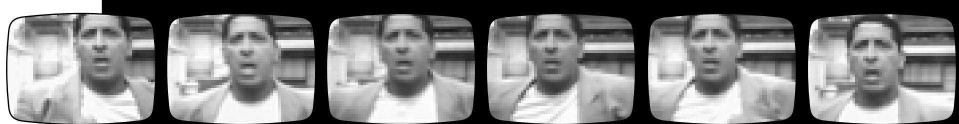
Activity report 2000

Annual report

TF1

Financial statements **in Euros**



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Financial statements in Francs

Legal informations

COB

The French version of the book 1 an 2 (Business Report and Financial Report 2000) composed the document that was filed by the "Commission des Opérations de Bourses" (COB – French stock exchange commission) on April 3, 2001, under the number R. 01-067. This document may not be used to support a financial operation unless it is accompanied by an operation note certified by the COB.

Breakdown of programming costs 2000

3.0%
Children's programmes

13.2%
Films

14.4%
News

17.5%
Sports

25.1%
Entertainment, games, shows, documentaries

26.8%
TV dramas

Consolidated profit and loss account
operational breakdown

(in million of euros)	2000	1999 Pro forma	1998 Pro forma
TF1 Channel			
Advertising revenue	1,570.9	1,351.3	1,226.6
Advertising agency fees	(86.9)	(90.1)	(82.2)
NET REVENUE FROM BROADCASTING	**1,484.0**	**1,261.2**	**1,144.4**
Royalties and contributions			
Authors	(60.6)	(51.5)	(47.0)
CNC	(74.6)	(67.4)	(61.0)
Transmission costs			
TDF, Satellites, Transmissions	(56.3)	(54.5)	(57.4)
PROGRAMMING COSTS	**(741.2)**	**(724.0)**	**(714.7)**
GROSS MARGIN	**551.3**	**363.8**	**264.3**
Diversification revenues and other revenues	696.8	484.2	423.9
Other operating expenses	(647.8)	(443.0)	(385.0)
Other development expenses	(28.3)	(15.7)	(5.0)
Depreciation, amortisation and provisions (net)	(148.7)	(97.0)	(82.8)
OPERATING PROFIT	**423.3**	**292.3**	**215.4**
FINANCIAL PROFIT	**18.0**	**1.7**	**0.9**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	**441.3**	**294.0**	**216.3**
Exceptional items	(0.4)	4.4	0.6
Goodwill amortisation	(2.4)	(3.5)	(1.7)
Income tax	(154.8)	(98.1)	(77.0)
Share in net earnings of companies consolidated under the equity method	(33.0)	(37.9)	(30.7)
NET PROFIT OF CONSOLIDATED COMPANIES	**250.7**	**158.9**	**107.5**
Minority interest	(0.4)	(0.5)	(0.8)
NET PROFIT ATTRIBUTABLE TO THE GROUP	**250.3**	**158.4**	**106.7**

The new accounting standards on consolidation had no significant impact on the above table.

The additional information provided by the operational breakdown of the consolidated profit and loss account does not replace the information given in the notes to the consolidated financial statements, but is to facilitate understanding of the two main components of TF1's activities:
- TF1 channel broadcasting activities.
- Diversification activities.

1 NET REVENUE FROM BROADCASTING

Net revenue from broadcasting relate to net revenue invoiced to advertisers by TF1 Publicité after deduction of running costs.

2 GROSS MARGIN

The gross margin breaks down as follows:

Net revenue from broadcasting

See above

Royalties and contributions

These fees are fully or partly based on advertising revenue and include:
- fees paid to authors,
- contribution to the CNC (National Cinema Council).

Transmission costs

These expenses result from the transmission of TF1's programmes.

Programming costs

These are the internal and external costs of programming. They include expired and retired broadcasting rights.

3 OPERATING PROFIT

The operating profit is calculated on the basis of the gross margin. It takes into account revenue from diversification activities and other operating revenue minus operating expenses related to diversification activities and other operating expenses not directly attributable to programmes. This operating profit is that stated in the consolidated profit and loss account.

4 OTHER ITEMS

As stated in the consolidated profit and loss account.

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Statutory auditors' report
on the financial statements

Financial year ended December 31, 2000

1 OPINION ON THE FINANCIAL STATEMENTS OF THE COMPANY

In accordance with our appointment by your shareholders' General Meeting we hereby report to you, for the year ended on December 31, 2000:

- the audit of the accompanying financial statements of TF1 SA in French Francs presented on pages 18 to 30 of the financial report,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1.1 Opinion on the financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's result of operations, financial position and its assets and liabilities as of December 31, 2000.

1.2 Specific verifications and information

We have also carried out the specific verifications required by law in accordance with the professional standards applied in France.
We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the annual financial statements.
In accordance with the law, we verified that the Directors' report contains the appropriate disclosure as to the acquisition of shares and controlling interests.

Paris, March 26, 2001

The Statutory Auditors

SALUSTRO REYDEL
Edouard SALUSTRO
Xavier PAPER

Jacques VILLARY

2 OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with our appointment by your shareholders' General Meeting we have audited the consolidated financial statements of the Group in French Francs presented on pages 6 to 17 of the financial report, for the year ended December 31, 2000.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities at December 31, 2000, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

We have also carried out the verification of the information given on the management of the Group. We have no comment to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris, March 26, 2001

The Statutory Auditors

SALUSTRO REYDEL
Edouard SALUSTRO
Xavier PAPER

Jacques VILLARY

Statutory auditors' report
on regulated contracts

Financial year ended December 31, 2000

As the statutory auditors of your company, we hereby present to you our report on regulated contracts.
In accordance with Article L 225-40 of the commercial law, we have been advised of the agreements previously authorised by your Board of Directors.
We are not required to investigate the possible existence of additional agreements but to communicate to you, on the basis of the information provided to us, the essential terms and conditions of those agreements of which we have been advised; nor are we required to comment on their appropriateness and validity. Under the terms of Article 92 of the Decree of March 23, 1967, it is for you to form a view as to the purpose and benefits of the agreements entered into with a view to approving them.
Our work has been performed in accordance with French professional standards. Those standards require that we plan and perform our work in a way that enables us to verify that the information provided to us is in conformity with the source documentation from which it is derived.

1 AGREEMENT CONCLUDED DURING THE YEAR AND DULY AUTHORISED

Agreement with TV Breizh
The signature of a technical assistance agreement between TF1 and TV BREIZH, in connection with the technical facilities of TV BREIZH, was authorised by the Board of Directors on July 12, 2000.
Directors concerned: Mr. Patrick Le Lay and Mr. Etienne Mougeotte.
Under the terms of this agreement, TF1 received a fixed amount of euros 55,000.

2 AGREEMENTS CONCLUDED DURING PAST YEARS AND CONTINUING IN THE YEAR ENDED DECEMBER 31, 2000

In conformity with the Decree of March 23, 1967, we have been informed that the following agreements, concluded during past years, continued during 2000.

Agreements with certain subsidiaries
The continuation of agreements of shared administrative services with certain subsidiaries was authorised by the Board of Directors on February 29, 2000.
These agreements signed on November 15, 1999 provide for the invoicing of specific services supplied, at the request of TF1 subsidiaries, by the administrative departments (relating to management, human resources, legal and finance) and a proportion of the residual shared administrative services costs, which includes the amount invoiced by Bouygues to TF1 under the terms of the common services agreement between them. This proportion is determined by the application of key allocation criteria (employees and turnover) specific to each type of cost.
Directors concerned: Mr. Patrick Le Lay and Mr. Etienne Mougeotte and Ms. Claude Cohen.

During 2000, besides specific services in conformity with market conditions, TF1 invoiced to certain subsidiaries a proportion of the residual shared administrative services costs, as defined in these agreements, as follows:

(in thousands of euros)	Amount (excluding VAT)
TF1 Publicité	13,311
TF1 Entreprises	229
TF1 Vidéo	1,467
Euro Shopping	34
La Chaîne Info	559
Une Musique	106
e-TF1	122
Téléshopping	679
TF1 Films Production	359
Studios 107	173
TF1 International	669
Odyssée	76
TF1 Publicité Production	138
Total	**17,922**

Agreement with Bouygues
The common services agreement entered into by TF1 and Bouygues on October 8, 1997 (relating to management, human resources, company secretarial, information technology, finance and other advice), provides for the invoicing of specific services supplied, at TF1's request, by these common services and a proportion of the residual shared service costs. This proportion, determined by the application of key allocation criteria (employees, long term capital and turnover) specific to each type of cost, cannot exceed 0.45% of TF1's consolidated turnover before tax.
During 2000, the amount invoiced by Bouygues amounted to euros 4.7 million, none of which related to specific services, as defined in the common services agreement.

Agreement with Bouygues Relais
With effect from December 31, 1999, TF1 and Bouygues Relais entered into an agreement (under the same conditions as the agreement signed on December 31, 1998) under which TF1 can deposit its surplus cash with Bouygues Relais, and block a part thereof, for a period of a calendar month. The consideration due under this agreement is in conformity with market conditions.
In 2000, under the terms of this agreement, TF1 received euros 223,000.

Paris, March 26, 2001

The Statutory Auditors

RSM SALUSTRO REYDEL
Edouard SALUSTRO
Xavier PAPER

Jacques VILLARY

Consolidated balance sheet

ASSETS *(in thousands of euros)*	Notes	Gross value	Depreciation, amortisation and provisions	31.12.00 Net value	31.12.99 Pro forma Net value	31.12.98 Pro forma Net value
Intangible fixed assets		**684,062**	**550,907**	**133,155**	**118,770**	**89,461**
Audiovisual rights	*2.3 and 3.1*	613,041	530,531	82,510	118,141	88,981
Other intangible fixed assets	*2.4 and 3.2*	71,021	20,376	50,645	629	480
Goodwill	*2.5 and 3.3*	**64,722**	**18,608**	**46,114**	**1,769**	**4,628**
Tangible fixed assets	*2.6 and 3.4*	**338,592**	**163,073**	**175,519**	**163,011**	**169,092**
Land		45,740	0	45,740	45,740	45,740
Freehold buildings		57,944	15,930	42,014	44,453	46,893
Other tangible fixed assets		234,908	147,143	87,765	72,818	76,459
Financial assets	*3.5*	**23,684**	**7,778**	**15,906**	**9,486**	**2,275**
Investments consolidated under the equity method		2,570	0	2,570	31	13
Investments and loans to associated undertakings		7,440	5,772	1,668	8,303	1,141
Other financial assets		13,674	2,006	11,668	1,152	1,121
FIXED ASSETS		**1,111,060**	**740,366**	**370,694**	**293,036**	**265,456**
Programmes and film rights	*2.7 and 3.6*	589,418	98,634	490,784	461,998	455,866
Raw materials and supplies		10,199	3,802	6,397	4,879	5,810
Trade debtors		539,986	6,229	533,757	406,587	365,705
Other debtors	*3.7 and 3.15*	324,566	11,499	313,067	236,690	190,076
Marketable securities and cash at bank and in hand	*2.8 and 3.8*	354,058	8,942	345,116	288,396	170,803
CURRENT ASSETS		**1,818,227**	**129,106**	**1,689,121**	**1,398,550**	**1,188,260**
Adjustment accounts	*3.17*	**40,151**	**0**	**40,151**	**37,101**	**43,382**
Deferred taxation	*2.11 and 3.13*	**42,078**	**0**	**42,078**	**36,485**	**31,915**
TOTAL ASSETS		**3,011,516**	**869,472**	**2,142,044**	**1,765,172**	**1,529,013**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	31.12.00	31.12.99 Pro forma	31.12.98 Pro forma
Share capital		42,237	32,195	32,014
Share premium		17,482	17,482	0
Revaluation reserve		0	4,681	4,681
Other reserves		374,889	317,640	299,493
Profit attributable to the group		250,265	158,355	106,661
SHAREHOLDERS' FUNDS	*3.9*	**684,873**	**530,353**	**442,849**
Minority interest	*3.10*	(856)	280	966
Government grants for investment	*2.9 and 3.11*	5,388	7,817	5,737
Provisions for liabilities and charges	*2.10 and 3.12*	150,737	117,939	74,932
Deferred taxation	*2.11 and 3.13*	56,156	50,628	49,187
Long term financial creditors and borrowings	*3.14*	0	62,009	66,011
LONG TERM CAPITAL		**896,298**	**769,026**	**639,682**
Short term financial creditors and borrowings (1)	*3.15*	9,727	23,929	21,007
Trade creditors	*3.15*	643,188	499,908	441,922
Other creditors	*3.15 and 3.16*	564,954	455,464	419,674
CREDITORS		**1,217,869**	**979,301**	**882,603**
Adjustment accounts	*3.17*	**27,877**	**16,845**	**6,728**
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**2,142,044**	**1,765,172**	**1,529,013**
(1) Including current bank overdrafts		*48*	*67*	*97*

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Consolidated profit and loss account

(in thousands of euros)	*Notes*	2000	1999 Pro forma	1998 Pro forma
Turnover		**2,270,253**	**1,854,600**	**1,662,284**
Net advertising revenue	*2.12*	1,654,598	1,388,226	1,263,474
Including				
TF1		*1,570,875*	*1,351,310*	*1,226,604*
OTHERS		*83,723*	*36,916*	*36,870*
Diversification revenue		544,094	387,505	340,033
Technical services revenue		21,583	36,950	28,246
Other revenue		49,978	41,919	30,531
Operating expenses		**(1,846,966)**	**(1,562,257)**	**(1,446,981)**
External production costs		(438,766)	(408,964)	(396,061)
Change in stocks of in-house production		(2,361)	(5,255)	(17,909)
Staff costs		(256,173)	(230,193)	(217,647)
Other operating expenses	*4.1*	(1,001,022)	(820,847)	(732,489)
Depreciation, amortisation and provisions (net)				
• Depreciation		(109,890)	(88,252)	(75,336)
• Provisions		(38,754)	(8,746)	(7,539)
OPERATING PROFIT		**423,287**	**292,343**	**215,303**
Financial revenue		40,500	13,722	9,955
Financial expense		(22,505)	(11,994)	(9,099)
FINANCIAL PROFIT	*4.2*	**17,995**	**1,728**	**856**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**441,282**	**294,071**	**216,159**
Net exceptional income/expense	*4.3*	(376)	4,258	582
Goodwill amortisation		(2,352)	(3,451)	(1,683)
Income tax	*4.4*	(154,830)	(98,069)	(76,950)
Share in net earnings of companies consolidated under the equity method	*4.5*	(33,030)	(37,926)	(30,670)
NET PROFIT BEFORE MINORITY INTEREST		**250,694**	**158,883**	**107,438**
Minority interest		(429)	(528)	(777)
NET PROFIT ATTRIBUTABLE TO THE GROUP	*4.6*	**250,265**	**158,355**	**106,661**
Shares in circulation (in thousands)		210,189	210,032	210,000
Earnings per share (€)		1.19	0.75	0.51
Diluted earnings per share (€)		1.16	0.74	0.50

Consolidated cash flow statement

(in thousands of euros)	*Notes*	2000	1999 Pro forma	1998 Pro forma
1 Operating activities				
Net profit*		250,693	158,882	107,438
Depreciation, amortisation and provisions		**118,256**	**91,075**	**83,750**
• Intangible fixed assets	*3.1 and 3.2*	80,989	63,635	45,751
• Tangible fixed assets	*3.4*	25,628	23,421	23,343
• Financial assets	*3.5*	4,429	(40)	(38)
• Expenses to amortise		112	624	8,917
• Goodwill		2,352	3,451	1,683
• Provisions for liabilities and charges		4,746	(16)	4,094
Investment grants released to revenue		(9,442)	(8,515)	(12,265)
Expenses to amortise		(84)	(63)	(8,688)
Capital gains (losses) on disposal of fixed assets	*4.3*	646	(295)	524
Change in deferred taxation	*4.6*	(1,375)	(3,316)	(1,667)
Share of investments consolidated under the equity method*		33,030	37,926	30,670
Cash flow		**391,724**	**275, 694**	**199,762**
Stocks		(25,705)	(5,201)	(6,109)
Trade debtors		(185,550)	(15,738)	(18,958)
Trade creditors		229,342	90,861	79,182
Net advances from third parties		5,836	(2,542)	2,124
Decrease in working capital needs		**23,923**	**67,380**	**56,239**
NET CASH INFLOW FROM OPERATING ACTIVITIES		**415,647**	**343,074**	**256,001**
2 Investing activities				
Purchase of intangible fixed assets	*3.1 and 3.2*	(56,814)	(77,498)	(37,787)
Purchase of tangible fixed assets	*3.4*	(40,176)	(17,695)	(10,183)
Disposal of fixed assets		8,912	1,529	18,967
Purchase of financial asset investments	*3.5*	(104,827)	(16,415)	(1,740)
Increase (decrease) in other financial assets	*3.5*	(12,256)	13,539	201
Increase (decrease) in fixed assets creditors		6,996	3,769	(2,797)
		(198,165)	**(92,771)**	**(33,339)**
Consolidation adjustments		4,254	59,014	2,273
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(193,911)**	**(33,757)**	**(31,066)**
3 Financing activities				
Increase in shareholders' funds		7,013	24,538	9,602
Decrease in loans	*3.14*	(72,577)	(145,038)	(108,674)
Dividends paid	*3.9 and 3.10*	(99,433)	(71,194)	(53,199)
NET CASH OUTFLOW FROM FINANCING		**(164,997)**	**(191,694)**	**(152,271)**
TOTAL INCREASE IN CASH AND CASH EQUIVALENTS		**56,739**	**117,623**	**72,664**
Cash at beginning of period		288,329	170,706	98,042
Net inflow		56,739	117,623	72,664
Cash at end of period		345,068	288,329	170,706

** Net profit is disclosed after share in investments consolidated under the equity method, which is disclosed as a specific item.*

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1 THE TF1 GROUP

1.1 Presentation of TF1

TF1 is operating under a 10-year broadcasting licence, effective from April 16, 1987, enabling it to broadcast on the frequencies previously allocated to it as a state-owned channel.

Also, Article 28.1 of Law 94-88 of February 1, 1994 stipulates that licences are "renewed by the CSA (Conseil Supérieur de l'Audiovisuel), without tender offer, up twice and on each occasion for a duration of five years, (...) unless the CSA considers that the penalty(ies) imposed on the licensee or claims made against the licensee justify, by reason of their seriousness, that the licence should not be renewed without tender offer". On March 26, 1996, the CSA renewed TF1's licences for use of frequencies for a period of 5 years. This renewal was confirmed on September 17, 1996.

1.2 Consolidated accounts

The consolidated accounts have been prepared on the basis of the statutory financial statements of TF1 SA and its subsidiaries and have required certain restatements. These restatements mainly concern the co-production shares of programmes which, in the consolidated accounts, have been restated in current assets and changes to profit and loss account when broadcast as explained in note 2.7 below on the tax allowance for amortisation.

Subsidiaries not consolidated

Certain subsidiaries which are not significant to the Group accounts have not been consolidated.

1.3 Transition to the euro

As from January 1, 2000, the euro became the reference currency of TF1 SA and subsidiaries.

1.4 Scope of consolidation

COMPANY FULLY CONSOLIDATED COMPANIES	LEGAL STRUCTURE	SHARE CAPITAL(1)	CURRENCY
TF1 PUBLICITE	SASU	2,400	€
TF1 FILMS PRODUCTION	SA	2,550	€
TELESHOPPING	SASU	128	€
SYALIS SA	SA	40	€
UNE MUSIQUE	SASU	40	€
TF1 EUROPE	SASU	3,150	€
TF1 PUBLICITE PRODUCTION	SARL	8	€
BANCO PRODUCTION	SA	1,950	€
PROTECREA	SA	1,500	€
TF1 ENTREPRISES	SASU	3,000	€
STUDIOS 107	SASU	1,800	€
CIC	SASU	118	€
LES FILMS DU JOUR	SASU	45	€
EUROSHOPPING	SCS	75	€
TF1 DIGITAL	SA	99,132	€
E-TF1	SCS	1,000	€
LA CHAINE INFO	SCS	83,847	€
TF1 DEVELOPPEMENT	SA	38	€
TF1 VIDEO	SASU	3,095	€
PARMENTIER PRODUCTIONS	SARL	514	€
TF1 INTERNATIONAL	SA	37,500	€
GROUPE GLEM	SA	40	€
GLEM	SA	150	€
BAXTER	SA	38	€
GLEM REPORTAGES	SARL	8	€
GLEM FILMS	SA	80	€
MIKADO	SARL	8	€
LES NOUVELLES EDITIONS TF1	SAS	250	FRF
STE D'EXPLOITATION DE DOCUMENTAIRES	SCS	15,245	€
COGELDA	SASU	9,638	€
LES FILMS ARIANE	SASU	80	€
REGIE CASSETTE VIDEO	SASU	40	€
CIBY DA	SA	9,294	€
GIE APHELIE	GIE	-	-
COMPANIES PROPORTIONATELY CONSOLIDATED			
TF6	SCS	80	€
ESO	SCS	450	€
TV SPORT	SA	15,000	FRF
MT ZURICH	SA	600	CHF
MT AMSTERDAM	SA	91	€
MT LONDRES	SA	10	GBP
TELEVISION NORDIC AB	SA	100	SEK
EUROSPORT GMBH	SA	30	€
SAGAS	SA	40	€
EUROSALES	SCS	225	€
TF6 GESTION	SA	80	€
FILM PAR FILM	SA	10,000	FRF
TELEMA	SA	5,025	FRF
COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD			
TV BREIZH	SA	15,000	€
TPS	SNC	1,800	€
TPS GESTION	SA	93	€
TCM DA	SNC	240	€
TCM GESTION	SA	40	€

(1) Local currency (in thousands).

NATIONALITY	ACTIVITY	INTEREST HELD (%)
FRENCH	Marketing of TF1 advertising airtime	100.00
FRENCH	Co-production of films	100.00
FRENCH	Home shopping	100.00
FRENCH	Financing company	99.76
FRENCH	Music publishing	100.00
FRENCH	Financing company	100.00
FRENCH	Commercials and promos	100.00
FRENCH	Production of programmes	100.00
FRENCH	Production of programmes	100.00
FRENCH	Video, on-line services, merchandising products	100.00
FRENCH	TV production studios	100.00
FRENCH	Video distribution	100.00
FRENCH	Co-production of films	100.00
FRENCH	Home shopping theme channel	100.00
FRENCH	Holding of the Theme channel division	100.00
FRENCH	Creation/Broadcasting of Internet services	100.00
FRENCH	Exploitation of “La Chaîne Info”	100.00
FRENCH	Development of digital technology	99.76
FRENCH	Video distribution	100.00
FRENCH	Audiovisual rights	100.00
FRENCH	Audiovisual rights	100.00
FRENCH	Financing company	72.80
FRENCH	Production of programmes	96.80
FRENCH	Music publishing	95.08
FRENCH	Press agency	100.00
FRENCH	Co-production of films	99.81
FRENCH	Public relation and agent services	75.20
FRENCH	Publishing	51.00
FRENCH	Documentary thematic channel	100.00
FRENCH	Audiovisual rights	100.00
FRENCH	Audiovisual rights	100.00
FRENCH	Video distribution	100.00
FRENCH	Audiovisual rights	100.00
FRENCH	Real estate leasing	95.00

FRENCH	Theme channel	50.00
FRENCH	Selling of the Eurosport channel outside France	50.50
FRENCH	Selling of the Eurosport channel in France	36.00
SWISS	Selling of the Eurosport channel in Switzerland	50.50
DUTCH	Selling of the Eurosport channel in Holland	50.50
ENGLISH	Selling of the Eurosport channel in the UK	50.50
SWEDISH	Selling of the Eurosport channel in Sweden	50.50
GERMAN	Selling of the Eurosport channel in Germany	50.50
FRENCH	ESO’s management company	50.44
FRENCH	ESO’s advertising agency	50.50
FRENCH	TF6’s management company	50.00
FRENCH	Production of feature films	50.00
FRENCH	Production of feature films	49.00

FRENCH	Theme channel	22.00
FRENCH	Selling of TPS programmes	25.00
FRENCH	TPS’s management company	24.99
FRENCH	Audiovisual rights	34.00
FRENCH	TCM DA’s management company	34.00

2 GROUP ACCOUNTING POLICIES

2.1 Basis of accounting

The 2000 consolidated financial statements of the TF1 Group have been prepared in accordance with Generally Accepted French Accounting Standards, notably the 99/02 rules of the Accounting Regulations Committee, ratified by the Government order dated June 22, 1999.
The accounting policies adopted for the 2000 consolidated financial statements are comparable to those for the 1999 and 1998 consolidated financial statements, except for the changes in the accounting standard in respect of consolidation as prescribed by the 99/02 rules of the Accounting Regulations Committee, in particular the consolidation of the GIE Aphélie (ad hoc entity in accordance with Article 10-052 of these rules). In 1994, TF1 leased from the GIE Aphélie the office building, 1 quai du Point du Jour in Boulogne-Billancourt (92), it had been occupying since 1992.

2.2 Comparability of consolidated financial statements

Due to the first consolidation of the GIE Aphélie and in order to ensure comparability, the 1999 and 1998 financial statements have been restated on a pro forma basis, to reflect the new consolidation accounting standard.
The increase of TF1’s stake in Eurosport does not have any significant impact on the group financial statements, except for the €46.8 M valuing Eurosport’s subscriber portfolio, accounted for under “Other Intangible fixed assets”, and the €43.4 M accounted for as goodwill.
The table below summarises as at December 31, 1999, the main variations resulting from the changes of the scope of consolidation, connected with the new accounting standard for consolidation.

(€ Million)	**ASSETS**		**SHAREHOLDERS' EQUITY & LIABILITIES**
Fixed assets	**83.0**	**Shareholder' funds**	**(21.5)**
Land	45.7	Other reserves	(21.5)
Freehold buildings	44.4	**Minority interest**	**(1.7)**
Other tangible fixed assets	27.3	**Deferred taxation**	**(10.5)**
Other financial assets	(34.4)	**Financial creditors & borrowings**	**66.0**
Current assets	**(50.1)**	**Other creditors**	**0.6**
Other debtors	(50.1)		
TOTAL	**32.9**	**TOTAL**	**32.9**

The impact on net assets as of December 31, 1999, can be broken down as follows (€ Million):
- consolidation of GIE Aphélie (19.9),
- deferred taxation payable (1.6).

The profit and loss account is not significantly impacted by the new consolidation standard.

2.3 Audiovisual rights

This note refers to the shares owned in films that have been co-produced by TF1 Films Production, Glem Films, Studios 107, Film par Film, Les Films du Jour, Téléma and Les Films Ariane, audiovisual trading and distribution rights held by TF1 International, TF1 Entreprises, RCV, Ciby DA and Cogelda, and musical rights held by Une Musique and Baxter.

The date of posting as intangible assets and the amortisation rates are defined as follows:

	Amortisation Rate			
Date of posting	Co-production share	Audiovisual Distribution Rights	Audiovisual Trading Rights	Musical Rights
End of shooting date	in line with revenue			
Censor's certificate	straight-line rate over 3 years			
Signing of contract		straight-line rate over 3 years or in line with revenue	straight-line rate over 5 years	2 years *75% 1st year* *25% 2nd year*

For films co-produced by TF1 Films Production, Film par Film and Téléma, the method applied is the one which enables the film to be written off for tax purposes as quickly as possible. It can thus differ from film to film.
A provision is set up when estimated future revenues do not cover the book value, net of amortisation.

2.4 Other intangible fixed assets

This mainly concerns valuation difference, as it is defined in note 3.3. Other intangible assets relate essentially to acquisition of trade marks and software, and are amortized over a period of between 1 and 2 years.

2.5 Goodwill

Goodwill represents the difference between:

- the purchase price of the participation acquired,
- the corresponding share of shareholders equity (after possible valuation differences have been taken into account).

Residual goodwill is amortised over the relevant period on a straight-line basis, between 4 and 20 years.
Negative goodwill is reversed in line with the related losses. However, where the amount of goodwill is not significant, it is fully written off in the year of acquisition.
According to the French regulations, the allocation of the purchase price may be revised during a period expiring at the closure of the accounts of the year following the acquisition.

2.6 Tangible fixed assets

Depreciation rates are as follows:		
Buildings	Straight-line	20 years
Technical facilities (before 1992)	Reducing balance	3 to 5 years
Technical facilities (after 1992)	Straight-line or reducing balance	4 to 5 years
Other tangible fixed assets	Straight-line or reducing balance	2 to 10 years

Leasing operations with companies outside the TF1 Group are not material.

2.7 Programmes and film rights

The policies used for the valuation, accounting and presentation of programmes are as follows:

a) Programmes are reported under "Programmes and film rights".

b) The term "Programmes and film rights" covers:
- TF1 in-house productions,
- external productions, including broadcasting rights acquired by the station as well as co-productions.

c) Elements reported under "Programmes and film rights" at the end of the financial year refer to:
- in-house productions valued at their overall production cost (direct costs plus attributable production overheads) and co-productions valued at their purchase cost,
- purchased broadcasting rights once TF1 has given technical approval for the copy received from the supplier, and as long as the right has not expired. These rights are valued at the end of each financial year on the basis of their purchase cost less their "consumption" values as indicated under section "d" ;
- programmes in progress, the copies of which have not received TF1's technical approval. These programmes are valued according to the investment outlay at the year end.

d) Programmes are deemed "consumed" at the moment of transmission.

d.1 Purchased TV rights and co-produced programmes
(Children (except Cartoons) - Variety - Theatre - Documentaries - News and Sport).

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

Some purchases of audiovisual rights relating to children's programmes are amortised according to the valuation of each transmission as contractually defined.

d.2 Co-productions of a duration not exceeding 52 minutes

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

d.3 Co-productions of a duration equal to or exceeding 52 minutes.

Possible transmissions	1	2 or more
1st transmission	100%	80%
2nd transmission	–	20%

d.4 Purchased rights for full-length feature films, TV dramas, series and cartoons.

Possible transmissions	1	2 or more
1st transmission	100%	50%
2nd transmission	–	50%

d.5 All other programmes are fully written off at first transmission, and therefore are no longer considered as company assets whatever the duration of the owner's rights.
A provision is made in the event of a given programme not being broadcast.

e) Tax allowances for amortisation (included in "regulated provisions" in TF1 SA's accounts) have been restated in order to eliminate their impact on the consolidated accounts; they form part of consolidated shareholders' funds.

2.8 Marketable securities

The value of marketable securities is calculated at cost on acquisition. When the value is lower than the acquisition cost, a provision is made.

2.9 Government grants for investment

Government grants, when received irrevocably, are credited to the profit and loss account in line with the depreciation of the assets they are financing.
Grants received from the CNC (National Cinema Council) are credited to the profit and loss account in the financial year during which the relevant films are completed.

2.10 Provisions for liabilites and charges

Provisions are calculated on the basis of an estimation of all existing risks at the balance sheet date.

Negative goodwill is recorded under this heading winding up costs in respect of subsidiaries in liquidation are fully provided for.

2.11 Deferred taxation

Deferred taxation, as applicable to TF1 and its subsidiaries, results from:

- restatements that are made in order to eliminate the impact, on the financial statements, of entries resulting from fiscal allowances;
- differences in timing of recognition of items in the financial statements and by tax authorities.

Deferred tax has been calculated using the liability method.

2.12 Advertising

Income from advertising is recorded net of rebates and commissions paid to agents.

2.13 Commitments and contingencies

The acquisition of broadcasting rights and co-productions that have given rise to firm contractual commitments by the group prior to the end of the accounting period, but for which technical approval has not yet been granted, are recorded as financial commitments. These commitments are valued on the basis of the amount set out in the contract, after deduction of amounts that have been capitalised and recorded under the heading "Programmes and film rights".

2.14 Pension costs

Rights acquired by all employees are covered by both an insurance policy and a provision for liabilities and charges

2.15 Financial instruments

The Group protects itself from exposure to interest rate and exchange rate fluctuations with financial instruments. The Group operates on currency markets to hedge commitments linked to its economic activity only. It does not intervene for speculative purposes.

Gains and losses on financial instruments used for hedging purposes are determined and accounted for on a symmetrical basis with the losses and gains on the hedged items except in the case of option premiums (charged at the outset) and gains and losses on FRA (Forward Rate Agreement) (charged at the start of the period covered).

2.16 Treasury shares

TF1 shares accounted for under the heading "Other investments held as fixed assets" in the company's financial statements, are restated so as to reduce shareholders' equity.

3 NOTES TO THE CONSOLISATED BALANCE SHEET

3.1 Audiovisual rights

Valued as indicated in note 2.3, the movements for the financial year can be broken down as follows:

(€ Million)	01.01.00	Change in the scope of consolidation(1)	Increase	Decrease	31.12.00
Gross value	549.5	31.8	46.5	(14.8)	613.0
Amortisation	(421.3)	(25.9)	(77.3)	0.8	(523.7)
Provisions	(10.1)	–	(1.2)	4.5	(6.8)
Net book value	**118.1**	**5.9**	**(32.0)**	**(9.5)**	**82.5**

(1) "Change in the scope of consolidation" concerns companies referred to in note 1.4, which have been consolidated for the first time in 2000.

3.2 Other intangible fixed assets

Cost

(€ Million)	01.01.00	Change in the scope of consolidation	Increase	Decrease	31.12.00
Business goodwill (1)	–	46.8	–	–	46.8
Brands and software	14.8	0.1	10.4	1.1	24.2
Gross value	**14.8**	**46.9**	**10.4**	**1.1**	**71.0**

(1) See note 3.3.

Amortisation

(€ Million)	01.01.00	Change in the scope of consolidation	Increase	Decrease	31.12.00
Business Goddwill	–	–	–	–	–
Brands and software	14.2	0.1	6.9	0.8	20.4
Amortisation	**14.2**	**0.1**	**6.9**	**0.8**	**20.4**

3.3 Goodwill

(€ Million)	Gross value at 01.01.00	Change scope of consolidation	Gross value at 31.12.00	Amortisation at 01.01.00	Increase	Change in scope of consolidation	Amortisation at 31.12.00	Net value at 31.12.00
MT SPOT	0.7	–	0.7	0.7	–	–	0.7	–
PARMENTIER PRODUCTIONS	0.5	–	0.5	0.5	–	–	0.5	–
CIC	0.5	–	0.5	0.5	–	–	0.5	–
PROTECREA	0.6	–	0.6	0.6	–	–	0.6	–
SYALIS	0.2	–	0.2	0.2	–	–	0.2	–
GROUPE GLEM	6.1	1.4	7.5	6.1	1.4	–	7.5	–
FILM PAR FILM	3.5	–	3.5	3.1	0.4	–	3.5	–
TELESHOPPING	2.8	–	2.8	1.4	0.5	–	1.9	0.9
SWONKE	0.9	(0.9)	–	0.9	–	(0.9)	–	–
ESO	–	43.4	43.4	–	2.2	–	2.2	41.2
TELEMA	–	5.0	5.0	–	1.0	–	1.0	4.0
TOTAL	**15.8**	**48.9**	**64.7**	**14.0**	**5.5**	**(0.9)**	**18.6**	**46.1**

In respect of companies in the Ariane Group, goodwill has been fully allocated to the film right catalogue and to the deferred tax asset relating to the deferred element of the amortisation.

During the first half 2000 by buying out ESPN's shares, TF1increased its participation in the capital of ESO and TV SPORT to respectively 50.5% (34% on December 31, 1999) and 36% (31% on December 31, 1999).

Acquisition cost has been partly allocated to the subscriber base (€46.8 M) and the remaining part is accounted for as goodwill and amortised over a 20 year period.

Taking into account all the operations since the beginning of the year 2001 (including TF1's acquisition of full control of ESO and TV Sport) the allocation basis described above is provisionnal and will, if necessary, be revised during the year as explained in note 2.5.

3.4 Tangible fixed assets

Movements of tangible fixed assets and of the corresponding depreciation during the year are summarised as follows:

Cost

(€ Million)	01.01.00 Pro forma	Change in the scope of consolidation	Increase	Decrease	31.12.00
Land	45.7	–	–	–	45.7
Buildings	58.0	–	–	–	58.0
Technical facilities & equipment	115.9	0.3	13.8	3.7	126.3
Other tangible assets	84.0	1.4	24.8	8.1	102.1
Assets under construction	4.8	–	1.7	–	6.5
Total	**308.4**	**1.7**	**40.3**	**11.8**	**338.6**

Depreciation

(€ Million)	01.01.00 Pro forma	Change in the scope of consolidation	Increase	Decrease	31.12.00
Buildings	13.5	–	2.4	–	15.9
Technical facilities & equipment	75.5	0.2	11.8	3,0	84.5
Other tangible assets	56.4	0.7	11.5	5.9	62.7
Total	**145.4**	**0.9**	**25.7**	**8.9**	**163.1**

3.5 Financial assets

(€ Million)	01.01.00 Pro forma	Change in the scope of consolidation	Increase	Decrease	31.12.00
Investments consolidated under the equity method	–	–	2.6	–	2.6
Investments and loans to associated undertakings	11.1	(0.1)	–	3.6	7.4
Other financial assets	1.3	0.1	12.5	0.2	13.7
Total gross value	**12.4**	–	**15.1**	**3.8**	**23.7**
Provisions	2.9	0.5	4.4	–	7.8
Total net value	**9.5**	**(0.5)**	**10.7**	**3.8**	**15.9**

The €104.8 M "purchase of financial asset investments" in the consolidated cash flow statement corresponds mainly to the acquisition of shares of consolidated companies. This does not have any impact on financial assets on the consolidated balance sheet, as these investments are eliminated.

3.6 Programmes and film rights

The following table provides a breakdown of stocks of programmes and film rights, as defined in note 2.7, after deduction of provisions.

(€ Million)	2000	1999	1998
Advances on programmes in progress	141.6	140.7	162.5
Programmes ready for broadcasting	267.8	239.0	257.2
Rights available for further broadcasting	180.0	151.7	96.8
Gros value	589.4	531.4	516.5
Provisions	(98.6)	(69.4)	(60.6)
Net value	**490.8**	**462.0**	**455.9**

3.7 Other debtors

These amounted to €324.6 M, mainly consisting of debts related to value added tax (VAT) for €204 M, and €43 M of TPS current account.

3.8 Marketable securities

- €93.9 M in money market funds (all capital gains have been realised at December 31, 2000),
- €103.3 M in investment shares,
- €2.5 M worth of TF1 shares. These securities were bought in order to fulfil the stock option plan set up in October 1995 for certain employees and directors of TF1. A €0.3 M provision has been made in order to cover the difference between the option price and the purchase price of these shares.

Concerning investment shares, a €8.7 M provision has been made in order to cover the difference between the purchase price of these shares and the value of these shares on December 31, 2000.

The Bouygues Relais current account (€115.0 M) is accounted for under this heading due to its liquid nature.

3.9 Shareholders' funds

(€ Million)	Share capital	Revaluation reserves	Retained earnings	Shareholders' funds
Shareholders' funds at 31 Dec. 97 (3)	**32.0**	**4.7**	**352.4**	**389.1**
Change in accounting policy			(2.1)	(2.1)
Dividends			(50.9)	(50.9)
1998 net profit (3)			106.7	106.7
Shareholders' funds at 31 Dec. 98 (3)	**32.0**	**4.7**	**406.1**	**442.8**
Capital increase (2)	0.2		17.5	17.7
Adjustment for treasury shares			(18.4)	(18.4)
Dividends			(70.0)	(70.0)
1999 net profit (3)			158.3	158.3
Shareholders' funds at 31 Dec. 99 (3)	**32.2**	**4.7**	**493.5**	**530.4**
Capital increase (4)	10.0	(4.7)	(5.3)	–
Dividends			(95.8)	(95.8)
2000 net profit			250.3	250.3
Shareholders' funds at 31 Dec. 00	**42.2** (1)	**0**	**642.7**	**684.9**

(1) Share capital is divided into 211,183,160 ordinary shares with a nominal value of €0.2 per share. Share capital is fully subscribed.
(2) Capital increase reserved to employees.
(3) Pro forma.
(4) Increase in capital due to the conversion into euros.

3.10 Minority interest

Movements in minority interest are indicated in the following table:

(€ Million)	2000	1999 (1)	1998 (1)
Opening minority interest	0.3	1.0	2.7
Change in the scope of consolidation	–	–	(0.2)
Dividends	(1.6)	(1.2)	(2.3)
Net profit	0.4	0.5	0.8
Closing minority interest	(0.9)	0.3	1.0

(1) Pro forma.

3.11 Government grants for investment

These primarily consist of a grant obtained by TF1 Films Production from the National Cinema Council (CNC). In 2000, €9.4 M was credited to the profit and loss account as against €8.5 M in 1999.

3.12 Provisions for liabilities and charges

Provisions, as indicated in note 2.10, are as follows:

(€ Million)	01.01.00	Change in the scope of consolidation	Increase	Decrease	31.12.00
Claims	21.3	0.2	5.4	5.3	21.6
Associated companies	0.6	–	–	0.4	0.2
Other provisions (1)	16.3	0.1	12.0	12.2	16.2
Sub-total	**38.2**	**0.3**	**17.4**	**17.9**	**38.0**
Pension costs	5.3	–	5.3	–	10.6
Equity method (2)	68.0	–	30.8	–	98.8
Goodwill	6.4	–	–	3.1	3.3
TOTAL	**117.9**	**0.3**	**53.5**	**21.0**	**150.7**

(1) The €16.2 M of other provisions cover mainly operating risks (€7.1 M) and provisions for unsold goods from the publishing and distribution activities (€6.6 M).

(2) The increase of the provision for liabilities and charges constituted in respect of companies consolidated under the equity method corresponds to TF1's share of losses in TPS and TCM.
The €38.0 M of provision for liabilities and charges comprise €34.4 M for risk relating to private companies and individuals and €3.6 M for risk relating to public authorities.

3.13 Deferred taxation

Deferred tax is calculated on the liability basis at the rate of 36.43 % (common rate) and 20.77% (reduced rate) at December 31, 2000.

a) Deferred tax liabilities may be analysed as follows:

(€ Million)	2000	1999 (1)	1998 (1)
TF1	46.5	44.6	46.0
Subsidiaries	9.7	6.0	3.2
Total	**56.2**	**50.6**	**49.2**

(1) Pro forma.

Deferred tax liabilities principally relate to the cancellation of accelerated amortisation.

b) Deferred tax assets relate essentially to provisions for charges that only become deductible for tax purposes when paid, and provisions for amortisation of programmes.

3.14 Long term creditors and borrowings

The long term part of the financial lease contract, relating to the office building TF1 has been occupying since 1992, 1 quai du Point du Jour in Boulogne-Billancourt, was bought back from the banks in 2000.

This buyback explains the decrease of long term financial creditors and borrowings, which amounted to €62.0 M as of December 31, 1999. It also represents the main element of "decrease in loans" in the consolidated cash flow statement.

3.15 Due dates for debtors and creditors

All trade debtors are due within less than one year. Other debtors and creditors are due as follows:

(€ Million)	Less than one year	Between one and five years	Over five years	Total
Other debtors	319.9	2.7	2.0	324.6
Financial creditors and loans	9.7	–	–	9.7
Trade creditors	643.2	–	–	643.2
Other creditors	563.7	1.3	–	565.0

3.16 Other creditors

The breakdown of "Other creditors" is as follows:

(€ Million)	2000	1999	1998
Employee taxes and social security	322.8	290.1	253.5
Fixed assets creditors	17.4	10.4	6.7
Other creditors	224.8	155.0	159.5
Total	**565.0**	**455.5**	**419.7**

The increase in other creditors is due essentially to value added tax collected, corporate income tax and credit notes to be issued.

3.17 Adjustment accounts

Adjustment accounts, which amount to €40.1 M, mainly comprise prepayments related to the broadcasting of sports events for €28.0 M and to 2001 operating cost for €6.8 M.

4 NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

4.1 Other operating expenses

Other operating expenses include the following items:

(€ Million)	2000	1999 Pro forma	1998 Pro forma
Transmission costs (TDF)	65.6	63.7	66.9
Subcontracting and production costs	336.4	298.5	272.8
Sundry contributions	161.0	144.1	133.0
Taxes and levies	25.0	22.0	20.1
Other operating expenses	413.8	292.5	239.7
Total	**1, 001.0**	**820.8**	**732.5**

4.2 Financial profit

The financial profit for 2000 comprises the following:

(€ Million)	2000	1999 Pro forma	1998 Pro forma
Net profits on the sale of marketable securities	27.1	4.1	3.5
Release of provisions for contingencies and financial investments	(4.4)	(0.5)	1.4
Release of provisions for marketable securities	(7.8)	–	–
Interest	0.9	(2.4)	(4.5)
Other	2.2 (1)	0.5	0.5
Total	**18.0**	**1.7**	**0.9**

(1) Including €2.4 M of foreign exchange gains.

4.3 Exceptional items

Exceptional items in 2000 comprise the following:

(€ Million)	2000	1999 Pro forma	1998 Pro forma
Capital gains/(losses) on disposal of fixed assets	(0.6)	0.3	(0.5)
Net provisions	1.1	(0.7)	0.3
Waiver of State loan	–	4.0	–
Other	(0.9)	0.7	0.8
Total	**(0.4)**	**4.3**	**0.6**

4.4 Corporate income tax

(€ Million)	2000	1999 Pro forma	1998 Pro forma
Current taxation	156.2	101.4	78.7
Deferred taxation	(1.4)	(3.3)	(1.7)
Total	**154.8**	**98.1**	**77.0**

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Deferred taxation is calculated on the liability basis at the rate of 36.43% (common rate) and 20.77% (reduced rate) at December 31, 2000.

The effective tax rate of 38.2% corresponds to the total tax charge (€ 154.8 M) as a percentage of pre-tax profit. Tax savings by reason of the tax losses of subsidiaries are always reimbursed to the subsidiaries.

Since January 1, 1989, TF1 has chosen the status of tax consolidation, an option renewed on January 1, 1994 and on January 1, 1999. The subsidiaries concerned on December 31, 2000, are TF1 Publicité, Une Musique, TF1 Films Production, TF1 Entreprises, Protécréa, TF1 Europe, Syalis, TF1 Publicité Production, TF1 Développement, Sintetic, Compagnie Internationale de Communication, Banco Production, Studios 107, TF1 Publications, TF1 International, Parmentier Productions, Téléshopping, TF1 Vidéo, Cogelda, les Films Ariane, Régie Cassette Vidéo, Ciby DA, Mery Productions, Sebado, Les Films du Jour, TF1 Digital and Tricom SA.

4.5 Companies consolidated under the equity method

Significant figures *(€ Million)*	TPS	TCM	TV Breizh
Net fixed assets	247.5	70.2	1.5
Financial debt	517.2	14.8	0.4
Total net assets	461.0	81.8	15.5
Consolidated turnover	384.8	15.9	1.5
Consolidated net loss	(122.2)	(5.2)	(3.4)

4.6 Reconciliation of TF1 SA company profit to consolidated profit at December 31, 2000

(€ Million)	
TF1 SA profit	358,1
Losses of consolidated subsidiaries	(36.1)
	322.0
Restatements	
- Provision for amortisation of programmes (net balance) (1)	(3.9)
- Elimination of regulated provisions	19.4
- Elimination of inter-group provisions	49.4
- Deferred taxation	1.4
- Dividends received from subsidiaries	(37.0)
- Cancellation of inter-group capital gains	(94.5)
- Other	(6.1)
Consolidated profit	**250.7**
Minority interest	(0.4)
Net profit attributable to the group	**250.3**

(1) The provision for amortisation of programmes which will not be broadcast and which have been already written off (in accordance with note 1.9 of the notes to TF1 SA accounts) amounts to €95.5 M at December 31, 2000.

5 NOTE TO THE CASH FLOW STATEMENT

The cash flow statement has been drawn up according to the cash flow method advocated in the latest recommendation of the Accounting Regulations Committee (99-02).

6 OTHER INFORMATION

6.1 Sector information

(€ Million)	Turnover		Operating profit	
	2000	1999	2000	1999
TF1 core channel	1,597.8	1,390.3	409.9	266.0
Publishing - Distribution	279.5	227.5	22.7	27.0
Eurosport	175.7	88.1	9.0	4.8
Thematic channels	54.1	50.2	(0.5)	0.3
Internet	4.1	–	(18.2)	–
Production	43.7	25.0	4.6	3.8
Audiovisual rights	65.4	31.6	(4.2)	(9.6)
TPS (1)	–	–	–	–
TOTAL	**2,220.3**	**1,812.7**	**423.3**	**292.3**

(1) Consolidated under the equity method.

6.2 Commitments and contingencies

As described in note 2.13, the due dates of these commitments at December 31, 2000 are as follows:

(€ Million)	Less than one year	Over one year	Total
Programmes and broadcasting rights	255.1	178.2	433.3
Sports transmission rights	127.1	319.1	446.2
Video exploitation rights	5.6	–	5.6
Leasing	0.1	0.2	0.3
Other commitments	38.7	43.6	82.3
Total	**426.6**	**541.1**	**967.7**

The heading "programmes and broadcasting rights" includes long-term contracts relating to variety shows and children's programmes amounting to €174.0 M.

Due dates concerning transmission of sports events have been estimated on the basis of the foreseeable transmission date of the events concerned.

Group's commitments regarding property leasing contracts

GIE Aphélie, the entity from which TF1 leased the office building it has been occupying since 1992, is now fully consolidated from January 1, 2000, as advocated in the latest recommendation of the Accounting Regulations Committee (99-02).

Information relative to the leasing contract:

- Term: 15 years from June 1994
- Contract amount: €164.6 M (exc. interest charges)

Comprising:
- land: €45.7 M
- building: €57.9 M
- equipment: €61.0 M

TF1 has an option to purchase the property from the seventh year onwards at net book value. This financial lease contract replaces the commercial lease originally contracted between TF1 and GAN.

Original value		164.6
Lease payments (1)		74.5
• accumulated	61.7	
• financial year	12.8	
"Theoretical" depreciation charges (2)		55.5
• accumulated	47.0	
• financial year	8.5	
Estimated remaining future lease payments (3)		
• less than one year	12.8	
• between one and five years	65.2	
• more than five years	65.8	
Purchase option on the building in 2009		67.1

(1) Including capital repayment of €18.1 M.

(2) Depreciation charges that would have been accounted for if the building were owned by the company.

(3) Lease payments calculated using a theoretical interest rate of 6.25%.

6.3 Use of financial hedging instruments

6.3.1 Hedging of exchange rates

As TF1 SA and several Group subsidiaries transact business in foreign currencies, they use buy and sell forward exchange contracts and purchase of call option contracts to protect themselves from exchange rate fluctuations. These operations are made on the currency markets and cover the major part of contracts, signed before December 31, 2000, where the due dates fall between 1999 and 2003.

On December 31, 2000, the exchange value of these contracts amounted to:

- €27.5 M of forward purchase exchange contracts in US Dollars,
- €30.8 M of forward purchase exchange contracts in Sterling, Swedish Krona and Norwegian Krone.

6.3.2 Hedging of interest rates

On December 31, 2000, there is no interest rate risk.

6.4 Employees

The number of employees at the financial year end, according to the standards in force under the Collective Agreement on Communication and Audiovisual Production, was as follows:

	2000	1999	1998
College 1 - Workers and clerical employees	90	82	91
College 2 - Technical staff	697	697	682
College 3 - Managerial and executive staff	1,413	1,142	1,080
College 4 - Journalists	397	328	324
Total	**2,597**	**2,249**	**2,177**

6.5 Executive compensation

Remuneration of the 10 executive directors (composed of the general management and 2 directors of the broadcasting department as listed on page 4 of the Activity Report) for the year ended December 31, 2000 amounted to €6,356,062.

As at December 31, 2000, 9 executives had wholly or partly exercised their share purchase options.

On October 10, 1995, the Board of Directors granted 79,500 share purchase options (i.e 795,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF481 (€7.33 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting.

On April 8, 1997, the Board of Directors granted 101,000 share subscription options (i.e 1,010,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF523 (€7.97 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of April 8, 1997.

On March 18, 1998, the Board of Directors granted 162,000 share subscription options (i.e 1,620,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF657 (€10.02 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of March 18, 1998.

On September 20, 1999, the Board of Directors granted 76,000 share subscription options (i.e 760,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at €232.66 (€23.27 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of September 20, 1999.

No significant personal loans or guarantees have been granted to any Director or Board Member apart from share loans to Directors who are also Board Members

6.6 Risks in emerging countries

TF1's activity and profit were not impacted by the emerging countries' crisis.

6.7 Subsequent events

During January 2001, TF1 made the following purchases:

- 49.5% of the Eurosport Sales Organisation capital from Canal + Group, for €239.8 M, increasing its participation to 100%.
- 64% of the TV Sport capital from Canal + and Havas Images, for €105.5 M, increasing its participation to 100%.
- 50% of the Extension TV (Série Club) capital from M6 Thématiques, for €22.9 M.

7 SIGNIFICANT ELEMENT IN THE NOTES TO THE PRIOR ACCOUNTING PERIODS

The information contained in the Notes to the accounts for 2000 is equivalent to that for previous periods.

The same applied to 1999 and 1998.

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TF1 SA Balance sheet

ASSETS *(in thousands of euros)*	Notes	Gross value	Depreciation, amortisation and provisions	31.12.00 Net value	31.12.99 Net value	31.12.98 Pro forma* Net value
Intangible fixed assets	*1.2 and 2.1*	**189,399**	**4,662**	**184,737**	**167,788**	**162,972**
Franchises and other similar rights		725	295	430	13	0
Brand		73	73	0	0	0
Goodwill		14	0	14	14	15
Other intangible fixed assets		639	639	0	0	0
Co-production ready for broadcasting		89,092	45	89,047	83,217	71,714
Co-production rights available for rebroadcasting		44,588	294	44,294	39,691	35,018
Co-production in progress		54,268	3,316	50,952	44,853	56,225
Tangible fixed assets	*1.3 and 2.2*	**145,166**	**93,316**	**51,850**	**33,515**	**33,741**
Land		0	0	0	0	0
Freehold buildings		0	0	0	0	0
Technical facilities and equipment		56,542	40,891	15,651	8,604	9,325
Other tangible fixed assets		83,021	52,425	30,596	20,074	24,332
Tangible fixed assets under construction		5,603	0	5,603	4,837	84
Financial assets	*1.4 and 2.3*	**333,660**	**3,165**	**330,495**	**157,015**	**129,738**
Investments		211,480	2,874	208,606	103,464	97,123
Loans to associated undertakings		285	285	0	0	0
Other investments held as fixed assets		19,351	0	19,351	18,610	77
Loans		101,879	0	101,879	34,669	32,339
Other financial assets		665	6	659	272	199
FIXED ASSETS		**668,225**	**101,143**	**567,082**	**358,318**	**326,451**
Inventories	*1.5 and 2.4*	**381,465**	**60,444**	**321,021**	**315,120**	**308,716**
Raw materials and consumables		1,040	0	1,040	1,093	1,095
Goods held for resale		54	19	35	95	144
Rights ready for broadcasting		157,589	34,020	123,569	137,895	139,822
Rights for rebroadcasting		135,501	26,253	109,248	95,434	79,013
Broadcasting rights in progress		87,281	152	87,129	80,603	88,642
Prepayments and accrued income		1,850	0	1,850	4,096	1,964
Trade debtors	*1.6 and 2.5*	335,662	0	335,662	288,966	266,975
Other debtors	*2.5*	454,692	1,808	452,884	349,936	223,362
Marketable securities and cash at bank and in hand	*1.7, 2.6 and 4.7*	223,979	266	223,713	128,824	146,915
Prepaid expenses	*2.7*	29,663	0	29,663	31,730	32,083
CURRENT ASSETS		**1,427,311**	**62,518**	**1,364,793**	**1,118,672**	**980,015**
Unrealised losses / gains on foreign exchange		**757**	**0**	**757**	**381**	**33**
TOTAL ASSETS		**2,096,293**	**163,661**	**1,932,632**	**1,477,371**	**1,306,499**

** See note 1.1.*

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	31.12.00	31.12.99	31.12.98 Pro forma*
Share capital		42,237	32,195	32,014
Share premium		17,482	17,482	0
Revaluation reserve		0	4,681	4,681
Legal reserve		4,224	3,201	3,201
Long term capital gain reserve		25,001	25,001	25,001
Other reserves		330,000	266,785	213,429
Retained earnings		53,671	40,794	23,853
Net profit for the year		358,132	178,748	140,272
Government grants for investment	*1.8*	0	0	0
Regulated provisions: programme amortisation	*1.9*	125,762	113,930	107,416
SHAREHOLDERS' FUNDS	*2.8*	**956,509**	**682,817**	**549,867**
Provisions for contingencies		11,475	11,289	11,051
Provisions for charges		757	381	33
Other provisions for liabilities		35,171	13,182	21,012
PROVISIONS FOR LIABILITIES AND CHARGES	*1.10 and 2.9*	**47,403**	**24,852**	**32,096**
Bank borrowings (1)		0	0	0
Other financial creditors (2)		149,582	129,957	148,738
Trade creditors		392,655	327,928	305,608
Tax and social liabilities		205,946	181,817	157,112
Fixed assets creditors		5,924	3,057	1,209
Other creditors		162,652	116,035	109,666
Prepaid income		11,801	10,800	1,817
CREDITORS AND OTHER LIABILITIES	*2.10*	**928,560**	**769,594**	**724,150**
Unrealised losses / gains on foreign exchange		**160**	**108**	**386**
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**1,932,632**	**1,477,371**	**1,306,499**
(1) Including bank overdrafts		*0*	*0*	*0*
(2) Including current account with associated companies		*149,582*	*129,957*	*148,738*

** See note 1.1.*

TF1 SA profit and loss account

(in thousands of euros)	Notes	2000	1999	1998 Pro forma*
Turnover	*1.11 and 3.1*	**1,602,198**	**1,379,242**	**1,241,004**
Advertising revenue	*3.1*	1,483,962	1,261,199	1,144,453
Technical services		1,302	1,911	3,484
Other operating revenue		6,542	22,887	14,253
Stored production		(232)	184	(15)
In-house production	*3.2*	8,797	561	0
Operating grant		312	74	57
Depreciation, amortisation and provisions releases		14,147	22,347	18,126
Expense transfers		84,112	66,415	57,552
Other revenue		3,256	3,664	3,094
Operating expenses		**(1,180,672)**	**(1,091,973)**	**(1,040,751)**
Purchase of raw materials and consumables	*3.3*	(398,576)	(342,542)	(327,439)
Change in inventory		32,333	12,166	(2,294)
Other purchases and external expenses		(345,417)	(326,091)	(299,897)
Taxes and levies	*3.4*	(91,455)	(82,891)	(74,592)
Wages and salaries paid	*3.5*	(97,678)	(94,352)	(92,104)
Social security charges	*3.6*	(43,173)	(42,283)	(39,988)
Depreciation, amortisation and provisions	*3.7*			
• amortisation of broadcast coproduction		(110,415)	(126,169)	(120,235)
• depreciation of other fixed assets		(12,849)	(11,236)	(11,381)
• provision for intangible assets and current assets		(40,084)	(17,442)	(9,290)
• provision for liabilities and charges		(5,913)	(5,671)	(9,964)
Other expenses	*3.8*	(67,445)	(55,462)	(53,567)
OPERATING PROFIT		**421,526**	**287,269**	**200,253**
Net profit from joint operations		**0**	**0**	**0**
Financial revenue		59,985	30,938	55,039
Financial expense		(35,941)	(15,971)	(25,403)
FINANCIAL PROFIT	*3.9*	**24,044**	**14,967**	**29,636**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**445,570**	**302,236**	**229,889**
Exceptional income		**135,977**	**40,079**	**57,892**
Exceptional revenue on operations		248	5,361	7,335
Exceptional revenue on fixed assets		104,070	262	16,858
Provision releases		31,659	34,456	33,699
Exceptional expenses		**(59,816)**	**(49,235)**	**(66,066)**
Exceptional expense on operations		(729)	(788)	(3,223)
Exceptional expense on fixed assets		(15,595)	(7,478)	(27,314)
Exceptional depreciation, amortisation and provisions		(43,492)	(40,969)	(35,529)
EXCEPTIONAL PROFIT	*3.10*	**76,161**	**(9,156)**	**(8,174)**
Employee profit sharing		**(13,511)**	**(10,344)**	**(4,066)**
Income tax	*3.11 and 3.12*	**(150,088)**	**(103,988)**	**(77,377)**
NET PROFIT		**358,132**	**178,748**	**140,272**

** See note 1.1*

TF1 SA Cash flow statement

(in thousands of euros)	2000	1999	1998 Pro forma*
1 Operating activities			
Net profit	358,132	178,748	140,272
Depreciation, amortisation and provisions (1) (2)	34,501	4,521	(5,168)
Investment grants released to revenue	0	0	(7)
Gain (loss) on disposal of fixed assets	(95,128)	76	916
Cash flow	**297,505**	**183,345**	**136,013**
Purchase of coproduction (2)	(130,297)	(131,031)	(131,745)
Depreciation, amortisation and provisions of coproduction (2)	125,598	132,740	121,934
Stocks	(5,901)	(6,403)	(4,408)
Trade debtors	(147,952)	(148,559)	(57,979)
Trade creditors	136,527	62,100	42,537
Expenses to amortise over several periods	0	0	0
Net advances from third parties	2,246	(2,133)	761
Increase in working capital needs	**(19,779)**	**(93,286)**	**(28,900)**
NET CASH INFLOW FROM OPERATING ACTIVITIES	**277,726**	**90,059**	**107,113**
2 Investing activities			
Purchase of fixed assets (1) (2)	(32,562)	(11,257)	(7,355)
Disposal of fixed assets (1) (2)	920	140	16,824
Purchase of fixed asset investments	(13,135)	(6,931)	(1,680)
Disposal of fixed asset investments	4,058	80	0
Increase (decrease) in fixed assets creditors	2,866	1,848	(357)
Increase (decrease) in other financial assets	(68,337)	(20,937)	(31,995)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(106,190)**	**(37,057)**	**(24,563)**
3 Financing			
Increase (decrease) in shareholders' funds	0	17,662	0
Net change in loans	19,625	(18,781)	37,139
Dividends paid	(96,273)	(69,973)	(50,887)
NET CASH OUTFLOW FROM FINANCING	**(76,648)**	**(71,092)**	**(13,748)**
TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**94,888**	**(18,090)**	**68,802**
Cash at beginning of period	128,825	146,915	78,113
Net inflow (outflow)	94,888	(18,090)	68,802
Cash at end of period	223,713	128,825	146,915

(1) Programmes not included.
(2) In the company financial statements, the purchase, consumption, sale of programmes and the expired rights are recorded under "intangible fixed assets". In order to give a proper comparison with the consolidated accounts, all of the above were included in "Increase (decrease) in working capital needs".

** See note 1.1*

Notes to the company financial statements

Accounting policies and presentation of the accounts for the twelve-month financial period ended December 31, 2000.

The accounts for the financial year have been prepared in accordance with the legal and statutory provisions currently in force in France.
From January 1, 2000, the euro became the reference currency for TF1 information systems.

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Comparability of financial statements

The financial years ended December 31, 2000 and 1999 are not comparable with that ended December 31,1998 because of the change in accounting policy regarding programmes, taking effect in 1999 and stated in notes 1.2,1.5, 3.2, 3.3, 3.7 and 3.10.
In order to ensure comparability, financial statements for the year ended December 31, 1998, have been restated. The change in the presentation of the accounts has been made with a view of improving the financial information provided. Furthermore, this presentation matches that of the consolidated accounts.

1.2 Intangible fixed assets

Until December 31, 1998, the heading "programmes" was composed of co-production rights, broadcasting rights, and of the channel's in-house productions.
From January 1, 1999, "co-production" is only composed of co-production shares purchased by the channel.

1.2.1 General principles

Co-produced programmes are amortised when they are transmitted according to the following methods :

a) Children (except Cartoons) - Variety - Theatre - Documentaries - News and Sport

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

b) Cartoons

Possible transmissions	1	2 or more
1st transmission	100%	50%
2nd transmission	–	50%

c) Programmes of a duration not exceeding 52 minutes

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

d) Programmes of a duration of 52 minutes or over

Possible transmissions	1	2 or more
1st transmission	100%	80%
2nd transmission	–	20%

A provision is made in the event of a given programme involving co-production not being broadcast.

1.2.2 Co-productions ready for broadcasting

The items reported under this heading are all non-broadcast co-productions that have not yet been transmitted. They are accounted for at their purchase cost or overall production cost.

1.2.3 Co-productions rights available for rebroadcasting

Co-productions having already been transmitted once, and for which one or more rebroadcastings are still possible, are accounted for under "Co-production rights available for rebroadcasting" and valued at 20% or 50% of their purchase cost.

1.2.4 Co-productions in progress

Co-productions that have not been delivered or are not ready for transmission by the end of the financial year are reported under "co-productions in progress". These co-productions are valued as the amount of capital expenditure or at the balance sheet dates. The remaining contractual commitment is valued in "Commitments and contingencies".

1.3 Tangible fixed assets

Depreciation methods are set out in the following table:

Technical facilities & equipement (before January 1, 1992)	Reducing balance	3 to 5 years
Technical facilities & equipement (after January 1, 1992)	Straight-line or Reducing balance	4 to 5 years
Other tangible fixed assets	Straight-line	2 to 10 years

1.4 Financial assets

Financial assets are valued at their purchase cost. Provision is made for the amortisation of these assets when their current value, determined in particular by reference to the proportion of equity held in the companies concerned, justifies such a provision. If necessary, a provision for liabilities and charges is made. Provisions are evaluated according to the 1982 French Chart of Accounts.

1.5 Inventories

Since January 1, 1999, broadcasting rights and in-house productions are accounted for as inventories.

1.5.1 General principles

Programmes are amortised when they are transmitted according to the following amortisation methods :

a) Purchased TV rights
(Children (except Cartoons) - Variety - Theatre - Documentaries - News and Sport).

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

Some purchases of audiovisual rights relating to children's programmes are amortised according to the valuation of each transmission as contractually defined.

b) Purchased TV rights for full length feature film, dramas, series and cartoons.

Possible transmissions	1	2 or more
1st transmission	100%	50%
2nd transmission	–	50%

c) Programmes of a duration not exceeding 52 minutes

Possible transmissions	1	2 or more
1st transmission	100%	100%
2nd transmission	–	–

d) Programmes of a duration of 52 minutes or over

Possible transmissions	1	2 or more
1st transmission	100%	80%
2nd transmission	–	20%

A provision is made if it becomes probable that a given programme will not be broadcast.

1.5.2 Rights ready for broadcasting

The items reported under this heading are all non-broadcast rights that have not yet been transmitted for the first time. They are accounted for at their purchase cost or overall production cost (direct costs plus attributable production overheads).

1.5.3 Rights available for rebroadcasting

Rights having already been transmitted once, and for which one or more rebroadcastings are still possible, are accounted for under "Rights available for rebroadcasting" and valued at 50% or 20% of their purchase cost, according to their type.

1.5.4 Rights in progress

Programmes that have not been delivered or are not ready for transmission by the end of the financial year, as well as broadcasting rights for which the beginning of the validity period falls after the year end, are reported under "Rights in progress". These rights are valued as the amount of capital expenditure at the date of the end of the financial year. The remaining capital expenditure is valued in "Commitments and Contingencies".

1.6 Trade debtors

All trade debtors currently subject to claims are fully provided.
In addition, bad debts are covered by provisions for liabilities, as follows:

- 100% of their total amount, net of tax, for accounts receivable prior to January 1, 1998;
- 50% of their total amount, net of tax, for accounts receivable falling due between January 1, 1998 and December 31, 1998.

Risks on receivables originating after December 31, 1998 and not yet collected at December 31, 2000, are not significant.

1.7 Marketable securities

Marketable securities are valued on the basis of their purchase cost. When the value is lower than the acquisition cost, a provision is made.

1.8 Government grants

If confirmed, government grants for investment are credited to a deferral account and credited to the profit and loss account as and when the corresponding assets are depreciated.

1.9 Regulated provisions

This item essentially relates to accelerated amortisation for tax purposes of in-house productions or co-productions that have not yet been broadcast. This amortisation is calculated from the first day of the month following the end of shooting in accordance with the rules laid down by the French Tax Authorities on July 3, 1970, which define monthly percentages as follows:

- 1st month 20%
- 2nd month 15%
- 3th au 9th month 5%
- 10th to 12th month 2%
- 13th to 24th month 2%

1.10 Provisions for liabilities and charges

The amount of these provisions is calculated according to the assessment of liabilities existing at the end of each accounting period.

1.11 Advertising

Advertising revenue corresponds to the amount received from the sale by TF1 Publicité of advertising space and sponsorship, net of its fees.

1.12 Commitments and contingencies

Purchased broadcasting rights and co-productions to which the station was firmly and contractually committed prior to the end of the accounting period, but for which technical approval has not yet been granted, are reported as "Commitments and Contingencies".
These commitments are valued on the basis of the amount set out in the contract, after deduction of amounts that have been capitalised and recorded under the heading "Programmes and film rights".

1.13 Pension costs

Rights acquired by all employees are covered by both an insurance policy and a provision for liabilities and charges.

1.14 Financial instruments

The Group protects itself from exposure to interest rate and exchange rate fluctuations with financial instruments. The Group operates on currency markets to hedge commitments linked to its economic activity only. It does not intervene for speculative purposes.
Gains and losses on financial instruments used for hedging purposes are determined and accounted for on a symmetrical basis with the losses and gains on the hedge items except in the case of option premiums (charged at the outset) and gains and losses on FRA (Forward Rate Agreement), charged at the start of the period covered.

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2 NOTES TO THE BALANCE SHEET

2.1 Intangible fixed assets

Intangible fixed assets essentially refer to programmes and film rights; the following table provides a detailed breakdown of their movements:

SUMMARY OF MOVEMENTS

(€ Million)	2000	1999
Co-productions ready for broadcasting	83.3	71.7
Co-productions available for rebroadcasting	39.9	35.2
Co-productions in progress	44.9	56.3
VALUE OF CO-PRODUCTIONS AS OF JAN.1	**168.1**	**163.2**
Add:		
INVESTMENTS JAN. 1 TO DEC 31	**136.1**	**138.0**
Subtract:		
DISINVESTMENTS JAN. 1 TO DEC. 31		
Cost 1st transmission	(101.2)	(117.8)
Cost 2nd transmission	(9.2)	(8.4)
Total cost of broadcast	(110.4)	(126.2)
Rights expired	(1.2)	(3.0)
Rights retired	(4.6)	(3.9)
Rights sold (residual book value)	–	–
TOTAL DISINVESTMENTS JAN. 1 TO DEC 31	**(116.2)**	**(133.1)**
VALUE OF CO-PRODUCTIONS AS OF DEC. 31	**188.0**	**168.1**
BREAKDOWN		
Co-productions ready for broadcasting	89.1	83.3
Co-productions available for rebroadcasting	44.6	39.9
Co-productions in progress	54.3	44.9
Total	**188.0**	**168.1**

As of December 31, 2000, the provision for risk of non-transmission of co-productions amounted to €31.6 M, of which €0.3 M in provision for depreciation of assets and €31.3 M in existing regulated provisions made as described in note 1.9.

2.2 Tangible fixed assets

Movements in tangible fixed assets for the financial year, as well as the corresponding depreciation are summarised as follows:

Cost

(€ Million)	01.01.00	Increase	Decrease	31.12.00
Technical facilities and equipment	47.7	11.7	2.9	56.5
Other	65.2	19.5	1.7	83.0
Assets under construction	4.8	4.0	3.2	5.6
Total	**117.7**	**35.2**	**7.8**	**145.1**

Depreciation

(€ Million)	01.01.00	Increase	Decrease	31.12.00
Technical facilities and equipment	39.1	4.4	2.6	40.9
Other	45.1	8.4	1.1	52.4
Total	**84.2**	**12.8**	**3.7**	**93.3**

2.3 Financial assets

Financial investments

TF1 subscribed to the following:

- TV Breizh €3.3 M for 22% of share capital
- Groupe Glem €1.8 M for 12.92% of share capital
- TV Sport €7.8 M for 5% of share capital

TF1 sold to Thalium, for €3.3 M million, its stake in Magéos.

TF1 contributed to TF1 Digital its stake in LCI and Sed Odyssée, and received in return shares of TF1 Digital for an amount of €99.1 M.

At December 31, 2000, the total value of the shares reported in the balance sheet of TF1 SA amounts to €211.5 M, with provisions amounting to €2.9 M.

Loans

This heading essentially relates to:

- an equity loan of €37.0 M (€31.0 M nominal value) granted to GIE Aphélie. This loan, including rolled-up interest, would enable the exercise of the purchase option on the leased building in 2009, under the terms and conditions stated in note 4.1;
- a long term loan granted to GIE Aphélie, bought back by TF1 from a bank pool on March 31, 2000, (residual value on December 31, 2000: €62.0 M);
- a loan granted to Studios 107 (residual value on December 31, 2000: €2.7 M).

Other financial assets

This heading essentially relates to 993,850 TF1 shares, for a total amount of €18.5 M.

These have been purchased as part of a share buyback programme as described in the information note which received the Visa 99-305 from the "Commission des Opérations de Bourse" (COB) on March 30, 1999.

In October 1999, TF1 carried out a capital increase reserved to the group's employees. The subscribers only contributed to 1/10 of their total investment. The remaining 9/10 have been financed through an underwritten bank loan. As part of this operation, TF1 has sold a call option to a bank for €18.66 covering 709,900 TF1 shares (after stock split 1 for 10).

Theses shares are aimed at covering this call option.

2.4 Inventories

This heading essentially relates to non transmitted broadcasting rights.

(€ Million)	External production	In-house production	Total production	1999
Rights ready for 1st broadcasting	153.7	2.1	155.8	156.1
Rights available for rebroadcasting	111.8	–	111.8	91.0
Rights in progress	79.1	1.5	80.6	88.7
VALUE OF PROGRAMMES AS OF JAN. 1	**344.6**	**3.6**	**348.2**	**335.8**
Add:				
Investments Jan. 1 to Dec. 31	393.1	264.4	657.5	603.3
Subtract:				
Disinvestments Jan. 1 to Dec. 31				
Cost 1st transmission	320.3	261.9	582.2	549.6
Cost 2nd transmission	25.6	–	25.6	21.5
Total cost of broadcast	345.9	261.9	607.8	571.1
Rights expired	9.3	–	9.3	9.9
Rights retired	5.2	2.7	7.9	9.9
Rights sold (residual book value)	0.3	–	0.3	–
Total disinvestments Jan. 1 to Dec. 31	360.7	264.6	625.3	590.9
VALUE OF PROGRAMMES AS OF DEC. 31	**377.0**	**3.4**	**380.4**	**348.2**
CHANGE IN STOCK	**32.4**	**- 0.2**	**32.2**	**12.4**
BREAKDOWN				
Rights ready for 1st broadcasting	154.7	2.9	157.6	155.8
Rights available for rebroadcasting	135.5	–	135.5	111.8
Rights in progress	86.8	0.5	87.3	80.6
TOTAL	**377.0**	**3.4**	**380.4**	**348.2**

As of 31 December, 2000, the provision for risk of non-transmission of rights amounted to €60.4 M.

2.5 Debtors

2.5.1 Accounts receivable

TF1 Publicité, as agent of TF1 SA, sells advertising slots to advertising agencies. For this, TF1 Publicité receives fees indexed on turnover generated.

The balance payable by TF1 Publicité to TF1 SA in respect of such purchases was €139.5 M at December 31, 2000, against €149.3 M at December 31, 1999. This balance is net of sales rebates which have yet to be granted and which are included in “Other Creditors”.

2.5.2 Other debtors

This heading essentially relates to VAT receivable for €74.1 M, to loans granted to subsidiaries under cash management agreements for €318.1 M, and to the current account with GIE Aphélie for €47.6 M.

2.5.3 Due dates for debtors

The debtors linked to fixed assets and current assets, totalling €1,119 M, essentially fall due within one year.

A proportion of the debtors carried under fixed assets (€27.8 M) and current assets (€0.5 M) fall due between one and five years.

A proportion of the debtors carried under fixed assets (€69.6 M) fall due after five years.

2.6 Cash and marketable securities

Marketable securities consist of money market mutual funds amounting to €88.9 M (this includes no unrealised capital gains, these having being realised on December 31, 2000), and of €2.5 M worth of TF1 shares bought as part of the stock options plan. These securities were bought in order to fulfil the stock option plan set up in October 1995 for certain employees and management of TF1. A provision of €0.3 M has been made to cover the difference between the option price and purchase price for these shares.

Movement TF1 shares	Number of shares	€ Million
TF1 shares 01.01.00	125,000	10.3
Exercise of options	(35,000)	(2.9)
After subdivision by 10	900,000	7.4
Exercise of options	(601,000)	(4.9)
TF1 shares 31.12.00	299,000	2.5

The Bouygues Relais current account (€115.0 M) is accounted for under this heading due to its liquid nature.

2.7 Prepaid expenses

Prepaid expenses account for €29.7 M including €26.3 M relating to prepaid sports transmissions.

2.8 Shareholders’ funds

After the Euro switch on January 1st, 2000, and the nominal split by ten on June 21, 2000, the share capital is divided into 211,183,160 fully paid ordinary shares each with a nominal value of €0.2.

The movements for the financial year were as shown in the following table:

(€ Million)	01.01.00	Allocation of profit (General of April 18, 2000)	Other movements	31.12.00
Share capital	32.2	–	10.0 (3)	42.2
Share premium	17.5	–	–	17.5
Revaluation reserve	4.7	–	(4.7) (3)	–
Legal reserve	3.2	–	1.0 (3)	4.2
Long term capital gain reserve	25.0	–	–	25.0
Retained earnings	40.8	12.9	–	53.7
Other reserves	266.8	69.5	(6.3) (3)	330.0
Net profit for the year	178.7	(178.7)	358.1	358.1
Sub-total	**568.9**	**(96.3)**	**358.1**	**830.7**
Regulated provisions	113.9	–	11.9 (2)	125.8
Total	**682.8**	**(96.3) (1)**	**370.0**	**956.5**

(1) Dividends paid on May 30, 2000.
(2) Net movements of the year.
(3) Share capital increase due to the transition to the euro.

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2.9 Provisions for liabilities and charges

Defined as in note 1.10, these provisions break down as shown in the following table:

(€ Million)	01.01.00	Increase	Decrease	31.12.00
Claims	11.3	2.4	2.2	11.5
Associated companies	2.9	22.2	2.7	22.4
Bad debts	2.7	–	–	2.7
Pension costs	4.1	3.5	–	7.6
Other	3.9	0.7	1.4	3.2
Total	**24.9**	**28.8**	**6.3**	**47.4**

The provision for bad debts includes TF1's share in the risk of non-collection of accounts receivable relating to TF1 Publicité.
The provisions relating to associated companies correspond to TF1's share of the losses of general partnership subsidiaries.
The other provisions concern potential risks relating to certain public authorities.

2.10 Creditors

2.10.1 Bank borrowings

There are no bank overdrafts at December 31, 2000.
The Company still has the possibility to draw up to €186.3 M on credit facilities with various banks. This was not used on December 31, 2000.
The company has subscribed a syndicated loan amounting to €381 M, for a period of 7 years. This loan has not yet been used.

2.10.2 Other financial creditors

Cash put at TF1's disposal by its subsidiaries in accordance with cash management agreements is recorded under this heading amounting to €126.7 M (€106.6 M in 1999).

2.10.3 Other creditors

This heading includes credit notes and rebates on tariffs to be granted by TF1, amounting to €159.1 M (€112.7 M in 1999).

2.10.4 Due dates for creditors

The creditors, totalling €916.8 M, fall due within one year.
A €1.3 M of other debts are due after more than one year.

3 NOTES TO THE PROFIT AND LOSS ACCOUNT

The change in accounting policy for programmes since January 1, 1999 affects the following headings of the profit and loss account: in-house production, purchase of raw materials and consumables, change in inventory, amortisation of broadcast programmes and exceptional expense on fixed assets.

3.1 Breakdown of turnover

Advertising revenues amount to €1,484.0 M and correspond to TF1 Publicité's revenues, less the fees enabling TF1 Publicité to cover operating costs (€86.9 M).

3.2 In-house production

Since January 1, 1999, the costs related to in-house production have no longer been capitalised.

3.3 Purchase of raw materials and consumables

Since January 1, 1999, the purchase of broadcasting rights has been accounted for as inventories (and no longer under the heading intangible fixed assets). Their consumption is determined by reference to date of broadcast or to their retirement.

3.4 Taxes and levies

This heading essentially records TF1's contribution to the French National Cinema Council, business tax and a tax levied by a Social Security agency (ORGANIC) for an amount of €85.3 M in 2000 (€76.5 M in 1999).

3.5 Wages and salaries

This heading includes €7.4 M of fees paid to freelance employees as against €6.7 M in 1999.

3.6 Social security charges and employment expenses

This heading includes €3.3 M of employee benefits, relating to the employer's contribution to the Company Savings Plan.

3.7 Amortisation, depreciation and provisions

Since January 1, 1999, the heading "amortisation of broadcast co-productions" concerns only the amortisation of the shares of broadcast co-productions.

3.8 Other expenses

This item covers payments to authors amounting to €60.6 M in 2000 (€51.5 M in 1999).

3.9 Financial profit

Financial profit for 2000 breaks down as follows:

(€ Million)	2000	1999
Dividends	23.8	12.3
Net interest paid	14.5	5.1
Provisions for liabilities	(20.5)	(4.6)
Exchange differences	0.9	(0.4)
Profits on sales of marketable securities	5.4	2.5
Net	**24.1**	**14.9**

Financial expenses with respect to associated companies amount to €4.6 M and financial revenues amount to €14.0 M in 2000 (€3.6 M and €5.1 M in 1999).

3.10 Exceptional items

The exceptional items for 2000 break down as follows:

(€ Million)	2000	1999
Capital losses on disposal and retirement of programmes (1)	(5.8)	(7.0)
Net provisions (including accelerated amortisation for tax purposes)	(11.8)	(6.5)
Capital gains on disposal of financial assets (2)	95.3	–
Other	(1.6)	4.3
Net	**76.1**	**(9.2)**

(1) Since January 1, 1999, retirements of programmes have been restated in operating expenses.
(2) Shares reclassification within TF1 Group.

3.11 Corporate income tax

The difference between the theoretical income tax charge, stated at 37.76% and the actual income tax charge (29.5%) mainly results from the elimination of inter group capital gains (€94.5 M), deduction of dividends (€23.8 M), employee profit sharing (€3.2 M) and the net losses recorded by GIE Aphélie (€3.8 M).

The tax savings arising due to the tax losses of group companies are reimbursed to those subsidiaries.

Since January 1, 1989, TF1 has chosen the status of tax consolidation, an option renewed on January 1, 1994 and on January 1, 1999. The subsidiaries concerned on December 31, 2000, are: TF1 Publicité, Une Musique, TF1 Films Production, TF1 Entreprises, Protécréa, TF1 Europe, Syalis, TF1 Publicité Production, TF1 Développement, Sintetic, Compagnie Internationale de Communication, Banco Production, TF1 Vidéo, TF1 International, Parmentier Productions, TF1 Publications, Studios 107, Mery Productions, Téléshopping, Cogelda, Les Films Ariane, Régie Cassette Vidéo, Ciby DA, Société d'Exploitation de base de données, Les Films du Jour, TF1 Digital and Tricom SA.

3.12 Deferred taxation

(€ Million)	Future increase in tax	Future decrease in tax
Regulated provisions	45.8	–
Employee profit sharing, paid vacation, Organic tax, Pension costs provisions, etc.	–	11.1

4 OTHER INFORMATION

4.1 Commitments and contingencies

On December 31, 2000, the various types of commitments and their due dates are as follows:

(€ Million)	Within less than one year	Over one year	Total
Programmes and broadcasting rights	226.6	178.1	404.7
Sports broadcasting rights	98.0	266.5	364.5
Real-estate leasing	12.8	131.0	143.8
Other commitments	35.5	42.9	78.4
Total	**372.9**	**618.5**	**991.4**

The heading "Programmes and broadcasting rights" includes long-term contracts relating to variety shows and children's programmes for €174 M.

Due dates concerning transmission of sports events have been calculated using the foreseeable transmission date of the given event.

Group's commitments regarding real-estate leasing contracts

In June 1994, TF1 leased from GIE Aphélie its office building, 1, quai du Point du Jour in Boulogne, that it had been occupying since 1992. This capital lease contract has a 15 years' term and amounts to €164.6 M (excl. interest charges):

- land : €45.7 M
- building : €57.9 M
- equipment : €61.0 M

TF1 has an option to purchase the property from the seventh year onwards at net book value. This financial lease contract replaces the 12 years commercial lease originally contracted between TF1 and GAN.

Original value		164.6
Lease payments (1)		74.5
• accumulated	61.7	
• financial year	12.8	
"Theoretical" depreciation charges (2)		55.5
• accumulated	47.0	
• financial year	8.5	
Estimated remaining future lease payments (3)		
• less than one year	12.8	
• between one and five years	65.2	
• more than five years	65.8	
Purchase option on the building in 2009		67.1

(1) Including capital repayment of €18.1 M.
(2) Depreciation charges that would have been accounted for if the building were owned by the company.
(3) Lease payments calculated using a theoretical interest rate of 6.25%.

4.2 Use of financial hedging instruments

4.2.1 Hedging of exchange rates

As some commercial payments and receipts are stated in foreign currencies, TF1 uses buy and sell forward exchange contracts and purchase of call option contracts to protect themselves from exchange rate fluctuations. These operations are made on the currency markets and cover the major part of contracts, signed before December 31, 2000, where the due dates fall in 2001.

On December 31, 2000, the exchange value of these contracts amounted to €24.4 M of forward purchase exchange contracts in US Dollars.

4.2.2 Hedging of interest rates

There is no risk on interest rates on December 31, 2000.

4.3 Employees

The number of employees at the financial year-end, according to the standards in force under the Collective Agreement on Communication and Audiovisual Production, was as stated in the table below:

	2000	1999	1998
College 1 - Workers and clerical employees	43	38	42
College 2 - Technical staff	444	480	463
College 3 - Managerial and executive staff	594	528	483
College 4 - Journalists	218	225	221
Total	**1,299**	**1,271**	**1,209**

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Notes to the company financial statements

4.4 Executive compensation

Remuneration of the 10 executive directors (composed of the general management and 2 directors of the broadcasting department as listed on page 4 of the Activity Report) for the year ended 31 December 2000 amounted to €6,356,062.

As at December 31, 2000, 9 executives had wholly or partly exercised their share purchase options.

On October 20, 1995, the Board of Directors granted 79,500 share purchase options (i.e 795,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF481 (€7.33 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting.

On April 8, 1997, the Board of Directors granted 101,000 share subscription options (i.e 1,010,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF523 (€7.97 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of April 8, 1997.

On March 18, 1998, the Board of Directors granted 100,000 share subscription options (i.e 1,000,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at FF657 (€10.02 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of March 18, 1998.

On September 20, 1999, the Board of Directors granted 76,000 share subscription options (i.e 760,000 after the nominal split by ten) to certain members of the TF1 Group management. The subscription price was fixed at €232.66 (€23.27 after the nominal split by ten), representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting, of September 20, 1999.

No significant personal loans or guarantees have been granted to any Director or Board Member apart from share loans to Directors who are also Board Members.

4.5 Directors' fees

Directors'fees paid in 2000 amounted for €174,688.

4.6 Movements in provisions

(€ Million)	01.01.00	Increase	Decrease	31.12.00
Regulated provisions	113.9	43.5	31.6	125.8
in respect of intangible fixed assets (programmes)				
Provisions for liabilities and charges	24.9	28.9	6.4	47.4
Provisions for depreciation of fixed assets	1.2	3.6	0.3	4.5
Provisions on financial assets				
Long-term investments	3.6	1.8	2.5	2.9
Related loans	0.3	–	–	0.3
Provisions for depreciation of current assets				
Inventories	34.2	36.5	10.3	60.4
Advances to subsidiaries	2.0	–	0.2	1.8
Investment securities	1.1	–	0.8	0.3
Total	**181.2**	**114.3**	**52.1**	**243.4**

4.7 Financial and short term investments held at December 31, 2000

Financial investments	Number of shares	%	Shareholders' funds in euros
TF1 DIGITAL	6,195,729	100.00	96,771,398
SYALIS	2,494	99.76	51,581,562
TF1 PUBLICITE	30,000	100.00	18,536,220
TF1 ENTREPRISES	200,000	100.00	17,378,246
TF1 FILMS PRODUCTION	169,994	100.00	15,703,296
TV SPORT	53,999	36.00	6,592,897
TF1 EUROPE	210,000	100.00	5,614,356
GROUPE GLEM	1,820	72.80	5,412,702
STUDIOS 107	120,000	100.00	5,022,498
FILM PAR FILM	9,998	49.99	3,927,604
TELESHOPPING	8,500	100.00	2,758,034
TV BREIZH	32,999	22.00	2,548,986
BANCO PRODUCTION	129,994	100.00	955,333
MEDIAMETRIE	1,000	10.75	561,665
TRICOM SA	29,997	99.99	436,769
SAGAS	1,261	50.44	307,301
MERY PRODUCTION	5,000	100.00	80,000
@-TF1	39,999	100.00	39,999
SAGIT	39,994	99.99	39,994
SINTETIC	2,495	99.80	31,089
TCM GESTION	848	33.92	13,265
NOUVELLES EDITIONS TF1	25	1.00	5,088
TPP	5	1.00	1,171
ODYSSEE	1	0.20	781
SEBADO	1	0.04	28
LCI	1	0.0003	20
TPS GESTION	1	0.04	15
TRICOM & CIE	2	0.07	2
TF6 GESTION	1	0.001	1
FINANCIAL INVESTMENT			**234,320,320**

Short term investments	Number of shares	Unit value at 31.12.00	Market value in euros
EURIBOR GESTION	570	30,945.62	17,639,003
CENTRALES PIBOR	6,280	2,482.95	15,592,926
BAREP	1,122	13,695.26	15,366,082
DRESDNER EURO CASH	3,476	3,124.86	10,862,013
CLAM TRESO	10	782,798.64	7,827,986
FIMATRESO	1,410	5,424.84	7,649,024
ELICAPI	43	163,802.15	7,043,492
DRESDNER ERIBOR	1,625	3,106.00	5,047,250
HAUSSMANN JOUR	70	27,215.64	1,905,095
TOTAL INVESTMENT SHARES			**88,932,871**
TF1 SA SHARES	299,000	7.33 (1)	2,191,670.00 (1)
TOTAL INVESTMENTS			**325,444,861**

(1) Net book value (see note 2.6).

4.8 Subsidiaries and financial investments

Companies or group of companies	Currency	Share Capital	Reserves	Interest held	Gross book value of shares held	Net book value of shares held	Loans and credits granted but not yet repaid	Guarantees & pledges granted	Turnover in last accounting period	Net result in last accounting period	Dividends received during the period
	in € thousands or foreign currency units if indicated				In € thousands						
1 SUBSIDIARIES (holding of at least 50% of shares)											
TF1 PUBLICITE		2,400	13,229	100.00%	3,038	3,038	–	–	1,602,983	2,907	2,145
TF1 FILMS PRODUCTION		2,550	12,858	100.00%	1,768	1,768	–	–	41,169	295	–
TELESHOPPING		127	194	100.00%	130	130	–	–	76,936	2,437	3,314
TF1 PUBLICATIONS	FRF	500	(10,402)	99.88%	519	–	1,391	–	–	11	–
TF1 ENTREPRISES		3,000	506	100.00%	3,049	3,049	–	–	27,470	13,872	7,200
SYALIS		40	48,469	99.76%	41,680	41,680	89,627	–	–	3,197	–
BANCO PRODUCTION		1,950	(1,041)	100.00%	1,982	1,982	–	–	74	46	–
TF1 EUROPE		3,150	5,697	100.00%	19,513	19,513	95,307	–	–	(3,233)	9,870
PROTECREA		1,500	(5,648)	99.99%	2,241	2,241	8,624	–	1,265	1,519	–
LUXTEL 1	LUF	1,350	–	99.99%	62	62	–	–	–	–	–
STUDIOS 107		1,800	2,955	100.00%	4,680	4,680	2,681	–	18,322	267	–
SINTETIC	FRF	250	(22)	99.80%	38	38	–	–	–	(4)	–
MERY PRODUCTIONS		80	–	100.00%	80	80	–	–	–	–	–
GROUPE GLEM		40	5,046	72.80%	9,595	9,595	–	–	1,100	2,349	1,200
TF1 US	USD	28	–	100.00%	24	24	–	–	–	–	–
TRICOM SA		450	(23)	99.99%	439	439	–	–	–	10	–
SWONKE	NLG	40	(72)	100.00%	900	441	–	–	–	–	–
e-TF1		1,000	1,899	99.90%	999	999	16,162	–	3,513	(20,481)	–
TF1 DIGITAL		99,132	–	100.00%	99,132	99,132	407	–	26	(2,360)	–
@-TF1		40	–	100.00%	40	40	–	–	–	–	–
SAGIT		40	–	99.99%	40	40	–	–	–	–	–
TV SPORT	FRF	15,000	74,320	36.00%	8,559	8,559	378	–	58,170	4,697	–
2 FINANCIAL INVESTMENTS (holding of 10% to 50% of shares)											
MEDIAMETRIE	FRF	930	28,788	10.75%	15	15	–	–	31,133	693	–
FMI	FRF	1,000	–	13.33%	20	–	285	–	–	–	–
MERCURY INTERN. FILM	DEM	1,000	–	50.00%	255	255	–	–	–	–	–
SAGAS		40	63	50.44%	31	31	–	–	917	507	–
TVRS 98	FRF	1,000	1	22.50%	34	34	–	–	–	–	–
FILM PAR FILM	FRF	10,000	41,535	49.99%	7,345	7,345	–	–	15,117	–	–
TCM GESTION		40	(1)	33.92%	14	14	–	–	109	(1)	–
TCM DROITS AUDIOVISUELS		240	966	34.00%	82	82	4,892	–	15,893	(5,165)	–
WORLD ON LINE FRANCE	FRF	90,000	(104,850)	13.00%	1,784	–	–	–	12,840	(39,428)	–
TV BREIZH		15,000	–	22.00%	3,300	3,300	–	–	1,544	(3,413)	–
3 FINANCIAL INVESTMENTS (holding of less than 10%)											
TF1 PUBLICITE PRODUCTION		8	(108)	1.00%	–	–	–	–	13 305	217	–
GIE GIC	FRF	500	–	0.02%	–	–	–	–	–	–	–
GIE CHALLENGER	FRF	750	–	6.67%	1	1	–	–	–	–	–
MEDIAMETRIE EXPANSION	FRF	12,000	(4,989)	5.00%	91	–	–	–	–	186	–
TPS GESTION		93	(12)	0.01%	–	–	–	–	1,154	(43)	–
LES NOUVELLES EDITIONS TF1	FRF	250	229	1.00%	–	–	–	–	408	5	–
EUROSHOPPING		75	1	0.02%	–	–	–	115	3, 412	(1,947)	–
SEBADO		40	(166)	0.01%	–	–	–	188	24	199	–
TRICOM & CIE		45	9	0.07%	–	–	–	–	–	(51)	–
TF6		40	388	0.04%	–	–	–	1,200	289	(3,532)	–
TF6 GESTION		80	–	0.01%	–	–	–	–	–	–	–
LEGENDE DISTRIBUTION	FRF	4,000	–	0.23%	–	–	–	–	–	–	–
SED ODYSSEE		8	(65)	0.20%	–	–	–	2 569	7,516	448	–
LA CHAINE INFO		4,500	155	0.0003%	–	–	–	–	46,722	1,642	60
TOTAL					**211,480**	**208,607**					

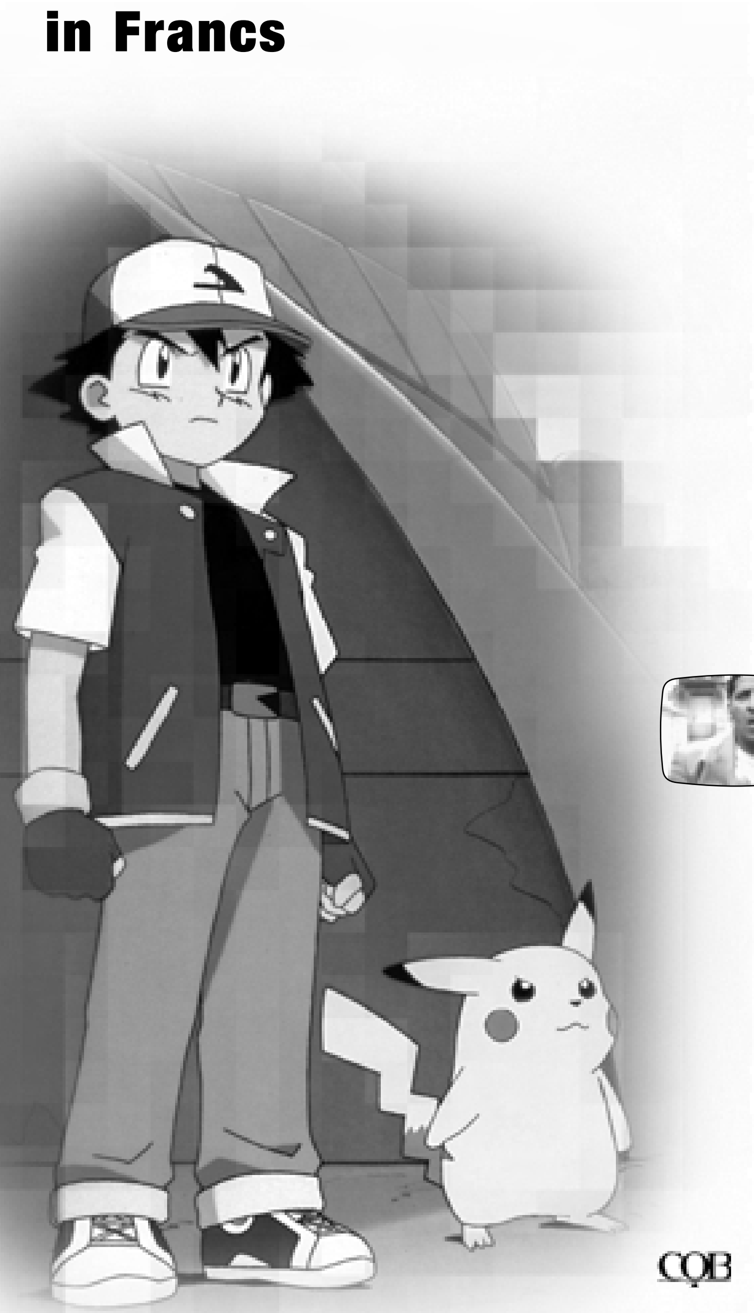
4.9 Post balance sheet events

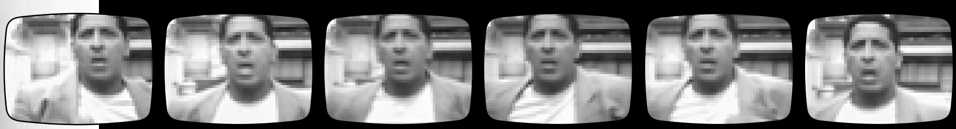
In January 2001, TF1 SA purchased from Canal+ and Havas 64% of the capital of TV Sport for an amount of €105.5 M, thus increasing its participation to 100%.

5 SIGNIFICANT ELEMENTS IN THE NOTES TO THE PRIOR ACCOUNTING PERIODS

The information contained in the Notes to the accounts for 2000 is equivalent to that for the two previous periods. The same applied to 1999 and 1998.

Financial statements **in Francs**





The French version of the book 1 an 2 (Business Report and Financial Report 2000) composed the document that was filed by the “Commission des Opérations de Bourses” (COB – French stock exchange commission) on April 3, 2001, under the number R. 01-067. This document may not be used to support a financial operation unless it is accompanied by an operation note certified by the COB.

FF

Financial statements in Francs

Legal informations

Key consolidated figures
(in FF thousands)

Balance sheet

	2000 Net	1999 Pro forma Net	1998 Pro forma Net
Intangible fixed assets	873,439	779,083	586,830
Goodwill	302,488	11,604	30,359
Tangible fixed assets	1,151,329	1,069,288	1,109,172
Financial assets	104,337	62,224	14,922
Fixed assets	**2,431,593**	**1,922,199**	1,741,283
Net cash	2,263,501	1,891,316	1,119,756
Current assets	**11,079,907**	**9,173,886**	7,794,471
Share capital	277,057	211,183	210,000
Shareholders' funds	4,492,473	3,478,881	2,904,902
Financial creditors and bank borrowings	63,805	563,716	570,798
Total balance sheet	**14,050,888**	**11,578,769**	10,029,668

Profit and loss account

	2000	1999 Pro forma	1998 Pro forma
Turnover	14,891,883	12,165,376	10,903,880
Operating profit	2,776,580	1,917,637	1,412,292
Financial profit	118,040	11,336	5,614
Profit before tax and exceptional items	2,894,620	1,928,973	1,417,906
Net exceptional income	(2,466)	27,932	3,819
Net profit attributable to the group	**1,641,631**	**1,038,738**	699,653
Cash flow on Dec. 31, 2000	**2,569,542**	**1,808,437**	1,310,352

Earnings per share (1)

	2000	1999	1998
Net profit per share	**7.81**	**4.95**	3.33

(1) Rebased following the 1 for 10 stock split in 2000.

Key parent company figures
(in FF thousands)

Balance sheet

	2000	1999	1998
	Net	Net	Pro forma Net
Intangible fixed assets	1,211,794	1,100,617	1,069,021
Tangible fixed assets	340,116	219,841	221,327
Financial assets	2,167,905	1,029,953	851,029
Fixed assets	**3,719,815**	**2,350,411**	2,141,377
Net cash	1,467,461	845,034	963,700
Current assets	**8,952,458**	**7,338,007**	6,428,481
Share capital	277,054	211,183	210,000
Shareholders' funds	6,274,288	4,478,985	3,606,891
Financial creditors and bank borrowings	981,196	852,463	975,658
Total balance sheet	**12,677,235**	**9,690,919**	8,570,074

Profit and loss account

	2000	1999	1998 Pro forma
Turnover	10,509,734	9,047,233	8,140,455
Operating profit	2,765,031	1,884,361	1,313,573
Financial profit	157,720	98,181	194,403
Profit before tax and exceptional items	2,922,752	1,982,542	1,507,976
Net exceptional income	499,580	(60,062)	(53,622)
Net profit attributable to the group	**2,349,193**	**1,172,508**	920,124
Cash flow on Dec. 31, 2000	**1,951,506**	**1,202,661**	892,183

Earnings per share (1)

	2000	1999	1998
Net profit per share	**11.15**	**5.55**	4.38
Dividend per share (2)	**4.3**	**3.0**	2.2

(1) Rebased following the 1 for 10 stock split in 2000.
(2) Submitted for approval at the general meeting.

FF

Legal informations

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Resolutions

Submitted to the Combined General Meeting of May 15, 2001

ORDINARY PART

FIRST RESOLUTION

(Approval of the accounts)

The General Meeting, having heard the Board of Directors' report and the Statutory Auditors' report on the accounts of the company, approves them together with the financial statements for 2000 financial year including the Balance Sheet, the Profit and Loss Account and the notes to the financial statements as submitted to them. The General Meeting approves the Directors' management of the Company.

SECOND RESOLUTION

(Auditors' special report)

The General Meeting, having noted the Statutory Auditors' special report on the agreements covered by articles L 225-38 of the Commercial Companies Act, approves the agreements and the operations contained therein.

THIRD RESOLUTION

(Allocation and distribution of profits)

The General Meeting, after noting that the distributable profit amounts to €411,803,365.45 (FF2,701,253,001.90), being the 2000 year net profit of €358,132,160.96 (FF2,349,192,976.06) and €53,671,204.49 (FF352,060,022.84) in retained earnings from the previous year, approves the following allocation and distribution of the profits proposed by the Board of Directors:

	Euros	FF Round up after conversion €/FF
• Allocation to Other Reserves	200,000,000.00	1,311,914,000.00
• Distribution of a dividend of (i.e. a net dividend of €0.65 (FF4.26) per €0.2 nominal share together with a tax credit of €0.33 (FF2.13), on the basis of a 50% tax credit)	137,269,054.00	900,425,968.54
• Leaving a balance to be carried forward of	74,534,311.45	488,913,033.36

Dividends will be payable on May 31,2001.

In compliance with the provisions of article 225-210, of the Commercial Companies Act, the General Meeting authorises the inclusion, in Retained Earnings, of the amount of dividends relative to the TF1 shares which TF1 holds on its own behalf. The General Meeting notes that the net dividends distributed for financial years 1997, 1998 et 1999, were respectively €0,24 (FF1,60), €0,34 (FF2,20) et €0,46 (FF3,02) per share; the corresponding tax credits were of €0,12 (FF0,80), €0,17 (FF1,10) et €0,23 (FF1,51). These amounts have been restated following to the 1 for 10 stock split of June 21, 2000.

FOURTH RESOLUTION

(Presentation of the consolidated financial statements)

The General Meeting notes that the consolidated financial statements as at December 31, 2000, were submitted to it and that the Board of Directors' report on the management of the Group is included in the management report.

FIFTH RESOLUTION

(Ratification of the co-opting of a Director)

The General Meeting ratifies the co-opting as a director of Patricia BARBIZET by the Board of director at their meeting on July 12, 2000. She replaced Albert FRERE who had resigned, and her the term of office ends when his would have done, namely after the General Meeting called to consider the accounts for the financial year 2000.

SIXTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Martin BOUYGUES, which expires at the end of this meeting.
His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

SEVENTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Claude COHEN, which expires at the end of this meeting.
Her term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

EIGHTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Michel DERBESSE, which expires at the end of this meeting.
His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

NINTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Patricia BARBIZET, which expires at the end of this meeting.
Her term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

TENTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Patrick LE LAY, which expires at the end of this meeting.
His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

ELEVENTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Philippe MONTAGNER, which expires at the end of this meeting.

His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

TWELFTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Etienne MOUGEOTTE, which expires at the end of this meeting.
His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

THIRTEENTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of Olivier POUPART-LAFARGE, which expires at the end of this meeting.
His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

FOURTEENTH RESOLUTION

(Renewal of a Director's term of office)

The General Meeting renews, for a period of two years, the term of office as Director of SOCIETE GENERALE, which expires at the end of this meeting.
Its term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2002.

FIFTEENTH RESOLUTION

(Nomination of a Statutory Auditor)

The General Meeting takes note of the expiry of the term in office of Statutory Auditor Jacques VILLARY and decides to replace him as Statutory Auditor by MAZARD & GUERARD (Building Le Vinci – 4, allée de l'Arche – 92 075 Paris La Défense), for period of six financial years. The firm's term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2006.

SIXTEENTH RESOLUTION

(Nomination of an Alternate Auditor)

The General Meeting takes note of the expiry of the term in office of Alternate Auditor of Julien MARIN-PACHE and decides to replace him as Alternate Auditor by Thierry COLIN born in Paris (75116) on October 31,1955, of French nationality, resident in the cabinet MAZARD & GUERARD (Building Le Vinci – 4, allée de l'Arche – 92 075 Paris La Défense), for a period of six financial years. His term of office will expire at the end of the General Meeting called to consider the accounts for the financial year 2006.

SEVENTEENTH RESOLUTION

(Purchase of own shares)

The General Meeting, after hearing the report from the Board of Directors and being informed that the information note had been approved by the Commission des Opérations de Bourse, the French stock exchange authority, authorises the Board of Directors, in compliance with the provisions of article L 225-209 of the Commercial Companies Act, to purchase its own shares up to a limit of 10% of the share capital.

The General Meeting decides that such purchases can be for all purposes and in particular:

- to stabilise the share price,
- or in the context of the employee profit sharing scheme, or in the context of one or more new share issues intended for company employees or companies in its Group which have a company savings plan, or in order to allocate purchase or subscription options to the employees and management of the Group,
- or to retain the shares,
- or to cancel the shares, subject to adoption by the General Meeting of the 19th resolution hereafter authorising such a cancellation,
- or to use them in share exchanges, particularly in the context of financial operations,
- or in the context of financial and asset management,
- or to deliver shares at the time of exercise of rights attached to securities which grant entitlement, through redemption, conversion or exchange, to a warrant or any other allocation of the company's shares.

The General Meeting decides to set at €100 (FF655.96) the maximum unit price at which the company will be able to perform such acquisitions which should respect the rules laid down by Commission des Opérations de Bourse relative to operations performed by companies concerning their own shares.

The General Meeting authorises the Board of Directors to sell the shares so acquired with a minimum unit sale price of €30 (FF169.79).

The General Meeting decides that the purchase, sale or transfer of shares may take any form, in particular sale on the stock exchange or over the counter, or a share swap in the context of financial operations, through the use of derivatives, including options, and may take place at any time, if necessary at the time of a public offering.

The General Meeting, in compliance with the new article 179-1 of the decree of March 23,1967 on commercial companies, on the basis of the existing number of shares composing the capital of 211,183,160 and taking into account the fact that the company owns 1,247,850 shares for stock option plan and employee savings plans, fixes at 19,870,466 [(211,183,160 x 10%) – 1,247,850] the maximal number of shares that may be purchased in compliance with this authorisation, amounting to a maximum of €1,987,046,600 (FF13,034,171,226) at a €100 purchase price per share.

This authorisation is valid for until the next General Meeting called to consider the accounts for the financial year 2001.

As required by law, the Board of Directors, in its report to the Annual General Meeting, will provide all the information relative to any such purchases and sales of shares.

As a result, full powers are granted to the Board of Directors to place all orders on the stock exchange, sign all agreements necessary for the registration of share purchases and sales, make all declarations to Commission des Opérations de Bourse, Conseil des Marchés Financiers and all other authorities, execute all other formalities and, in general, take all necessary actions.

Combined General Meeting
of May 15, 2001

EXTRAORDINARY PART

AGENDA

- Reading of the Directors' report and the Statutory Auditors' special report.

- Authorisation to be given to the Board of Directors to increase the share capital at the time of a cash takeover bid or a share-swap takeover bid concerning the company's shares.

- Authorisation to be given to the Board of Directors to reduce the share capital through the company cancelling the shares it holds on its own behalf.

- Authorisation to be given to the Board of Directors to increase the share capital through the issue of shares whose subscription will be reserved for company employees or subsidiaries which have a company savings plan.

- Measures to ensure compliance of the corporate charte with the new commercial code.

- Powers for registration and formalities.

Information
concerning TF1 SA

GENERAL INFORMATION

Name: Télévision Française 1 - TF1

Registered office: 1, quai du Point du Jour, 92656 Boulogne-Billancourt Cedex

Trade register: 326 300 159 RCS Nanterre
Siret N°: 326 300 159 00 067
APE code: 922C

Form: Public limited company (“Société Anonyme”)

Date of incorporation: September 17, 1982

Date of expiry: January 31, 2082

Financial year: January 1 to December 31

COMPANY OBJECTS
(art. 2 of the corporate charter)

The objects of TF1 are as follows:

Operation of an audiovisual communications service, such as authorised by laws and regulations in force comprising notably the conception, production, programming and distribution of television broadcasts including all advertising.

All industrial, commercial, financial, investment and real estate transactions directly or indirectly connected to the above. Also any related or complementary objects likely to further the development of the company’s objectives or assets, notably:

- to study, to produce, to acquire, to sell, to rent and to use any recorded images and/or sound tracks, reports, films intended for television, cinema or radio broadcasting,

- to sell and produce advertising,

- to provide services of all types for sound and television broadcasting,

all of these directly or indirectly, on its own account or for a third party, alone or with others, by way of creation of new companies, contribution, limited partnership, subscription, purchase of company stock or rights, merger, alliance, association in hidden partnerships or management or in-kind exchange of all assets, entitlements or otherwise.

Its activity is to comply with its charter and the standards and legal provisions in force.

STATUTORY APPROPRIATION OF INCOME
(art. 26 of the corporate charter)

5% of the income of a financial year, as reduced by previous losses, if the situation arises, shall be deducted to constitute legal reserve funds.

This deduction ceases to be obligatory when the reserve funds reach one tenth of the company’s registered capital. This process shall resume when, for whatever reason, the legal reserve falls below this one tenth.

Distributable income is comprised of:
- the income of the financial year, less previous losses and amounts credited to reserves, in application of the law and statutes,
- the income carried forward from the previous financial year.

This profit is distributed between all shareholders proportionally to the number of shares held by each one of them.

GENERAL MEETINGS
(art. 7 and 21 of the corporate charter)

All shareholders may participate in the General Meetings, irrespective of the number of shares they own.

Any person, acting alone or with others, who attains a holding of at least 0.5%, 1%, 2%, 3% and 4% of capital or of voting rights, shall, within five days of registration of the shares enabling him / her to reach or to exceed this threshold, declare to the Company by return-receipted registered mail, to the registered office, the total number of shares and voting rights he/she possesses.

This declaration must be made within the conditions above each time the threshold of 0.5%, 1%, 2%, 3% and 4% is crossed upward or downward.

If not declared under the above conditions, the shares exceeding the fraction which ought to have been declared are deprived of the right to vote under the conditions laid down by law, if requested at a shareholders’ meeting by one or more shareholders possessing 5% at least of the registered capital.

COMPANY RESPONSIBLE FOR SHARE ADMINISTRATION AND FINANCIAL INFORMATION

TF1 as issuing company.

CAPITAL
(art. 6 of the corporate charter)

Changes

Employees saving plan
In the scope of its employees saving plan, TF1 issued in 1999 118,316 new shares with a nominal value of FF10. This resulted in a capital increase of FF1,183,160 and a share premium of FF114,673,050.36

Capital increase through an increase of the share nominal value, following the conversion of the capital into euros.

The capital has been increased by an amount of FF65,870,984.17 from FF211,183,160 to FF277,054,144.17 by the transformation of FF30,704,644.76 coming from "revaluation reserve" and FF35,166,339.41 from "other reserves".

The share value of each share was increased from FF10 to FF13.11914 (€2). The capital, converted into euros as of January 1, 2000 amounts to €42,236,632, divided into 21,118,316 shares of €2 each.

Amount

On February 29, 2001, the capital of TF1 amounted to €42,236,632, fully paid, divided into 211,183,160 shares each of €0.2 nominal value.

The issued shares represent 100% of the share capital and existing voting rights. There are no founder shares, dividend-right certificates, convertible or exchangeable bonds or other securities giving access to the capital, nor voting rights certificates, nor double voting rights.

There is no statutory clause limiting the free negotiability of shares.

The company is authorised to make use of the legal provisions allowed to identify shareholders possessing voting rights in its own shareholders' meetings. In order to keep informed as to the breakdown of its capital, TF1 draws up from time to time lists of holders or bearers of registered shares via Euroclear.

ISSUE OPERATIONS

The company is authorised, in accordance with the resolutions of the General Meeting of April 18, 2000, valid for a duration of five years, to issue one or more bond debentures for a maximum amount of €1,000,000,000.

The table below details the different issues of securities that can be made by the company following the authorisation given by the combined General Meeting of April 18, 2000.

The maximum nominal amount authorised for capital increases is €100,000,000.

The maximum nominal amount authorised for bond issues is €1,000,000,000.

AUTHORISED OPERATIONS ON SHAREHOLDERS' FUNDS

	Maximum nominal amount for capital increases (1)	Maximum nominal amount for bond issues (1)	Duration	Remaining duration (2)	General Meeting	Resolution No
Bond debentures	–	€1,000 M	5 years	4 years	Combined General Meeting April 18, 2000	8
Issues of shares and composite securities (including equity Warrants), with PSR (3)	€100 M	€1,000 M	26 months	14 months	Combined General Meeting April 18, 2000	9
Issues of shares and composite securities (including equity Warrants), without PSR (3)	€100 M	€1,000 M	26 months	14 months	Combined General Meeting April 18, 2000	10
Issues of shares and composite securities (including equity Warrants) in take over bid or tender offer periods, with or without PSR (3)	€100 M	€1,000 M	1 year	1 year	Combined General Meeting May 15, 2001	18
Issues of shares and composite securities, Paying shares brought in a tender offer (3)	€100 M	€1,000 M	26 months	14 months	Combined General Meeting April 18, 2000	12
Issues of shares reserved to employees subscribing to an Employees Savings, Plan, without PSR (3)	*(4)*	–	3 years	3 years	Combined General Meeting May 15, 2001	20
Issues of shares for stock options plans without PSR (3)	*(4)*	–	5 years	4 years	Combined General Meeting April 18, 2000	15
Purchase of shares for the employees subscribing to the company savings plan	–	–	–	unlimited	Ordinary General Meeting June 12, 92	11
Programme to purchase own shares	*(4)*	–	1 year	1 year	Combined General Meeting May 15, 2001	17
Capital reduction through share cancellation	*(4)*	–	18 months	18 months	Combined General Meeting May 15, 2001	19

(1) It should be specified that (13th resolution - Combined General Meeting April 18, 2000):
- *the total nominal amount of the various authorised increases in capital must not exceed €100 million.*
- *the total nominal amount of bond issues must not exceed €1,000 million.*

(2) With effect from the combined General Meeting of May 15, 2001.
(3) PSR: Preferential Subscription Right.
(4) Within a maximum limit of 10% of share capital.

None of these authorisation has been used except for the authorisation detailed under the resolution 11 of June 12, 1992.

Conversion	€	FF
Shares and bonds issues		
• Increases in capital: maximum nominal amount	100,000,000	655,957,000
• Bond issues: maximum nominal amount	1,000,000,000	6,559,570,000

LEGAL FRAMEWORK

Shareholding

Under the terms of article 14 of law n° 94-88 of February 1,1994 amending article 39 of law n° 86-1067 of September 30, 1986, an individual or entity, acting alone or with others, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television service by terrestrial hertzian route.

Licensing conditions

TF1 is an audiovisual communications service subject to licence. The initial period of licence for use of frequencies, for a duration of 10 years subsequent to April 4, 1987 (Law of September 30, 1986), expired in 1997.

By reason of decision n° 96-614 of September 17, 1996, TF1 receives a first renewal of its licence, without other candidates being considered, for five years.

In compliance with the article 28-1 of the law of September 30,1986, modified by the law of August 1, 2000, TF1 may benefit from another "automatic" renewal of its licence for the years 2002 to 2007.

In this legal framework the process of renewal began in of January, 2001 with the request of the CSA for TF1 to indicate the main changes the company wishes to make to the terms of its licence. Then the CSA, if no significant breaches of the agreement over the past five years had occurred, will decide upon the principle of a renewal without public tender.

Main legal provisions and obligations

Texts:

- Contract conditions set forth by Decree n° 87-43 of January 30, 1987 and the Decision regarding licencing use of frequencies n° 96-614 of September 17, 1996, given to Télévision Française 1,
- Law n° 86-1067 of September 30, 1986 as amended by Law n° 94-88 of February 1, 1994, and law 2000-719 of August 1, 2000
- E.C. Directive on Transnational Television of October 3, 1989, as modified,
- Decree n° 90-67 of January 17, 1990, as amended by Decree n° 92-281 of March 27, 1992 and Decree n° 95-1162 of November 6, 1995 (production obligations) and Decree n° 99-189 of March 11, 1999,
- Decree n° 90-66 of January 17, 1990, as amended by Decree n° 92-279 of March 27, 1992 (broadcasting obligations),
- Decree n° 92-280 of March 27, 1992, repealing the decree of January 26, 1987 (obligations relating to advertising and sponsorship).

In terms of general broadcasting obligations and of investment in production, the principal legal provisions in force are the following:

- a maximum of 192 cinema films per year may be broadcast, of which a maximum of 104 shall begin between 8.30 p.m and 10.30 p.m. No cinema film shall be broadcast on Wednesday and Friday evenings, Saturday all day, or Sunday before 8.30 p.m,
- broadcasting quotas apply for the whole broadcasting time and to peak viewing hours, to cinema and audiovisual works. 60% of broadcast material shall be of European origin and 40% of French origin,
- a minimum of two thirds of the annual broadcasting air-time shall be devoted to French-speaking programmes,
- obligation to broadcast annually a minimum of 1,000 hours of children's programmes including 50 hours of magazines and documentaries,
- obligation to broadcast annually 800 hours of television news bulletins and television news magazines,
- obligation to invest 15% of the previous year's net annual turnover for the commissioning of French-speaking audiovisual works, of which 10% from independent producers, and to broadcast 120 hours of French-speaking or European unreleased audiovisual works, starting between 8 p.m. and 9 p.m,
- obligation to invest 0.6% of net turnover for the commissioning of French-speaking and European cartoons (obligation included in the previous 15%). Two thirds of the acquired broadcasting rights cannot exceed four years,
- prohibited use of own means of production for fiction programmes ; authorised use of own means of production for news and for up to 50% of annual volume of other programmes,
- obligation to invest 3% of the previous year's net annual turnover, with at least 2.5% dedicated to French-speaking cinema works and at least 75% from independent producers, in the co-production of European cinema works. This investment is to be achieved through a subsidiary of the broadcaster (TF1 Films Production) operating as a minority shareholder. Its co-production part in its investment must remain smaller than the pre-purchase part of the broadcasting right.

The compliance with legal obligations is controlled and financially sanctioned by the CSA, pursuant to the provisions of articles 42 to 42.11 of the above law of September 30, 1986.

As regards the commitment to protect childhood and youth, the Channel committed itself to adopt a 5-category sign code assessing the accessibility of broadcast programmes.

Legislation in progress

The enactment of the principal decrees applying the law of August 1, 2000 modifying the law of September 30, 1986, are due in spring 2001.

These new regulations will mainly – as far as free-to-air channels are concerned – affect the relationships between broadcasters and producers and the production obligations of broadcasters, as to their volumes and conditions.

The introduction of a regulatory framework adapted to the constraints and realities of Digital Terrestrial Television in France is due over a longer period having regard to the complexity and uncertainty of this new market.

People responsible
for financial information

PEOPLE ASSUMING THE RESPONSIBILITY FOR THE ANNUAL REPORT

TF1

To our knowledge, the information in this document gives a true and fair view of the Group; it includes all the statements necessary for the investors to make their judgement on assets, activity, financial situation, results and perspectives of TF1; there are no omissions liable to alter the significance of those statements.

Paris, April 2, 2001

Patrick LE LAY
Chairman & Managing Director

The Statutory Auditors

Financial year ended december 31, 2000

Free translation of the original French text for information purposes only

In our capacity as statutory auditors of TF1 (the Company) and as required by Commission des Opérations de Bourse regulation COB 98-01, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in this “Document de référence”.

This “Document de référence” is the responsibility of Mr Patrick LE LAY. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in this “Document de référence”.

Our procedures, which were performed in accordance with French professional standards, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements. Our procedures also consisted in reading the other information contained in the "Document de référence" in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any material incorrect information that came to our attention, based on our overall knowledge of the Company, as acquired during our audit.

We also audited the statutory and consolidated financial statements of the Company for the years ended December 31, 2000, 1999 and 1998, as approved by the Board of Directors, in accordance with French generally accepted auditing standards. We issued unqualified opinion on these financial statements.

We have also audited the pro forma consolidated financial statements in accordance with French generally accepted auditing standards.The December 31, 2000 consolidated financial statements of the Company are not comparable with those of December 31, 1999 and December 31, 1998 because of the adoption of the new accounting principles issued by the “Comité de la Réglementation Comptable” (99/02 rules). In order to ensure comparability, the December 31, 1999 and December 31, 1998 consolidated financial statements have been restated on a pro forma basis. In our opinion these pro forma consolidated statements present fairly, in all material respect, the financial position and the result of the operations of the Company for all periods presented.

Based on the procedures described above, we have nothing to report concerning the fairness of the accounting and financial information included in the “reference document”.

Paris, April 2, 2001

The Statutory Auditors

Jacques VILLARY

RSM SALUSTRO REYDEL:
Edouard SALUSTRO and Xavier PAPER

INFORMATION AND INVESTOR RELATIONS

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Postal and e-mail addresses
of main subsidiaries and participations

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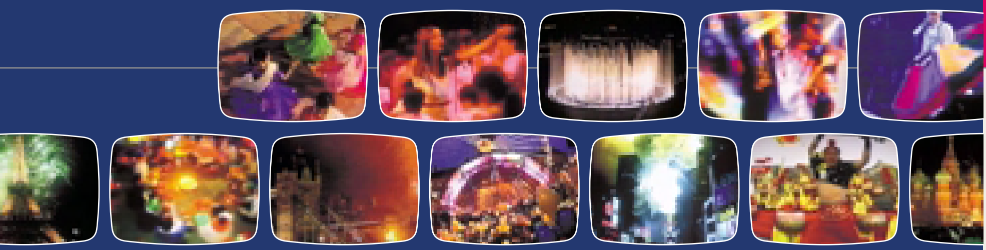

Télévision Française 1

A public limited company ("Société Anonyme") with a share capital of € 42,236,632
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