8.7)
CURRENT OPERATING PROFIT	**56.0**	**61.5**	**77.9**	**125.0**	**20.3**	**9.0**	**103.9**	**87.4**	**258.1**	**282.9**

INCOME STATEMENT CONTRIBUTIONS BY SEGMENT

	Revenue		Current operating profit	
(€m)	**2012**	**2011**	**2012**	**2011**
BROADCASTING FRANCE	**2,084.8**	**2,134.8**	**197.1**	**266.5**
TF1 SA[(1)]	1,415.8	1,511.0	106.2	177.8
Téléshopping (Home Shopping)	99.3	100.4	6.8	2.9
Theme Channels – France[(2)]	320.3	308.8	31.9	38.9
TF1 Entreprises	56.9	49.4	10.9	5.7
Production[(3)]	25.7	26.4	2.4	4.4
e-TF1	101.3	85.0	18.3	9.2
Other[(4)]	65.5	53.8	20.6	27.6
AUDIOVISUAL RIGHTS	**129.8**	**115.5**	**3.2**	**(40.1)**
Catalogue[(5)]	45.7	37.2	2.9	(28.4)
TF1 Vidéo	84.1	78.3	0.3	(11.7)
BROADCASTING INTERNATIONAL	**406.0**	**367.9**	**57.8**	**65.2**
OTHER ACTIVITIES	**-**	**1.5**	**-**	**(8.7)**
SPS[(6)]	-	1.5	-	(8.7)
TOTAL CONTINUING OPERATIONS	**2,620.6**	**2,619.7**	**258.1**	**282.9**

(1) Includes property companies.
(2) Includes Eurosport France, LCI, TV Breizh, TMC, NT1, HD1, TF6, Série Club, Stylía, Histoire, Ushuaïa TV, TF1 Distribution and TF1 Thématiques (formerly TF1 Digital).
(3) TV and film production entities.
(4) Mainly comprises TF1 Publicité and Metro France.
(5) Mainly comprises TF1 Droits Audiovisuels, TF1 International, and TCM (divested on April 19, 2011).
(6) SPS was divested on May 2, 2011.

BROADCASTING FRANCE

The Broadcasting France Division posted revenue of €2,084.8m in 2012, down €50.0m (-2.3%) year-on-year.

Current operating profit was €69.4m lower than in 2011, at €197.1m.

Current operating margin for the year was 9.5%, versus 12.5% in the previous year.

TF1 CHANNEL

TF1 broadcasting revenue fell by 6.3% in 2012 to €1,415.8m, €95.2m lower than the 2011 figure. Full-year advertising revenue was down 6.7% at €1,402.8.

Fourth-quarter advertising revenue was 5.9% lower at €423.3m.

Current operating profit for the year ended December 31, 2012 was down 40.3% at €106.2m.

TF1[(1)]

Sales of TV sets in France, after reaching an all-time high of 8.7 million in 2011, slipped back to 6.7 million in 2012.

The average daily viewing time increased again, reaching 3 hours 50 minutes for individuals aged 4 and over (3 minutes more than in 2011).

Among the target audience of “women aged under 50 purchasing decision-makers”, the average viewing time was 3 hours 58 minutes, up 2 minutes year-on-year.

The terrestrial analogue signal was switched off on November 30, 2011, which means that virtually 100% of French people with a TV set can now access a multi-channel offering, so that they can as a minimum receive the 19 first-wave free-to-air DTT channels. And 58% of them can access a broader range of channels *via* satellite, cable, ADSL or pay-to-view DTT.

Market leadership confirmed

The TF1 channel took an audience share of 22.7% among individuals aged 4 and over (versus 23.7% in 2011), rising to 25.5% among “women aged under 50 purchasing decision-makers” (versus 26.7%). The channel’s 8.5 point positive gap over the following channel in this key target market is maintained.

Over 2012 as a whole, the TF1 channel attracted 88 of the top 100 audiences across all programmes. It also enjoyed the biggest single audience on any channel with 13.3 million for *Les Enfoirés* on March 16, another all-time high for this show. TF1 retained its unrivalled position, upholding its reputation as the must-see channel by attracting over 9 million viewers for 26 of its programmes, and over 10 million for 6 of them.

(1) Source: Médiamétrie – Market leadership in TF1’s prime time slots (8.45 pm - 10.30 pm). Médiamétrie / GK - Multimedia Coverage Survey – October / December – Bases = households with TV Sets

TF1 has adapted its positioning to compete with the broader range of free-to-air TV channels.

The priority is to be a star performer in the 6 p.m. to 1 a.m. band. These slots have high audience potential, and hence high monetisation potential. Over this time band, TF1 has a higher audience share than over the day as a whole, with 23.7% among individuals aged 4 and over and 27.9% among the target audience of "women aged under 50 purchasing decision-makers", representing an extra 1.0 and 2.4 points respectively versus the day as a whole.

TF1 is using innovation to refresh its flagship brands and strengthen its regular programmes. The TF1 editorial policy, built on popular, must-see programming, has enabled the channel to achieve the no.1 spot across all its genres. What is more, TF1 achieved the top 10 audience ratings in entertainment, French drama, films, American series and news.

TF1 channel viewing figures have been on an uptrend since September 2012. During the last 4 months of the year, the channel drew an average audience share of 23.2% among individuals aged 4 and over, rising to 26.0% for "women aged under 50 purchasing decision-makers", opening up a 9.0 point positive gap over the following channel in this key target market.

Prime time market leader

The TF1 channel had an average prime time audience of 6.0 million in 2012.

Within TF1's prime time slots, the channel was the most-watched channel on 8 out of 10 evenings.

So despite audience dispersion, TF1 retains its unrivalled position as a mass media player in France.

No. 1 across all genres [1]

Entertainment: *Les Enfoirés* was watched by 13.3 million viewers on March 16.

Another success was the Saturday prime-time show *The Voice*, launched in 2012, with an audience peak of 9.3 million and an average audience share of 47% among "women aged under 50 purchasing decision-makers" and 34% among individuals aged 4 and over.

American series: *Mentalist* drew up to 10.1 million viewers, and *House* (French title: *Dr House*) up to 9.1 million.

French drama: 2012 confirmed the dynamism of French drama, with *Profilage* attracting up to 7.8 million viewers (the best for a detective series since November 2009) and *Josephine Ange Gardien* viewed by up to 7.5 million.

Films: TF1 achieved excellent results for its film screenings. Highlights included *Gran Torino* (9.4 million viewers, the best audience for a film since November 2010) and *Les bronzés font du ski* (9.0 million viewers).

Sport: the final of the UEFA Euro 2012 football tournament was viewed by 12.9 million people, an all-time high for a Euro tournament match not involving the French national team.

News: TF1's daily news bulletins are the most widely-watched in Europe: the 8 p.m. bulletin attracted up to 9.8 million viewers and the 1 p.m. bulletin up to 8.3 million. An ambitious editorial strategy driven by news editors and the arrival of new presenters gave fresh impetus both to the flagship evening news bulletin (*Le Journal Télévisé du 20h*) and to the channel's news coverage generally, and brought larger audiences for TF1 news programming.

Advertising revenue[2]

Gross plurimedia advertising spend (including the Internet) in 2012 fell by 0.6% to €27.5bn.

Television (national and regional channels, DTT, cable and satellite) remains the no. 1 medium in terms of advertising spend, with market share of 32.7% and gross revenue of €9.0bn in 2012, a year-on-year rise of 4.2%. Advertising spend on free-to-air DTT is still growing rapidly (up by 13.7% or €328.6m).

Print media still ranks second behind TV in France, with gross advertising revenue of €7.5bn, 2.7% lower than in 2011.

Gross revenue for the TF1 channel was up 2.2% year-on-year in 2012. The channel's share of gross advertising revenue across the TV market as a whole was 36.5%.

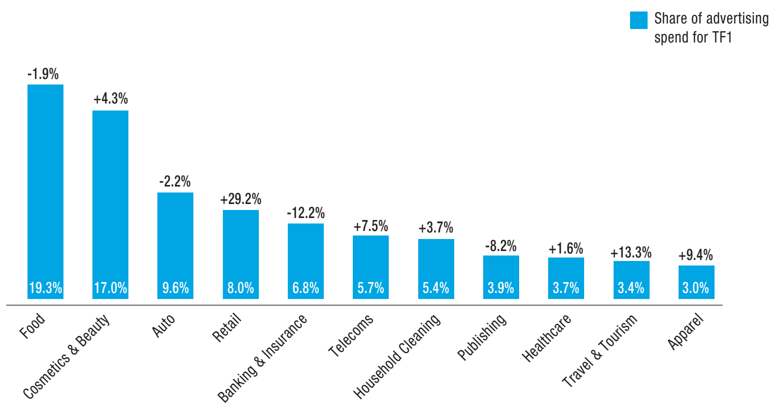
Some sectors increased their gross advertising spend during 2012: Cosmetics & Beauty (+4.3%), Retail (+29.2%), Telecoms (+7.5%), Travel & Tourism (+13.3%), Household Cleaning (+3.7%), Healthcare (+1.6%) and Apparel (+9.4%). Sectors in decline during 2012 were Food (-1.9%), Auto (-2.2%), Banking & Insurance (-12.2%), Culture & Leisure (-12.7%) and Publishing (-8.2%).

Net advertising revenue for the TF1 channel was €1,402.8m in 2012, 6.7% lower than in 2011. This reflects the effect of the climate of uncertainty on advertisers' spending decisions. In response, the Group's advertising sales business has adopted a strategy designed to bolster demand.

(1) Source: Médiamétrie / Médiamat

(2) Source: Kantar Media Intelligence.

SPLIT OF TF1 GROSS ADVERTISING SPEND BY SECTOR, AND 2012 VS 2011 GROWTH



Source: Kantar Media.

UEFA Euro 2012

During the second and third quarters of 2012, TF1 showed the UEFA Euro 2012 football tournament. This was a major event for the Group, which achieved excellent performances across all its media platforms throughout the tournament.

The nine matches screened on the TF1 channel attracted an average of 8.3 million viewers, representing an audience share of 34% among individuals aged 4 and over.

Both of the matches involving France shown on TF1 attracted over 10 million viewers: 10.3 million for the match against England, and 11.3 million for the quarter-final against Spain.

The Spain/Italy final achieved the best audience rating for the competition on any channel, pulling in 12.9 million viewers on July 1, 2012, giving an audience share of 47.5% among individuals aged 4 and over.

Coverage was rolled our across all of the MYTF1 platforms. MYTF1 offered every match in the tournament plus catch-up of 9 matches, exclusive video content, and an array of tie-in articles and packages.

The dedicated Euro 2012 website deployed jointly by TF1 and Eurosport recorded 11.5 million hits and over 6.6 million videos watched.

The site also offered live coverage of the 9 games shown on TF1 using an innovative player that enabled users to control the live feed, plus the “Cover it live” feature with added editorial content.

Many users took advantage of cutting-edge social TV features, the France/Spain match generating hundreds of thousands of live sessions. Videos and highlights packages also proved very popular.

The 360 strategy adopted for the tournament was an unqualified success.

In financial terms, the impact of the UEFA Euro 2012 tournament on TF1 channel programming costs over the full year (including rights and production costs) was €24.2m for the 9 matches broadcast, giving an average cost per match of €2.7m (versus €3.9m per match for the 2008 tournament).

HOME SHOPPING[1]

After contracting by 0.2% in 2011, the French retail sector as a whole shrank by 2.9% in 2012. However, the home shopping market grew by 2% over the same period.

During 2012, sales over the Internet increased by 19% in value terms to €45bn, versus €38bn in 2011, confirming the vitality of e-commerce in France. Over the year as a whole, 514 million sales transactions were made on websites, versus 420 million in 2011, a rise of 22.4%.

The TF1 group’s Home Shopping arm generated revenue of €99.3m in 2012, versus €100.4m in 2011, a slight drop (-1.1%). Good performances at stores and the Place des Tendances e-commerce site were offset by lower revenue at Infomercials and at the flagship Téléshopping brand.

Current operating profit for 2012 was up €3.9m year-on-year at €6.8m. This performance reflects the commercial success of the business, tight cost control, and a favourable comparative base (largely due to the impact on 2012 profits of the divestment of 1000 Listes, which took place in 2011).

(1) Source: FEVAD (French e-commerce and distance selling federation).

THEME CHANNELS[1]

The terrestrial and satellite analogue signal was switched off on November 30, 2011, which means that virtually 100% of French people with a TV set can now access a multi-channel offering.

In 2012, the first-wave free-to-air DTT channels had a combined audience share of 22.0% among individuals aged 4 and over, versus 21.4% a year earlier and 18.3% two years earlier.

Collectively, the pay-TV channels available in the French market attracted a combined audience share of 11.2% in 2012, down 0.5 of a point year-on-year.

Since January 1, 2012, the TF1 group's pay theme channels have been distributed in France on a non-exclusive basis to pay-TV operators, which has increased their initialisation rate.

Theme channel revenue for 2012 was €320.3m, up 3.7% year-on-year. Growth was driven by free-to-air channels, especially NT1, which enjoyed a dynamic year.

Theme channel advertising revenue advanced by €12.7m (+6.9%).

Current operating profit was €31.9m in 2012, a year-on-year fall of €7.0m, mainly due to LCI (on lower distribution revenue and a busy start to the year in news), plus increased programming spend at TMC and NT1 and the launch of HD1 and despite an improvement of Eurosport France.

TMC

TMC recorded an audience share of 3.6% among individuals aged 4 and over in 2012 (versus 3.5% in 2011), rising to 4.0% among "women aged under 50 purchasing decision-makers" (versus 3.9% in 2011).

TMC was France's leading DTT channel in 2012, cementing its ranking as the 5th most popular national channel among individuals aged 4 and over.

The channel had an average prime time audience of 800,000 and was the most popular channel for films, magazines and entertainment. TMC had 5 of the top 10 DTT audiences in 2012.

The channel recorded the two highest audience ratings for DTT in the year, the best being for the film *Bodyguard*, with over 2 million viewers.

NT1

NT1 saw strong growth in audience share in 2012, both among individuals aged 4 and over (+11%) and "women aged under 50 purchasing decision-makers" (+13%). NT1's share of these target audiences was 2.1% and 2.7% respectively (versus 1.9% and 2.4% in 2011).

The channel had an average prime time audience of 600,000 (100,000 more than in 2011).

NT1 also attracted over 1 million viewers on 40 occasions in 2012 (versus 12 in 2011); viewing figures peaked at 1.8 million for the film *The Bourne Supremacy* (French title: *La mort dans la peau*).

These fine performances vindicate the positioning and programming strategy of NT1, which has not only strengthened its schedules but also benefited from working with the TF1 group's programming teams.

Eurosport France

The Eurosport France channel recorded strong growth in its paying subscriber base to 8.8 million (versus 7.7 million in 2011, a rise of 14.1%). A major factor was the opening up of the channel to distribution by internet service providers following the end of CanalSat exclusivity.

The Eurosport channel audience was 18% higher than in the previous wave for the primary target audience (men aged 15 to 49). Eurosport 2 was similarly dynamic, with the strongest audience growth of any sport channel as viewing figures doubled year-on-year.

Subscription revenue rose year-on year. However, advertising revenue fell, reflecting the harsh economic environment and tougher competition, and despite a rise in internet advertising revenue.

Programming costs were higher year-on-year as schedules were enhanced, in particular with the screening of the London Olympics in the third quarter of 2012.

TV Breizh

France's no. 1 general-interest pay-TV cable and satellite mini-channel, TV Breizh confirmed its market-leading position, with an audience share of 1.3% among individuals aged 4 and over.

In difficult competitive and economic conditions, TV Breizh achieved revenue growth and is continuing its efforts to maintain profitability levels.

LCI

In 2012, LCI continued with its editorial stance, focused on analysis and explanation of news stories.

A feature of the year was the editorial approach to the French presidential election campaign; this involved an array of special programmes, plus searching in-depth analysis of news stories and innovative formats such as *Parole de Premiers* (a regular show in which former Prime Ministers commented on campaign issues) and *Vu d'Ailleurs* (on how the French political scene is viewed from other countries).

LCI further emphasised its upmarket positioning at the start of the autumn season with the launch of a new cutting-edge arts programme (*La semaine de l'art*) and two new politics shows (*A l'épreuve des faits* and *Ainsi va l'Amérique*).

Discovery Division

The Discovery division recorded revenue growth over 2012 as a whole.

Histoire is pursuing its editorial policy focused on intellectual debate and the commemoration of major historical events, and continues to build brand recognition. Ushuaïa TV, the sustainable development channel,

(1) *Source: Médiamat'Thématik (wave 23: January 2012-June 2012) Médiamétrie/Médiamat.*

continues to screen regular and one-off programmes on the key issues in environmental protection, and is stepping up its policy of screening new documentaries. More than 60% of the channel's output is in HD Native. Stylía has rapidly become a force to be reckoned with in lifestyle, luxury and fashion pay-TV thanks to an ambitious production policy.

TF6 and Série Club

Revenue for these channels, owned 50/50 by TF1 and M6, grew year-on-year. Both channels continued to adjust their cost base, and improved their margins relative to 2011.

TF1 ENTREPRISES

TF1 Entreprises reported revenue of €56.9m for 2012, 15.2% more than for 2011.

Current operating profit for the year was €10.9m, a year-on-year rise of 91.2%. Current operating margin was 19.2%, compared with 11.5% in 2011, an improvement of 7.7 points.

TF1 Entreprises scored many successes across all of its ventures.

Games(1)

The market for board and card games contracted by 3.4% in 2012 relative to 2011.

TF1 Games saw its market share shrink slightly, from 7.7% to 7.4%.

The refreshment of the TV games range with the launch of *Money Drop* and *Les 12 coups de midi* helped TF1 Games achieve 11 products in the top 100 for 2012 sales, including 3 new launches. One big success was its latest addition to the *1000 Bornes* range: *1000 Bornes As du volant*.

Music(2)

The French music market remained sluggish in 2012, contracting by 4.4%.

Physical sales fell by 11.9%, while related rights rose by 7.5%. The digital market expanded by 13.0% to €125m, representing 25.6% of sales.

In this shrinking market, TF1 musical productions achieved striking success (*Les Stentors*, *Vincent Niclo* and the original soundtrack to the film *Intouchables*).

TF1 Entreprises was also a partner in shows like Disney on Ice, and for standout artists of 2012 such as Céline Dion and Johnny Hallyday. The company also developed its role as co-producer of exhibitions and shows, including the musical *1789, Les amants de la Bastille*, which attracted a total audience of 220,000 in Paris.

Licensing

The Licensing business continues to do well, driven by the ongoing success of brands such as *Barbapapa, Ushuaïa, Hello Kitty* and *Masterchef*. The collection of Tintin figurines continued to perform well throughout 2012.

PRODUCTION

Revenue for the Production business fell by 2.7% in 2012 to €25.7m. Current operating profit was €2.4m, €2.0m lower than in 2011.

TF1 Films Production(3)

After an exceptional 2011, cinema attendances fell by 5.9% in 2012 to 204.3 million. However, this is still well ahead of the average over the past 10 years, and 2012 was the fourth year running in which total box office entries topped 200 million (versus a 10-year average of 193.2 million). French films again enjoyed a healthy market share in 2012 at 40.2%, after an exceptionally good 2011 (41.6%).

TF1 Films Production recorded a slight decline in revenue, because fewer co-produced films went on general release than in 2011.

During 2012, 14 films co-produced by TF1 Films Production went on general release (versus 21 in 2011), of which 8 attracted more than a million box office entries (versus 13 in 2011).

(1) Source : The NPD Group.

(2) Source: SNEP (French National Phonographic Publishing Syndicate).

(3) Sources: Écran Total, CNC.

Film	Release date (2011)	Box office entries
UN JOUR MON PERE VIENDRA	Jan 4, 2012	147,714
IL ETAIT UNE FOIS UNE FOIS	Feb 15, 2012	139,145
COMME UN CHEF	March 7, 2012	351,694
CLOCLO	March 14, 2012	1,791,770
L'ONCLE CHARLES	March 21, 2012	329,451
SUR LA PISTE DU MARSUPILAMI	April 4, 2012	5,303,302
LES VACANCES DE DUCOBU	April 25, 2012	1,056,337
LE PRENOM	April 25, 2012	3,340,718
UN BONHEUR N'ARRIVE JAMAIS SEUL	June 27, 2012	1,828,750
BOWLING	July 18, 2012	497,783
LES SEIGNEURS	Sept 26, 2012	2,715,019
STARS 80*	Oct 24, 2012	1,845,040
UN PLAN PARFAIT*	Oct 31, 2012	1,203,215
MAIS QUI A RETUE PAMELA ROSE*	Dec 5, 2012	279,600

* *Still being screened as of December 31, 2012.*

TF1 Production

TF1 Production reported lower revenue in 2012, due partly to the discontinuation of some of the programmes produced in 2011 and partly to seasonal effects. There was only one season of *Danse avec les stars* in 2012, as opposed to two in 2011.

However, TF1 Production produced new episodes of the series *RIS* for the TF1 core channel during the period, and also continued to produce shows launched in late 2011 (such as *Après le 20h c'est Canteloup*). TF1 Production increased its volume of output for TMC and NT1, and also handled production of the UEFA Euro 2012 football tournament for TF1.

e-TF1

Revenue at e-TF1 saw strong growth in 2012, to €101.3m (up 19.2% on 2011).

Performances were very strong in all areas, including interactivity with the TF1 channel and MYTF1, which continues to be a success in both revenue and profitability terms.

Top-line growth and further cost control helped the business double its current operating profit to €18.3m (versus €9.2m in 2011). Current operating margin reached 18.1% in 2012, against 10.8% in 2011.

This success – in terms of traffic, revenue and profits – provides further vindication of the TF1 Digital strategy.

Video performed very well on MYTF1.fr, with 658 millions catch-up videos viewed in 2012(1), a rise of 20.3%. In terms of time spent watching videos online, TF1 is the leading French media group, and ranks in the top 3 in France alongside the big multinationals(2).

The MYTF1 app, launched in January 2011, continues to be a great success, with more than 4.5 millions downloads to end December 2012(3).

The MYTF1.fr site saw an increase in traffic, with 8.0 millions unique visitors in December 2012(4), 1.3% more than in December 2011.

OTHER(5)

Revenue amounted to €65.5m in 2012, compared with €53.8m in 2011, an increase of €11.7m.

Bear in mind that the 2011 figure included €13.3m of revenue from the resale of Rugby World Cup rights.

In 2012, this item includes revenue from Metro France (100% consolidated since July 28, 2011), along with the agency commission generated by TF1 Publicité (including Indés Radio advertising airtime sales).

Current operating profit came to €20.6m in 2012, compared with €27.6m in 2011.

(1) Source: Médiamétrie eStat Streaming TV.
(2) Source: Médiamétrie NetRatings – November 2012.
(3) Source: XiTi, eStat Médiamétrie, iTunes Connect, Google Play.
(4) Source: Médiamétrie NNR panel November 2012.
(5) Source: Kantar Média, 2012 versus 2011

Metro France

The gross print media advertising market shrank by 2.7% relative to 2011. Daily news freesheets recorded further growth, up 6.0% year-on-year. Metro France posted a 16.2% gross revenue growth in 2012. Its market share reached 27.3%, up 2.3 points on the previous year. By contrast, 20 Minutes took a 44.3% share (down 0.2 of a point on 2011) and Direct Matin was at 28.4% (down 2.1 points).

Third-party advertising airtime sales

Radio advertising saw growth of 3.7%. Gross advertising spend on the radio stations for which TF1 Publicité sells airtime was 13.1% higher than in 2011, and the company's gross market share gained 1.0 point to 12.7% on national radio.

AUDIOVISUAL RIGHTS

The Audiovisual Rights Division posted revenue of €129.8m in 2012, a year-on-year rise of 12.4%.

Current operating profit was €3.2m, up €43.3m versus 2011.

CATALOGUE

For an overview of the French cinema market in 2011, see the comments on TF1 Films Production.

The Catalogue business generated 2012 revenue of €45.7m, versus €37.2m in 2011 (+22.8%). This growth was due to a rise in general release films.

Profitability improved sharply in 2012, with current operating profit reaching €2.9m. This compares with a current operating loss of €28.4m in 2011, most of which was due to the recognition, in the second and third quarters of 2011, of a provision relating to the *Miracle at St. Anna* litigation.

TF1 VIDÉO(1)

In 2012, the physical and digital video market shrank by 7.8% versus 2011, to €1.3bn. Blu-ray and VoD sales were sharply higher, but failed to offset a marked fall in DVD revenue. Revenue from Blu-ray was €224m (+7.2% year-on-year), while VoD sales reached €225m (+13.1% year-on-year). In 2012, Blu-ray unit sales passed the 10 million mark, and 43 million pay VoD transactions were recorded. DVD remains the preferred media among consumers, representing over two-thirds of the market and a sales value of €892m (14.9% lower than in 2011).

TF1 Vidéo responded to these challenging market conditions by embarking on a rationalisation process, which led to (i) the implementation of a job protection plan and (ii) the signature of a distribution agreement with Paramount Home Media Distribution France on July 13, 2012.

Full-year revenues for the Video business in 2012 were up 7.4% at €84.1m, driven largely by the successful DVD release of the films *Intouchables* and *Polisse*, and by growth in VoD sales.

The business just broke even, making a current operating profit of €0.3m, a €12.0m increase on 2011.

BROADCASTING INTERNATIONAL)

EUROSPORT INTERNATIONAL

Eurosport International revenue advanced by 10.4% in 2012 to €406.0m.

Current operating profit was €57.8m, down €7.4m on 2011, due mainly to the screening of the London Olympics. Current operating margin was once again robust, at 14.2%.

Revenue growth was boosted both by subscriptions (up 7.3%) and advertising (up 18.4%). Eurosport International advertising revenue defied the tough European economic climate, surging to €88.7m on the back of a busy and attractive schedule of sporting events (especially the Africa Cup of Nations and Euro 2012 football tournaments, the French Open of tennis and the London Olympics) and buoyant audience ratings.

At end December 2012, the Eurosport channel was being received in 131.8 million homes across Europe (3.0 million more than a year earlier).

The Eurosport International paying subscriber base was up 3.6%; growth was driven mainly by Eastern Europe and the United Kingdom.

The Eurosport 2 channel continues to grow, and was being received in 62.5 million homes at end December 2012 (up 9.4% year-on-year).

The Eurosport HD channel is also on a rising trend, having gained 7.6 million new subscribers in twelve months.

The Eurosportnews channel is being received in 2.2 million homes in Europe, mainly in Portugal and Russia. This channel is also well embedded outside Europe, especially in Africa and Oceania.

The Asia/Pacific version of the Eurosport channel is continuing to expand in its catchment area (Asia/Oceania), and had 5.8 million subscribers at end December 2012 (up 16.8% year-on-year).

Overall, the Eurosport group achieved audience growth of 7.1%, despite the intensifying level of competition between sports broadcasters.

The Eurosport group's internet activities are going from strength to strength, propelling Eurosport to the top ranking among European sport sites(2). With 14 local versions around the world, the website was attracting 3.3 million unique visitors at end December(3).

(1) Source: SEVN - Video Barometer - CNC-GFK

(2) Source: Nielsen Net Ratings.

(3) Source: Digital Analytix.

In addition to the website, Eurosport offers a smartphone and tablet app in 10 languages. This app was downloaded by 10.0 million users (up 85.2% versus 2011).

The Eurosport channels are also broadcast over the Internet, and have an average monthly following of 105,000 customers (up 47.6% year-on-year).

OTHER ACTIVITIES

No activities were included in this segment in 2012. In 2011, this segment comprised SPS, which generated revenue of €1.5m and a current operating loss of €8.7m. SPS was divested in May 2011.

3.2.2 Outlook

The TF1 group faces another year of economic uncertainty in 2013.

With the economic situation still deeply troubled, we are working on the assumption that our full-year consolidated revenue for 2013 will contract by 3%.

Despite the upheavals of the past five years, we have nonetheless succeeded in radically transforming the TF1 group:

- in terms of our offering, we are no longer just a mass media player: we now combine the effectiveness of mass media with the intimacy of digital media;
- in terms of our business model: the TF1 channel is now at the heart of a new ecosystem. Its audience, boosted by flagship programmes and strong brands with massive spin-off potential, has become a source of fresh revenues.

However, to continue our progress and build for the future, we will be addressing five key issues in 2013: consolidating our free-to-view offering, expanding our consumer businesses, enhancing our pay-TV offering, improving our competitiveness, and continuing to deliver on our corporate social responsibility agenda.

LOCKING IN A NEW FREE-TO-VIEW MODEL

Our free-to-view TV offering is unrivalled in France, thanks to 4 channels: TF1, the undisputed leader; the fast-growing channels TMC and NT1; and HD1, the new creative channel we launched on December 12, 2012. Our free-to-view strategy is to extend the TF1 channel's reach across all our activities, building on our status as a multi-channel group.

One of our priorities in 2013 will be to consolidate our overall audience.

We will also focus on developing new programmes on our channels (not only TF1, but also TMC, NT1 and HD1), enhancing the fit and exploiting the synergies between our channels, while continuing to comply with all of our commitments to the relevant authorities.

To provide content to our channels, we will continue with our policy of investing in innovative formats – on our own, in partnership or *via* in-house production – while retaining a rigorous negotiating stance and making the most of our rights portfolio.

Finally, in terms of selling airtime on the TF1 and HD1 channels, in 2013 our in-house agency TF1 Publicité will seek to maintain the value of slots and intensify digital spin-offs. At the same time, the agency will be looking for opportunities to sell space on new media, in order to offer advertisers a more comprehensive service, from mass media to one-to-one media.

EXPAND OUR CONSUMER BUSINESSES

We have forged close relationships with all our publics through all the outlets available, including social networks. TF1 interacts with the consumer through home shopping, DVD/VoD production and distribution, board and card games, and music production.

In this area, we will continue during 2013 to move forward with our customer-oriented strategy, based on three main levers:

- brand exploitation, including not just the TF1 brand with its unrivalled promotional and value-creative power, but also our broader portfolio of strong brands;
- technological opportunities, which will inevitably offer new possibilities for enhanced viewer/programme interactivity, ever-greater diversification of access to content, and multi-screen experiences;
- the constantly-evolving customer/viewer relationship, with advertisers demanding ever sharper targeting. Not only are we making steady progress in this area, but we also offer an array of media channels with promising potential.

ENHANCING OUR PAY-TV OFFERING

Our strategy for 2013 will be to develop a competitive offering for the French market. The partnership between TF1 and Discovery Communications will enable us to rely on Discovery's experience in non-fiction media channels so that we can provide French distributors with a benchmark offering of theme channels, with our existing channels complemented by Discovery's rights portfolio.

We will also seek during 2013 to exploit the many synergies between Eurosport and Discovery Communications. The two groups will join forces in distribution (including the formation of a joint venture), in local advertising, and in business development, consistent with Eurosport's strategy.

IMPROVING OUR COMPETITIVENESS

During 2013, we will press ahead with Phase II of our optimisation plan, designed to adapt our business model. Focused on reducing operating costs and introducing greater flexibility, Phase II has already generated €15m of savings in 2012.

We will now be working to unlock a further €70m of recurring savings by end 2014, thanks to lower overheads, better productivity and optimisation of programming costs.

In light of the economic situation, we have decided to accelerate the implementation of Phase II.

In 2013, TF1 channel programming costs should not exceed €900m.

CORPORATE SOCIAL RESPONSIBILITY

Conscious of our responsibilities as a leading media group, we embed corporate social responsibility into all of our strategic decisions.

In 2013, we will once again be at the forefront of CSR initiatives in the media sector. We will respect diversity in our people and programmes, and ensure that our programmes are inclusive and non-discriminatory. We will promote solidarity, social cohesion and sustainable development, and remain open at all times to dialogue with all our stakeholders.

Thanks to solid fundamentals, a healthy financial position giving us the means to realise our goals, clear and ambitious strategy, we are now better placed that ever to consolidate our position as France's leading private-sector television group. Our watchwords for the future: anticipate and deliver.

3.2.3 Post balance sheet events

There are no post balance sheet events to report.

3.2.4 The role of TF1 *vis-à-vis* its subsidiaries and relations with the parent company

The positions held by TF1 Executive Directors in the principal subsidiaries are disclosed on page 6 of the registration document and Annual Financial Report.

The TF1 group comprises about 40 directly or indirectly owned operating subsidiaries (see the organisation chart on page 7 of this registration document), most of them located in France.

The role of TF1 is to define the overall strategic priorities of the Group, and to provide leadership in areas such as identifying synergies and standardising procedures.

It also provides corporate support functions to its subsidiaries in fields such as management, human resources, advisory services and finance. These services are invoiced by TF1 to the subsidiaries involved; for details, refer to the disclosures about related-party agreements on page 289 of the registration document and Annual Financial Report and to the Statutory Auditors' report on such agreements (page 188 of the registration document and annual financial report).

For information about services provided by Bouygues to TF1, refer to the disclosures about related-party agreements on page 289 of the registration document and Annual Financial Report and to the Statutory Auditors' report on such agreements (page 188 of the registration document and annual financial report).

From a financial standpoint, TF1's Treasury Department manages and pools the cash positions of all the Group's subsidiaries except for Série Club, for which treasury management and financing are handled by M6.

3.2.5 The TF1 parent company

RESULTS OF TF1 SA

In 2012, TF1 SA (the parent company) generated revenue of €1,356.8 million (down 6.2% versus 2011), comprising €1,339.1 million of advertising revenue (down 6.7%) and €17.7 million of other revenue (up 47.5%). Operating profit for the year decreased by €122.1 million to €75.4 million.

The parent company reported net financial income of €32.3 million in 2011(up €45,0m versus 2011).

Net profit for the year was €120.5 million, up 5,2% versus 2011.

Expenses falling within the scope of Article 39-4 of the French General Tax Code, which are non-deductible for corporate income tax purposes, amounted to €265,825 in the year ended December 31, 2011. These expenses will be submitted to the Annual General Meeting for approval, in accordance with Article 223 *quater* of the French General Tax Code.

APPROPRIATION OF PROFITS

In the resolutions submitted for your approval, we are asking you to approve the individual financial statements and the consolidated financial statements for the year ended December 31, 2012 and, and, having noted the existence of distributable profits of €415,571,374.06, comprising net profit for the period of €120,521,749.35 and retained earnings of €295,049,624.71, to appropriate this sum as follows, as proposed by the Board of Directors:

- distribution of a cash dividend of €115,658,170.65 (*i.e.* a dividend of €0.55 per €0.20 par value share);
- the balance of €299,913,203.41 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 25, 2013. The date of record (*i.e.* the day at the end of which the post-settlement positions entitled to the dividend are determined) will be April 29, 2013. The payment date of the dividend will be April 30, 2013.

We are also asking for your authority to transfer to retained earnings the amount of dividend accruing to any of its own shares that TF1 may hold, in accordance with Article L. 225-210 of the French Commercial Code.

The amount of dividend distributed in respect of the three previous financial years was as follows:

Year ended	Net dividend per share
December 31, 2009	€0.43
December 31, 2010	€0.55
December 31, 2011	€0.55

ANALYSIS OF TF1 SA TRADE CREDITORS BY DUE DATE

The table below gives disclosures about trade creditors by due date, as required by Articles L. 441-6-1 and D. 441-4 of the French Commercial Code.

In most cases, TF1 SA applies agreed payment terms of 45 days from the end of the month in which the supplier invoice was issued.

(€m)	Dec. 31, 2012	Dec. 31, 2011
Total trade creditors	**284.0**	**327.9**
Total trade creditors used in the analysis(1)	**255.2**	**289.7**
Of which non past due	247.9	269.5
Of which past due	7.3	20.2
Of which past due by less than 30 days	*4.6*	*6.2*
Of which past due by between 30 and 90 days	*0.4*	*7.0*
Of which past due by more than 90 days	*2.3*	*7.0*

(1) The trade creditors total included in the analysis as of December 31, 2012 comprises all trade creditors except for trade bills payable, which amounted to €28.8 million (compared with €38.2 million as of December 31, 2012).

3.2.6 Principal acquisitions and divestments

NEWLY CONSOLIDATED ENTITIES, CHANGES IN SCOPE OF CONSOLIDATION AND ACQUISITIONS OF EQUITY INTERESTS

CHANGE IN PERCENTAGE INTEREST IN THE EUROSPORT GROUP ENTITIES AND THEME CHANNELS

As a result of the agreement with the Discovery Communications group (see Note 1, page 109), the percentage control held by the TF1 group in the Eurosport group entities, and in the Ushuaïa TV, Stylía, Histoire and TV Breizh pay-TV theme channels, has been 80% since December 21, 2012. The 20% share of the net assets of these entities acquired by the Discovery Communications group, amounting to €102.6 million, is presented in consolidated shareholders' equity attributable to minority interests. The share of profits for the period from December 22 to December 31, 2012, has not been allocated to minority interests on grounds of immateriality.

INCLUSION OF GROUPE AB IN THE SCOPE OF CONSOLIDATION AS AN ASSOCIATE BY THE EQUITY METHOD

TF1 has held a 33.5% equity interest in Groupe AB since April 2, 2007, the other principal investor being Claude Berda.

On June 10, 2010, in connection with the acquisition by TF1 of the TMC and NT1 channels from Groupe AB, TF1 granted Claude Berda a call option entitling him to buy out TF1's 33.5% interest in Groupe AB for its estimated market value of €155 million. In accordance with IAS 27, TF1 therefore ceased to account for its equity interest in Groupe AB as an associate by the equity method, instead recognising the equity interest in the balance sheet as a non-current financial asset at a value of €155 million. TF1 elected to recognise subsequent changes in the fair value of the equity interest in profit or loss, so that they would offset subsequent changes in the fair value of the option (recognised in financial income or expense, and in financial liabilities in the balance sheet).

The equity interest and the associated call option were valued on the basis of the consolidated net assets of Groupe AB as remeasured at fair value in 2010, plus the profits of Groupe AB recognised since that date (including depreciation and amortisation charged against remeasured assets) and a multiple-based approach applicable to Groupe AB.

Because no material change in the fair value of the equity interest occurred during the life of the option, both the equity interest and the option were maintained at their initial values, i.e. €155 million and zero respectively.

As of the expiry date of the option (June 10, 2012), TF1's equity interest in Groupe AB was valued at €160.9 million. The fair value of the equity interest was adjusted accordingly, and a symmetrical financial liability (of €5.9 million) representing the fair value of the option was also recognised. Because the option was not exercised, the financial liability was extinguished, generating a gain (recognised in "Other financial income") in the financial statements for the six months ended June 30, 2012.

The option having expired, the TF1 group has regained the significant influence that it used to exercise over Groupe AB. Consequently, this equity interest is now once again accounted for as an associate by the equity method, with effect from June 11, 2012.

DIRECT OPTIC PARTICIPATIONS

In accordance with the terms of the agreements signed on March 1, 2011, Téléshopping converted into share capital a €2.5 million current account balance owed to it by Direct Optic Participations. This transaction took place on December 28, 2012, and increased Téléshopping's equity interest in Direct Optic from 25.4% to 47.8%. This increased percentage has no impact on the role or power of TF1 vis-à-vis Direct Optic Participations.

The investment continues to be accounted for as an associate by the equity method in the consolidated financial statements.

TF1 SA OTHER COMMITMENTS

None.

3.3 AVAILABLE INFORMATION IN OTHER PART OF THE REGISTRATION DOCUMENT

3.3.1 Risks factors and Report on remuneration

With regard to risk factors and compensation of the Executive Director, see chapter 2, pages 55-69 of the registration document.

3.3.2 Human resources and environment update

With regard to human resources and environment update, see chapter 7, pages 227-281 of the registration document.

3.3.3 Information concerning the TF1 company and its capital

With regard to Information concerning the TF1 company and its capital, see chapter 6, pages 201-226 of the registration document.

3.4 STATEMENT OF COMPANY OPERATIONS OVER THE LAST FIVE BUSINESS YEARS

Nature of indicators (in €)	2008	2009	2010	2011	2012
I - End of year financial position					
a) Company capital	42,682,098	42,682,098	42,682,098	42,206,601	42,124,864
b) Number of shares issued	213,410,492	213,410,492	213,410,492	211,033,003	210,624,321
c) Number of convertible bonds					
II - Overall operational results					
a) Turnover excluding taxes	1,578,094,919	1,376,578,316	1,484,569,148	1,447,246,247	1,356,804,475
b) Profits before tax, employee participation, liquidations and provisions	231,461,449	201,671,020	225,847,859	210,521,154	101,904,156
c) Tax on profits	23,176,898	(17,671,273)	33,468,225	45,163,305	17,693,069
d) Employee participation	3,605,647	256,981	4,645,162	4,620,881	1,761,302
e) Profits after tax, employee participation, liquidations and provisions	138,921,498	198,396,034	157,208,740	114,484,653	120,521,749
f) Amount of profits distributed	100,302,931	91,766,512	117,375,771	116,013,152	115,658,171 (1)
III - Operational results per share					
a) Profits after tax and employee participation but before liquidations and provisions	0.96	1.03	0.88	0.76	0.39
b) Aggregate employment earnings	0.65	0.93	0.74	0.54	0.57
c) Expenditure on benefits	0.47	0.43	0.55	0.55	0.55 (1)
IV - Employees					
a) Number of employees (2)	1,536	1,597	1,604	1,633	1,562
b) Total payroll costs (3)	121,186,526	118,312,622	120,882,687	124,695,330	147,100,157
c) Total of employee benefit costs	54,153,178	69,307,854	64,780,999	61,269,845	67,676,216

(1) Dividend submitted for approval to the General Meeting of April 18, 2013.
(2) Permanent Contracts.
(3) Included expenses to be cashed out.