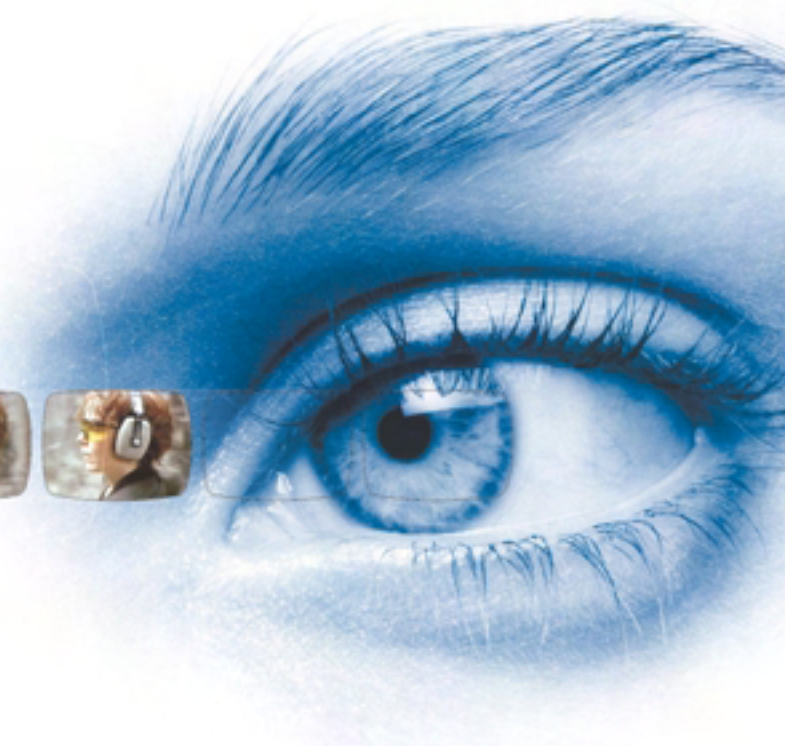


Activity report 2000

Annual report



2 TF1 GROUP

4 PRINCIPAL DIRECTORS

6 KEY FIGURES



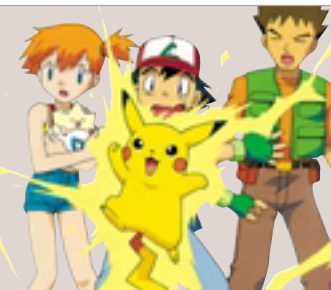
COB

The French version of the book 1 and 2 (Business Report and Financial Report 2000) composed the document that was filed by the "Commission des Opérations de Bourse" (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.

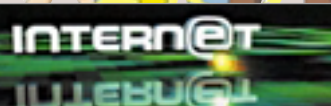




BROADCASTING



**PUBLISHING
DISTRIBUTION**



INTERNET

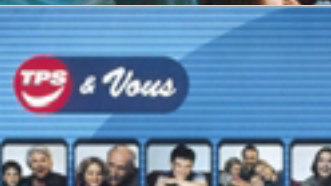


**THEMATIC
CHANNELS**

EUROSPORT (1991)



**PRODUCTION
AND
AUDIOVISUAL RIGHTS**



DIGITAL TV

TF1 Group

February 2001

- 100% ▶ **TF1 Publicité** (1987)
 - ▷ 100% TF1 Publicité Production (1990)
- 100% ▶ **Studios 107** (1991)
- 95% ▶ **GIE Aphélie** (1992)

- 100% ▶ **TF1 Entreprises** (1989)
 - ▷ 100% TF1 Vidéo (1998)
 - ▷ 100% Cie Internationale de Communication (CIC) (1991)
 - ▷ 100% Une Musique (1988)
 - ▷ 50% Les Nouvelles Éditions TF1 (1997)
- 100% ▶ **Téléshopping** (1987)
 - ▷ 100% Euroshopping (1997)

- 100% ▶ **e-TF1** (1999)
- 13% ▶ **World Online France** (1999)

- 100% ▶ **Société d'Administration et de Gestion de l'Audiovisuel Sportif (SAGAS)**
 - ▷ 50% Société Européenne de Télétransmissions Sportives (SETS)
- 100% ▶ **TF1 Europe**
 - ▷ 100% Eurosport Sales Organisation (ESO)
 - ▷ 99% Eurosales
- 100% ▶ **TV Sport**

- 100% ▶ **TF1 Digital**
 - ▷ 100% La Chaîne Info - LCI (1994)
 - ▷ 100% Société d'exploitation de documentaires Odysée (1996)
 - ▷ 50% TF6 (2000)
 - ▷ 50% Extension TV - Série Club (2001)
- 22% ▶ **TV Breizh** (2000)

- 100% ▶ **TF1 Films Production** (1980)
- 100% ▶ **Protécréa** (1990)
- 73% ▶ **Groupe Glem SA** (1995)
- 50% ▶ **Film par Film** (1996)
- 100% ▶ **TF1 International** (1993)
 - ▷ 49% Téléma (2000)
 - ▷ 100% Les Films Ariane (1997)
 - ▷ 100% Les Films du Jour (1999)
 - ▷ 100% Ciby DA (1998)
- 34% ▶ **TCM DA** (1996)

- 100% ▶ **TF1 Développement** (1993)
 - ▷ 25% Télévision Par Satellite (TPS) (1996)
- 22.5% ▶ **VisioWave** (2000)

Principal directors

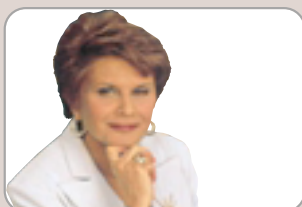
TF1 Chief executives



■ **Patrick LE LAY**
Chairman & Chief Executive Officer



■ **Etienne MOUGEOTTE**
Senior Executive Vice President
Head of broadcasting



■ **Claude COHEN**
CEO & Executive Vice President
of TF1 Publicité

General management

Jean-Michel COUNILLON
Senior Vice President, Secretary
General & Director of Legal Affairs

Maxime LOMBARDINI
Director of Business Development

Pierre MARFAING
Senior Vice President, Technical
Resources & New Technologies

Jean-Pierre MOREL
Executive Vice President
Administration & Finance

Nonce PAOLINI
Executive Vice President,
Human Resources & Director
of Internal Communication

Broadcasting

Xavier COUTURE
Vice President, Broadcasting
& Director of Sports
& Special Events

Guillaume de VERGES
Executive Vice President, Broadcasting
& Director of Programme

Ronald BLUNDEN
Vice President, Communication

Robert NAMIAS
Vice President, Information & News

Francis WILLIAUME
Executive Vice President,
Broadcasting Production Department
Administration & Finance

TF1 Publicité

Patrick LE LAY
Chairman

Claude COHEN
CEO & Executive Vice President

Martine HOLLINGER
Sales Manager, Commercials

Jean-Bernard ICHAC
Director, Marketing & Business
Development

Jean-Pierre MOREL
General Manager,
Administration & Finance

Main subsidiaries

TF1 Entreprises
Emmanuel FLORENT
 CEO

e-TF1
Anne SINCLAIR
 Executive Vice President
Emmanuel FLORENT
 Vice President, General Manager

TF1 Vidéo
Pierre BROSSARD
 CEO

Une Musique
Nadine LAIK-BLANCHARD
 CEO

Téléshopping
Jean-Pierre MOREL
 CEO

Michel KUBLER
 Vice President, General Manager

TF1 Films Production
Etienne MOUGEOTTE
 Chairman
Laurent STORCH
 CEO

Groupe Glem
Etienne MOUGEOTTE
 Chairman
Gérard LOUVIN
 CEO

Jean-Luc ZBIROU
 CEO, Administration & Finance

Studios 107
Francis WILLIAUME
 CEO

Jean ADAM
 Director

TF1 International
Jean-Louis CAPRA
 Chairman

Didier SAPAUT
 CEO

Perrine TEZE
 Managing Director,
 International Sales

Eurosport

SAGAS
Jean-Pierre MOREL
 Chairman

ESO
 Management Company: **SAGAS**

SETS
Patrick LE LAY
 Chairman
Jean-Pierre PAOLI
 CEO

EUROSALES
 Management Company: **ESO**

TV Sport
Jean-Pierre PAOLI
 Chairman
Jacques BEHAR
 CEO

TF1 Digital
Etienne MOUGEOTTE
 Chairman
Serge LAROYE
 CEO

La Chaîne Info
 Management Company:
TF1 Digital
 represented by
Etienne MOUGEOTTE
Jean-Claude DASSIER
 CEO

Odyssée
 Management Company:
TF1 Digital
 represented by
Gérard CARREYROU
 CEO

Série Club
Jean d'ARTHUYS
 Chairman
Fabrice BAILLY
 CEO

TF6
Jean d'ARTHUYS
 Chairman
Fabrice BAILLY
 CEO

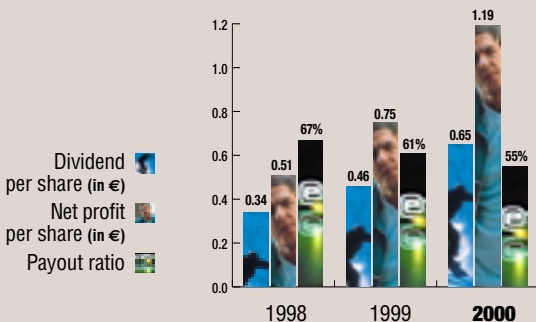
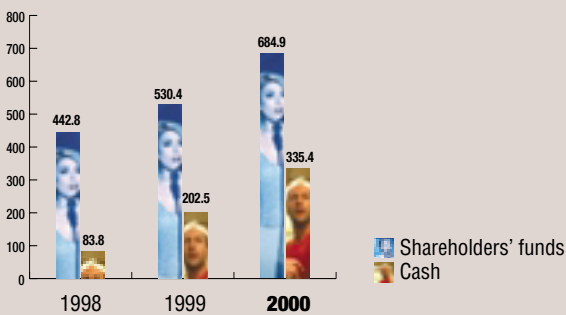
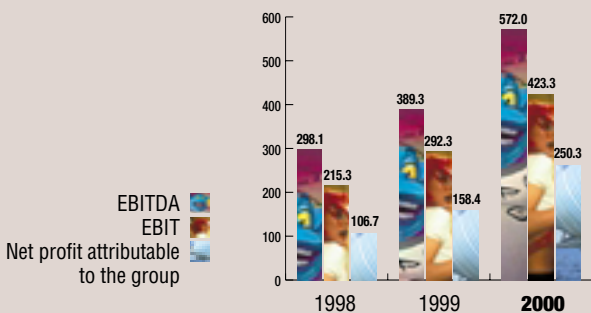
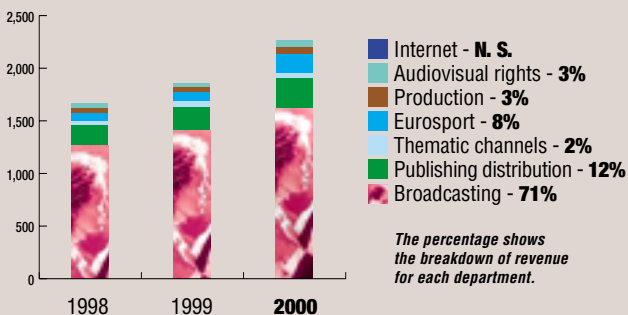
TV Breizh
Patrick LE LAY
 Chairman
Rozenn MILLIN
 CEO

Télévision Par Satellite
Patrick LE LAY
 Chairman

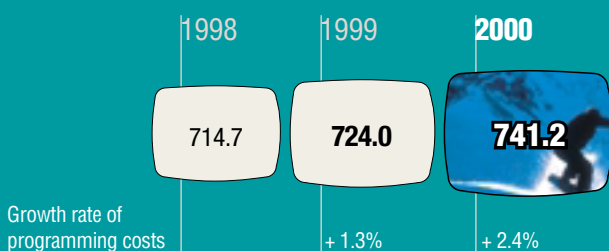
TF1's key figures

(Consolidated figures in €M)

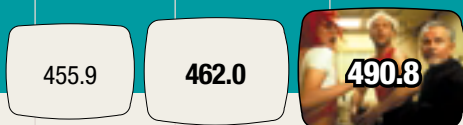
Consolidated total revenue



Evolution of programming costs



Stocks of programmes and audiovisual rights



Cash flow



Investments in French production



Market capitalization at the end of the year







10 CHAIRMAN'S STATEMENT

12 2000 HIGHLIGHTS

14 GROUP ACTIVITY



INTERNATIONAL ASP
CORPORATE RESPONSIBILITY
2000

Chairman's statement



Dear Shareholders,

The 2000 financial year was an exceptionally successful one for TF1, with a consolidated turnover rising by 22.5% to €2.2 billion and its consolidated net profit attaining €250 M, up by 58%. However these good results do not fully reflect the vitality and success that have been part of the company's life this year.

The TF1 channel, historically the Group's core activity, contributed 71% to the consolidated revenue. During the financial year, it strengthened its position as France's leading channel with an audience share of over 33% on individuals aged 4 and above, despite stiffening competition from the thematic channels. Its rich and diversified general-interest programme grid scored 91 of the top 100 audiences. On July 2, 2000, over 21⁽¹⁾ million viewers tuned in to TF1 to watch the Final of the European Nations Football Cup (Euro 2000), the highest figures ever recorded by a French television channel!

As in previous years, the company maintained a cautious policy in controlling programme costs, which only rose by 2.4%.

Advertising income, based on good viewing figures and a robust growth of over 3% in GDP, rose by 16.2%, totalling over 28% growth in two years. This growth was essentially generated from advertisers from the traditional TV advertising sectors, from new advertisers such as banking, insurance, etc. but also advertisers from the "new economy".

The combination of strongly growing advertising income and tight cost control has released new

resources to finance diversification activities that now account for 29% of the consolidated turnover.

To adapt to the dynamics of its new activities, TF1 has refocused its organisation under several divisions, and its thematic channels are now united as part of a single unit: TF1 Digital.

This strategy has led to the acquisition of a controlling interest in Eurosport, finalised at the beginning of 2001. This acquisition opens up new horizons for both the subsidiary and TF1 Group as a whole, the latter in fact becoming one of France and Europe's leading sports broadcasters.

In 2000, TF1 was included in the French securities index (CAC 40), an indication of the company's prestige on the securities market, and conducted a 1 for 10 stock split in order to make the TF1 share affordable for small shareholders.

This performance is the result of teamwork, creativity and professionalism, both within the company and by our partners. All have made major contributions to the success of TF1 and to the resulting creation of value. I wish to thank everybody and encourage you all to keep on pushing forward – the perspectives and challenges facing us are both exciting and complex.

Our development strategy is centred on our core business: content publishing, whether for the TF1 channel, our portfolio of thematic channels, or our Web portals. To succeed, the Group must be capable of offering strong content through production, co-production or acquisition, and be capable of publishing and distributing this content across all today's and tomorrow's analogue or digital platforms, so that it can be captured by terminals of every type.

(1) Source: Médiamat - Médiamétrie



① *Sous le soleil*
② *Le grand patron*

This is why TF1 has defined a strategy with the following main orientations:

Sustain and consolidate the position of the general-interest channel

In a tougher competitive market in which viewers' choice is dictated thematically and by age segmentation, TF1 must hold on to its positions as leading French channel and European channel with the biggest share of its own domestic market. This is why we are still pursuing a clear policy based on the following principles: offer general-interest and family-targeted programmes, with a diversified range of distinctive products; exclusive, original and innovative programmes in which events and live programme have the utmost importance. This ensures quality programmes for viewers and high ratings for advertising clients.

Develop our thematic portfolio

Following the launch of TV Breizh and TF6 and the acquisition, in January 2001, of a 50% interest in Série Club, TF1 Group now has an extended portfolio of thematic channels to cater to very broad public taste. Through the acquisition of a controlling interest in Eurosport, the company has reinforced its position in France and now has a pan-European dimension that is unique among the leading European broadcasters. In 2001, we intend to build upon the foundations laid over the last few years to develop a sustainable selection of thematic offerings.

Reinforce content production

The need to exert control over our content is still a priority for the Group. 2001 will be a milestone year with the success of *Roméo et Juliette*, the musical comedy co-produced by Glem, and co-productions with TF1 Films Productions such as *Le Placard*, *La Vérité si je mens 2* and *Le Pacte des loups*. To strengthen our position, we are pooling most

of our production activities and broadcasting rights distribution activities in the TF1 International subsidiary, which we intend to develop into a major player in this area.

Develop the Web

After hoisting www.tf1.fr to the rank of France's leading "media" portal and www.eurosport.com to one of Europe's top sports sites, our ambition is to convert this audience success into financial success. By systematically seeking out sources of synergy between the Group's different activities, sharing resources, and distributing our content on a wide scale, we aim to significantly develop income, while effectively controlling costs. In the medium-term, our ambition is to make these activities into profit centres just like the Group's other business activities.

Our successful track record encourages us to pursue our efforts to reinforce the company across-the-board and consolidate our position as France's leading media group and offer all our partners – viewers, advertisers, programme and services suppliers, shareholders and personnel – every possible reason to be satisfied.

Patrick Le Lay
Chairman and Chief Executive



1



2000 Highlights

- 1 *Sandra et les siens*
- 2 *Les Misérables*
- 3 TV Breizh's mascot
- 4 *Pokemon™*



JANUARY

- **Creation of e-TF1** (SCS).
- **Launch of "La Chaîne Vidéo" site.**
- **The Pokemon™** land on TF1: 156 episodes scheduled.
- **TF1 switches** all its financial systems to the Euro currency.

FEBRUARY

- **Launch of www.tfou.fr**, a dedicated site for young viewers.
- **Definition of new Médiamétrie** audience panel with 280 additional households with digital TV access.

MARCH

- **TF1 share price** hits all-time high on March 6, 2000: €94.2.
- **Golden disk** for Catherine Lara's album *Aral*, produced by Une Musique.
- **Creation of TV Mail** on TPS: all TPS customers have an e-mail address.
- **Box-office triumph** for *Taxi 2*, co-produced by TF1 Films Production: over 10 million entries in France in 2000 and year's first box-office success in France.
- **New contract** for TF1 Consulting: LC2, a private TV channel in Benin.

APRIL

- **Acquisition** of a 49% stake in Téléma production company.
- **Signature of agreement** on working hours with three majority trade union organisations (USNA-CFTC, SNFORT and CFE-CGC), to comply with new French legislation (35-hour week).

MAY

- **May 10:** TF1 listed on CAC 40 (French securities index).
- **Launch of www.plurielles.fr Web site** for women.
- **TF1 increases** its stake in Eurosport International and Eurosport France to 50.5% and 36% respectively by acquiring, alongside with Canal +, ESPN's shares.
- **At MIP**, Etienne Mougeotte announces step-up in investments in French fiction and the creation of new series with recurrent lead characters: *Mathieu Corot*, *Cévennes*, *Sandra et les siens*, *Fabio Montale...*

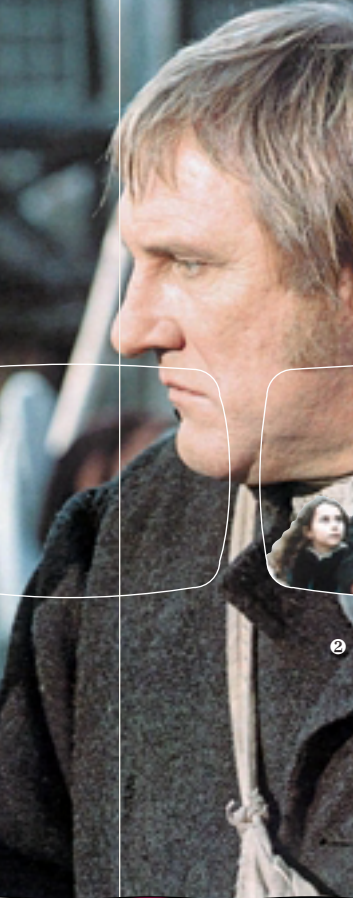


JUNE

- **June 21:** nominal value of TF1 share divided by 10.
- **Launch of www.lci.fr**, designed and developed by TF1 Publicité Production.



4



2

Highly successful broadcast of "Les Misérables", TV Drama with average audience share of

43.8%



Les Misérables



JULY

- **All-time viewing record** for TF1 with the Final of Euro 2000: more than 21 millions⁽¹⁾ individual viewers, and a 77.5%⁽²⁾ audience share.
- **Programming of *Qui veut gagner des millions*?**
- **Launch** of TF1 Digital holding company to optimise cross-benefits of TF1 Group's thematic channels.
- **Acquisition** of 22.5% of capital of VisioWave, company specialised in image encryption.

AUGUST

- **Partnership** signed between TF1 and Perfect Technologies in Webcasting.
- **Stock exchange and Sport pages** on www.tf1.fr become fully-fledged thematic sites.
- **Parliament votes** new law on DTT broadcasting.

SEPTEMBER

- **LCI moves** into TF1 premises in Boulogne, and switches to full digital broadcasting via Process News.
- **TF1**, in partnership with M6, **announces** creation of TF6 channel.
- **Launch** of TV Breizh, regional general-interest channel in Brittany.
- **Eurosport televises** the Olympic Games live from Sydney and launches Eurosport News.
- **Success** of Mathieu Kassovitz movie *Les Rivières Pourpres*, co-produced by TF1 Films Production, with 3.2 million entries in 4 months.
- **Launch** of new programme *7 à 8*, in Sunday 7.00 p.m. slot, hosted by Thomas Hugues and Laurence Ferrari.



3

OCTOBER

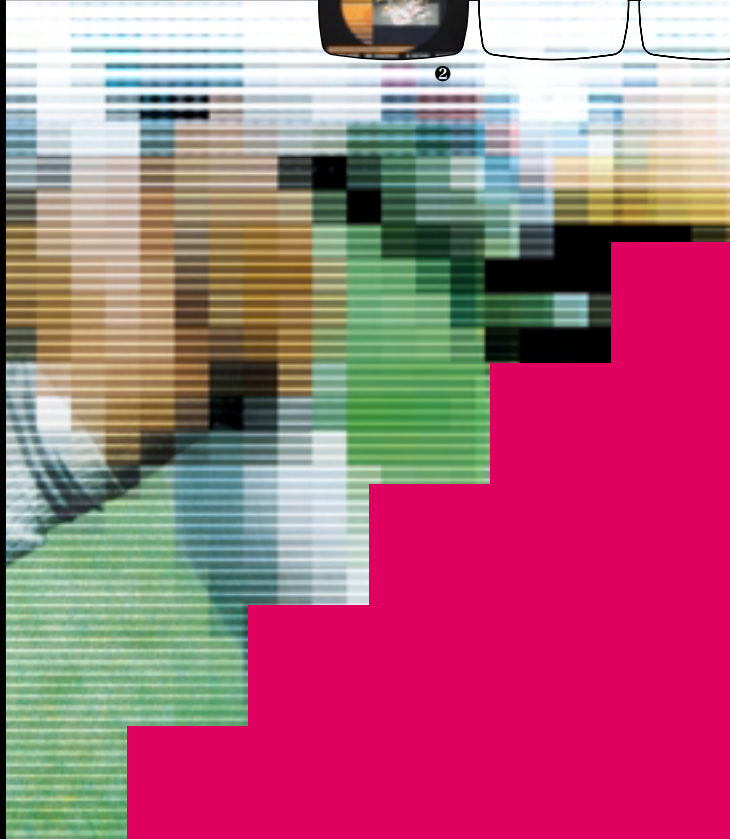
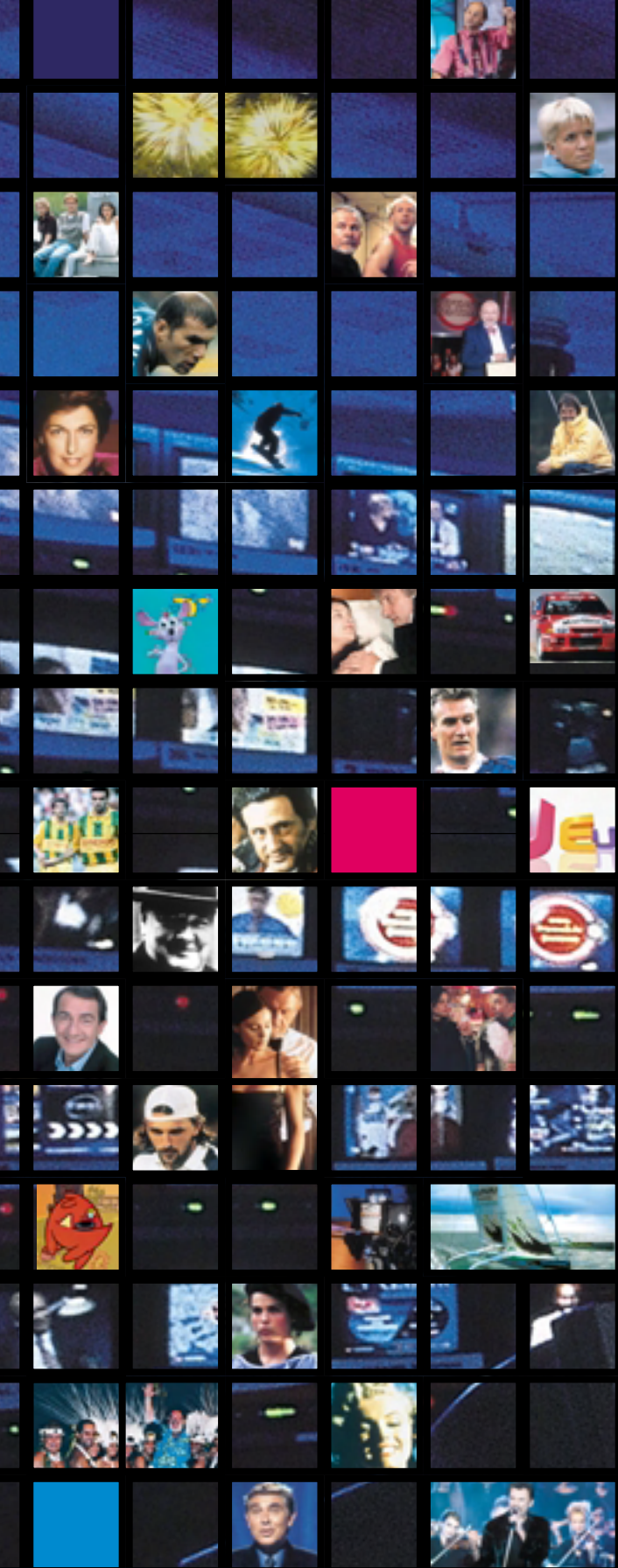
- **Nomination of Shopping Avenue** at "Hot Birds TV Awards", among the European channels in competition, in the "interactivity" category.
- **Platinum disk** (300,000 albums sold) for the original sound track of the *Roméo et Juliette* stage musical, co-produced by Glem.
- **New advertising services** launched by TF1 Publicité: Koodpo (Web site) and LudiTV (interactive service on TPS).

NOVEMBER

- **Videocassette and DVD release** of *Taxi 2*, distributed by TF1 Vidéo and co-produced by TF1 Films Production.
- **Signature** of an industrial and commercial partnership with Titus in video games market.
- **LCI opens** first permanent office abroad (in New York).

DECEMBER

- **TPS reaches** millionth subscriber to its DTH offer.
- **Launch of TF6.**



- ❶ Julie Lescaut
- ❷ Ecran TPS, interactive services
- ❸ Qui veut gagner des millions ?
- ❹ Ruth Elkrief
- ❺ Bob et Scott



Group Activity

TF1 Group (Télévision Française 1) is one of the leading networks in the European audiovisual sector. According to market research by Médiamétrie, TF1, with over 33%⁽¹⁾ of audience share on individuals aged 4 and above, is the TV channel with the highest ratings in France. It broadcasts free-to-air, round-the-clock, covering the whole of the French territory, analogue and digital cable networks, and TPS, the digital satellite platform.

TF1 is founded on solid traditional skills that are now branching into five main directions:

- Thematic channels with Eurosport, Eurosport News, LCI, Odyssee, Shopping Avenue, TV Breizh, Série Club and, most recently TF6.
- The group's Web activities (portal and content) through e-TF1 and the www.eurosport.com site.
- Pay TV via a 25% stake in the TPS satellite bundle, publisher and distributor of digital programmes and interactive services.
- The production, acquisition and sale of broadcasting rights.
- The publishing and distribution of videocassettes, DVD and music CD, the operation of telematic services and services linked to the marketing of products under the TF1 licence, and home shopping.

With over twenty operational subsidiaries, TF1 is a strong player in all media areas, and has sources of recurrent revenue in upstream and downstream activities in the broadcasting industry.

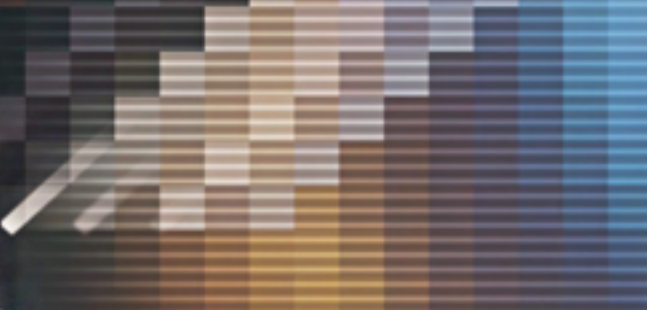
TF1 Group distributes its content on all media (general-interest and thematic TV channels, Internet, Minitel, Personal Digital Assistant (PDA), cellular telephony, videocassette, DVD, music CD) to extend its audience and find new sources of income. These activities are all leveraged by the TF1 brand, a French leader in terms of recognition.

(1) Source: Médiamétrie, Individuals aged 4 and above

Group Activity



① Vincent Lagaf - ② Le Pari



Broadcasting: live, exclusive and event-based TV

France's number one general-interest channel, TF1 focuses its programming policy on major themes with broad public appeal. From news to entertainment via cinema, youth, sport, magazines and documentaries, TF1 offers its viewers a dynamic and enjoyable selection of programmes, tailored to match their taste.

As competition grows and is dictated by thematic choice and age-group segmentation, TF1 has maintained its status as a living, general-interest channel, a unifying and innovative media. The power of TF1 lies in its ability to anchor flagship programmes in regular and popular slots, and, at the same time, maintain a rich and diversified offering.

For a number of years, its success has been based on a clear policy adhering to unchanging principles:

- offer general-interest programmes, family broadcasting with a diversified range of distinctive products,
- exclusive, original and innovative programmes,
- pride of place to events and live broadcasts.

News

News provides the backbone of the programme line-up, and contributes to establishing the channel's identity. With an editorial staff of over 220 journalists, an organisation with hands-on experience of the most sophisticated digital technologies, TF1 can mobilise its teams quickly to cover, analyse and offer its audience comprehensive news treatment.

The lunchtime and evening editions at 1.00 p.m. and 8.00 p.m. draw a daily average of 6.7 and 8.3 million viewers, in other words 51% and 40% of individuals aged 4 and above (source: Médiamétrie).

However, news on TF1 also means investigative reporting in magazine formats that provide richer in-depth coverage of topical issues: *Reportages*, *Le Droit de Savoir*, and this year's successful launch, *Sept à Huit*, plus the weekly political talk show *Répondez-nous* which reinstates the concept of high standard public debate.

Fiction

French-made television dramas are among the channel's most popular programmes.

Julie Lescaut, *Navarro*, *Une femme d'honneur*, *Les Cordier* and *Commissaire Moulin* continue to top the ratings, but TF1 has demonstrated its ability to diversify and revitalise its production with repeatable French made for TV dramas such as *Le grand patron*, *Un homme en colère*, *Joséphine Ange Gardien*, and *Les Bœufs-carottes*.

TF1 is pursuing its ambitious policy of developing flagship fiction serials with an all-star cast as it did with the adaptation of *Les Misérables*.

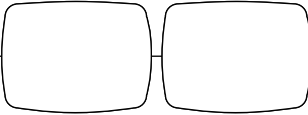
Magazines and entertainment

A key axis in the programme grid, entertainment is ever-present on TF1. Here, the channel offers easy-viewing programmes combining variety shows, comedy and original gameshow concepts such as the TV phenomenon *Qui veut gagner des millions ?*.

The policy of innovation and renewal introduced by the channel for entertainment has enabled the introduction of new formats such as prime time *Y'a pas photo* and *L'émission des records*, and for the later evening slots, *C'est quoi l'amour ?* and *Confessions intimes*.



- 1 Alexandra Kazan
- 2 Jean-Pierre Foucault
- 3 Thomas Hugues and Laurence Ferrari
- 4 Christophe Dechavanne



The Pokemon™ and Franklin

Children

A channel within the channel, TF! Jeunesse targets the 4-10 age group, offering young viewers a wide choice of high-quality, innovative and entertaining cartoon and puppet features of French and international origin. *Pokemon™*, *Digimon*, *Hé Arnold*, *Beethoven*, and *Rocket Power*, are the most popular members of a family of hits that make TF1 the undisputed leader in this field. TF1's Protécra subsidiary is also developing its co-production activity in programmes for the young.

Broadcast mainly on Wednesday, Saturday and Sunday, TF1's children's viewing has a modern, interactive branding that now extends into the www.tfou.fr Web site.

Sport

TF1's sports programmes are based on the two most popular TV sports: football and Formula 1.

Exclusive coverage of football's *Champions League*, *French Cup*, and the French national team give TF1's football programming exceptional status and consolidates the channel's special place in the domestic football scene.

The *Auto-Moto* magazine is a weekly review of motor sports, and the complete Formula 1 Grand Prix racing calendar is broadcast live.

Cinema

TF1 is still the leading channel for exclusive, free-to-air cinema broadcasts. The channel devotes two full evenings to cinema on Tuesday and Sunday, screening full-length French and international feature films. Broadcasting a large number of first screenings, TF1 caters to audience demand with an offering adapted to public taste.

By maintaining this strategy based on exclusive, event-based and innovative programmes, allied to close control of programming costs, TF1's broadcasting activity is assured of a strong position in the foreseeable future.



- 5 Dallas
- 6 Joséphine Ange Gardien
- 7 Thuram
- 8 Will et Grace
- 9 Le Pic de Dante



7

Group Activity

Advertising

“One to many”, “One to few” and “One to one”, are alternative forms of advertising communication deployed by the media offered by TF1.

The TF1 channel is, more than ever, a medium that gives brands fast-track access to the visibility and recognition they seek to achieve from mass communication.

The group’s other channels offer opportunities to communicate to targeted audiences in specific environments. TF1 Publicité today offers a complete advertising service on the thematic channels, with LCI (a continuous information channel), Odyssee (a documentary channel), Teletoon and Cartoon Network (for young viewers), Shopping Avenue (a teleshopping channel), KTO (religion), TV Breizh (regional channel) and finally TF6 (a general-interest channel for young adults).

The Internet is now a fully-fledged media, recognised by advertisers for its targeting and customisation capabilities and for the many forms of communication that it offers as an interactive medium. Apart from the thematic sites hosted on the general-interest portal www.tf1.fr (like Les News, Tfou, Plurielles, La Bourse, Les Sports, Winamax), TF1 Publicité also operates the Web sites for LCI, TF1 Vidéo, Explorimmo, FcomFootball, KTOTV, Koodpo, TF6 and *Aventures sur le net*.

The interactive principle is now also serving television communication, enabling advertisers to create a personal relationship with viewers. Interactivity in television means the ability for an advertiser to associate with an interactive medium (weather forecasts on Météo Express, programme guide, and games on Ludi TV) and introduce interactive advertising (based on the channels served by TF1 Publicité and beamed out on TPS).

TF1 Publicité, capitalising on its know-how, continues to enrich its advertising offering and thus enables advertisers to find the most appropriate communication medium and form for their campaign.

- ① *Les 101 dalmatiens*
- ② *Téleshopping*
- ③ *Tukuleur*
- ④ *Emile et Images*
- ⑤ *M:1-2*
- ⑥ *Le 13^{ème} guerrier*

Publishing & Distribution

The Publishing & Distribution activity, which includes music, video, “merchandising”, telematics and home shopping, is TF1 Group’s first diversification.

Contributing 12.5% of operating revenue, it is now asserting itself as a fundamental business within the group.

TF1 Entreprises

TF1 Entreprises encompasses the following activities:

- The telematics activities which design, publish and distribute content and services linked to TF1 broadcast programmes and that can be accessed by users of Minitel and Audiotel services and portable telephones.
- TF1 Licences which markets brand licences to manufacturers (*Ushuaïa...*) and publishers of children’s magazines (*TF! Mag...*)
- TF1 Consulting which sells the experience of TF1 internationally through consulting missions to operators of television channels and satellite platforms.



TF1 Vidéo

The activity of TF1 Vidéo, the leading publisher on the French market (source: SEV), has developed strongly since the entity was created. Since 1997 TF1 Vidéo has offered video and multimedia ranges in kiosks in addition to the large retail chains and traditional distribution channels. In 1999 it launched a dedicated Web site: www.tf1video.fr.

In its catalogue of over 3,000 titles, TF1 Vidéo covers every genre, from feature films to sport, via videos for the young. Recent hits include: *Taxi 2*, the *Pokemon™* series, *Le 13^{ème} guerrier...*, and previous year successes were: *Seven*, *La vie est belle*, and “la mémoire du cinéma français”, a collection of French film classics by René Château Vidéo.

TF1 Vidéo also offers its biggest hits in DVD format and already has a catalogue with over 180 titles. In 2000, this new digital medium rapidly established itself as a growth vector with a 24% share of volume sales on the French market.

Une Musique

TF1’s music publishing and phonographic production subsidiary, Une Musique manages an exclusive catalogue of innovative projects. Une Musique promotes established artists and extends its activity to the development of young talents of all origins, including performers from France and with international potential.

Téléshopping

Téléshopping is the leading operator in the home shopping sector in France. The volume of orders dispatched has grown for the twelfth consecutive year. The central product purchasing agency is a built-in part of the Téléshopping organisation, while order management and physical distribution are sub-contracted. Téléshopping dispatches nearly 2 million parcels per year.

The subsidiary’s activities are based on TF1’s TV broadcasts on weekday mornings, on 8 million catalogues sent out this year, reaching over one million active customers, and on the dedicated Web site created in 1997. In 2000, over 35,000 orders were recorded on this promising e-commerce site that is already showing a profit.

Through its Téléshopping and Shopping Avenue subsidiaries, TF1 Group has developed know-how in the mail order business (catalogue management, delivery times, product quality, etc.). This expertise is now available via the Internet (www.teleshopping.com and www.shoppingavenue.com) and is a tremendous asset for the development of e-commerce within the Group.



Production



Of the free-to-air channels, TF1 is the leading investor in French production, having injected 18 billion francs since the channel was privatised. It is one of the top players in the European audiovisual industry, and one of the leading backers of the cinema industry.

TF1's broadcasting brief requires that a share of its net advertising revenue is devoted to the co-production of French-language cinematographic works (3%), and French-language audiovisual works (15%).

However this requirement does not confine the Group's policy which extends actively into the purchase of quality works capable of attracting large audiences and building up a catalogue of strong programmes with an international vocation.

TF1 Films Production

Each year, TF1 Films Production co-produces some fifteen full-length feature films. It consequently acquires broadcasting rights for TF1 and co-producer shares entitling it to the revenue generated from film licensing.

Since 1988, TF1 Films Production has invested 2.2 billion francs in the French cinema through the co-production of 217 films, of which 58 drew over one million box-office entries in France. Topping the bill in 2000 were: *Taxi 2* (10.3 million entries), *Les Rivières Pourpres* (3.2 million), *Jet Set* (1.9 million) and *Meilleur espoir féminin* (1.2 million) (source *Le Film Français* - January 26, 2001).

Glem

Glem, a subsidiary in which TF1 has a 73% share, developed recognised know-how in the production of live performance and entertainment broadcasts for television. These programmes include:

- major broadcasting successes such as *Sans aucun doute* and *Succès* which have established themselves as regular programmes;
- numerous special events such as *Starmania*, the *7 d'Or* (French Emmy Awards) and the *Miss France* contest.

Glem produces live performances like Anthony Kavanagh and André Rieu, and the musical *Roméo et Juliette*.

Glem's music publishing subsidiary Baxter published the *Roméo et Juliette* album.

Protécra

This subsidiary is specialised in the production of cartoon films in 2-D (*Paddington...*), and 3-D (*Bob & Scott...*), and also cartoon films (*La Peur du Loup...*).



2

- ① *Les Rivières Pourpres*
- ② *Meilleur espoir féminin*
- ③ *Roméo et Juliette*
- ④ *Jack et Marcel*
- ⑤ *Taxi 2*
- ⑥ *Jet set*



5



Audiovisual rights

TF1 Publicité Production (TPP)

This entity makes and produces trailers, advertising and sponsoring films. It also produces and makes short programmes for television such as *Du côté de chez vous* and *HyperNet*.

Since 1996, TPP has also extended its activities into multimedia by offering to make interactive advertising spots and media on the Internet and create complete Web sites, thereby positioning itself as an authentic “Web agency”.

Studios 107

Based in Plaine Saint-Denis on the north edge of Paris, Studios 107 markets its technical services to producers of entertainment broadcasts (variety, games shows...), and home shopping. Its work includes making and providing technical assistance for a large number of TF1 programmes such as *Bigdil*, *Le Juste Prix*, or *Y'a pas photo* as well as the executive production of *Téléshopping* and *Shopping Avenue*.

Since August 1999, Studios 107, in collaboration with the TF1 technical services, also hosts sports broadcasts such as *Auto-Moto*, *Téléfoot* and *La Ligue des Champions*. Studios 107 also produces *Ushuaïa Nature*, the nature discovery programme anchored by Nicolas Hulot, and *52 Sur la Une*, the investigative journalism magazine.

TF1 International

TF1 International's activity focuses on two main areas:

- 1) co-production with foreign partners of several full-length feature films every year (*Under Suspicion...*). It also collaborates closely with Film par Film and Téléma, two other TF1 Group film production subsidiaries;
- 2) the international distribution of fresh broadcasting rights and catalogues (films, fiction, series and serials, cartoon films, documentaries, etc.).

TF1 International and its subsidiaries have a prestigious catalogue of over 600 full-length features, including recent films (*Golden Bowl*, *Druïds...*) and classics (*Et Dieu créa la Femme*, *Le Salaire de la Peur*, *Fanfan la Tulipe*, *The Piano*, etc.).

This catalogue has been regularly enriched with the acquisition of European and American productions.



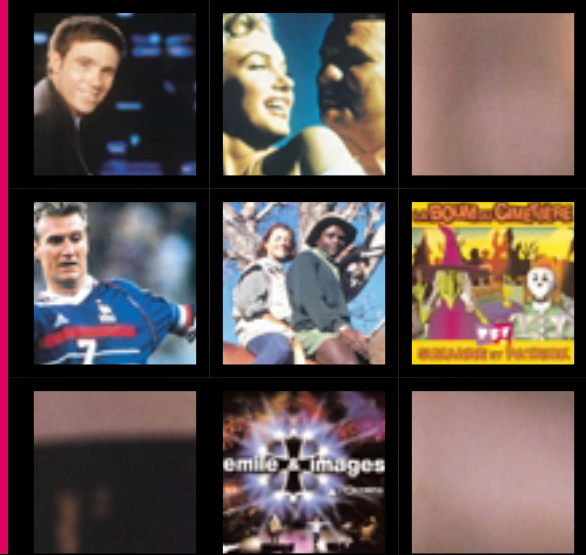
6

Group Activity

THEMATIC CHANNELS

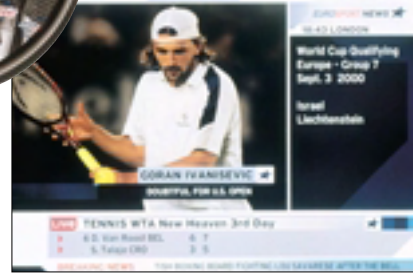
In an increasingly competitive environment with a fragmented audience engendered by the constant increase in available pay TV, programme producers must develop channels with high added-value on themes with strong interest.

Around the nucleus provided by the general-interest channel, the Group has now developed high-quality thematic channels on popular themes such as sport, news, entertainment, documentaries and home shopping. At the end of 2000, the Group had already launched seven thematic channels, and taken a stake in an eighth channel. Viewers have applauded the editorial content of these TF1 thematic channels which are not a substitute for the free-to-air network, but an extension to the existing offerings in news and entertainment.





- ① Maier
- ② Athletics
- ③ Deschamps
- ④ Eurosport News



Eurosport

Eurosport is the number one sports channel in Europe. Operating in 54 countries, it is broadcast in 17 different languages (91% of viewers watch Eurosport in their own language). Eurosport reaches 92 million households and benefits from a growing network coverage: it is now available on 19 digital satellite platforms.

Eurosport is confirming its position as a leader of pan-European channels. According to a survey by TGI Europa 2000 published in December 2000, "Eurosport is the most watched channel in Europe for all reference periods (day, week, month and year)".

Its success is based on a dual concept of varied, high-quality programmes, for which Eurosport favours live or first broadcast (4,100 "fresh" hours, 50% of which are live). Around 70% of the Eurosport budget is devoted to the purchase of broadcasting rights and production.

Eurosport draws its income from two main sources: subscriptions which are growing thanks to the increase in the number of subscribers and the development of satellite platforms in Europe; and advertising revenue with a strong correlation in 2000 with the Euro 2000 football competition and the Olympic Games in Sydney.

The channel broadcasts over 6,300 hours of programmes covering a hundred or so different sports, from football to athletics, and from motor sports to snowboarding.

Eurosport is expanding its offering through Eurosport News, the sports news channel, and the www.eurosport.com Web site.

The combination of the three media thus makes a unique multimedia platform.

Three months after being launched in September 2000, the Eurosport News channel went out in three languages (English, Polish, Turkish) and penetrated 3 million digital households in 30 European countries. The channel offers a news bulletin every fifteen minutes, followed by a magazine and continuous news zones updated in real time.

The www.eurosport.com Web site, for Websurfers seeking for sports and entertainment news, provides access to all the latest sports news, fixtures, results, and games... The site is currently available in six languages (English, German, French, Italian, Spanish and Swedish). For the year 2000, all local sites (each with its own address) recorded an average of 15 million pages viewed per month.

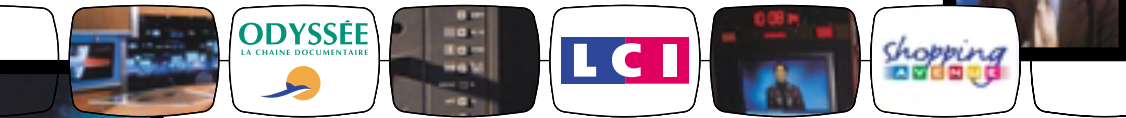
LCI: 3 letters that spell all the news

A little more than 6 years since it was launched, LCI has established itself in the thematic landscape as the reference channel for non-stop news. In December 2000, the channel had more than 3.6 million subscribers.

LCI has a workforce of 236, produces 55 news bulletins per day and welcomes 5,000 guests each year...

Round-the-clock, LCI gives absolute priority to live broadcasts as soon as news demands this, with a flexible programming line-up based on regular news slots (non-stop from 6.00 a.m. to 9.00 a.m., lunchtime from 12.00 a.m. to 2.00 p.m., a short bulletin at 6.00 p.m., the main bulletin (*Grand Journal*) at 7.00 p.m. and the late night edition from 10.00 p.m. to midnight), talk shows, and magazines (*Le Club LCI*, *Psycho Philo*, *LCA*, *100% Politique...*).

In 2000, LCI moved to the parent company head office in Boulogne on the edge of Paris, and gains full benefit from the synergy resulting from their accommodation. Connected to the move, the switch to full-digital broadcasting has been a success in terms of speed of response and productivity.



Odyssée

Launched in 1996 and broadcast on cable TV and TPS (satellite TV), Odyssée is one of the first documentary channels offered on these two communication technologies. It offers 16 hours of very varied topics every day, covering nature, science, and little-known countries and peoples. Dream and adventure...

On December 31, 2000, Odyssée had 1.6 million subscribers.

Odyssée also co-produces reports in the field (86 co-productions in 2000), enabling the broadcast of original, high-quality French documentaries.

Odyssée also has a Web site, www.odyssee.com, which provides on-line summaries of documentaries broadcast by the channel, and programme schedules.

Shopping Avenue

Present on TPS and cable TV, Shopping Avenue is a non-stop teleshopping channel that offers a simple and modern form of window-shopping.

Shopping Avenue offers the pleasure of shopping, allied with comfort and freedom of choice. Every day, new products are offered, along with a range of original services: credit facilities, the chance to buy jewellery, book holidays, and much more.

The Shopping Avenue grid covers some fifteen themes, from *La Tribu*, a programme focusing on products for the family, to *Grandeur nature*, an invitation to rediscover regional flavours and products.

- ① Pierre-Luc Seguilon
- ② David Pujadas
- ③ Ruth Elkrief
- ④ Mélanie Gambier
Jean-Louis Caffier
- ⑤ Odyssée
- ⑥ Patrick Buisson



Group Activity

Thematic channels...

The new channels



TF6: la "Télé Très Télé"

The group's latest thematic channel, launched in December 2000 in partnership with M6, is a small-scale general-interest channel broadcast on TPS.

With a clear commitment to serving the widest possible audience, TF6 offers rich and modern programmes, with new concepts like *Aventures sur le Net*, or *Sexe sans complexe*, and a cinema offering that focuses on prestige productions (*The Piano*, *The Mask*, or *Casino*), and an offering of exclusive and original series (*Wasteland*, *Les Médiums*, *Popular*, *Cold Feet*, etc.).

TF6 also offers an updated version of the *Top 50* (hit music), and broadcasts extensive music clips.

TF6 is a channel with ambition. Its goal is to address an audience that is looking for innovative, original programmes and to become a reference channel on the television market place.

The www.tf6.fr site makes the channel interactive and brings it closer to its public, notably by setting up a dialogue with contestants in the televised Web game *Aventures sur le Net*.



TV Breizh

In September 2000, TF1 launched TV Breizh, France's first regional channel to be broadcast on the national scale, in partnership with leading French and international partners.

TV Breizh is devoted to Brittany, Celtic countries and the sea. Its aim is to project a living and active image of Brittany, that is modern, open, creative and inviting.

TV Breizh is also a general-interest channel that broadcasts throughout the day (from 7.30 a.m. to close-down at 12.30 a.m.). Programme types are the same as on the national channels: cinema, fiction, talk-shows, magazines, documentaries, music, sport (live football in 2001), children's programmes, etc.

Broadcast in French and partly in Breton thanks to a specific sound channel, TV Breizh is available as a basic part of two satellite bundles with no additional subscription, thus immediately benefiting from very wide territorial coverage: on December 31, 2000, it was already received by 2.7 million households.



La Télévision Par Satellite

TF1 is an active player in the digital revolution in France via its 25% stake in TPS (Télévision Par Satellite), which, in December 2000, just four years after launch, penetrated one million subscribing households through direct satellite reception.

Launched in December 1996, TPS has won nearly one in two subscribers on the French satellite broadcast pay TV market.

A new thematic channel every two months

With TPS, viewers now have access to 160 channels, including all the national general-interest channels, 4 cinema channels, 30 thematic channels, 78 international channels and 40 interactive services, as well as a bundle of 47 radio stations with digital sound.

In 2000, the portfolio was enriched with 6 new thematic channels: TF6, the cable and satellite general-interest channel launched on December 18, TV Breizh, Game One, i-Télévision, Paris Première and Libertytv.com.

TPS: beaming successful TV channels

The success of TPS is essentially based on the movie channels, Cinestar 1, Cinestar 2, Cinetoile and Cinefaz, pooled in the TPS Cinéma offering. The movie channels are also marketed on the main cable networks, and had over 150,000 subscribers at the end of 2000. With a 2.3% audience share over the last 4 years, TPS Cinéma is the leading cinema offering on cable and satellite⁽¹⁾.

TPS Cinéma also took part in the financing of new full-length features such *Le Prince du Pacifique* by Alain Corneau and *La Vérité si je mens 2* by Thomas Gilou.

TPS has exclusive rights to regularly broadcast one football match from the French Division 1

Championship on TPS Foot (*Jour de Match*), and six other matches are offered on Superstades on a pay-per-view basis.

Infosport, the non-stop sports news channel and Teletoon, the cartoon film channel, are now received by 1.7 million households by satellite and on the cable. For the 3rd year running, Teletoon has topped the ratings for the 4-10 age group in all households with cable and satellite access⁽²⁾.

TPS and interactive services

Since it was launched, TPS has broadcast over 150 permanent or event-related services on topics ranging from games to news, communication, T-Commerce and electronic marketing, home banking and on-line brokering.

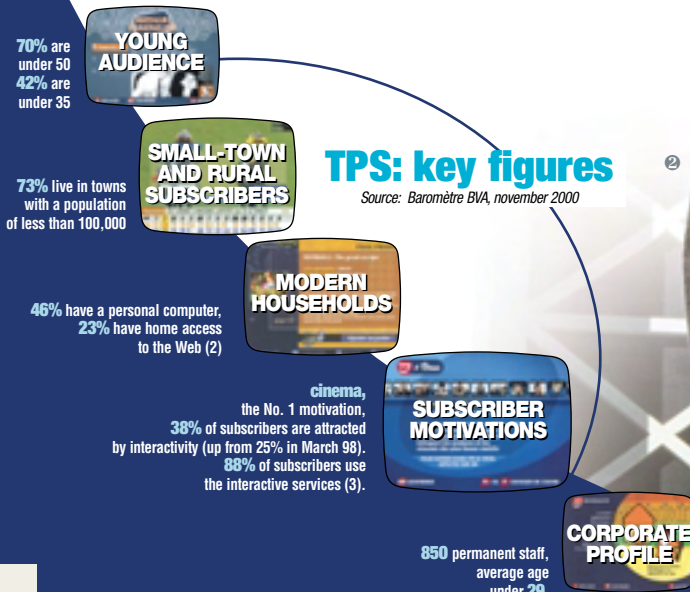
2000 was a turning point for interactive television: on March 22, TPS launched television's first e-mail service (TV Mail).

In November, TPS and the French betting authority PMU launched a service for the general public with original applications to provide news of the world of racing, and the opportunity to "dry-run" and place bets.

These services have now been brought together in a single portal called TPS Interactif to enable faster and more direct access.

These new TPS services generate new sources of revenue and take advantage of the potential of digital technologies.

(1) Source: Audicabsat Médiamétrie, March 2000 - (2) Source: 24,000 Multimedia - ISL - Médiamétrie, March 2000 - (3) Source: Taylor Nelson Sofrès - September 2000



e-TF1 designs, produces and publishes multimedia content and services, that have now been united on www.tf1.fr, the Group's Internet portal, and the leading media Web site.

The site provides the Group with an opportunity to develop expertise in interactive publishing, while its broadcasting and distribution activities are a source of synergistic benefits.



① www.tf1.fr
② *The Truman Show*

The www.tf1.fr portal

Today www.tf1.fr is a general-interest Internet portal offering a wide range of content and services that are specific to this new media and for which TF1 Group has credibility and editorial resources.

The site offers functionalities that are specific to a portal and representative of the user profiles of French Websurfers: communication, content and commerce. Communication includes community functionalities (mail, forums, chats, surveys and dialogues) and research (directory, search engine). These functionalities are both focused in specific thematic sites accessed via the portal and are also distributed throughout the offering.

The content offering is built around thematic sites, specialised in areas that are the most highly demanded by Web users (information, sport, cinema, stock exchange, TV, webcams, mobiles, games, services), or targeted on demographic segments that call for a precise editorial offering (tfou for children, and plurielles for women).

This generic and multi-thematic offering is exhaustive enough to provide advertisers with space that is both broad and targeted. Finally, for commerce, tf1.fr has set up a system with virtual shopping mall that enables the Group to market guaranteed visibility to partners with goods and services to sell.

Site audience

The tf1.fr audience grew considerably throughout the year 2000. The number of visits grew threefold (43 million for the whole year) and the number of pages seen grew fivefold (to 372 million) (source: Cybermétrique - Médiamétrie).

The benefit of synergies within the Group

e-TF1 is developing its Internet offering in coordination with TF1 Group's other activities.

The Group is stepping up the interaction between the channel and the site, because the Internet offers Websurfer/viewers content that is linked to broadcast programmes. Consequently, the thematic site "ma télé" is completely devoted to programmes and the world of TF1 broadcasting. Likewise, young viewers find their favourite characters on tfou.fr, the tf1.fr site for children. "Les News" is a dedicated site providing indexed TV news bulletins that go on-line within one hour of TV broadcast, and in-depth information on news stories.

tf1.fr, first webcasting offer of the French Internet

The development of "streaming technologies" is expanding the use of video content on the Internet. Making full use of the Group's audiovisual resources and developing specific Web modules, tf1.fr now references over 15,000 videos on the site, for a total of over 6,000 hours of programmes. e-TF1 has also developed a pioneering editorial style in the field of Internet video with "rich media". This technique that enables a video module to be enriched by indexing and enriching it with contextual information (texts, sound, hypertext links), enables the development of added-value content that takes full advantage of the interactive capability of the Web media.



As a general-interest television channel, broadcasting programmes for family audiences, TF1 believes that a proactive commitment to broader initiatives in society is an essential aspect of its vocation.

TF1 attaches prime importance to respecting its viewers and has adopted a convention for the use of information symbols for programme identification. Children's programmes broadcast on TF1 are now vetted by psychologists, and a warning message to parents is issued prior to broadcasting, when it is felt that children may find the programme upsetting.

TF1 has sought to become actively involved in solidarity projects and has been associated with a number of important causes. In 2000, TF1 again ran its "pièces jaunes" small change collection scheme to finance medical care and services to children in hospital. By strongly supporting the fund through broadcasting, fronted by Olympic judo star David Douillet, TF1 contributed to raising 44 MF (€6.7 M), the equivalent of 1,100 tons of small change.

In addition to this emblematic operation, TF1 has offered substantial advertising space to French charities to support diabetics (Association Française des Diabétiques), underprivileged children (Mouvement Village Enfants), heart research (Fédération Française de Cardiologie) and AIDS information services (Sida info service). In 2000, TF1 devoted around 0.5% of its advertising revenue to charitable organisations

and the support of major causes in the form of free advertising space. Finally TF1 remained true to its undertaking by offering the surplus profit from telephone revenue from the "Qui veut gagner des millions ?" quiz show to the Fondation de France.

Respect for viewers, access to air time, the promotion of generous projects and the scheduling of informative programmes to speed fund-raising for research, are just a number of ways in which TF1 plays a responsible and supportive role in society.





30 BOARD OF DIRECTORS, AUDITORS

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Board of directors, auditors

Board of directors (February 2001)

And list of their major board appointments

Patrick LE LAY

Chairman & Managing Director of TF1

Appointed April 17, 1987

- Administrator of Bouygues SA
- Administrator of Colas SA
- Chairman of TF1 Publicité SASU
- Administrator / Chairman & Managing Director of SETS SA
- Chairman & Managing Director of Télévision Par Satellite Gestion SA
- Legal Representative of TF1, Management Company for e-TF1 SCS
- Administrator / Chairman & Managing Director of TV Breizh SA

Martin BOUYGUES

Chairman & Managing Director of Bouygues

Appointed September 1, 1987

- Administrator / Chairman & Managing Director of Bouygues SA
- Administrator / Chairman & Managing Director of SCDM SA
- Administrator of ACTIBY

Claude COHEN

Managing Director of TF1 Publicité

Co-opted October 7, 1997

- Managing partner of TF1 Publicité Production SARL

Etienne MOUGEOTTE

Vice-Chairman of TF1

Appointed January 12, 1991

- Administrator / Chairman & Managing Director of Groupe Glem SA
- Permanent Representative of Groupe Glem SA for Glem SA
- Chairman & Managing Director of TF1 Films Production SA
- Administrator of Film par Film SA
- Permanent Representative of TF1 for Télévision Par Satellite Gestion SA
- Legal Representative of TF1 Digital, Management Company for LCI SCS



Patricia BARBIZET

Managing Director of Artémis

Co-opted July 12, 2000

- Administrator / Managing Director of Artémis SA
- Member of the Supervisory Board of Pinault-Printemps-Redoute SA
- Member of the Supervisory Board of Conforama SA
- Administrator of Rexel SA
- Administrator of FNAC SA
- Permanent Representative of Artémis for Bouygues

Michel DERBESSE

Managing Director of Bouygues

Appointed January 19, 1994

- Administrator / Managing Director of Bouygues SA
- Administrator of SCDM SA
- Administrator of Bouygues Construction SA
- Administrator of Colas SA
- Permanent Representative of Bouygues for Société d'Aménagement Urbain et Rural SA
- Administrator of Bouygues Immobilier SA
- Administrator of Bouygues Offshore SA
- Administrator / Chairman & Managing Director of Fiduciné
- Chairman of the Executive Board, Member of the Executive Board of Ciby 2000

Olivier POUPART-LAFARGE

Managing and Finance Director of Bouygues

Appointed April 17, 1987

- Administrator of Bouygues SA
- Administrator of Bouygues Telecom SA
- Permanent Representative of Bouygues for Bouygues Construction SA
- Permanent Representative of Bouygues for Bouygues Travaux Publics SA
- Permanent Representative of Bouygues for Bouygues Batiment SA
- Administrator of Société d'Aménagement Urbain et Rural SA
- Permanent Representative of Bouygues for Bouygues Immobilier SA
- Permanent Representative of Bouygues for Bouygues Offshore SA

Philippe MONTAGNER

Managing Director

of Bouygues Telecommunications Department

Appointed January 23, 1995

- Administrator of Bouygues SA
- Administrator / Chairman & Managing Director of Bouygues Telecom SA
- Administrator / Chairman & Managing Director of Infomobile SA
- Administrator of Société d'Aménagement Urbain et Rural SA
- Administrator of ETDE SA



Corporate Governance

The Board of Directors met on five occasions in 2000. It is composed of 12 members including two directors representing the employees and three women. There are no double voting rights: one share equals to one voting right.

50% of the directors' fees, amounting to €198,000, is paid in respect of their assignments as directors and the remaining 50% paid subject to the attendance of the directors to the different Board Meetings.

A Remuneration Committee has been set up to make proposals concerning the annual remuneration and service arrangements of Mr Patrick LE LAY.



Alain POUYAT

Managing Director of Information Systems and New Technology of Bouygues
Co-opted March 18, 1998

- Administrator of Bouygues SA
- Administrator of ETDE SA
- Administrator of C2S SA
- Permanent Representative of Bouygues for Infomobile

SOCIÉTÉ GÉNÉRALE

Represented by **Philippe Citerne**, Managing Director of Société Générale since November 19, 1997
Appointed October 18, 1991

Majors appointments of Société Générale

- Administrator of Siic SA
- Administrator of Fimatex SA
- Member of the Supervisory Board of Siparex SA
- Member of the Supervisory Board of Accor SA

Jean-Pierre PERNAUT

Elected February 23, 1988 Employee Representative

Corinne CHEVRETON

Since June 30, 1997 Employee Representative

Auditors

Statutory auditors

RSM SALUSTRO REYDEL

8, avenue Delcassé, 75008 Paris
Date of first appointment
General Meeting of January 14, 1988
Expiry date of present appointment
General Meeting approving the 2004 annual accounts

Jacques VILLARY

Tour Framatome, 92084 Paris La Défense Cedex 16
Date of first appointment
General Meeting of June 12, 1995
Expiry date of present appointment
General Meeting approving the 2000 annual accounts

Alternate auditors

Jean-Louis MULLENBACH

8, avenue Delcassé, 75008 Paris
Date of first appointment
General Meeting of January 14, 1988
Expiry date of present appointment
General Meeting approving the 2004 annual accounts

Julien MARIN-PACHE

Tour Framatome, 92084 Paris La Défense Cedex 16
Date of first appointment
General Meeting of June 12, 1995
Expiry date of present appointment
General Meeting approving the 2000 annual accounts

The majority of Directors were re-appointed for 2 years by the General Meeting of May 7, 1999. Alain POUYAT was re-appointed by the General Meeting of April 18, 2000. Jean-Pierre PERNAUT and Corinne CHEVRETON were re-elected as Employee Representatives in 2000.

Directors' report presented by the board of directors at the Combined Annual General Meeting on May 15, 2001

(Ordinary part)

Ladies and Gentlemen,

We are assembled here today
at the Ordinary Annual General Meeting,
as required by French Law and by our corporate
statutes, to examine the annual report for the last
financial year, submit the accounts for
the 2000 financial year for your approval,
and review the company's position
and development prospects.

The year's accounts for 2000 are presented,
as in previous years, for both TF1 Group
(consolidated accounts) and for the parent company,
Télévision Française 1.



1



- 1 Rocket Power
- 2 Le Pic de Dante
- 3 Jet Set
- 4 Miss France Beauty contest



2

1. ACTIVITY AND RESULTS 2000

1.1 THE GROUP

In 2000, TF1 realised €2,270.3 M of operating revenue, an increase of 22.4%. For a like consolidation structure (Eurosport International consolidated for 50.5% and TV Sport consolidated for 36%) growth in operating revenue would have been 19.9%.

Advertising revenue from the main channel has increased strongly by 16.2%. TF1 has benefited from two main factors. Firstly, an upturn in the economy: household consumption is up 5% (source: INSEE) and the morale of the French has reached its highest level since 1987 (date of the first INSEE survey). Secondly, strong demand from new advertisers, notably in the Internet and telephony sectors.

Operating revenue from diversified activities and other products increased by 38.9%. For a like consolidation structure (Eurosport International consolidated for 50.5% and TV Sport consolidated for 36%) growth in operating revenue would have been 29%.

2000 was a growth year for most of TF1 Group's activities:

- TF1 Vidéo was buoyed by the *Pokemon™* saga,
- production and broadcasting rights activities were boosted by the success of a number of films, notably *Taxi 2*, *Jet Set*, *Les Rivières Pourpres*, *Under Suspicion*, and *Golden Bowl*,
- the activity of the thematic channels was supported by strong growth linked to the development of pay TV in France and Europe, by good advertising performance, the creation of new channels: TV Breizh (22% owned) and TF6 (50%) and by the reinforcement of TF1 in the capital of Eurosport with the acquisition of ESPN's shares (May 2000).

This year again, TF1 has demonstrated its ability to control programming costs, with a rise of 2.4%.

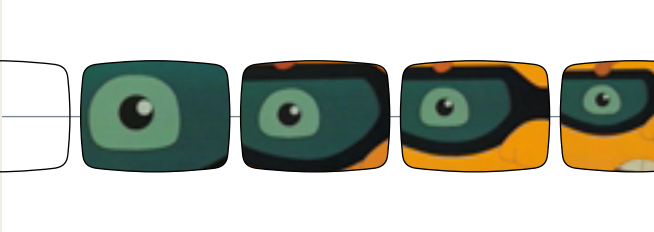
Growth in turnover, allied to strict cost control, enabled the group to report an operating income of €423.3 M, thereby realising an operating margin of 18.6%, up by 2.9 points on 1999.

The financial result amounted to €18 M.

As a principal result of a 16% cutback in TPS's losses, the share of the losses of companies consolidated under the equity method was reduced by 12.9%.

Net profit attributable to the Group was up by 58% to €250.3 M.

TF1 Group's liquidities increased by 19.7% to €345.2 M on December 31, 2000. Shareholders' funds amounted to €896.3 M and the balance sheet total was €2,142 M.





In 2000, contributions of the Group's companies to the consolidated operating revenue and net profit are as follows:

CONTRIBUTIONS TO THE CONSOLIDATED TOTAL REVENUE ⁽¹⁾

(in million of euros)	2000	1999 Pro forma	1998 Pro forma
BROADCASTING	1,619.0	1,406.2	1,262.1
TF1 SA	1,587.5	1,377.3	1,245.2
TF1 PUBLICITE	10.7	10.7	1.8
SYALIS	-	-	-
TF1 PUBLICITE PRODUCTION	7.1	7.5	6.7
STUDIOS 107	13.7	10.7	8.4
GIE APHELIE	-	-	-
SWONKE	-	-	-
PUBLISHING & DISTRIBUTION	282.9	227.7	194.4
TF1 ENTREPRISES	22.9	16.2	13.3
TF1 VIDEO	163.7	100.9	81.0
CIC	8.4	5.5	6.3
RCV	0.1	-	0.3
UNE MUSIQUE	10.1	28.1	28.5
TEleshopping	74.1	74.9	63.0
EUROSHOPPING	3.1	1.5	0.8
Sté NOUVELLES EDITIONS TF1	0.5	0.6	1.2
THEMATIC CHANNELS	54.1	50.5	39.5
TF1 DIGITAL ⁽²⁾	-	-	-
LCI	46.2	44.4	35.8
TV BREIZH ⁽³⁾	-	-	-
ODYSSEE	7.7	6.1	3.7
TF6	0.2	-	-
EUROSPORT	175.9	88.1	77.4
INTERNET	4.1	-	-
e-TF1	4.1	-	-
PRODUCTION	65.6	48.8	50.6
TF1 FILMS PRODUCTION	17.4	15.9	19.1
PROTECREA/BANCO PRODUCTION	1.2	1.8	4.6
FILM PAR FILM	7.2	17.7	12.0
GROUPE GLEM	29.3	13.4	14.9
TELEMA	10.5	-	-
AUDIOVISUAL RIGHTS	68.7	33.3	38.3
TF1 INTERNATIONAL	56.4	22.9	31.6
TCM	-	-	-
GROUPE ARIANE	7.4	6.3	6.1
CIBY DA	2.8	2.4	0.6
FILMS DU JOUR	2.1	1.7	-
DIGITAL TV	-	-	-
GROUPE TPS ⁽³⁾	-	-	-
TF1 DEVELOPPEMENT	-	-	-

Total

2,270.3

1,854.6

1,662.3

CONTRIBUTIONS TO THE NET CONSOLIDATED PROFIT ⁽¹⁾

(in million of euros)	2000	1999 Pro forma	1998 Pro forma
BROADCASTING	271.4	166.5	114.0
TF1 SA	266.9	171.3	116.5
TF1 PUBLICITE	4.1	0.7	1.5
SYALIS	3.6	(1.3)	0.6
TF1 PUBLICITE PRODUCTION	0.2	(0.2)	0.2
STUDIOS 107	0.4	(0.1)	0.3
GIE APHELIE	(3.8)	(4.4)	(5.1)
SWONKE	-	0.5	-
PUBLISHING & DISTRIBUTION	15.0	17.1	10.3
TF1 ENTREPRISES	4.4	3.3	3.7
TF1 VIDEO	8.2	7.5	2.6
CIC	-	0.2	0.1
RCV	0.1	0.2	-
UNE MUSIQUE	(0.7)	2.6	1.7
TEleshopping	4.9	5.0	4.0
EUROSHOPPING	(1.9)	(1.7)	(1.8)
Sté NOUVELLES EDITIONS TF1	-	-	-
THEMATIC CHANNELS	(0.6)	(0.8)	(3.8)
TF1 DIGITAL ⁽²⁾	(0.4)	-	-
LCI ⁽²⁾	1.7	-	(2.4)
TV BREIZH	(0.8)	-	-
ODYSSEE ⁽²⁾	0.4	(0.8)	(1.4)
TF6 ⁽²⁾	(1.5)	-	-
EUROSPORT	3.4	3.3	3.8
INTERNET	(18.6)	-	-
e-TF1	(18.6)	-	-
PRODUCTION	2.0	1.7	1.2
TF1 FILMS PRODUCTION	0.7	0.8	1.2
PROTECREA/BANCO PRODUCTION	-	(0.3)	(1.5)
FILM PAR FILM	-	-	-
GROUPE GLEM	1.7	1.2	1.5
TELEMA	(0.4)	-	-
AUDIOVISUAL RIGHTS	(2.2)	(7.0)	(0.2)
TF1 INTERNATIONAL	(0.9)	(2.0)	1.7
TCM	(1.5)	(1.5)	0.9
GROUPE ARIANE	3.5	(0.8)	(0.4)
CIBY DA	(0.2)	(2.4)	(2.4)
FILMS DU JOUR	(3.1)	(0.3)	-
DIGITAL TV	(20.1)	(22.4)	(18.6)
GROUPE TPS	(30.6)	(36.3)	(31.6)
TF1 DEVELOPPEMENT	10.5	13.9	13.0

Total

250.3

158.4

106.7

(1) The consolidated turnover presented above shows all operating income (accounts 70-75 in French accounting standards) and includes group internal restatements.
 (2) The LCI, Odyssee and TF6 securities are reported for TF1 Digital, incorporated in 2000.
 (3) Because LCI, Odyssee and TF6 are limited partnership companies, the corresponding tax savings (respectively €0.7 M in 2000 for TF6, €0.3 M and €0.6 M in 1999 and 1998 for Odyssee and €0.9 M in 1998 for LCI) are reported in the contribution by TF1 Digital for 2000 and TF1 SA for 1998 and 1999.

(1) Discrepancies with regard to parent company results are due essentially to restatements in the consolidated accounts, dispensatory depreciation and provisions for deferred tax.
 (2) The LCI, Odyssee and TF6 securities are reported for TF1 Digital, incorporated in 2000.
 (3) Because LCI, Odyssee and TF6 are limited partnership companies, the corresponding tax savings (respectively €0.7 M in 2000 for TF6, €0.3 M and €0.6 M in 1999 and 1998 for Odyssee and €0.9 M in 1998 for LCI) are reported in the contribution by TF1 Digital for 2000 and TF1 SA for 1998 and 1999.

Broadcasting⁽¹⁾

In 2000, television consumption broke all-time records reaching levels never before attained since the introduction of the Médiamat panel in France in 1989. Daily television consumption by individuals aged 4 and over rose by 4 minutes to 193 minutes from 189 minutes in 1999⁽¹⁾. The trend was even more spectacular among women under 50 (196 minutes in 2000, compared to 189 minutes in 1999)⁽¹⁾.

This increase is mainly explained by the fact that since February 28, 2000, households equipped with digital reception have been included in the Médiamat panel. As forecast, this change has led to an increase in global viewing and a mechanical decrease in audience share for the general-interest channels to the benefit of “Other TVs”.

In a stiffening competitive environment, TF1 held on to its leadership position in 2000. With 33.4%⁽¹⁾ of individuals aged 4 and over, and 35.9%⁽¹⁾ of women under 50, TF1 scored results in line with its goals for the year.

With 91 of the top 100 audiences in 2000⁽¹⁾, the channel demonstrated the loyalty of its viewers to its programmes.



Sport: a record year on TF1

In the outcome of a competition that generated massive enthusiasm in France, a historic audience record was broken on Sunday July 2, 2000 with the Final of the Euro 2000 football championship between France and Italy: 21.4 million TF1 viewers were thrilled by the victory of the French national team. This was the highest audience ever recorded – for all programme categories – since Médiamétrie introduced its Médiamat ratings.

The signature of a new contract with the French Football Federation to renew exclusive broadcasting rights for the French national team and the French Cup have consolidated the special place enjoyed by TF1 in the domestic football scene.

11 of TF1 live broadcast football matches featured in the top 100 audiences for the year 2000.

TF1 is still the channel for exclusive free-to-air cinema broadcasts.

28 feature films broadcast on TF1 are listed in the top 100 audiences for 2000, a strong increase on the previous year's figures (20 films on TF1 in 1999). With 12 million viewers, *Taxi* topped the list. The year's five biggest audiences included 3 French films (*Taxi*, *Les Bronzés font du ski*, *Le pari*) and 2 American films (*Independence Day*, *Le Pic de Dante*).

¹ Dallas
² Les Castors allumés

TF1 fiction is more than ever a mainstay of the channel, with 42 TV dramas scoring among the top 100 audiences in 2000.

Alongside the popular series characters: *Julie Lescaut*, *Navarro*, *Joséphine Ange Gardien*, *Cordier*, *Les Bœufs-carottes*, plus the major event of the four broadcast episodes of *Les Misérables*, new pilot series with highly contemporary plots enriched the TF1 offering and scored highly promising successes in 2000: *Femmes de loi*, *Sandra et les siens* with Philippine Leroy-Beaulieu, *Matthieu Corot* with Michel Boujenah, and *Le grand patron* with Francis Huster.

TF1: renewal in entertainment

Qui veut gagner des millions ? is surely the TV phenomenon of the year 2000. An outstanding programme based on an outstanding concept: for the first time in its history TF1 changed its scheduling rationale by proposing two Saturday evening slots for the same game: at 7.00 p.m. then 9.00 p.m. This underlined the importance of the broadcast of *Qui veut gagner des millions ?*.

Children's viewing: the year of the Pokemon™

For children, 2000 will go down as the year of the *Pokemon™* launch, with a record-breaking audience on TF1. This unprecedented success (an average audience share of 66% in the 4-10 age group) confirmed the leadership of TF1 Jeunesse in children's programmes for the 4-10 age group.

News still holds a key position

The success of the television news bulletins presented by Patrick Poivre d'Arvor, Claire Chazal and Jean-Pierre Pernaut has been maintained. The TF1 lunchtime news at 1.00 p.m. draws a daily average audience of 6.7 million viewers, representing 51% of individuals aged 4 and over. The evening news at 8.00 p.m. has a daily average audience of 8.3 million viewers, i.e. 40% of individuals aged 4 and over⁽¹⁾.

Autumn 2000 brought two highlights with the successful and challenging launch of the *Sept à Huit* magazine, hosted by Thomas Hugues and Laurence Ferrari in the difficult Sunday access prime-time 7.00 p.m. slot, and the weekly political interview by Patrick Poivre d'Arvor. *Répondez-nous*, which goes out on Tuesdays at 8.30 p.m. reinstates high-quality public debate, attracting an average of 8.6 million viewers.

A dynamic and responsive channel, TF1 enjoys a special relationship with the public. Facing both an increase and a fragmentation of the competition, the power of TF1 lies in its capacity to anchor flagship programmes in regular and popular slots, as much as in the diversity and wealth of its offering. By maintaining this strategy based on exclusive, event-based and innovative programmes, allied to close control of programming costs, TF1's broadcasting business is assured of a strong position in the future.

(1) Source: Médiamat - Médiamétrie



Advertising

Stimulated by the buoyancy of the economy (a 3.2% increase in Gross Domestic Product, source: INSEE), household consumption (5% growth in the consumption of manufactured goods, source: INSEE) and the strong demand of the Telecommunications sector, the advertising market for all media recorded another sharp rise in 2000, up by 9.6% on 1999 (source: Secodip).

Gross advertising investment in French television grew by 6.1% (source: Secodip). Television has benefited from the increase of TV consumption and from the advent of new advertiser sectors such as Telecommunications, driven by fixed and mobile telephony and the Internet.

In this buoyant environment, TF1's net advertising income grew by 16.2% at €1,570.9 M, representing a two-year increase of 28%, compared to a weighted average increase of advertising revenue of 5.9% for the period 1989 to 1998.

There are two aspects to this excellent performance: a strong rise of 18.4% in the first half and a subsequent rise of 13.9% in the second half, with a more moderate increase in advertising investment by all advertisers and, especially, the Telecommunications sector.

The advertising market on the thematic channels rose by more than 80% in 2000. This market remains concentrated on the most popular channels: 10 thematic channels account for around 70% of advertising investments (based on figures published by the television channels).

TF1 Publicité advertising revenue linked to the thematic channels have risen by 97%.

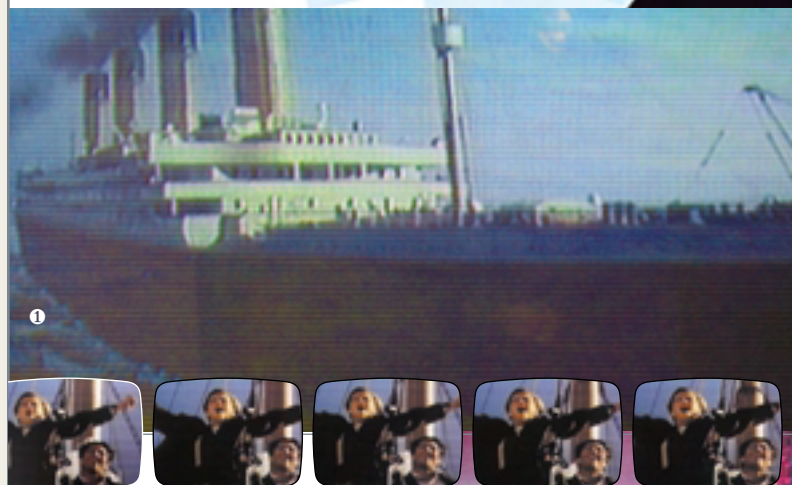
Far from encroaching on the advertising market of the general-interest channels, the thematic channels contribute to opening and expanding this market. They are now recognised as authentic communication media by advertisers, with potential to reach more specific targets.

Diversification activities

In 2000, operating revenue generated by the TF1 Group diversification activities and other products rose by 39% to €699.4 M, driven by all the group's activities and by the modification of the consolidation structure of the Eurosport group.

There has no recent disruption in business likely to have a significant impact on the financial situation or results of TF1.

N.B.: the activities of TF1's subsidiaries are analysed below on the basis of company turnover (class 70 accounts only) shown in the table "Subsidiaries and Financial investment" of the notes on the company accounts, not on the basis of their contribution to consolidated turnover.



- ① Odysée
- ② Emma Baya
- ③ LCI
- ④ Tour de France (Eurosport)



4



Publishing & Distribution

TF1 Entreprises

Turnover generated by TF1 Entreprises amounted to €27.5 M, an increase of 43%. This growth came from *Pokemon™* spin-off income, with sales of over 34 licences in France, and from telematics, driven by the *Qui veut gagner des millions ?* entertainment show.

The net result of the branch is up by 93% to €13.9M.

TF1 Vidéo (including CIC and RCV)

The video market grew by 18% in France in 2000, spurred by the success of the DVD format which already accounts for 24% of unit sales (source: SEV).

Boosted by the success of the *Pokemon™* series (over 3 million cassettes sold), *Taxi 2* (around 1.5 million units sold) and the strong progress of DVD sales, TF1 Vidéo reported a 58% increase in its turnover for the year 2000 and an increase of 14.8% of its net result.

TF1 Vidéo attained the status of France's leading video publisher (source: SEV) with 16.1 million units sold.

Une Musique

The year 2000 was marked by an increased concentration of sales in the mass retail outlets and by the growth of illicit duplication. The market is flat with around 154 million unit sales (source: S.N.E.P.).

For Une Musique, 2000 was a transitional year. The freezing of partnerships with the "majors", as from the 1st quarter, caused a 64% fall in turnover.

Une Musique is now focusing its activity on exclusive productions including: *Aral*, *Tukuleur* and *Emiles et Images*.

The subsidiary recorded a net loss of €0.7 M.

Téléshopping

For the second successive year, the mail order market showed marginal growth (+ 0.7% in 2000, source: FEVAD).

Téléshopping recorded a slight growth in turnover of 0.4% to €77 M. The subsidiary is consolidating and developing its business around four sources: a morning programme broadcast on TF1, the Shopping Avenue channel, a catalogue that attracts 1 million active customers, and the Internet with two dedicated Web sites: www.teleshopping.fr and www.shoppingavenue.fr.

Revenue from the www.teleshopping.fr site has been multiplied four-fold, with 35,000 orders processed.

The Shopping Avenue channel ended the year with 1.2 million subscribers and a 25% increase in turnover.

Téléshopping posted net earnings of €2.4 M.

Les Nouvelles Editions TF1

In 2000, Les Nouvelles Editions TF1 published 4 titles, capitalising on the high audience scores recorded by core channel programmes: *Sagas*, *Euro Passionnément*, *Les Misérables* and *Formule 1 - 2000*, for a total income of €0.4 M.

- ① Alpha Blondy
- ② Les feux de l'amour
- ③ Sandra et les siens



The Thematic Channels

Launched on May 1, 2000, TF1 Digital's mission is to define and organise distribution policy for TF1's thematic channels (except Eurosport) to cable and satellite operators in France and on the international market, to handle the financial management of the branch and to facilitate the study, launch and distribution of all future projects.

In 2000, TF1 Digital took part in the launch of TV Breizh in September, TF6 in December and negotiated and secured all the cable and satellite distribution contracts for most of the channels.

Eurosport

2000 saw the acquisition of ESPN's shares in Eurosport by TF1 and Canal+. As a result of the transaction, TF1 owns 36% of Eurosport France and 50.5% of Eurosport International.

On December 31, 2000, 92 million European households received Eurosport (including 38 million paying subscribers) in 54 countries. The channel is broadcast in 17 different languages.

The year 2000 was marked by two major sports events: Euro 2000 and the Olympic Games in Sydney, by the development of the www.eurosport.com Web site in six languages (English, German, French, Italian, Spanish and Swedish), and by the September launch of Eurosport News, the non-stop sports news channel. On December 31, this channel was distributed to 30 countries and had penetrated 3 million households with digital technology.

Turnover rose by 29% to €242,5 M, producing pre-tax profit of €24.2 M, a margin of 10%. In the context of a year rich in sports events, advertising revenue from the entity was up by 42%, accounting for 35% of the group's total revenue.

On January 30, 2001, TF1 acquired all the Canal+ and Havas Images shares in Eurosport.

LCI: The News Channel

On December 31, 2000, LCI was received by 3.6 million households, a year-on-year increase of 13%.

In 2000, the LCI channel recorded a 2% increase in turnover, the result of two trends: a reduction in income from cable and satellite operators, following the renegotiation of the channel's distribution contracts, offset by a growth of over 100% in advertising revenue, attesting to the quality of LCI as a preferred medium for advertisers.

LCI reported pre-tax profit of €1.6 M.

Odyssée

In 2000, Odyssée, with the support of TF1 Digital, continued to extend its distribution network, penetrating 1.6 million subscribing households in December 2000, for a turnover of €7.5 M, up by 32%.

For the first time, Odyssée reached its financial break-even in 2000 with a net result of €0.5 M.

On the editorial level, Odyssée built a set of weekly features into its line up to develop viewers' loyalty. The channel also stepped up its co-production policy initiated in 1999.

TV Breizh

Launched on September 1, TV Breizh is broadcast on cable and satellite in France and had 2.7 subscribing households on December 31, 2000.

The channel has the financial backing of prestigious French (TF1 has 22%, Artemis, Crédit Agricole...) and international shareholders (NewsCorp., Mediaset).

In its first four months, the channel generated turnover of €1.5 M for a loss of €3.4 M.

TF6

TF6 is the latest member of the TF1 family. Targeted on young adults and with an annual budget of around €23 M, this channel was launched on December 18, 2000, in collaboration with M6.

On December 31, 2000, TF6 had penetrated more than 1 million households in France.



Production

In 2000, TF1 Group invested around €300 M in French production in the form of original French works and full-length feature films.

TF1 FILMS PRODUCTION

TF1 Films Production confirmed its position as a major coproducer in the French film industry with a market share of around 50% of releases in French cinemas in 2000 (source: CNC estimates).

In 2000, TF1 Films Production co-produced and acquired the rights to the first broadcast of 21 feature films including 4 of the 6 French films to have exceeded more than one million box-office entries:

Taxi 2 - 10.3 million entries,

Les Rivières Pourpres - 3.2 million,

Jet Set - 1.9 million,

and *Meilleur espoir féminin* - 1.2 million.

Turnover from TF1 Films Production was up by 4% in 2000 at €47.7 M, generating a net profit of €0.3 M.

The acquisition and licensing of broadcasting rights

The Broadcasting Rights branch includes TF1 International, and its subsidiary network: Les Films Ariane, Cogelda, Parmentier, Les Films du Jour and Ciby DA. The organisation is responsible for acquiring rights to cinematographic and television works for all media and territories, and for the international distribution of these works.

The consolidated turnover generated by the branch more than doubled in one year, reaching €70.8 M in 2000. This strong growth was generated essentially by sales of *Under Suspicion*, *Contender*, *Golden Bowl*, *Vercingétorix*, *Cut* and *Sade*.

At the end of 2000, TF1 International and its subsidiaries owned a catalogue of over 9,900 hours of programme viewing including 600 features.



FILM PAR FILM

The main operations in 2000 were: the release of the film *Passionément* starring Charlotte Gainsbourg and Gérard Lanvin, and the completion of *La moitié du ciel* directed by Alain Mazars.

Operating revenue totalled €15.9 M.

GLEM Group

In 2000, Glem Group continued to pursue its strategy based on:

- television programmes, headed by *Les années tubes*, *Sans aucun doute* and *Succès*,
- the live performance activity with major tours by Pierre Palmade, Anthony Kavanagh and André Rieu,
- the music activity via its Baxter subsidiary, producer of the album from the musical *Roméo et Juliette* which sold 3.5 million records in 9 months.

The group's turnover was up by 4.3% at €38.8 M and net profits rose by 11% at €2.3 M.

PROTÉCRÉA

Protécra recorded operating revenue of €12.2 M, up by 7%, and a net profit of €1.5 M.

TÉLÉMA

In May 2000, TF1 International acquired a 49% share in the company Téléma, a producer of feature films and advertising films. Téléma has a catalogue of fifteen films including *La vie est un long fleuve tranquille*, *Le bonheur est dans le pré* and *Le goût des autres*.

Digital Television

Satellite Television - TPS

On December 31, 2000, 1,150,000 households subscribed to TPS programmes, including one million who received broadcasts direct by satellite.

In May 2000, TPS restructured its commercial offering to incorporate football matches from the French Premier League Championship in its packages, renamed TPS Optima and TPS Maxima. TPS Optima now bundles thematic and cinema channels of TPS, as the premium French Premier League Championship football match, while TPS Maxima includes an additional 6 or 7 broadcast first division matches. 75% of subscribers with direct reception choose one of these two packages.

The year 2000 was marked by the development of interactive services with the launch of TV Mail in March, new home banking services (Domi TV, Fimatex...) and home betting with the PMU (horse race betting organisation) since November. A portal has been created to pool these interactive services on the TPS Interactif channel.





Revenue from TPS Group totalled €384.8 M in 2000, up by 36%. TPS reports positive operating income, before depreciations and provisions, and the group's net loss is €122.4 M, a reduction of 16%.

e-TF1

Since January 1, 2000, TF1 Group's Internet developments have been united within the wholly-owned company e-TF1.

The use of the Internet in France leapt forward in 2000. In the fourth quarter, 29% of all households had a computer in the home (source: ISL / Médiamétrie - 24 000 Multimédia). The number of Websurfers increased by 55% during the year, attaining 7 million on December 30, 2000 (source: ISL / Médiamétrie - 24 000 Multimédia 4th quarter 2000, connections on the last 3 months / individuals aged 18 and above).

In this context, the www.tf1.fr portal holds pole position in the media sector with 42.5 million pages viewed for 4.7 million visits in December 2000. These figures represent respectively a twelve-month increase by factors of 3.4 and 2.5 respectively⁽¹⁾. This development is due partly to an expansion of the market but also rewards a site portfolio enriched with new features: tfou for children, plurielles for women, and stock exchange and sports sites.

For the whole of 2000, e-TF1 generated a turnover of €3.5 M for a loss of €20.5 M.

⁽¹⁾ Source: Cybèrmetrie

① *Les Misérables*
② *Taxi 2*

Miscellaneous

TF1 Publicité Production (TPP)

Total turnover of TF1 Publicité Production amounted to €13.2 M, of which 57% was realised with customers outside TF1 Group. Business was chiefly generated by sponsoring operations, the production of advertising films, trailers and institutional films.

TPP also produced the branding and trailers for TF6 and is pursuing the production of short programmes for broadcasting on TF1, notably *Du côté de chez vous* and *Hypernet*.

Finally, in 2000 multimedia activity accounted for a larger share of business, up to 9% of turnover.

Studios 107

Operating revenue totalled €25.8 M, up by 28%.

In 2000, Studios 107 hosted the July recording session of *Qui veut gagner des millions ?*, generated increased business from the production of Shopping Avenue (delivering 380 programmes for Téléshopping and Shopping Avenue in the course of the year), and delivered 9 units of *52 sur la Une* series.

1.2 THE TF1 PARENT COMPANY

To enhance the quality of the financial information and present an economic picture that can be compared with that of the Group's consolidated accounts, broadcasting rights and the Group's in-house production have been included in inventory since January 1, 1999. As regards intangible assets, the co-production items now only include attributable co-producer share of the programmes acquired by the channel. Financial statements closed on December 31, 1998 have been restated.

In 2000, TF1 generated a turnover of €1,491 M, an increase of 16%, attributed to advertising operations and other revenue, the latter accounting for €7.8 M.

Operating revenue totalled €421.5 M, up by 46.7%.

Net profit for 2000, totalled €358.1 M, a net margin of 24% on turnover.

1.3 RESEARCH AND DEVELOPMENT COSTS

Research and development costs for the 2000 financial year were not significant.

1.4 EXCHANGE RATE HEDGING

On December 31, 2000, TF1 had no outstanding hedging for interest rates on the lease for the building occupied by TF1 at 1, quai du Point du Jour - (92100) Boulogne. The financing of this lease was composed of both a long term loan and of a short term facility which TF1 could buy out by blocking its cash. In March 31, 2000, TF1 bought the long term loan from the banks and substitutes itself for the banks using its cash position for the short term credit. This lease is no longer a source of risk.

The Group also uses exchange rate hedging instruments (forward currency purchases) to protect itself from foreign exchange fluctuations, principally for the purchase of broadcasting rights paid for in foreign currency.

Details of these operations are provided in the notes to the consolidated accounts.

1.5 EXCEPTIONAL EVENTS AND LITIGATION

Litigation in which the company and the Group have been involved to date has always been fully provisioned by accounts. To the best knowledge of the company and the Group, there are no other exceptional events or litigation liable to have a significant incidence on the activity, results, financial position or property of the company or the Group.

2. PROSPECTS FOR 2001

The development strategy defined for TF1 Group is based on our core business: a producer of content, whether for the TF1 channel, our portfolio of thematic channels, or our Internet portals.

To succeed, the Group must be able to offer strong content through production, co-production or acquisition, and be capable of publishing and distributing this content across all today's and tomorrow's analogue or digital platforms, to enable reception on any terminals.

This is why TF1 has now defined a strategy with the following priorities:

Sustain and consolidate the position of the general-interest channel

In a stiffly competitive market in which viewer choice is dictated thematically and by age segmentation, TF1 must stick to its position as the leading French channel and the European channel with the biggest share of its own domestic market. This is why we are still pursuing a clear policy based on the following principles: offer general-interest and family-targeted programmes, with a diversified range of distinctive products; exclusive, original and innovative programmes in which events and live broadcasts play a substantial role. This ensures quality programmes for viewers and high ratings for advertising customers.



Develop our thematic portfolio

Following the launch of TV Breizh and TF6 and the acquisition, in January 2001, of a 50% interest in Série Club, TF1 Group now has an extended portfolio of thematic channels to cater to very broad public taste. Through the acquisition of complete control of the capital of Eurosport, the company has reinforced its position in France and now has a pan-European dimension that is unique among the leading European broadcasters. In 2001, we intend to build upon the foundations acquired over the last few years to develop a sustainable selection of thematic offerings and subsequently, if the economic context is favourable, launch new initiatives including a financial information channel.

Reinforce content production

The need to exert control over our content is still a priority for the Group. 2001 will be a milestone year with the success of *Roméo et Juliette*, the musical comedy co-produced by Glem, and co-productions with TF1 Films Productions such as *Le Placard*, *La Vérité si je mens 2* and *Le Pacte des loups*. To strengthen our position, we are pooling most of our production activities and broadcasting rights distribution activities in the TF1 International subsidiary, which we intend to develop into a major player in this area.

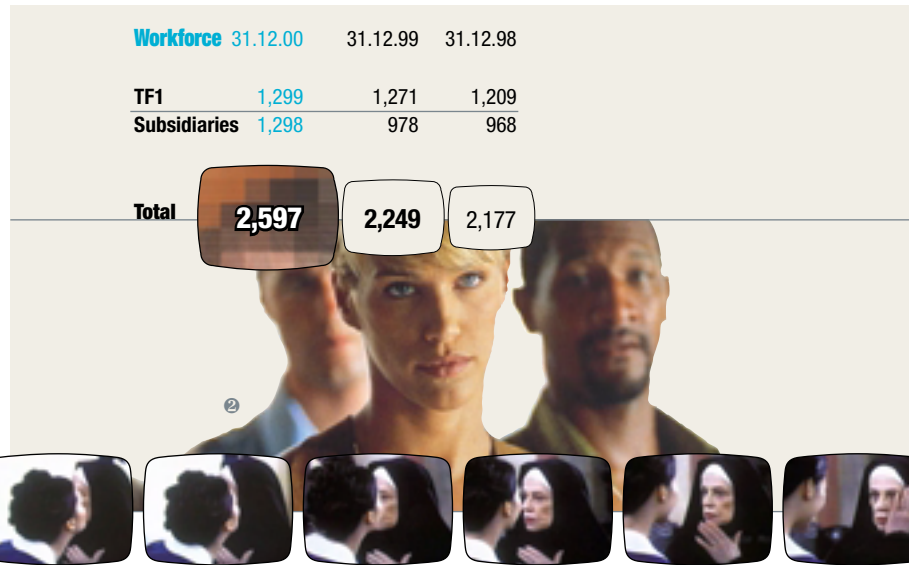
Develop the Web

After hoisting www.tf1.fr to the rank of France's leading "media" portal and www.eurosport.com to one of Europe's top sports sites, our ambition is to convert this audience success into financial success. By systematically seeking out sources of synergy between the Group's different activities, sharing resources, and distributing our content on a wide scale, we aim to significantly develop income, while effectively controlling costs. In the medium-term, our ambition is to make these revenue into profit centres just like the Group's other business activities.

3. HUMAN RESOURCES

3.1 WORKFORCE

On December 31, 2000, TF1 Group employed a regular staff of 2,597. This included: 1,299 employees at TF1 SA, 235 at TF1 Publicité, 202 in the Publishing & Distribution branches, 145 at LCI, 377 at Eurosport, 12 at Odyssee, 24 at TV Breizh, 7 at TF6, 152 in the subsidiaries of the Production and Broadcasting Rights branches, 25 at TPP, 26 at Studios 107 and 93 at e-TF1.



3.2 COMPENSATION POLICY, EMPLOYEE PROFIT SHARING AND SAVINGS

Employee profit sharing in 2000 for the 1999 financial year amounted to €11.8 M.

2,121 employees had subscribed to the corporate savings plan on December 31, 2000 (compared with 1,908 on December 31, 1999). This accounts for 83% of the group's regular workforce. TF1 and its subsidiaries contributed an additional payment of €5.4 M.

The employees of TF1 Group were invited to benefit from the equity issue by Bouygues Group for the year 2000. 1,188 employees acquired shares for a total of €10.4 M.

3.3 PROFESSIONAL TRAINING AND SCHOOL PARTNERSHIPS

TF1 Group provided 50,300 hours of training in a total of 3,700 training courses shared out within the organisation. In 2000, professional training expenditure accounted for 3.6% of payroll⁽¹⁾.

TF1 Group took on 724 trainees, of whom 364 came to the company as part of its partnership policy with schools.

3.4 35-HOUR WORKING WEEK

Negotiations on the application of new French legislation to reduce the basic working week to 35 hours began in the last quarter of 1999. For TF1 SA, this concerned the regular staff (production staff, journalists, technical and administrative personnel) and temporary or occasional staff. The agreement on the 35-hour working week, signed with the trade unions, took effect on June 1, 2000. The company does not wish the implementation of the agreement to affect its long-standing compensation policy.

(1) Tentative figure.

4. SUBSIDIARIES AND INTERESTS

4.1 NEW INCORPORATIONS

@TF1

Incorporated on October 25, 2000, the limited partnership “@TF1”, with a capital of €40,000, divided into 40,000 shares with a nominal value of €1 is owned by:
Télévision Française 1 - TF1 (general partner and limited partner) for 39,999 shares and SYALIS (general partner) for 1 share.

The aim of the company is to provide access to the Internet network, create an ISP infrastructure developing access tools, and supply a high-speed IP service by satellite.

Société Anonyme de Gestion d'Internet et Télévision (SAGIT)

Incorporated on October 25, 2000, the public limited company “SAGIT”, with a capital of €40,000, divided into 40,000 shares with a nominal value of €1, is wholly-owned by TF1.

The aim of the company is to act as administrator for @TF1.

4.2 ACQUISITIONS

Acquisition by TF1 of ESPN shares in Eurosport Group

On May 19, 2000, TF1 and Canal+ each acquired 50% of ESPN's shares in Eurosport. The TF1 holding cost €87.2 M, allocated as follows: €78.9 M for ESO (16.5%), €7.9 M for TV Sport (5%) and €0.04 M for Sagas (16.5%).

TF1 stake in the Net TV Consortium (Spain)

On June 26, 2000, TF1 acquired a 7% interest in the company Net TV, for a total investment of 70 million pesetas (€420,708).

4.3 SHARE PURCHASES

Stake in the company TV Breizh

TF1 subscribed to 22% of the capital of the company TV Breizh, a commitment of €3.3 M.

The TV Breizh television channel broadcasts an audiovisual programme in French and/or Breton language on any media, notably satellite and cable, using analogue and/or digital standards and can offer in bundled satellite programmes.

4.4 DISPOSALS

Increase of the capital of TF1 Digital by transfer of the TF1 shares in LCI and Odyssee to TF1 Digital

TF1 made the following contributions to its TF1 Digital subsidiary:

- 300,000 shares in the company La Chaîne Info - LCI, for a value of €83,846,960, against the issue of 5,240,435 new, fully-paid TF1 Digital shares with a nominal value of €16 as part of a TF1 Digital capital increase.
- 500 shares in the company Odyssee, for a value of €15,244,800, against the issue of 952,800 new, fully-paid TF1 Digital shares with a nominal value of €16, as part of a TF1 Digital issue of equity capital.



① *Roméo et Juliette*
② Claire Chazal

On December 20, 2000, the equity of the company TF1 Digital was increased by €40,000 from €99,091,760 to €99,131,760, divided into 6,195,735 shares each with a nominal value of €16.

Transfer of interest in the company Magéos

On November 22, 2000, TF1 disposed of 213,750 general partnership shares of its interest in the company Magéos to the company Thallium for a total price of €2.5 M.

4.5 EVENTS SINCE THE CLOSURE OF THE FINANCIAL YEAR

Acquisition of an interest in the companies of Eurosport Group

On January 30, 2001, TF1 and its subsidiaries exercised their preemptive right to acquire all of the Eurosport shares held by:

- The companies of Canal+ Group,
 - 49.5% of Eurosport Sales Organisation (ESO)
 - 49.5% of Société d'Administration et de Gestion de l'Audiovisuel Sportif (SAGAS)
 - 30% of TV Sport,The total amount for the acquisition of Canal+ shares in these companies was of €289.3.
- The company Havas Images
 - 34% of TV Sport, for a sum of €56.3 M.

Acquisition of an interest in Extension TV (Série Club)

- The company M6 Thématiques
 - 50% of Extension TV (Série Club), for a sum of €22.9 M.

5. CAPITAL

5.1 SHARE PRICE

The TF1 share closed the 2000 stock exchange year at €57.5, showing a year-on-year increase of 10.6%. Its market capitalisation amounted to €12.1 billion. This performance should be set against a 0.5% fall of the French securities index (CAC 40).

The TF1 share price reached an all-time high of €94.2 on March 6, 2000 (restated to take into account the division of its nominal share value by 10).

Share liquidity increased with an average of 650,000 shares traded daily. The TF1 share yielded 28.3% pre-tax (including tax credit) annually on its July 24, 1987 introduction price of FF16.5 (€2.51) (restated to take into account the division of its nominal share value by 10).

On May 10, 2000, TF1 entered the CAC 40 index.

On June 21, 2000, to increase liquidity, TF1 divided its nominal share value by 10.

5.2 MARKET TRANSACTIONS

During the year under review, the Board of Directors did not make use of the authorisation granted by the Annual General Meeting on April 18, 2000.

5.3 AMOUNT / SHARE TYPES

HISTORY OF TF1 SHARE CAPITAL OVER LAST FIVE YEARS

Operation	Share issue price		Number of shares		Total share capital after increase
	Nominal	Premium	Issued	Total	
29/10/99 Increase of employee capital	10 francs	969.21 francs	118,316	21,118,316	211,183,160 francs
Operation	Nominal value per share		Number of shares		Total share capital
	Nominal	Increase in nom. val.	Issued	Total	
01/01/00 Conversion of capital to €					
a) Capital increase	10 francs	3.11914 francs	0	21,118,316	277,054,144.17 francs
b) Conversion	2 euros	0	0	21,118,316	42,236,632 euros
20/06/00 Division of nominal value	0.2 euros	0	0	211,183,160	42,236,632 euros

The conversion of the capital into euros decided by the Board of Directors on September 20, 1999, as authorised by the May 7, 1999 Annual General Meeting, took effect on January 1, 2000. The conversion was accompanied by a prior equity issue of €10,041,966.80, provisioned from the “revaluation differential” and “other reserves” items.

On June 21, 2000, TF1 divided its nominal share value by 10. The TF1 fully-paid share capital of €42,236,632 has consequently been divided into 211,183,160 shares each with a nominal value of €0.2.

There are no investment certificates, preference shares or dual vote shares.

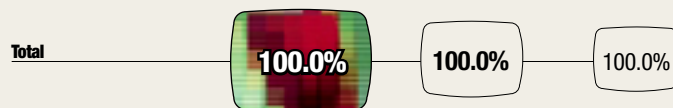
5.4 SHARE MANAGEMENT

TF1, as issuing company, manages its own securities department and financial department.

5.5 SHAREHOLDERS

To the best knowledge of the Board of Directors, the group’s shareholding on December 29, 2000 broke down as follows:

	Capital holdings on December 29, 2000	Voting rights on December 29, 2000	Capital holdings on June 30, 2000
Bouygues	39.8%	40.1%	39.9%
Société Générale	1.4%	1.4%	1.4%
Total core shareholders (1)	41.2%	41.5%	41.3%
Others France (2) (3)	30.8%	31.1%	29.2%
Including personnel	2.5%	2.6%	2.9%
Treasury shares	0.6%	0.0%	0.9%
Europe (excluding France)	17.1%	17.2%	21.0%
Others	10.2%	10.3%	7.6%



(1) Core shareholding as disclosed to Euronext on Feb. 23, 1994 (Avis Euronext 94-600)

(2) Including unidentified holders (~ 15%) - (3) Estimations by Euroclear on December 29, 2000

The number of shareholders is estimated at over 100,000. To the best knowledge of the company, no other single shareholder owns more than 5% of the capital of TF1.

The shareholding structure has not had any significant changes as regards breakdown, voting rights or core structure in the past 3 years.

5.6 STOCK WARRANT OR STOCK PURCHASE PLAN

The Annual General Meetings held on June 12, 1995 and April 18, 2000 authorised the Board of Directors to grant options for the purchase of share of the company in favour of the employees and management of TF1 and of the companies with which it is linked, as provided for in article L. 225-180 of French commercial law (Code de Commerce).

After division of nominal share value	Plan n° 1	Plan n° 2	Plan n° 3	Plan n° 4	Plan n° 5
Date of GM	12.06.95	12.06.95	12.06.95	12.06.95	18.04.00
Date of Board meeting	10.10.95	08.04.97	18.03.98	20.09.99	06.12.00
Type of plan	Purchase	Warrant	Warrant	Warrant	Warrant
Total number of shares eligible as options or for purchase	1,705,000 shares	2,270,000 shares	2,300,000 shares	2,300,000 shares	840,000 shares
Total number of options or shares distributed to executives (1)	795,000 options	1,010,000 options	1,000,000 options	760,000 options	0
Options exercisable as from	end of vesting period				
Maturity date	7 years after date of attribution (= date of Board meeting)				
Warrant price	€7.33 FF48.08	€7.97 FF52.28	€10.02 FF65.73	€23.27 FF152.62	€53.04 FF347.92
Terms of exercise	Vesting period: 1 year, exercisable for the following 4 years by cumulative tranches of 1/4	Vesting period: 5 years, exercisable for the 2 years following the 5-year vesting period	Vesting period: 5 years, exercisable for the 2 years following the 5-year vesting period	Vesting period: 5 years, exercisable for the 2 years following the 5-year vesting period	Vesting period: 5 years, exercisable for the 2 years following the 5-year vesting period
Number of shares purchased (net) or warrants on 28.02.01	254,000	-	-	-	-

(1) The 10 executive directors are composed of general management and by two directors of TF1's Broadcasting activities.

Details of options granted to executives can be consulted in note 6.5 “Executive compensation” of the consolidated accounts.

On December 31, 2000, there is no other potential shareholding fund than the one coming from the “stock options” exercises.

To the best knowledge of the company, there are no pledged TF1 shares and TF1 has pledged none of its subsidiaries’ shares.



6. APPROPRIATION AND DISTRIBUTION OF PROFITS BY TÉLÉVISION FRANÇAISE 1 (parent company)

In the resolutions which we are submitting for your approval, we are seeking your approval of the accounts for the 2000 financial year, and in view of the available profits of €411,803,365.45 (FF2,701,253,001.90), including the net profit of €358,132,160.96 (FF2,349,192,979.06) from the year under review and the profit of €53,671,204.49 (FF352,060,022.84) brought forward from the previous financial year, to agree to the following appropriation and distribution proposed by the Board of Directors:

- Appropriation as Other Reserves:
€200,000,000.00 (FF1,311,914,000.00)
- Distribution of a dividend of:
€137,269,054.00 (FF900,425,968.54)
(i.e. a net dividend of €0.65 (FF4.26) per share with a nominal value of €0.2, with a tax credit of €0.33 (FF2.13) on the basis of 50% of the dividend value.
- Appropriation as balance carried forward:
€74,534,311.45 (FF488,913,033.36)

The dividend may be made payable as from May 30, 2001.

We hereby seek your authorisation to appropriate the dividends related to TF1-owned shares as balance carried forward, as provided for in article L. 225-210 of French commercial law (Code de Commerce). (This provision was formerly governed by article 217-3 § 4 of the July 24, 1966 law on commercial companies.)

We remind you that in the last three financial years, net per share dividends paid for the 1997, 1998 and 1999 financial years were respectively €0.24 (FF1.60), €0.34 (FF2.20) and €0.46 (FF3.02); the corresponding tax credits were €0.12 (FF0.80), €0.17 (FF1.10) and €0.23 (FF1.51). These amounts have been adjusted to take account of the division of the nominal share value by 10 on June 21, 2001.

It should be noted that, subsequent to the appropriation of the 1999 profits as voted by the Annual General Meeting on April 18, 2000, the sum of €871,171 (FF5,714,507.16) corresponding to unpaid dividends on shares owned by the company, was added to the stated balance carried forward, €52,800,033.49 (FF346,345,515.63). Consequently, the balance carried forward totalled €53,671,204.49 (FF352,060,022.83), and this figure is shown in the balance sheet closed on December 31, 2000.

7. RESOLUTIONS

The Group's statutory auditors will make known their reports on the Group's accounts for the 2000 financial year and the agreement governed by article L. 225-38 of French commercial law.

We seek your approval of the following resolutions:

- the accounts for the 2000 financial year, the appropriation and distribution of profits, and the agreement and operations governed by article L. 225-38 of French commercial law mentioned in the special report by the Group's statutory auditors,
- to give full discharge to the Board of Directors,
- to take due note of the presentation of the consolidated accounts,
- to ratify the co-opting, of Patricia BARBIZET to the position of Administrator, as decided by the Board of Directors at its meeting on July 12, 2000,
- to renew for a two-year term, the mandates of the Administrators Patricia BARBIZET, Martin BOUYGUES, Claude COHEN, Michel DERBESSE, Patrick LE LAY, Philippe MONTAGNER, Etienne MOUGEOTTE, Olivier POUPART-LAFARGE and LA SOCIÉTÉ GÉNÉRALE, whose terms of office are due to expire at the end of this Annual General Meeting,
- to appoint as successor to Jacques VILLARY, whose term of office is due to expire at the present Annual General Meeting, the firm Mazars & Guérard, having business premises at immeuble Le Vinci - 4, allée de l'Arche - 92075 Paris La Défense, as Statutory Auditor for the Group, for a term of six financial years,
- to appoint as successor to Julien MARIN-PACHE, whose term of office is due to expire at the present Annual General Meeting, Thierry COLIN having business premises at Mazars & Guérard immeuble Le Vinci - 4, allée de l'Arche - 92075 Paris La Défense as Alternate Auditor for the Group, for a term of six financial years,
- to authorise the implementation of a share acquisition programme enabling the company to buy back its own shares on the securities market. The aim of these transactions will be to regulate the stock market price of the share, appropriate shares for employees, keep or transfer shares in the course of financial operations, or cancel shares subject to the adoption of the 19th resolution (extraordinary part) notably to repurchase a number of shares corresponding to shares issued in stock warrant plans or in capital increased reserved for employees. Such acquisition would be limited to a maximum of 10% of the total share capital. The maximum purchase price per share is to be set at €100 (FF655.96) and the minimum sale price per share at €30 (FF196.79).

You will find enclosed a schedule showing the company's results for the last five financial years.

We invite you to vote in favour of the above proposed resolutions.

The Board of Directors

Conversion	€	FF
Dividend / Tax credit	0.65 / 0.33	4.26 / 2.13
Stock repurchase plan		
Per share price:		
- Maximum purchase price	100	655.96
- Minimum sale price	30	196.79



Five year financial record

	1996	1997	1998	1999	2000
1 - Share capital at the end of the accounting period (in €)					
a) Share capital	32,014,294	32,014,294	32,014,294	32,194,665	42,236,632
b) Number of shares issued	21,000,000	21,000,000	21,000,000	21,118,316	211,183,160 ⁽¹⁾
c) Number of bond convertible into shares	-	-	-	-	-
2 - Profit and loss account (in €)					
a) Turnover (excluding VAT)	1,059,760,906	1,112,369,346	1,162,190,073	1,285,997,333	1,491,806,305
b) Profit before tax, profit sharing, depreciation amortisation and provisions	146,517,104	172,569,329	211,322,398	311,225,175	596,567,739
c) Corporate income tax	34,768,717	51,378,055	77,376,899	103,988,111	150,087,760
d) Employee profit sharing	2,594,054	3,076,990	4,066,042	10,344,406	13,511,247
e) Profit after income tax, profit sharing, depreciation, amortisation and provisions	77,046,196	90,566,769	140,271,944	178,747,652	358,132,161
f) Total dividends	51,222,870	51,222,870	70,431,446	97,144,254	137,269,054 ⁽²⁾
3 - Earnings per share (in €)					
a) Net profit before depreciation, amortisation and provisions	5.20	5.62	6.18	9.32	2.05
b) Net profit after depreciation, amortisation and provisions	3.67	4.31	6.68	8.46	1.70
c) Dividend per share	2.44	2.44	3.35	4.60	0.65 ⁽²⁾
4 - Employees					
a) Number of employees	1,248	1,220	1,209	1,271	1,299
b) Total payroll costs (in €)	94,386,879	91,567,251	92,104,170	94,352,055	97,677,913
c) Total of employee benefit costs (in €)	41,237,083	39,466,125	39,988,069	42,283,355	43,173,430

(1) After stock split 1 for 10 June 21, 2000.

(2) Submitted for approval at the general meeting.



TF1 SHARE: MARKET AND YIELD

1. DIVIDEND AND YIELD

Following the capital increase reserved to its employees on October 29, 1999, which raised the number of shares from 21,000,000 to 21,118,316, a second change happened on June 21, 2000: the nominal value of TF1 shares has been divided by ten, and thus the total number of shares of TF1's capital amount to 211,183,160.

This split was made in order for the TF1 share to be affordable for individual shareholders. It is a neutral operation for current TF1 shareholders, who have been attributed 10 new shares in exchange for one old share. The amount of the Group's share capital remains unchanged at €42,236,632.

Year	Dividend paid ⁽¹⁾ (€)			Share price ⁽¹⁾ (€)			Yield (closing price)
	Net	Tax credit	Total	High	Low	Close	
1995	0.24	0.12	0.36	8.4	6.3	8.0	4.6%
1996	0.24	0.12	0.36	9.7	7.2	7.6	4.8%
1997	0.24	0.12	0.36	9.4	7.4	9.4	3.9%
1998	0.34	0.17	0.51	17.1	9.4	15.2	3.3%
1999	0.46	0.23	0.69	54.9	14.8	52.0	1.3%
2000	0.65⁽²⁾	0.325⁽³⁾	0.975	94.2	45.9	57.5	1.7%

(1) Adjusted for 10 for 1 split.

(2) Submitted for approval at the General Meeting.

(3) Based on a 50% tax credit.

On May 10, 2000, TF1's stock entered the CAC 40 stock index, following the decision of the "Conseil Scientifique des Indices". The stock is also part of the ITCAC index dealing with TMT stocks (Technologies, Media, Telecommunications) at the Paris Stock Exchange, created in March 2000 to track the evolution of technologic stocks securities quoted on the "Premier", "Second" and "Nouveau Marché".

On December 29, the TF1 market capitalization amounted to €12.1 billions.

No application for quotation on another market is underway.

Dividends are at the disposal of shareholders from the date they are payable, either at TF1 for nominal securities, or at the financial institutions for bearer and registered securities. Dividends not claimed within 5 years will be remitted to the French State.

2. TAX STATUS

Under present French Law, the applicable tax regime is as follows:

• Individual shareholders resident in France

Dividends from French shares are taken into account as part of revenue from securities in order to determine the taxpayer's global income.

They will consequently be liable to income tax and will incur:

- CSG of 7.5%, up to 5.1% being deductible from taxable income,
- social levy of 2%, non deductible,
- CRDS of 0.5%, non deductible.

These dividends will also benefit from the same annual allowance as bond revenues: FF16,000 for married couples and FF8,000 for unmarried, widowed or divorced people. This allowance is not applicable to taxpayers chargeable at the top rate of tax.

• French residents legal entities liable to corporate income tax

Dividends paid are liable to common law conditions.

Shareholders are likely to benefit from the parent companies' status if they hold more than 5% of the share capital of the distributing company.

• Shareholders not resident in France

Dividends distributed by companies registered in France are liable to a 25% withholding tax if the recipient company is based in a country outside of France. The withholding tax may be reduced or eliminated in accordance with the relevant double tax agreements.

Please note that this is a simplified presentation of tax regulations.

3. SHARE PRICE AND TRADING VOLUMES

TF1's share price and trading volumes for the last 3 years and the current financial year:

Year	Month	High (€) ⁽¹⁾	Low (€) ⁽¹⁾	Close (€) ⁽¹⁾	Number of shares traded ⁽²⁾
1998	January	10.66	9.24	10.02	1,121,969
	February	10.40	9.77	10.06	680,794
	March	12.10	9.99	11.74	945,096
	April	12.88	11.37	12.88	493,323
	May	13.13	12.20	12.87	292,595
	June	15.34	12.84	14.28	1,367,824
	July	14.86	12.50	14.64	1,271,024
	August	15.02	13.13	13.32	303,092
	September	16.01	12.73	14.64	1,315,244
	October	14.79	11.13	13.99	1,312,851
	November	15.37	13.72	15.17	1,011,525
	December	17.61	14.13	15.17	609,217
1999	January	19.00	15.00	17.50	1,196,971
	February	17.65	14.51	16.30	818,606
	March	17.39	15.51	17.39	554,020
	April	19.90	16.51	18.50	593,949
	May	24.00	18.55	22.34	748,597
	June	22.83	20.71	22.60	978,557
	July	24.46	21.46	22.50	595,505
	August	25.10	22.00	23.60	756,533
	September	28.01	23.50	26.27	871,789
	October	30.05	25.41	29.80	1,095,809
	November	43.00	29.51	36.00	1,713,261
	December	56.00	35.00	52.00	1,106,317
2000	January	57.50	45.50	54.60	1,785,780
	February	67.50	53.70	67.50	1,140,548
	March	95.70	70.00	77.00	1,695,722
	April	82.00	54.10	75.30	2,015,019
	May	81.70	58.00	69.00	2,146,228
	June	75.90	66.75	73.00	3,688,439
	July	85.40	70.00	80.20	8,423,162
	August	85.00	71.70	82.10	9,441,931
	September	88.70	64.80	65.00	15,677,546
	October	69.90	53.25	64.30	18,698,062
	November	66.75	47.90	50.40	19,063,964
	December	59.00	50.70	57.50	10,926,718
2001	January	63.80	50.00	55.00	14,424,459
	February	54.45	43.26	46.97	20,792,841

Data: Euronext Paris

Note: adjusted for 10 to 1 split.

(1) Highs and lows are those recorded during Bourse sessions.

(2) Traded volumes represent transactions recorded both on and off the central CAC system.



① Sade
② Under Suspicion

4. TF1 SHARE PRICE/CAC 40 INDEX

From December 30, 1999 to December 29, 2000:

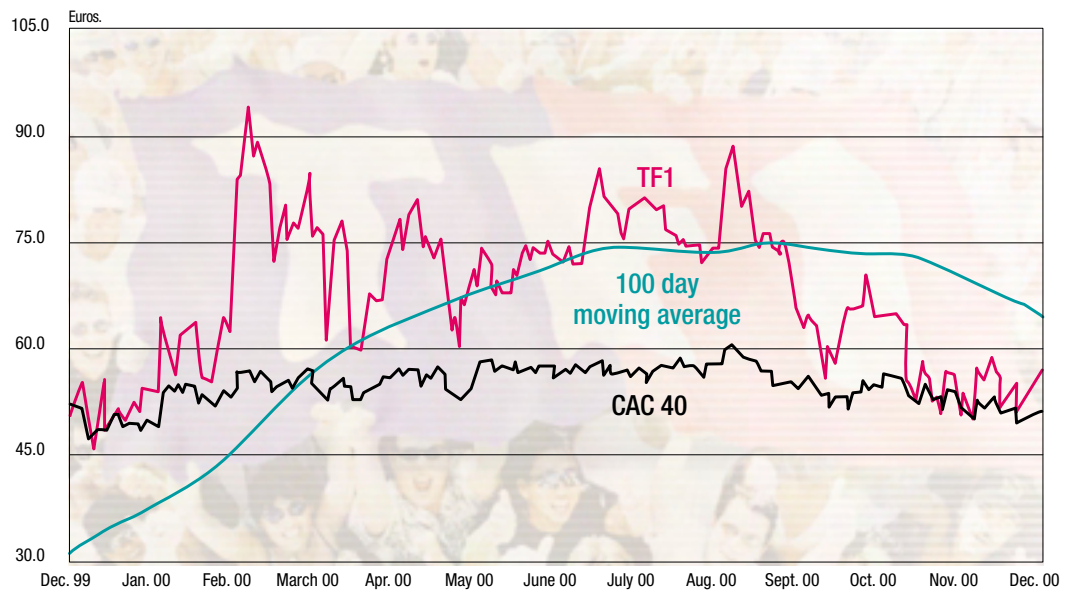
TF1

+ 10.6 %

CAC 40

- 0.5 %

% change since December 30, 1999





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