



# ANNUAL REPORT & ACCOUNTS 1992



Ordinary General Meeting  
10 June 1993

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# BOARD OF DIRECTORS - AUDITORS

June 1993 <sup>(1)</sup>

## Chairman & Managing Director

- Patrick LE LAY

## Directors

- Francis BOUYGUES
- Martin BOUYGUES
- Corinne BOUYGUES
- Nicholas CLIVE WORMS
- CREDIT LYONNAIS - Represented by Sylvain CARNOT
- François DALLE
- Etienne MOUGEOTTE
- Olivier POUPART-LAFARGE
- SOCIETE GENERALE - Represented by Marc VIENOT

## Directors, Representatives of the employees

- Liliane NOEL-THOLOMET
- Jean-Pierre PERNAUT

## Auditors

### *Statutory Auditors:*

Cabinet SALUSTRO-REYDEL <sup>(2)</sup>

Dominique LEDOUBLE <sup>(3)</sup>

### *Alternate Auditors:*

Jean-Louis MULLENBACH <sup>(2)</sup>

Jean-Pierre CROUZET <sup>(3)</sup>

(1) All directors were appointed or re-appointed by the General Meeting of 10 June 1993, except Nicholas Clive Worms, Liliane Noël-Tholomet and Jean-Pierre Pernaut who were appointed or re-appointed by the General Meeting of 12 June 1992.

(2) Re-appointed by the General Meeting of 10 June 1993.

(3) Appointed by the General Meeting of 9 June 1989.

# GROUP MANAGEMENT

May 1993

## EXECUTIVE MANAGEMENT

- **Chairman & Chief Executive**  
Patrick Le Lay
- **Vice Chairman**  
Etienne Mougeotte

## PROGRAMMES

- **Deputy Managing Director of Programmes**  
Christian Dutoit
- **News Director**  
Gérard Carreyrou
- **Editorial Director**  
Robert Namias
- **Director of Production, Cinema, Acquisitions and International Co-productions**  
Guillaume de Vergès
- **Artistic Director**  
Dominique Cantien
- **Magazines and Documentaries Director**  
Pascale Breugnot
- **Administration & Finance Director of Production**  
Francis Willaume
- **Sports Director**  
Jean-Claude Dassier
- **Game Shows Director**  
Jean Mino
- **Director of Children and Family Programmes**  
Dorothee

## ADVERTISING

- **Managing Director of Administration and Finance**  
Corinne Bouygues
- **Managing Director of Sales**  
Claude Cohen

## GENERAL MANAGEMENT

- **Deputy Managing Director of Administration & Finance**  
Jean-Pierre Morel
- **Director of Communication**  
René Tézé
- **Director of Human Resources**  
Alain Rousseau
- **Director of Technical Affairs**  
Abdelhamid Beldjoudi
- **Director of General All Public Products**  
Alain Royer
- **Director of General Affairs**  
Gérard Gachot

## MAIN SUBSIDIARIES

### TF1 ENTREPRISES

Chairman & President: Alain Royer  
TF1 Vidéo Director: Pierre Brossard  
Director of phone-based services and spin-off activities: Martine Tournier  
Director of international programme sales: Jean-Pierre Deschateaux

### TELESHOPPING

Chairman & President: Alain Royer  
Managing Director: Robert Lens

### UNE MUSIQUE

Chairman & President: Alain Royer  
Director: Nadine Laïk-Blanchard

### TF1 EDITIONS

Chairman & President: Bernard Fixot

### TF1 FILMS PRODUCTION

Chairman & President: Etienne Mougeotte  
Managing Director: Guillaume de Vergès

### PROTECREA

Chairman & President: Pierre Wiehn  
Managing Director: Jean Mino

### BANCO PRODUCTION

Chairman & President: Patrick Le Lay  
Managing Director: Pascale Breugnot

### STUDIOS 107

Chairman & President: Christian Dutoit  
Managing Director: Jean Adam

### EUROSPORT

- **SAGAS**  
Chairman & President: Jean-Pierre Morel
- **ESO/SETS**  
Chairman & President: Patrick Le Lay  
Vice Chairman: Jean-Claude Dassier  
Managing Director: Emmanuel Florent

# HIGHLIGHTS

## KEY FIGURES CONSOLIDATED

(FF million)	1992		1991		1990	
TF1 Advertising	6,237	84 %	5,498	84 %	5,238	90 %
Diversification & other revenue	1,197	16 %	1,039	16 %	590	10 %
Consolidated turnover	7,434	100 %	6,537	100 %	5,828	100 %
Operating profit	546		527		478	
Net profit attributable to the Group	451		341		300	
Shareholders' equity	1,462		1,179		985	
Long term debt	123		217		34	
Cash Flow	392		449		418	
Programmes in stock	2,058		2,226		1,667	
Net cash	839		408		517	

## 1992 BUSINESS REVIEW

1992 was yet another good year for the TF1 Group. Consolidated turnover was FF 7,434 million - up 14%.

Operating profit increased by 4%, despite EUROSPORT losses and programming costs which rose by 11%.

Net profit attributable to the Group was FF 451 million - up 32%. Exceptional profit amounted to FF 52 million, taking into account: the capital gain generated from the sale of part of former Cognacq-Jay headquarters, charges due to the move to a new building, Eurosport restructuring costs and fines imposed on TF1.

### Viewership

In 1992, TF1 maintained its audience leadership.

Market shares* (%)	1992	1991	1990
Households	41.2	41.6	41.4
Children (6-14)	44.4	42.9	41.0
Adults (15+)	40.7	42.0	42.1
Housewives (< 50)	40.2	40.5	40.0

\* Data: Médiamétrie

### Advertising

1992 was a difficult year mainly because of the commercial drift of the public channels. Despite this difficult environment, the channel's turnover increased by 13% as compared to a 5% increase in 1991.

### Diversification

Diversification and other revenue amounted to FF 1,197 million - up 15%.

In 1992, diversification and other revenue accounted for 16% of consolidated turnover.

The share of the diversification activities in the consolidated profit was FF 37 million (8% of net profit attributable to the Group).

### Publishing / Distribution

Sales of video cassettes, phone-based services, teleshopping and book publishing: these businesses strengthened their position and defended their margins on a sluggish market. Sales of records and programmes increased significantly.

### Eurosport

The EUROSPORT sports channel further extended its network. It reached 38.5 million European households at the end of 1992.

The EUROSPORT / TESN link-up in 1993 is strengthening the channel's position. Viewers are now offered a richer blend of programmes and advertisers an improved service package.

## PROSPECTS FOR 1993

To consolidate its leadership in 1993 TF1 will continue to:

- offer the viewers the quality programmes they want
- strengthen ties with advertisers, and continue marketing new products that meet client needs.

Thus, TF1 should resist the changes in the French TV sector (i.e. the commercial drift of the public channels, the impact of the SAPIN Law...) and maintain its position despite the poor state of the economy.

The Group will also strengthen diversification so as to gain market share and increase profitability. New developments will be investigated within existing structures. Furthermore, the group will continue to keep a close eye on emerging media technologies that may offer good opportunities.

## BALANCE SHEET AND FINANCING

In 1992, the TF1 Group saw no noticeable change in its scope of consolidation. Thus, the 1992 consolidated balance sheet can be compared with 1991.

Fixed assets were stable at FF 673 million, with FF 559 million in tangible assets. Long-term capital was FF 1,851 million, up FF 193 million. Working capital was FF 1,178 million, up FF 181 million. Long term financial creditors were down FF 94 million to FF 123 million.

Thus, in 1992 the Group strengthened its balance sheet structure.

On 31 December 1992 current assets stood at FF 5,442 million, a FF 441 million increase over 1991 due to:

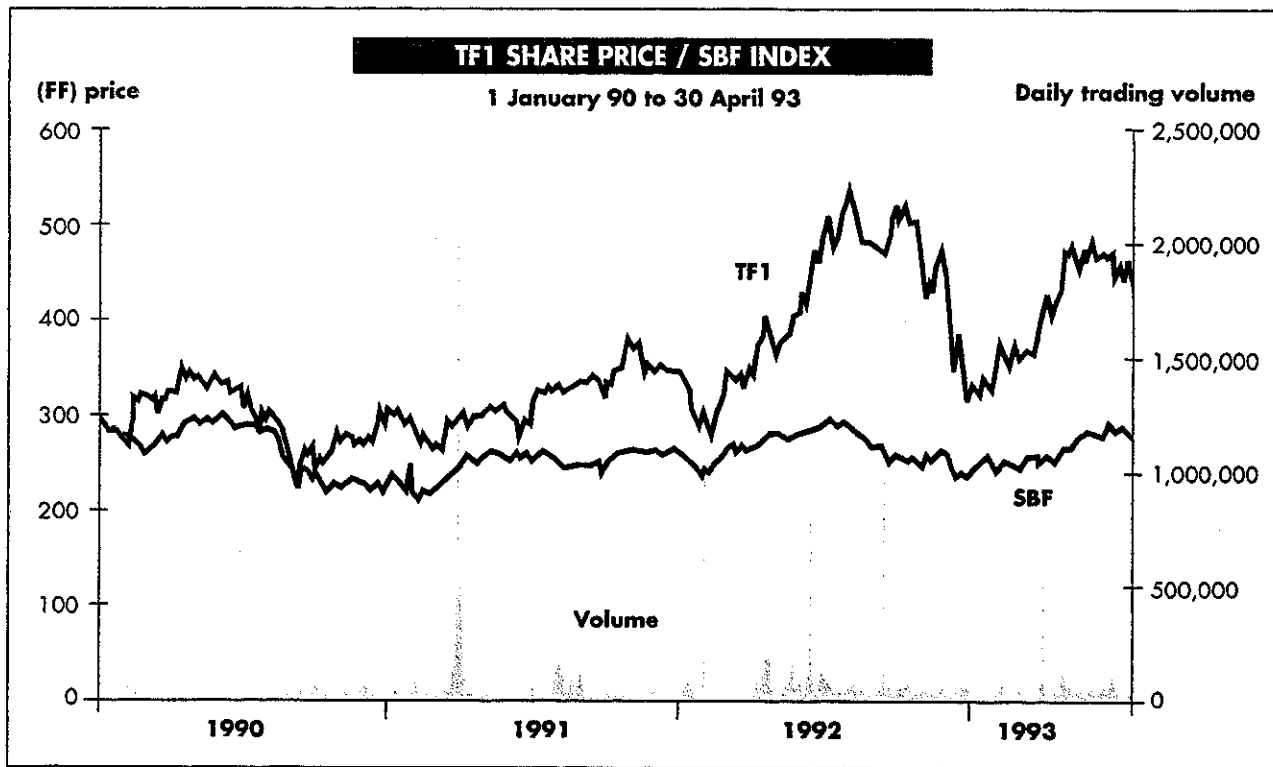
- inventories down FF 168 million.  
Programmes stocks stood at FF 2,058 million.  
They represent approximately 3 years in advance of film, drama and series programming.
- creditors up FF 182 million
- a cash increase of FF 427 million (cash at hand and in bank plus marketable securities), partly due to the sale of part of former Cognacq-Jay headquarters.

## SHARE APPRAISAL

TF1 is a growth stock. For the investor having bought TF1 shares at the issue price (FF 165), an annual return of 18% (including tax credits) was gained at the end of 1992.

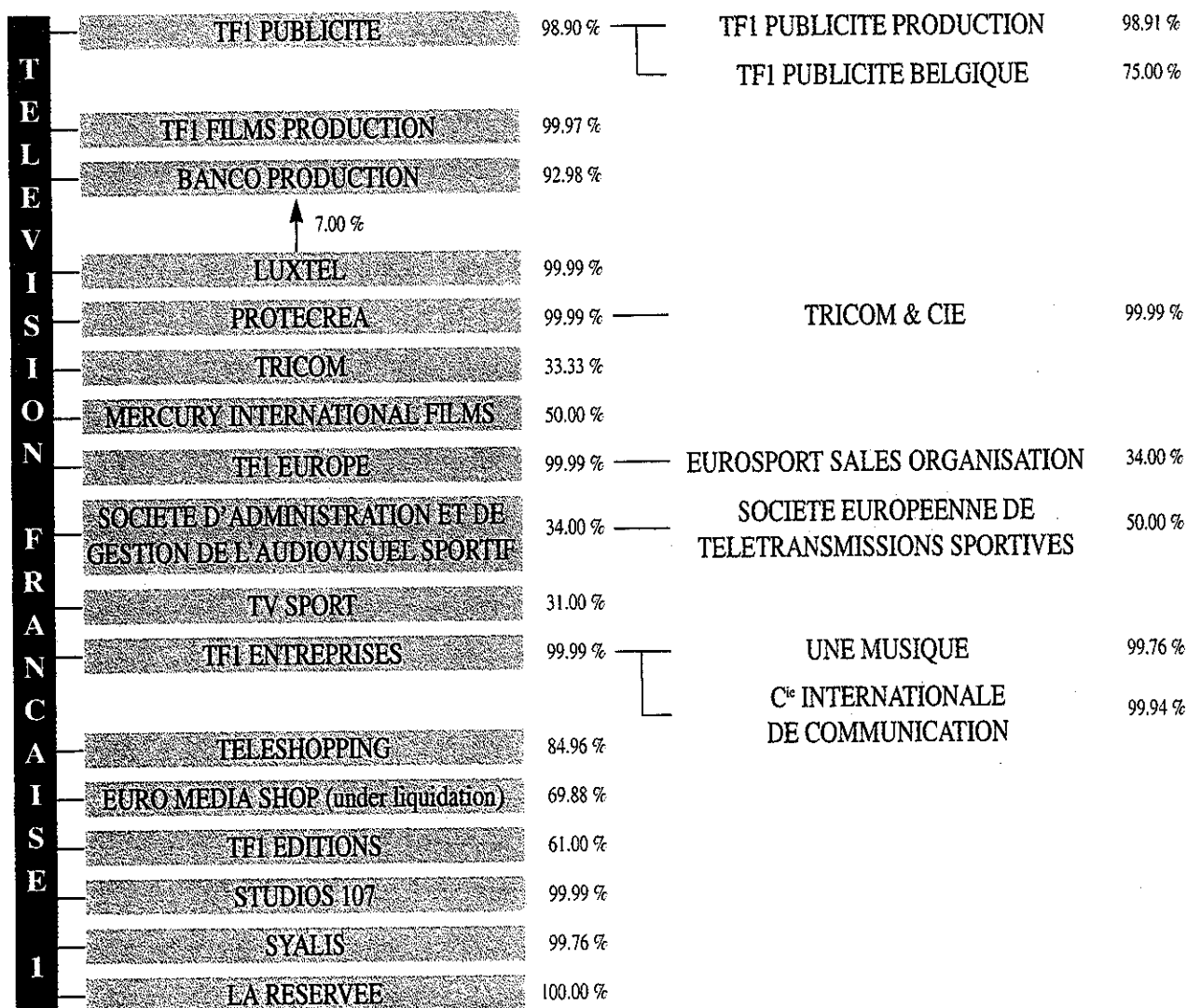
	1992	1991	1990
High (FF)	538	382	358
Low (FF)	310	265	220
Average (FF)	417	318	297
Average PER	19	20	21
Average market capitalisation (FF million)	8,757	6,668	6,229
Capital turnover	46 %	35 %	16 %
Net profit per share (FF)	21.5	16.2	14.3
Net dividend per share (FF)	10	8	7

At the end of 1992, TF1 shareholders numbered approximately 100,000.

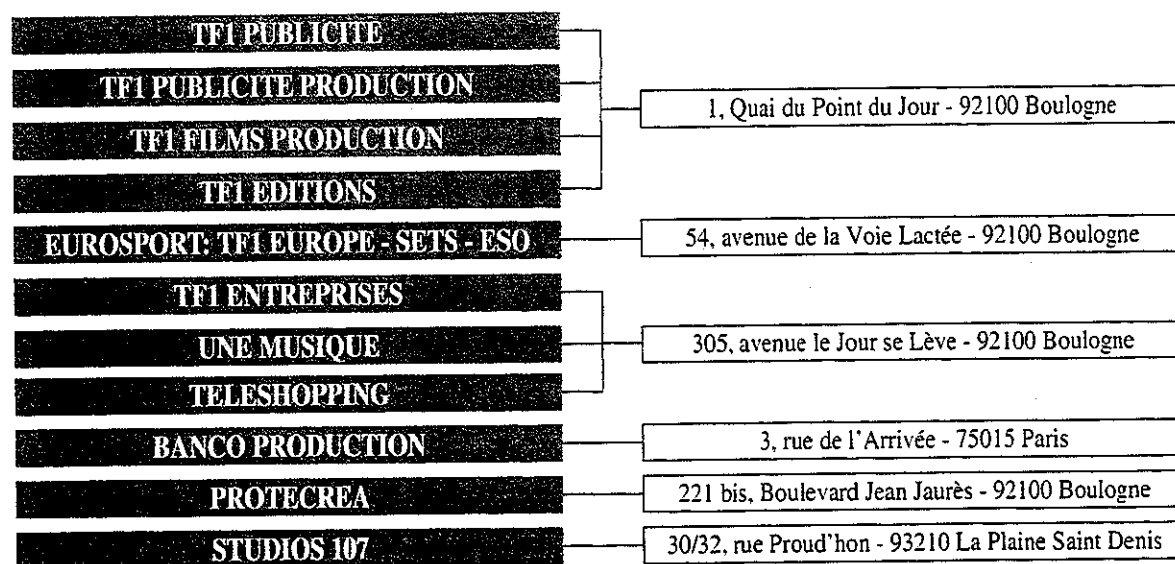


# TF1 GROUP: ORGANISATION CHART

(June 1993)



## POSTAL ADDRESS OF MAIN SUBSIDIARIES



# BUSINESSES OF THE TF1 GROUP

## THE TF1 GROUP

TELEVISION FRANCAISE 1 (TF1) is a public limited company. Its core business is producing and broadcasting television programmes.

TF1 was privatised in 1987. A group of core shareholders led by BOUYGUES bought a 50% stake of the company at a price of FF 285 per share.

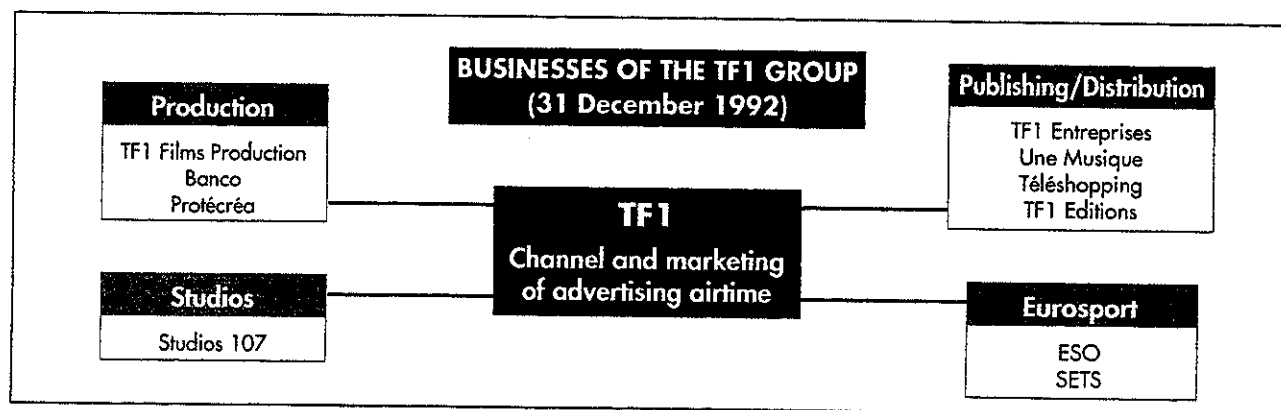
Since then, TF1 has developed synergies with its core activity.

- Upstream, TF1 expanded in the production business.
- Downstream, TF1 diversified into publishing and distribution.

In 1991, TF1 re-launched EUROSPORT - a new step in its diversification drive.

## MAIN EVENTS

<b>1987</b>	Privatisation TELESHOPPING (home shopping)
<b>1988</b>	TF1 EDITIONS (book publishing) UNE MUSIQUE (music and disks)
<b>1989</b>	TF1 ENTREPRISES (sales of video cassettes, phone-based services, programme sales and merchandising)
<b>1990</b>	BANCO PRODUCTION and PROTECREA (production) TF1 PUBLICITE PRODUCTION (production of commercials and promos)
<b>1991</b>	STUDIOS 107 (television studios) Re-launch of EUROSPORT (number one European sports channel)
<b>1992/93</b>	EUROSPORT / TESN link-up via a TF1 / CANAL + / CAPITAL CITIES + ABC partnership



## STAFF

At the close of 1992, permanent staff was 1,573, up from 1,559 at the end of 1987. This increase is mainly due to the expansion of the subsidiaries. On 31 December 1992, staff in the subsidiaries accounted for 25% of full-time Group staff, as compared to 6% in 1987.

## Breakdown of full-time staff (31 December 1992)

TF1 SA	1,176	75 %
<b>TF1 Publicité</b>	<b>190</b>	
<b>Publishing/distribution</b>	<b>111</b>	
TF1 Entreprises+CIC	84	
Une Musique	6	
Téléshopping	20	
TF1 Editions	1	
<b>Eurosport</b>	<b>49</b>	
SETS	24	
ESO	25	
<b>Production</b>	<b>30</b>	
TF1 Films Production	6	
Banco	0	
Protécra	24	
<b>Studios 107</b>	<b>6</b>	
<b>Other</b>	<b>11</b>	
<b>TOTAL SUBSIDIARIES</b>	<b>397</b>	<b>25 %</b>
<b>TOTAL GROUP STAFF</b>	<b>1,573</b>	<b>100 %</b>





# BUSINESSES OF THE TF1 GROUP

1992 operations and prospects for 1993 are reviewed in detail in the DIRECTORS' REPORT to the General Meeting of 10 June 1992 (See page 12).

Only highlights of the Group's main businesses are presented in this chapter.

## SHARE OF THE BUSINESSES IN THE CONSOLIDATED TURNOVER\*

1992 was another successful year for the TF1 Group. Consolidated turnover was up 13.7%.

Advertising revenue for the TF1 channel rose strongly (+13.5%). According to IREP (Institut de Recherches et d'Etudes Publicitaires), television was the only media advertising market that achieved growth in 1992.

The publishing and distribution businesses posted slower growth. With consumer demand receding, the economic environment proved difficult.

EUROSPORT trading increased strongly. The channel now reaps an estimated 50% of pan-European advertising investments.

The BANCO and PROTECREA production subsidiaries provided the channel with more programmes. Activity at STUDIOS 107 increased at an encouraging pace.

Other revenue was down. This was due to a drop in TF1 technical services to outside producers.

(FF million)	1992	1991	1990
<b>TF1 ADVERTISING REVENUE</b>	<b>6,237</b>	<b>5,498</b>	<b>5,238</b>
<b>Publishing/Distribution</b>	<b>704</b>	<b>663</b>	<b>429</b>
TF1 Entreprises + CIC	322	298	144
Une Musique	66	18	6
Téléshopping	282	306	246
TF1 Editions	34	41	33
<b>Eurosport</b>	<b>260</b>	<b>103</b>	
<b>Production</b>	<b>108</b>	<b>61</b>	<b>35</b>
TF1 Films Production	45	45	29
Banco	27	3	
Protécra	36	13	6
<b>Studios 107</b>	<b>33</b>	<b>23</b>	
<b>Other revenue (TF1 SA, TF1 Pub., ...)</b>	<b>92</b>	<b>189</b>	<b>126</b>
<b>TOTAL REVENUE FROM DIVERSIFICATION AND OTHER</b>	<b>1,197</b>	<b>1,039</b>	<b>590</b>
<b>CONSOLIDATED TURNOVER</b>	<b>7,434</b>	<b>6,537</b>	<b>5,828</b>

\* consolidated accounts include restatements vis a vis company accounts as mentioned in the notes to the accounts.

## SHARE OF THE SUBSIDIARIES IN THE CONSOLIDATED PROFIT\*

In 1992, net profit attributable to the Group was FF 451 million - up 32.3%. This increase is mainly due to higher profits for the TF1 SA parent company. The share of the subsidiaries was slightly lower because of the EUROSPORT re-launch and restructuring costs.

(FF million)	1992	1991	1990
<b>TF1 SA</b>	<b>414</b>	<b>297</b>	<b>240</b>
<b>Publishing/Distribution</b>	<b>44</b>	<b>53</b>	<b>34</b>
TF1 Entreprises+CIC	31	39	25
Une Musique	3	3	-1
Téléshopping	8	9	9
TF1 Editions	2	2	1
<b>Eurosport</b>	<b>-60</b>	<b>-30</b>	
<b>Production</b>	<b>7</b>	<b>6</b>	<b>-2</b>
TF1 Films Production	-1	6	
Banco	5	-4	-1
Protécra	3	4	-1
<b>Studios 107</b>	<b>-6</b>	<b>-11</b>	
<b>Other profits (Advertising, Finance)</b>	<b>52</b>	<b>26</b>	<b>28</b>
<b>TOTAL PROFIT, SUBSIDIARIES</b>	<b>37</b>	<b>44</b>	<b>60</b>
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>451</b>	<b>341</b>	<b>300</b>

\* consolidated accounts include restatements vis a vis company accounts as mentioned in the notes to the accounts.

## TRADING IN THE GROUP'S BUSINESSES

### THE CHANNEL

(FF million)	1992	1991	1990
Company turnover	5,835	5,178	4,868
advertising revenue portion	5,803	5,081	4,808

In 1992, the aim was to conciliate the following:

- viewers' expectations and fast changing tastes
- the largest possible family consensus
- advertisers' needs
- regulatory requirements
- and costs in line with the budget.

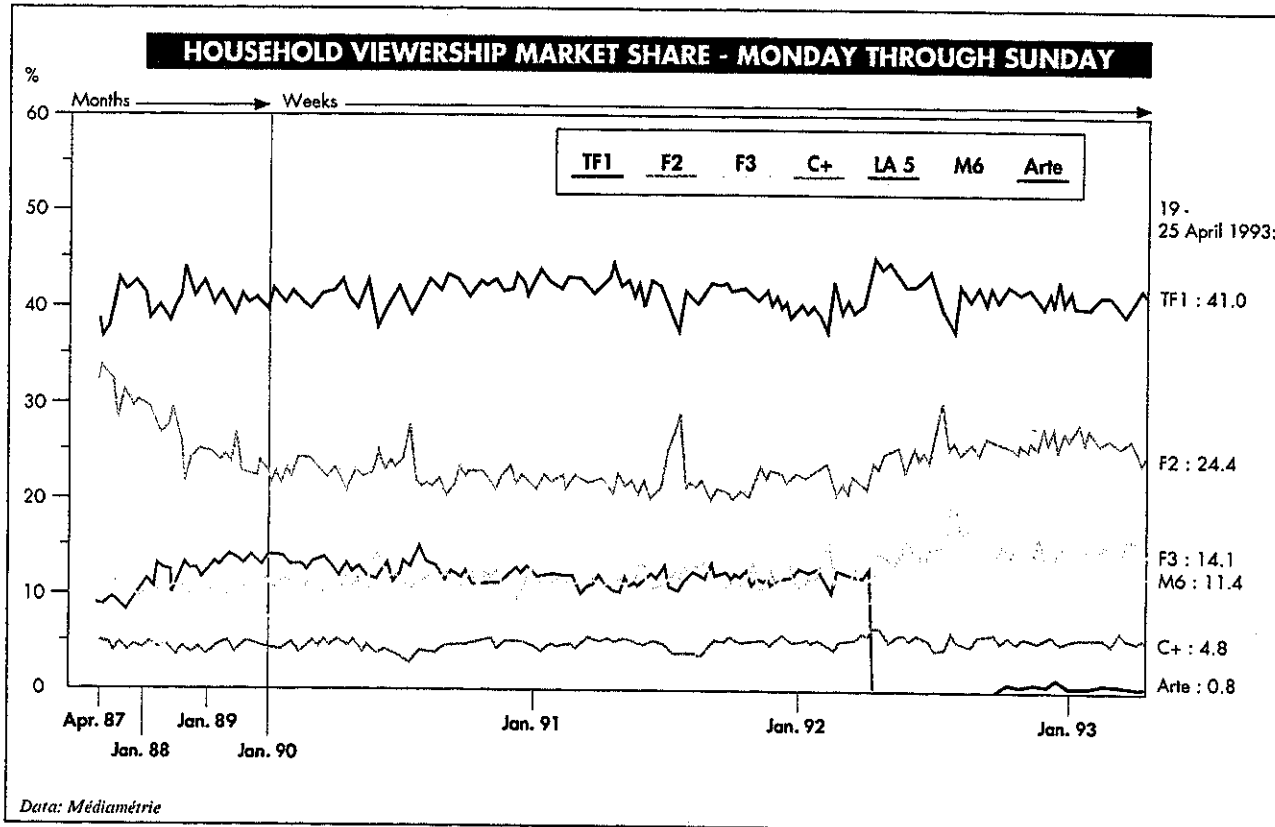
After relative stability between 1990 and 1991, company profit was up 60% in 1992 to FF 465 million.



## Audience

In 1992, the main event was the commercial drift of the public channels. But TV advertising investments also posted slow growth, and the regulatory framework was still as burdensome.

In this difficult environment, TF1 maintained its leadership with a 41% share of the viewership.

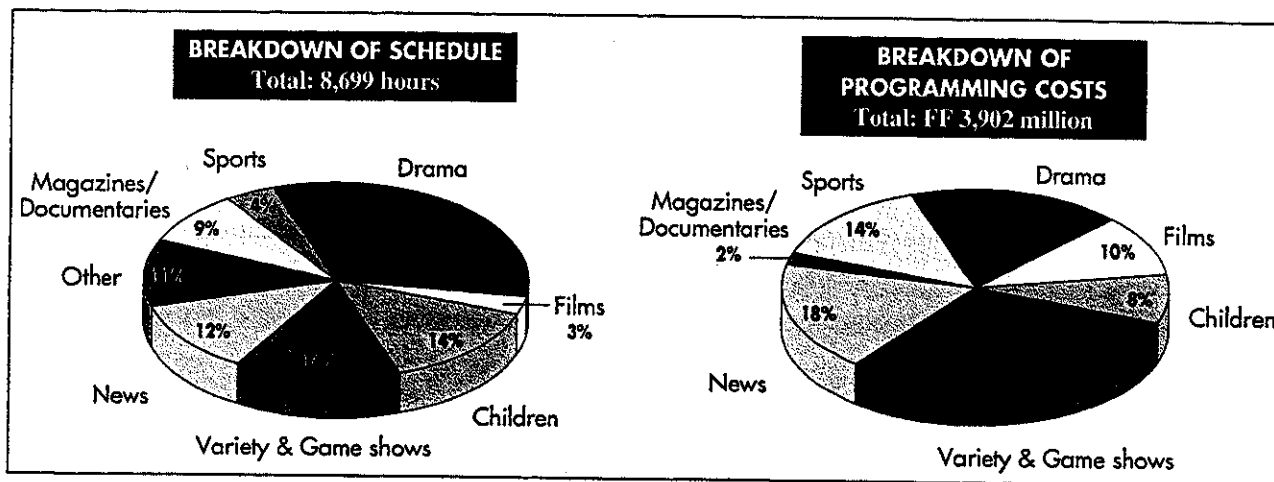


## 1992 Schedule breakdown

Every programming unit brainstormed, innovated and took risks. It paid off.

TF1 achieved 94 out of the top 100 audience ratings on French television.

And on 26 December 1992, Patrick Sébastien set an all-time ratings record: 17.5 million viewers tuned in to watch his "Le Grand Bluff".



# BUSINESSES OF THE TF1 GROUP

## PUBLISHING - DISTRIBUTION

### TF1 ENTREPRISES

Founded in 1989, this company has expanded rapidly.

Company turnover (FF million)	1992	1991	1990
Video	188	185	56
Phone-based services	69	71	49
Programme sales	50	30	42
Other	5		
<b>Total</b>	<b>312</b>	<b>286</b>	<b>147</b>

1992 programme sales increased. As forecast, activity of the phone-based services remained flat. After an exceptional year in 1991, TF1 video consolidated its sales and position as the number one French distributor of video cassettes following three American Majors.

Net company profit was FF 36 million in 1992. The FF 8 million drop compared to 1991 is due to exceptionally high depreciation of video rights.

In 1993, programme sales should increase further. Sales of videocassettes are expected to rise steadily.

### UNE MUSIQUE

UNE MUSIQUE was set up in 1988 to build up and manage a library of music publishing rights.

(FF million)	1992	1991	1990
Company turnover	62	16	7

In 1992, the company got into the record business. With 6 Gold records, turnover increased fourfold. In just one year, UNE MUSIQUE gained 1% of the market. In 1993, UNE MUSIQUE will develop its record business even further.

### TELESHOPPING

In 1987, TF1 and Pierre Bellemare decided to start a TV home shopping business in France.

Centered around the "Teleshopping" programme, the company launched four other activities: press-coupons (1988), "Minitel" home shopping (1989), bus mailing (1989) and mail-order (1990). In 1991, a second TV shopping programme was started: "Télévitrite" (Telly Window Shopping).

	1992	1991	1990
Company turnover (FF million)	282	309	249
Client data base (thousand)	1,100	850	650

Due to a special "Gulf War" news update broadcast before the "Teleshopping" programme in 1991, audience ratings were higher than usual that year. Back to normal, TV shopping matured in 1992.

In 1993, Teleshopping will enhance its mail-order business. This activity strengthens customer loyalty and attracts new clients.

### TF1 EDITIONS

This company was started in 1988. Using TF1's publishing potential, it publishes few titles, but at a high print run and with great success.

In 1992, fewer books came out. That explains why there is a drop in company turnover.

(FF million)	1992	1991	1990
Company turnover	29	39	32

### EUROSPORT

EUROSPORT was initiated by the European Broadcasting Union which purchases sports broadcasting rights for its members.

It is now the number one pan-European sports channel and the programme is broadcast in German, Dutch, English and French.

In 1988, 17 EBU-members set up a Consortium so as to use the rights. SKY TV was chosen to operate EUROSPORT. In May 1991, SKY TV stopped running the programme. TF1 relaunched EUROSPORT in just 10 days.

In 1992, EUROSPORT widened its audience. On average 9 million European viewers tuned in very day. It also attracted more advertisers (125 in 1992, 77 in 1991).

The EUROSPORT programme is made up of the best of worldwide sports. A preference is given to live coverage of the European viewers' favourites: football, tennis, track and field, motorracing...).

At the beginning of 1993, EUROSPORT and The European Sports Network-ESPN combined their interests via a TF1 / CANAL+ / ESPN (CAPITAL CITIES - ABC) partnership. One single programme is now broadcast all over Europe: EUROSPORT.

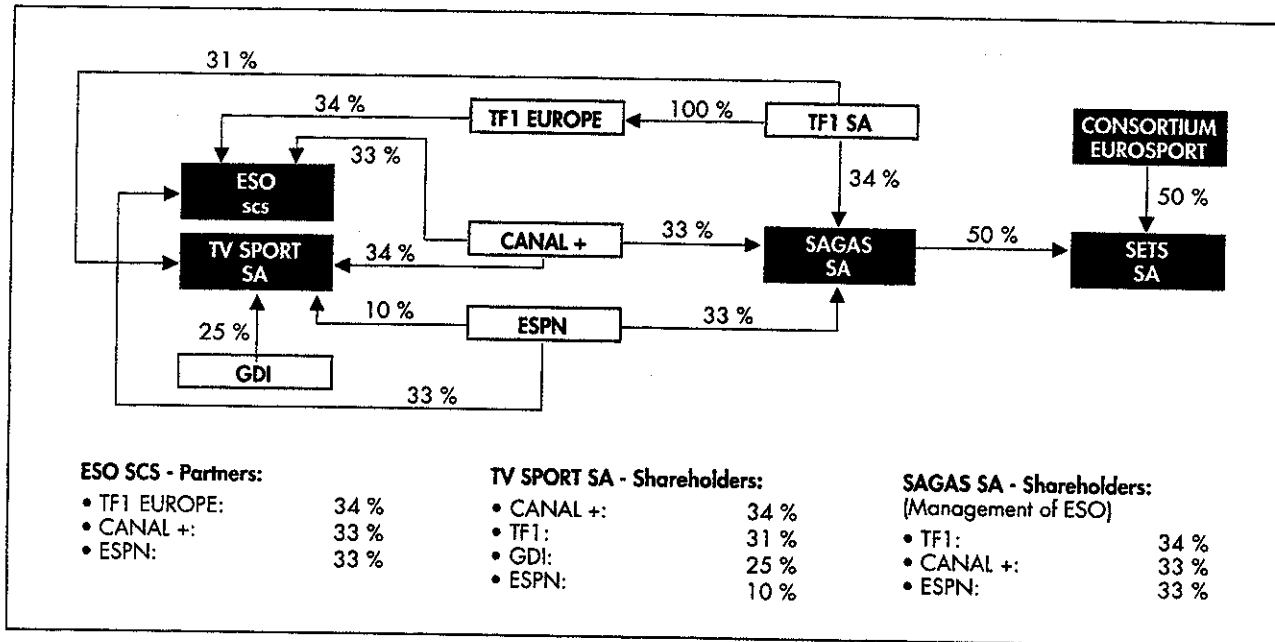
Within this link-up, TV SPORT runs the French speaking version of EUROSPORT. They insert a daily two-hour programme of special interest to French speaking viewers (France, Belgium, Luxemburg, Switzerland...) into the international programme.

Due to this new organisation, revenue should rise in 1993.

## ORGANISATION

- Broadcaster: – EUROSPORT CONSORTIUM
- Operators: – ESO (international programme)  
– TV SPORT (French speaking version)
- Technical service: – SETS

## FINANCIAL BINDINGS AFTER THE LINK-UP



## PRODUCTION

### TF1 FILMS PRODUCTION

Of the non-encrypted channels, TF1 is the largest investor in French cinema. So far FF 653 million has been invested to co-produce 84 feature films.

Since 1987 the strategy of the TF1 FILMS PRODUCTION subsidiary has been to co-produce quality popular motion pictures.

Theatre success to date: 22 co-productions scored more than 1 million entrances, including 1993 Oscar winning "Indochine" (best foreign film).

TF1 broadcasting success: 18 co-productions were screened with an average audience rating of 24% and an average viewership market share of 42%.

### BANCO PRODUCTION - PROTECREA

TF1 fully owns PROTECREA (taken over in 1990) and BANCO (set up in 1990). With their French and foreign partners, these subsidiaries co-produce quality series and drama for TF1's prime time slot. Moreover they enable TF1 to build up a library of broadcasting rights.

In 1992, "Honorin et la Lorelei" achieved the best rating for a TV drama with a 55.2% audience share.

### EXCEPTIONAL EVENTS OR LAWSUITS

To date, and to the Board's knowledge, no exceptional event or lawsuit that would substantially affect profits is under way.



# DIRECTOR'S REPORT

## TO THE MEETING OF JUNE 10, 1993

Ladies and Gentlemen,

In accordance with law and statutory requirements, we have called this General Meeting to report on management over the past financial year, to submit to the shareholders' approval the financial statements for the year 1992, and to comment on the company's current situation and future prospects.

As usual, the accounts for the year 1992 are presented both for TELEVISION FRANCAISE 1 (parent company) and for the Group (consolidated accounts).

Before privatisation, at the end of 1986, public channels TF1 and A2 both shared 38% of the viewership.

Today TF1 has an increased audience market share of over 40%.

This success is due to the viewers' response to TF1's programming - a structured, general, all-public schedule which gives the viewers what they want.

Its success also stems from the channel's creativity (more than 100 new shows), its ability to discover and launch new talent, and its constant concern over conversing with the viewers.

### BUSINESS REVIEW 1992

For TF1, programming means conciliating the following:

- viewers' expectations and ever changing tastes
- the largest possible family consensus
- advertisers' demands
- regulatory requirements
- and costs in line with the budget

Meeting these demands was the programming teams' main goal in 1992.

Every programming unit brainstormed, innovated and took risks:

- **Variety shows** : in September 1992, Christophe DECHAVANNE turned TF1's access prime-time slot into a daily rendez-vous attracting 5 million viewers every night. In December 1992, Patrick SEBASTIEN set an all-time ratings record : 17.5 million viewers tuned in to watch "Le Grand Bluff" at prime-time.

- **Children** : DOROTHEE has extended the viewership of children's programmes to include their parents.

Moreover, in just a few weeks, two French sitcoms became the darling of old and young alike ("Le Miel et les Abeilles" and "Hélène et les Garçons", which has a daily audience of 4 million viewers).

- **TV Drama** : co-production of 70 TV Dramas per annum ; creation of re-occurring heroes ("Julie Lescaut", "Le J.A.P.", "Cordier, Juge et Flic", "Navarro", "Moulin"...), of mini-series ("Une Famille Formidable"), of prestige feature films ("L'Affaire Seznec"), and of major drama-series ("Les Coeurs Brûlés").

- **Magazines** : the reality shows enable the French to talk to each other, to observe each other and to share their experiences ("Perdu de Vue", "L'Amour en Danger", "Mea Culpa"...).

In March 1993, TF1 went one step further and became the mediator between the French and their justice with "Témoign n°1".

- **Films** : record audience ratings with "Le Grand Chemin", "Les Compères", "Crocodile Dundee", "Le Solitaire"...

- **Sports** : great football matches competed with Formule One Grands Prix and boxing.

- **News** : day after day, the public praise TF1's quality independent news reporting. 10 million viewers tune in every night for the 8 o'clock bulletin, 8 million every day for the 1 o'clock news.

Moreover, in 1992 EUROSPORT achieved further growth. Europe's leading sports channel now reaches 38.5 million households and reaps nearly 50% of pan-European advertising investments.

Eurosport's link-up with TESN in 1993, via a partnership with CANAL+ and CAPITAL CITIES - ABC, has strengthened the channel's position. As a result, viewers are offered a richer blend of programmes and advertisers an improved service package.

The main event of 1992 was the commercial drift of the State Channels. They took advantage of deregulation by gaining unlimited access to advertising revenue and then overbidding for purchasing broadcasting rights. Despite this difficult environment and the continued restrictive regulatory framework, TF1 consistently maintained its audience leadership and strengthened its advertising market share.

### 1992 RESULTS - PROSPECTS FOR 1993

#### The Group

Consolidated sales rose by 13.7% to reach FF 7.434 billion, as compared to FF 6.537 billion in 1991.

Advertising revenue amounted to FF 6,237 million and other revenue to FF 1,197 million, as against FF 5,498 million and FF 1,039 million in 1991.

Consolidated net profit was FF 455 million, with FF 451 million attributable to the Group and FF 4 million to minority interests.

Figures for 1991 were FF 341 million attributable to the Group and FF 4 million to minority interests. As a result, profits attributable to the Group rose by 32%.

Operating profit rose from FF 527 million in 1991 to FF 546 million in 1992, after FF 200 million in depreciation and provisions. Working capital increased by FF 181 million.

The diversification activities consolidated their position and defended their margins in a sluggish market.

Diversification, including EUROSPORT, now accounts for 16% of consolidated turnover.

### Publishing / Distribution

After a period of exceptional growth, trading has stabilised for these companies. Today, growth is very much linked to the increase in consumer demand.

### TF1 ENTREPRISES

This company comprises four businesses : programme sales, phone-based services, merchandising and sales of video cassettes.

After restructuring in 1991, the programme sales department achieved significant growth in 1992.

Higher proceeds from "dial-a-service" activities counter-balanced a fall in revenue from the "Minitel" activities, a segment in which competition is now fierce.

The merchandising department gained promising contracts.

TF1 Vidéo has strengthened its position as the number one French video distributor behind 3 US majors.

But this year, TF1 Vidéo lacked the strong products such as "La Gloire de Mon Père" and "Le Château de Ma Mère", which boosted sales in 1991. As a result, business remained flat with 2.4 million units sold, as compared to 2.2 million in 1991.

### UNE MUSIQUE

After a difficult start, UNE MUSIQUE increased its sales and profit before tax significantly in 1992. This strong growth is due to the development of the record business in association with major record labels. In 1992, UNE MUSIQUE sold 2.7 million records, compact disks and cassettes.

### TELESHOPPING

TELESHOPPING improved its operating profit before tax despite the slight drop in company turnover. Furthermore, TELESHOPPING strengthened know-how in its diversification activities (mail-order...).

Due to a newly relaxed regulation, the company should expand into new fields in 1993.

### TF1 EDITIONS

3 great successes in 1992: "L'Année Criminelle", "Crime de Sang" and "Les Coeurs Brûlés".

### Production

#### TF1 FILMS PRODUCTION

Of the non-encrypted terrestrial channels, TF1 is the largest investor in French cinema. 22 movies were co-produced in 1992, including Oscar winning "INDOCHINE" (best foreign film).

#### PROTECREA and BANCO PRODUCTION

provided the channel with more than 20 new TV dramas ("Commissaire Moulin", "Une Famille Formidable", "La Mouette") and magazines such as "Ushuaïa" and "52 sur la Une".

### EUROSPORT

On 1 February 1993 Eurosport was broadcast to 30 European countries, including the 12 EC countries. As a result, 38.5 million households now receive Eurosport - up 16% as compared to January 1992.

All the big events of 1992 (Winter and Summer Olympics, ATP Tennis, Football Eurochamps) were transmitted in German, Dutch, English and French.

The share of the Group companies in the consolidated turnover and profit was as follows :

(FF million)	Turnover	Share in the consolidated profit
<b>TF1 SA</b>	<b>6,301.8</b>	<b>413.7</b>
<b>ADVERTISING</b>	<b>27.6</b>	<b>6.0</b>
TF1 PUBLICITE	23.3	5.7
TF1 PUBLICITE BELGIQUE	0.6	(0.1)
TF1 PUBLICITE PRODUCTION	3.7	0.4
<b>PUBLISHING/ DISTRIBUTION</b>	<b>703.1</b>	<b>44.0</b>
TF1 ENTREPRISES	314.3	30.2
UNE MUSIQUE	65.5	3.2
CIC	7.9	0.6
DUBE	-	-
TELE-SHOPPING	281.8	8.2
EURO MEDIA SHOP	0.1	(0.1)
TF1 EDITIONS	33.5	1.9
<b>EUROSPORT</b>	<b>260.0</b>	<b>(59.9)</b>
TF1 EUROPE	-	1.6
ESO	109.0	(61.3)
SETS	151.0	0.2
<b>PRODUCTION</b>	<b>108.4</b>	<b>6.6</b>
TF1 FILMS PRODUCTION	44.9	(0.9)
PROTECREA	36.1	2.6
BANCO PRODUCTION	27.4	4.9
<b>STUDIOS 107</b>	<b>33.3</b>	<b>(6.0)</b>
<b>FINANCE</b>	<b>-</b>	<b>46.4</b>
SYALIS	-	19.8
LA RESERVEE	-	26.6
<b>TOTAL</b>	<b>7,434.2</b>	<b>451.2</b>

### TF1 SA

1992 turnover amounted to FF 5,835 million, of which FF 5,803 million was advertising revenue and FF 32 million other revenue.

Provision for income tax amounted to FF 141 million, as against FF 168 million in 1991. Provision for employee profit-sharing was FF 5 million.

Net profit was FF 465 million as against FF 290 million in 1991.

### PROSPECTS FOR 1993

- Remain the market leader of :
  - audience ratings by offering quality programmes, constantly renewed, that meet the viewers' demands ;
  - advertising revenue, by strengthening ties with our advertisers and by marketing new products that meet client needs.
- Develop :
  - by enhancing existing diversification activities
  - by looking out for new opportunities to seize
  - by keeping a close eye on emerging technologies.

# DIRECTOR'S REPORT

## HUMAN RESOURCES

On 31 December 1992 full-time staff of the TF1 Group numbered 1,573 broken down as follows : 241 journalists, 564 managerial staff, 546 supervisors and 222 workers and employees.

### Wages and promotion policy

In 1992, TF1 pursued a dynamic wages policy. The average wage increase was significantly higher than inflation. All full-time staff are now paid on a 13-month basis.

### Professional training and relations with schools

Quality of professional training improved. The number of hours devoted to professional training increased to 27,159 i.e. 4.2% of payroll.

In 1992, as part of its school link-up policy, TF1 opened its doors to 471 student trainees.

### Objectives for 1993

With the successful settling-in to the new Boulogne buildings now complete, TF1 looks forward to :

- further teamwork, knowledge sharing and skills development ;
- preparing for tomorrow's challenges by increased staff training.

## SUBSIDIARIES AND ASSOCIATED COMPANIES

Télévision Française 1 created and subscribed to the following:

- 2 January 1992. 20,924 shares with a face value of FF 100, i.e. 83.7% of the capital of TF1 SERVICES ET GESTION, a partnership with a share capital of FF 2,500,000. The company's purpose is to manage the Boulogne property complex.
- 15 January 1992. 147,500 shares with a face value of FF 100 when the capital of TF1 EUROPE was increased to FF 25,000,000. TF1 maintained its 99.9% stake in the company.
- 1 July 1992. 367,900 shares with a face value of FF 100 when the capital of TF1 ENTREPRISES was increased. Moreover, following the capitalisation of the FF 14,740,000 share premium, TF1 was attributed 147,400 shares with a face value of FF 100.
- These capital increases were decided during the Combined General Meeting of TF1 ENTREPRISES on 16 June 1992. The share capital of the company now is FF 52,000,000. TF1 maintained its 99.9% stake in the company.
- 1 July 1992. 20,000 shares with a face value of FF 100, when the capital of BANCO PRODUCTION was increased to FF 3,000,000. TF1 maintained its 99.9% stake in the company.
- 19 November 1992. 2,400 shares with a face value of CHF 100 when the capital of MT SPOT, a Swiss public limited

company, was increased to CHF 600,000. The purpose of MT SPOT is to market EUROSPORT's advertising airtime in Europe. TF1 holds a 40% stake in the company.

- 30 November 1992. 100,000 shares with a face value of FF 100, when the capital of STUDIOS 107 was increased. TF1 maintained its 99.9% stake in the company.
- 21 December 1992. 507 shares with a face value of FF 100, of ID INTERNATIONAL DEVELOPPEMENT. The purpose of this corporation with a share capital of FF 144,800 is to write and sell screenplays.

### TF1 disposed of the following :

- 24 March 1992. 1,250 shares with a face value of FF 100 of SOCIETE EUROPEENNE DE TELETRANSMISSIONS SPORTIVES. TF1 sold half its stake and now holds 50% of the company.
- 1 September 1992. Its total 1,000-share holding in VENDOME PRODUCTIONS, sold to PANDORA EXPANSION.
- 1 December 1992. 2,100 shares with a face value of FF 100 of BANCO PRODUCTION, to TF1 subsidiary LUXTEL. Having sold a 7% stake, TF1's hold in BANCO PRODUCTION is now 92.98%.

## SUBSEQUENT EVENTS

### Financial Investment

On 3 March 1993, TF1 bought all 499 TF1 EDITIONS shares formerly held by MAXWELL COMMUNICATION CORPORATION. As a result, TF1 increased its shareholding in TF1 EDITIONS from 51% to 61%.

### Restructuring of EUROSPORT

With the consent of the EUROSPORT CONSORTIUM, TF1, CANAL+ and ESPN combined their interests in European sports television.

Since 1 March 1993 one single pan-European sports channel remains : EUROSPORT.

TESN has stopped broadcasting on SPORTKANAL, SCREENSPORT and SPORTNET. TV SPORT now broadcasts EUROSPORT's international programme, inserting a daily two-hour programme of special interest to French speaking viewers (France, Belgium, Luxemburg and Switzerland).

The Eurosport programme brings the best in world sports to European viewers, cable operators and advertisers.

Financial items of the EUROSPORT (TF1) / TV SPORT (TESN) link-up :

- TF1 set up SOCIETE D'ADMINISTRATION ET DE GESTION DE L'AUDIOVISUEL SPORTIF-SAGAS, a public limited company with a share capital of FF 250,000. Its purpose is to manage ESO, formerly managed by TF1 EUROPE. TF1 subscribed to 850 shares with a face value of FF 100 and therefore holds a 34% stake in the company. The remaining 66% of SAGAS' share capital are held by CANAL + (33%) and ESPN / CAPITAL CITIES - ABC (33%).
- TF1 sold its 50% interest in SOCIETE EUROPEENNE DE TELETRANSMISSIONS SPORTIVES-SETS, to SAGAS. The 1,250 shares were sold at net book value.
- TV SPORT, a public limited company with a share capital of FF 15,000,000 runs the French speaking version of the EUROSPORT programme. TF1 subscribed to 46,500 shares with a face value of FF 100 - a 31% stake in the company. TV SPORT's other shareholders are CANAL + (34%), GENERALE D'IMAGES (CGE) 25% and ESPN / CAPITAL CITIES - ABC 10%.

#### Other events

LOI SAPIN : TF1's sales conditions have been adapted to comply with the new law. Rates remain steady.

"Les Marches de la Gloire" : TF1 was fined FF 55 million because of unfair competition with FRANCE 2. The fine is paid.

## CAPITAL

#### Share appraisal

Since 1987, TF1 has posted steady growth and rising profits. This, along with a consistent 50% payout policy, is reflected in the share performance. At the end of 1992, the TF1 stock offered an annual return of 18% (including tax credits) compared to the issue price of FF 165.

In 1992, TF1 was awarded the 2nd prize of the companies listed on the Second Marché. SBF-Bourse de Paris and Crédit National had three criteria : profitability, balance sheet structure and share performance.

#### Share acquisitions

At the Annual General Meeting of 12 June 1992 authorisation was renewed to buy the company's own shares so as to stabilise TF1's stock price. The Board of Directors has not made use of this authorisation.

#### Capital amount

TF1's capital is FF 210,000,000 divided into 21,000,000 shares with a face value of FF 10.

#### Administration of TF1 shares

As of 1 January 1993 your company administers all matters relating to share ownership itself.

Postal address : TF1, Service DAEF / Titres - 1, Quai du Point du Jour - 92656 BOULOGNE CEDEX.

#### Shareholders

To the Board's knowledge, on 13 April 1993 the shareholder structure broke down as follows :

BOUYGUES	25.0 %
CREDIT LYONNAIS	8.1 %
SOCIETE GENERALE	6.0 %
Groupe WORMS & CIE	5.0 %
Employees	2.9 %
Other, French	21.3 %
Other, foreign	31.7 %
	100.0 %

## ALLOCATION AND DISTRIBUTION OF PROFITS (TELEVISION FRANCAISE 1, parent company)

In the resolutions submitted to them, shareholders are asked to receive and adopt the financial statements for the year ending 31 December 1992.

Also, given that the distributable profits amount to FF 644,470,225.30 including the balance of FF 179,847,128.20, carried forward from the previous year, the Board of Directors recommends the following allocation and distribution of profits:

Allocation to the special Reserve of long term capital gains	FF 163,995,117.00
Allocation to other Reserves	FF 100,000,000.00
Distribution of a dividend of: (i.e. a net dividend of FF 10 plus a tax credit of FF 5)	FF 210,000,000.00
Balance of available profits carried forward	FF 170,475,108.30

The dividend would be payable as of 30 June 1993. Shareholders are reminded that the net dividends distributed for the three previous financial years ending 31 December 1989, 1990 and 1991, had been FF 5, FF 7 and FF 8 respectively. The corresponding tax credits were FF 2.50, FF 3.50 and FF 4.00.



# DIRECTOR'S REPORT

## RESOLUTIONS

The Auditors will submit to shareholders their reports on the accounts for the 1992 financial year and on the agreements provided for under Articles 101 and following of the law of 24 July 1966.

In its resolutions, the Board of Directors proposes that shareholders :

- approve the accounts for the 1992 financial year and the distribution and allocation of profits, together with the agreements and operations in accordance with Articles 101 and following of the Law of 24 July 1966, referred to in the Auditors' Special Report,
- grant the Board of Directors a discharge for its management of the company,
- receive and consider the consolidated accounts,
- re-appoint Francis BOUYGUES, Martin BOUYGUES, François DALLE, Patrick LE LAY, Etienne MOUGEOTTE, Olivier POUPART-LAFARGE, CREDIT LYONNAIS, SOCIETE GENERALE, whose terms of office expire at the close of this meeting, as Directors for a two-year period,
- appoint Corinne BOUYGUES as a Director for two years instead of the EDITIONS MONDIALES Company whose term of office expires at the close of this Meeting and which has not asked for re-appointment,
- acknowledge the merger between Cabinet SALUSTRO, VINCENT, GAYET et ASSOCIES, Statutory Auditor, and S.E.E.C., REYDEL, BLANCHOT et Associés, and note that the new denomination is SALUSTRO-REYDEL,
- renew the annual authorisation, which was granted at the meeting of 12 June 1992 and has not been used, allowing the company to buy its own shares so as to stabilise its stock price. Such purchase would be limited to 10% of the share capital. The maximum purchase price shall be FF 500 per share and the minimum selling price FF 285 per share.
- cancel the 5-year authorisation given to the Board of Directors by the Meeting of 12 June 1992 and which has not been used, to issue FF 1 billion worth in bonds.

Find hereafter the five-year record of your company.  
Shareholders are asked to vote on the resolutions submitted to them.

**The Board of Directors.**

# 5-YEAR FINANCIAL RECORD

\* FF

NATURE OF INDICATIONS	1988 (1)	1989	1990	1991	1992
<b>I - CAPITAL AT THE END OF THE ACCOUNTING PERIOD</b>					
a) Share capital *	210,000,000	210,000,000	210,000,000	210,000,000	210,000,000
b) Number of outstanding shares	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
c) Number of bonds convertible in shares					
<b>II - TOTAL REVENUE AND PROFIT OF THE ACCOUNTING YEAR *</b>					
a) Turnover before tax	5,998,570,975	4,516,826,134	4,867,144,981	5,178,682,786	5,834,944,678
b) Profit before income tax, profit sharing, depreciation & provisions	507,513,047	436,414,154	535,045,719	545,608,419	740,943,288
c) Income tax	86,491,333	143,345,799	165,504,939	167,840,066	140,824,240
d) Profit after income tax, profit sharing, depreciation & provisions	132,796,587	216,389,662	280,871,781	290,171,585	464,623,097
e) Total dividends	63,000,000	105,000,000	147,000,000	168,000,000	210,000,000 <sup>(2)</sup>
<b>III - PROFIT PER SHARE *</b>					
a) Net profit before depreciation & provisions	20.00	13.50	17.07	17.50	28.32
b) Net profit after depreciation & provisions	6.33	10.30	13.37	13.81	22.12
c) Dividend per share	3.00	5.00	7.00	8.00	10.00
<b>IV - PERSONNEL</b>					
a) Number of full time employees	1,473	1,344	1,276	1,192	1,176
b) Total payroll costs *	654,967,543	502,535,056	480,358,433	570,324,356	524,941,319
c) Total of employee benefit costs *	247,381,131	220,176,342	179,032,239	216,151,921	217,430,643

(1) 16-month accounting period

(2) to be approved by the General Meeting

# ORDINARY MEETING

## FIRST RESOLUTION

*(Approval of the accounts)*

The General Meeting, after hearing the Directors' management report, and the Auditors' general report, approve them together with the accounts for the year ended 31 December 1992, including the balance sheet, the profit and loss account and the notes to the accounts, as submitted to them.

The General Meeting grants discharge to the Directors for their management.

## SECOND RESOLUTION

*(Auditors' special report)*

The General Meeting, after hearing the Auditors' special report on the agreements provided for in Articles 101 and following of the Law of 24 July 1966, approves said agreements and operations.

## THIRD RESOLUTION

*(Allocation of profits)*

The General Meeting, after noting that the distributable profits amount to FF 644,470,225.30, including the balance of FF 179,847,128.20 carried forward from the previous financial year, approves the following allocation and distribution of profits recommended by the Board of Directors:

- Allocation to the special Reserves of long term capital gains FF 163,995,117.00
- Allocation to other Reserves FF 100,000,000.00
- Distribution of a dividend of FF 210,000,000.00  
(i.e. a net dividend per share of FF 10 plus a tax credit of FF 5)
- Balance of distributable profits carried forward FF 170,475,108.30

Dividend will be payable as of 30 June 1993.

The General Meeting notes that the dividends paid for the three preceding financial years ended 31 December 1989, 31 December 1990 and 31 December 1991 had been FF 5, FF 7, and FF 8 respectively; the corresponding tax credits were FF 2.5, FF 3.5 and FF 4.

## FOURTH RESOLUTION

*(Presentation of consolidated accounts)*

The General Meeting notes that the consolidated accounts at 31 December 1992 were submitted to them and that the Directors' report on the Group management is included in the management report.

## FIFTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr Francis BOUYGUES, whose term of office expires at the close of this meeting, as a Director for two years.

## SIXTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr Martin BOUYGUES, whose term of office expires at the close of this meeting, as a Director for two years.

## SEVENTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr François DALLE, whose term of office expires at the close of this meeting, as a Director for two years.

## EIGHTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr Patrick LE LAY, whose term of office expires at the close of this meeting, as a Director for two years.

## NINTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr Etienne MOUGEOTTE, whose term of office expires at the close of this meeting, as a Director for two years.

## TENTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints Mr Olivier POUPART-LAFARGE, whose term of office expires at the close of this meeting, as a Director for two years.

## ELEVENTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints CREDIT LYONNAIS, whose term of office expires at the close of this meeting, as a Director for two years.

## TWELFTH RESOLUTION

*(Re-appointment of a Director)*

The General Meeting re-appoints SOCIETE GENERALE, whose term of office expires at the close of this meeting, as a Director for two years.

## THIRTEENTH RESOLUTION

*(Appointment of a Director)*

The General Meeting appoints Madame Corinne BOUYGUES, living 30 rue La Fontaine 75016 Paris, as a Director for two years instead of the EDITIONS MONDIALES Company whose term of office expires at the close of this Meeting and which has not asked for the re-appointment.

The term of her office will expire at the close of the Annual Ordinary Meeting approving the 1994 annual accounts.

Madame Corinne BOUYGUES has stated that she accepts the duties entrusted to her and that no arrangements have been imposed upon her likely to prevent her from carrying out the duties of Director of the Company.

#### **FOURTEENTH RESOLUTION**

*(New denomination of the Statutory Auditor)*

The General Meeting acknowledges the merger between Cabinet SALUSTRO, VINCENT, GAYET et ASSOCIES - S.V.G.A, Statutory Auditor, and S.E.E.C REYDEL BLANCHOT et ASSOCIES and acknowledges that the new denomination is SALUSTRO-REYDEL, 2 avenue Hoche - 75008 PARIS.

#### **FIFTEENTH RESOLUTION**

*(Re-appointment of the Statutory Auditor)*

The General Meeting re-appoints SALUSTRO-REYDEL, whose term of office expires at the close of this Meeting, as Statutory Auditor for 6 financial years.

#### **SIXTEENTH RESOLUTION**

*(Re-appointment of the Alternate Auditor)*

The General Meeting re-appoints Mr Jean-Louis MULLENBACH, whose term of office expires at the close of this Meeting, as Alternate Auditor for 6 financial years.

#### **SEVENTEENTH RESOLUTION**

*(Authorisation to purchase own shares to stabilise the price)*

The General Meeting, in accordance with Article 217-2 of the Law n° 66-537 of 24 July 1966, as amended by the Law n° 81-1162 of 30 December 1981, authorises the Company to purchase its own shares on the Stock Exchange up to 10 % of the share capital, in order to stabilise their price on the market under the conditions laid in the Law.

The maximum purchase price shall not exceed FF 500 per share and the minimum selling price FF 285 per share.

The present authorisation is granted to the Board of Directors, which may delegate them to place any stock exchange orders, conclude any agreements, especially with a view to keeping the shareholders' register, make all statements to the Commission des Opérations de Bourse and any other regulating body, and generally take all other measures.

#### **EIGHTEENTH RESOLUTION**

*(Issue of one or more mandatory loans)*

The General Meeting, after hearing the management report of the Board of Directors:

- cancels the authorisation to issue one or more debenture bonds given to the Board of Directors by the Ordinary General Meeting of 12 June 1991, in the fifteenth resolution;
- authorises the Board of Directors to proceed, on its own decisions, with one or several creations and issues in France

and/or overseas of bonds, subordinated or not, particularly in the form of subordinated securities subject to unspecified maturity dates, with or without warrants with rights to subscribe to other bonds, up to a nominal value of one thousand million francs or the exchange value of this sum in foreign currencies, or in ECU, with or without mortgage or other security, in the proportions, in the forms and at the times, rates and conditions of issue and depreciation which it thinks fit.

The General Meeting grants all powers to the Board of Directors to arrange this or these loans and specifies that it will be at liberty to fix the types of bonds described above and which may include particularly a variable rate of interest and a redemption premium above par, fixed or variable, the said premium adding to the maximum amount proposed above.

In the event of issue of bonds with warrants in Francs, the amount to be charged to this authorisation shall be that corresponding to the nominal value of bonds likely to be issued on account of the exercises of rights linked with the warrants.

In the event of issue of bonds to warrants in foreign currencies, the exchange value in Francs to be retained shall be that corresponding, on the day of the issue of bonds with warrants, to their nominal value as well as the nominal value of bonds likely to be issued on account of the exercises of rights linked with the warrants.

According to the law, this authorisation is valid for 5 years counting from the date of the approval of the present resolution.

#### **NINETEENTH RESOLUTION**

*(Powers)*

The General Meeting gives all powers to the holder of a copy or extract of the minutes of the present meeting to accomplish all legal publication formalities or take all measures when required.

# CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>		(in FF million)		
	31 Dec. 92	31 Dec. 91	31 Dec. 90	
<b>INTANGIBLE FIXED ASSETS</b>	<b>94</b>	<b>88</b>	<b>66</b>	
Films	91	85	63	
Other intangible fixed assets	3	3	3	
<b>GOODWILL</b>			<b>2</b>	
<b>TANGIBLE FIXED ASSETS</b>	<b>559</b>	<b>556</b>	<b>375</b>	
Land	37	54	54	
Freehold buildings	89	165	174	
Other tangible fixed assets	433	337	147	
<b>FINANCIAL ASSETS</b>	<b>20</b>	<b>17</b>	<b>20</b>	
Investments and related loans	8	1	1	
Other financial assets	12	16	19	
<b>FIXED ASSETS</b>	<b>673</b>	<b>661</b>	<b>463</b>	
Programmes and film rights	2,058	2,226	1,667	
Raw materials and supplies	25	25	31	
Trade debtors	1,333	1,319	1,088	
Other debtors	1,178	1,010	756	
Marketable securities	616	215	469	
Cash at bank and in hand	232	206	67	
<b>CURRENT ASSETS</b>	<b>5,442</b>	<b>5,001</b>	<b>4,078</b>	
Deferred expenses	164	133	83	
Deferred taxation	51	55	73	
<b>TOTAL ASSETS</b>	<b>6,330</b>	<b>5,850</b>	<b>4,697</b>	

<b>LIABILITIES</b>			
	<b>(in FF million)</b>		
	31 Dec. 92	31 Dec. 91	31 Dec. 90
Share capital	210	210	210
Revaluation reserve	31	31	31
Reserves	770	597	444
Profit attributable to the Group	451	341	300
<b>SHAREHOLDERS' EQUITY</b>	<b>1,462</b>	<b>1,179</b>	<b>985</b>
Minority Interests	9	10	7
Government grants for investment	16	26	22
Provisions for liabilities and charges	71	73	85
Deferred taxation	170	153	152
Financial creditors and borrowings (1)	132	230	53
Trade creditors	2,470	2,261	1,831
Other creditors	1,984	1,905	1,557
<b>CREDITORS</b>	<b>4,586</b>	<b>4,396</b>	<b>3,441</b>
Deferred income	16	13	5
<b>TOTAL LIABILITIES</b>	<b>6,330</b>	<b>5,850</b>	<b>4,697</b>
(1) including current bank overdrafts	9	13	19

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(in FF million)		
	1992	1991	1990
<b>TURNOVER</b>	<b>7,434</b>	<b>6,537</b>	<b>5,828</b>
Net advertising revenue*	6,330	5,525	5,238
Diversification revenue	771	656	426
Technical services revenue	269	251	122
Other revenue	64	105	42
<b>OPERATING EXPENSES</b>	<b>(6,888)</b>	<b>(6,010)</b>	<b>(5,350)</b>
External production broadcast	(2,374)	(1,988)	(1,804)
Variation of in-house production stock	65	80	29
Staff expenses	(1,008)	(1,001)	(799)
Other operating expenses	(3,371)	(2,992)	(2,622)
Depreciation & Provisions (net value):			
• depreciation	(202)	(171)	(126)
• provisions	2	62	(28)
<b>OPERATING PROFIT</b>	<b>546</b>	<b>527</b>	<b>478</b>
Financial revenue	75	64	57
Financial expenses	(48)	(35)	(40)
<b>FINANCIAL PROFIT</b>	<b>27</b>	<b>29</b>	<b>17</b>
<b>PROFIT OF INTEGRATED COMPANIES</b>	<b>573</b>	<b>556</b>	<b>495</b>
Extraordinary items	52	14	18
Profit sharing	(9)	(14)	(14)
Income tax	(161)	(211)	(196)
<b>NET PROFIT OF INTEGRATED COMPANIES</b>	<b>455</b>	<b>345</b>	<b>303</b>
Minority share of profit	(4)	(4)	(3)
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>451</b>	<b>341</b>	<b>300</b>

\* including Eurosport advertising revenue

# CONSOLIDATED CASH FLOW STATEMENT

	(in FF million)		
	31 Dec. 92	31 Dec. 91	31 Dec. 90
<b>1 - OPERATING ACTIVITIES</b>			
Net profit	455	345	303
Depreciation and provisions	178	168	150
Investment grants released to revenue	(35)	(17)	(19)
Expenses to amortise	(64)	(50)	(17)
Capital gains (losses) on disposal of fixed assets	(142)	3	1
<b>Cash Flow</b>	<b>392</b>	<b>449</b>	<b>418</b>
Increase (decrease) in working capital needs			
• Stocks	167	(552)	(220)
• Trade debtors	(213)	(488)	(347)
• Trade creditors	392	704	529
• Net advances from third parties	18	(8)	—
<b>NET INFLOW FROM OPERATING ACTIVITIES</b>	<b>756</b>	<b>105</b>	<b>380</b>
<b>2 - INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(359)	(369)	(179)
Purchase of investments	(7)	(6)	—
Proceeds from sales of fixed assets	363	31	1
Increase (decrease) in payables to fixed assets suppliers	(80)	75	23
	<b>(83)</b>	<b>(269)</b>	<b>(155)</b>
Consolidation adjustments	(1)	(2)	(34)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(84)</b>	<b>(271)</b>	<b>(189)</b>
<b>3 - FINANCING ACTIVITIES</b>			
Increase in shareholders' equity	26	22	12
Increase (decrease) in borrowings	(94)	183	(2)
Dividends paid	(173)	(148)	(106)
<b>NET CASH FLOW (OUTFLOW) FROM FINANCING</b>	<b>(241)</b>	<b>57</b>	<b>(96)</b>
<b>TOTAL INCREASE (DECREASE) IN CASH</b>	<b>431</b>	<b>(109)</b>	<b>95</b>
Cash at beginning of period	407	516	421
Net inflow (outflow)	431	(109)	95
Cash at closing of period	838	407	516



# NOTES TO THE CONSOLIDATED ACCOUNTS

## 1 - THE TF1 GROUP

### 1.1 PRESENTATION OF TF1

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

### 1.2 CONSOLIDATED ACCOUNTS

The consolidated accounts have been prepared from the statutory accounts of TF1 SA and its subsidiaries and have required certain restatements.

### 1.3 SCOPE OF CONSOLIDATION

#### Fully-consolidated subsidiaries

	LEGAL STRUCTURE	% HOLDING	Share capital FF thousand	ACTIVITY
TF1 PUBLICITE	SA	99.40	275	Marketing of TF1 advertising airtime
TF1 FILMS PRODUCTION	SA	99.97	2,000	Co-production of films
TELE SHOPPING	SA	84.95	1,000	Tele-shopping
TF1 EDITIONS	SA	50.96	500	Book publishing
UNE MUSIQUE	SA	99.76	250	Music and Disks
TF1 ENTREPRISES	SA	100.00	470	Video, phone-based services, TV programme sales
LA RESERVEE	SC	100.00	10	Financing company
SYALIS	SA	99.76	250	Financing company
TF1 PUBLICITE BELGIQUE (*)	SA	75.00	3,300	Marketing of advertising airtime in Belgium
TF1 PUBLICITE PRODUCTION	SARL	99.41	50	Commercials and promos
BANCO PRODUCTION	SA	99.98	1,000	Production of programmes
EURO MEDIA SHOP	SA	69.88	250	Sale by mail order
TF1 EUROPE	SA	100.00	10,250	Financing company
LUXTEL I (**)	SA	100.00	206	Production of programmes
PROTECREA	SA	99.99	10,000	Production of programmes
STUDIOS 107	SA	99.99	10,000	TV production studios
C.I.C.	SA	49.94	785	Video distribution
SETS	SA	49.88	250	Technical operator of Eurosport

(\*) Company formed under Belgium law.

(\*\*) Company formed under Luxembourg law.

#### Company consolidated under the proportional method

The group TF1 has a 58 % holding in the equity share capital of ESO, in which TF1 EUROPE SA is general partner and manager. ESO is in charge of the marketing of the EUROSPOORT programme.

#### Companies consolidated under the equity method

Following the restructuring of the capital of SFP in 1990 in which TF1 did not participate, TF1's holding has been reduced from 22.51% to 4.4%. SFP is consequently no longer consolidated. The value of this financial participation is taken as null.

MERCURY International and TRICOM, in which TF1 has 50% and 33.33% holdings respectively, are consolidated under the equity method.

#### Subsidiaries not consolidated

Certain subsidiaries which are not significant to Group accounts (MÉDIAMÉTRIE, TÉLÉ EUROPE, MÉDIA CONGRES, INTERNATIONAL DEVELOPPEMENT, TF1 SERVICES ET GESTION, MT SPOT LIMITED) and the subsidiary under liquidation (TF01) have not been consolidated.

## 2 - ACCOUNTING PRINCIPLES AND METHODS

### 2.1 GENERAL PRINCIPLES

The Group accounts have been prepared in accordance with Generally Accepted French Accounting Principles, notably those prescribed by the French Law of 3 January 1985 and the

decree of 17 February 1986. They have been prepared under the historical cost accounting method except for the revaluation of tangible fixed assets at 31 December 1986.

## 2.2 COMPARABILITY OF ACCOUNTS

The financial year ending 31 Dec. 92 is a 12-month accounting period comparable to the previous period without restatement.

## 2.3 PROGRAMMES AND FILM RIGHTS

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

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

b. "Programmes and film rights" covers:

- TF1 in-house productions.
- external productions, including broadcasting rights acquired by the station as well as co-productions.

c. Elements reported under "Programmes and film rights" at the close of the financial year refer to:

- in-house productions, or co-productions ready for broadcasting that have not yet been transmitted for the first time; these are valued at their overall production cost (direct costs plus attributable production overheads) or purchase cost;
- purchased broadcasting rights once TF1 has given technical approval for the copy received from the supplier, and as long as the right has not expired. These rights are valued at the closing of each financial year on the basis of their purchase cost less their "consumption" values as indicated under section "d";
- programmes in progress, the copies of which have not received TF1 technical approval. These programmes are valued according to the investment outlay at the closing of accounts.

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

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

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

d.2 Co-productions of a duration not exceeding 60 minutes.

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

d.3 Purchased TV rights for drama, series and delegated co-productions of a duration equal to or exceeding 60 minutes.

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

d.4 Purchased rights for full-length feature films.

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

d.5 All other programmes are fully written off at first transmission, and therefore do not appear under assets whatever the duration of the owner's rights.

Provision is made in the event of a given programme not being broadcast.

e. Tax allowances for depreciation have been restated in order to eliminate their impact on the consolidated accounts; they constitute part of consolidated equity.

## 2.4 FILMS

Films co-produced by TF1 FILMS PRODUCTION SA are accounted for as intangible fixed assets from the contract date and for the total amount of the commitment. The date the film is declared to be "in the can" determines the date at which the films are recorded under fixed assets.

In accordance with current tax methods, films are written off in two ways:

- either to the amount of box-office revenues
- or at a straight line rate over three years from the issue of the certificate, in the absence of box-office revenues.

## 2.5 RESEARCH AND DEVELOPMENT

As research and development costs relate essentially to data processing development, they are written off during the accounting period they were incurred.

## 2.6 TANGIBLE FIXED ASSETS

Depreciation methods are the following:

Buildings	straight line	40 years*
Technical facilities (before 1992)	reducing balance	3 to 5 years
Technical facilities (after 1992)	straight line	5 years
Other	straight line or reducing balance	3 to 10 years

\* As of the date of its becoming TF1 property (prior to 31 Dec. 86: 12 to 20 years)

# NOTES TO THE CONSOLIDATED ACCOUNTS

## 2.7 MARKETABLE SECURITIES

The value of marketable securities is calculated as of their date of acquisition. When the inventory value turns out lower than the acquisition cost, a provision is registered.

## 2.8 GOVERNMENT GRANTS FOR INVESTMENT

Government grants for investment are credited to a deferral account and released to revenue as and when the assets funded by these grants are depreciated. Grants capitalised as of 31 Dec. 91 have been fully recaptured into the income statement. Grants received by TF1 FILMS PRODUCTION, BANCO PRODUCTION and PROTECREA from the CNC (National Cinema Council) are released to revenue for the financial year during which the relevant films are completed.

## 2.9 PROVISIONS FOR LIABILITIES AND CHARGES

The amount provided for identified losses is the best estimate that can be made of such losses at the balance sheet closing date. Losses in respect of subsidiaries under liquidation are fully provided for.

## 2.10 DEFERRED TAXATION

For TF1 and its subsidiaries, deferred taxation refers to:

- items restated in order to eliminate effects of entries resulting from fiscal allowances;
- the difference in time between the accounting of revenue and expenses, and their inclusion in later tax declarations.

Deferred items are recognised under the accrual method of tax allocation.

## 2.11 ADVERTISING

Income from advertising is reported net of fees and commissions paid to agents.

## 2.12 OFF-BALANCE SHEET COMMITMENTS

Purchased programmes and film rights, and co-productions which have acquired the station's firm commitment prior to the closing of the accounting period, but for which technical approval has not yet been granted, are reported as commitments for their full contractual amount, after deduction of any amounts already capitalised and reported under "Programmes and film rights".

## 3 - NOTES TO THE CONSOLIDATED BALANCE SHEET

### 3.1 FILMS

Defined as indicated under section 2.4, the movements for the financial year concerning films co-produced by TF1 FILMS PRODUCTION SA break down as follows:

FF million	1 Jan. 92	Increase	Decrease	31 Dec. 92
Gross value	348	64	5	407
Depreciation	263	58	5	316
	85	6	0	91

### 3.2 TANGIBLE FIXED ASSETS

Movements of tangible fixed assets, as well as the corresponding depreciation are summarised as follows:

FF million	1 Jan. 92	Increase	Decrease	31 Dec. 92
Buildings	50	5	33	22
Technical facilities	129	44	85	88
Other	101	46	65	82
	280	95	183	192

FF million	1 Jan. 92	Increase	Decrease	31 Dec. 92
Lands	54	-	17	37
Buildings	215	1	105	111
Technical facilities	191	180	163	208
Other	173	317	95	395
Work in progress	203	(203)	-	0
	836	295	380	751

As there are no significant leasehold properties, the corresponding optional restatement is not made.

### 3.3 PROGRAMMES AND FILM RIGHTS

The table hereafter provides a breakdown of stocks of programmes and film rights, as defined under section 2.3, after deduction of provisions and depreciation.

FF million	1992	1991
Advances on programmes in progress	635	639
Programmes ready for broadcasting	1,368	1,557
Rights available for broadcasting	198	181
Gross value	2,201	2,377
Provisions	(143)	(151)
Net value	2,058	2,226

### 3.4 MARKETABLE SECURITIES

These consist of FF 615.4 million in "SICAV" unit trusts. All capital gains have been taken on 31 Dec. 92.

### 3.5 SHARE CAPITAL AND RESERVES

Movements were as follows:

N.B.: share capital is divided in 21,000,000 shares with a face value of FF 10. Capital is fully subscribed.

FF million	1 Jan. 92	Dividends	Other	Profit of the year	31 Dec. 92
Share capital	210	-	-	-	210
Revaluation reserves	31	-	-	-	31
Other reserves	938	(168)	0	451	1,221
	1,179	(168)	0	451	1,462

### 3.6 GOVERNMENT GRANTS FOR INVESTMENT

These relate to grants obtained by TF1 FILMS PRODUCTION, BANCO PRODUCTION and PROTECREA from the National Cinema Council, the CNC. The amount released to revenue in 1992 was FF 35.4 million as against FF 17.4 million in 1991.

### 3.7 PROVISIONS FOR LIABILITIES AND CHARGES

The provisions, as indicated in the section 2.9 break down as follows:

At 31 Dec. 92, "Other provisions" essentially included TF1's share in the risk of the non-collection of TF1 Publicité receivables.

FF million	1 Jan. 92	Increase	Decrease	31 Dec. 92
Claims	42	69	69	42
Associated companies	6	-	-	6
Other	25	5	7	23
	73	74	76	71

### 3.8 DEFERRED TAXATION

Deferred income tax is calculated at the 33.33 % rate prevailing at 31 Dec. 92, and recognised using the accrual method of tax allocation.

a. Deferred tax liabilities relate essentially to special depreciation allowed for tax purposes on films and may be analysed as follows:

FF million	1992	1991
TF1	138	133
Subsidiaries	32	20
	170	153

b. Deferred tax assets relate essentially to pension costs and holiday pay accrual that only become deductible for tax purposes when paid, and provisions for depreciation of programmes.

### 3.9 DUE DATES FOR DEBTORS AND CREDITORS

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

FF million	Less than one year	between one and five years	Over five years	Total
Other debtors	1,178	-	-	1,178
Financial creditors and borrowings	130	2	-	132
Trade creditors	2,470	-	-	2,470
Other creditors	1,983	1	-	1,984

### 3.10 OTHER CREDITORS

The breakdown of "Other creditors" is as follows:

The increase in other creditors essentially stems from the variation of credits and rebates related to graduated tariffs to be granted by TF1 PUBLICITE.

FF million	1992	1991
Personnel, taxes and social security	900	885
Payables to fixed assets suppliers	51	135
Other creditors	1,033	885
Total other creditors	1,984	1,905

# NOTES TO THE CONSOLIDATED ACCOUNTS

## 3.11 ADJUSTMENT ACCOUNTS

Adjustments accounts essentially relate to:

- expenses to be amortised over several periods (video products for sale) or prepaid expenses (video products to be sold) for FF 59.7 million.
- prepaid sports broadcasting expenses for FF 76.3 million.

## 4 - NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

### 4.1 OTHER OPERATING EXPENSES

Other operating expenses include the following items:

FF million	1992	1991
Transmission costs (TDF)	483	483
Subcontracting and production costs	1,045	955
Sundry contributions	587	495
Taxes and levies	105	87
Other	1,151	972
	3,371	2,992

### 4.2 FINANCIAL REVENUES AND EXPENSES

Net revenue realised on the disposal of marketable securities amounts to FF 50.2 million.

### 4.3 EXTRAORDINARY ITEMS

The extraordinary items for 1992 split up as follows (in FF million):

Capital gains on disposal of Cognacq-Jay	160.9
Expenses related to the use of two buildings	(40.2)
Capital gains on sundry disposals	4.0
Portion of investment grants reported as income	25.7
Additional losses of EUROSPOORT (1)	(56.5)
Dilution variances on EUROSPOORT (2)	28.0
CSA fines and FRANCE 2 punitive damages	(69.3)
Other	(0.5)
	52.1

(1) as general partner of ESO S.C.S. See section 1.3

(2) related to the recombining of ESO S.C.S. share capital. See section 6.3

### 4.4 CORPORATE INCOME TAX

The deferred tax rate has been stated at 33.33 % for the 1992 financial year.

The reported tax rate of 26.11 % (FF 161 million of income tax on pre-tax profit) essentially relates to:

- long term gains of FF 260 million, taxed at 18 %
- prior long term losses of FF 60 million, deducted from long term gains of the accounting period.

FF million	1992	1991
Current taxation	140	192
Deferred taxation	21	19
Total	161	211

Since 1 Jan. 89 TF1 has chosen the tax consolidation. The subsidiaries concerned are TF1 PUBLICITE, UNE MUSIQUE, TF1 FILMS PRODUCTION, TF1 ENTREPRISES, SYALIS, PROTECREA AND TF1 EUROPE.

### 4.5 TRANSITION FROM TF1 SA COMPANY PROFIT TO CONSOLIDATED PROFITS

(1) The provision for depreciation of programmes, which will not be broadcast and are already written off (in accordance with section 1.7 of the notes to TF1 SA accounts) amounts to FF 85 million at 31 Dec. 92.

FF million	31 Dec. 92
TF1 SA profit	465
Profit from subsidiaries	27
	492
Restatements	
• Provisions for depreciation of programmes (net balance) (1)	2
• Elimination of impact of tax allowances	23
• Elimination of inter-group provisions	42
• Deferred taxation	(21)
• Dividends received from subsidiaries	(114)
• Dilution variances on EUROSPOORT	28
• Other	3
Consolidated profit	455
Minority interests	(4)
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>451</b>

## 5 - NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been established according to the cash flow method (recommandation 1.22 of the French National Institute of Accountants).

## 6 - OTHER INFORMATION

### 6.1 OFF BALANCE SHEET COMMITMENTS

As described in the section 2.12, their due dates are displayed at 31 Dec. 92 in the following table:

The "Programmes" item includes long-term contracts relating to variety shows for an amount of FF 1,367 million.

The "Broadcasting Rights" item includes TF1's commitment towards SOGEDIF. TF1 is indeed committed to purchasing from GIE Sogedif (a 90 % subsidiary of SOCIETE GENERALE) feature film rights acquired by SOGEDIF at

FF million	Less than one year	Over one year	Total
Programmes	1,410	1,358	2,768
Sports transmission rights	358	1,075	1,433
Video selling rights	15	-	15
Other	50	42	92
	1,833	2,475	4,308

TF1's request, up to a maximum of FF 300 million. This commitment amounted to FF 275.9 million at 31 Dec. 92.

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

### 6.2 PERSONNEL OF CONSOLIDATED COMPANIES

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

	1992	1991
Workers and clerical employees	222	217
Technical staff	546	502
Managerial and executives	564	523
Journalists	241	247
	1,573	1,489

### 6.3 SUBSEQUENT EVENTS

At the beginning of 1993, CANAL + and ESPN each took a 33 % stake in ESO while TF1's share fell from 58 % to 34 %.

In March 1993, Versailles' Court of Appeals sentenced TF1 to pay FF 55 million in punitive damages regarding the "Les Marches de La Gloire" broadcast. This fine is included in the 1992 accounts.

## SIGNIFICANT ELEMENTS OF THE NOTES TO THE PRIOR ACCOUNTING PERIODS

Notes to the 1992 accounts do not include any significant change in respect to prior accounting periods.

# TF1 SA BALANCE SHEET

<b>ASSETS</b>		<b>(FF million)</b>			
		31 Dec 92		31 Dec 91	31 Dec 90
	Gross value	Depreciation & provisions	Net value	Net value	Net value
<b>INTANGIBLE FIXED ASSETS</b>	<b>2,129</b>	<b>64</b>	<b>2,065</b>	<b>2,275</b>	<b>1,763</b>
Research & Development expenditures	2	2			
Other intangible fixed assets	4	2	2	3	3
Programmes ready for broadcasting	1,369	44	1,325	1,492	1,059
Rights available for re-broadcasting	198	15	183	181	168
Programmes in progress	556	1	555	599	533
<b>TANGIBLE FIXED ASSETS</b>	<b>730</b>	<b>180</b>	<b>550</b>	<b>545</b>	<b>363</b>
Land	37		37	54	54
Freehold buildings	111	22	89	166	174
Technical facilities	206	86	120	62	86
Other tangible fixed assets	376	72	304	61	21
Tangible fixed assets in progress				202	28
<b>FINANCIAL ASSETS</b>	<b>500</b>	<b>112</b>	<b>388</b>	<b>386</b>	<b>354</b>
Investments	481	102	379	351	316
Related loans	11	10	1	1	1
Loans	4		4	30	34
Other financial assets	4		4	4	3
<b>FIXED ASSETS</b>	<b>3,359</b>	<b>356</b>	<b>3,003</b>	<b>3,206</b>	<b>2,480</b>
<b>STOCKS</b>	<b>3</b>		<b>3</b>	<b>3</b>	<b>2</b>
Raw materials and supplies	2		2	2	2
Inventories	1		1	1	
<b>PRE-PAIDS</b>	<b>8</b>		<b>8</b>	<b>17</b>	<b>11</b>
<b>DEBTORS</b>	<b>1,778</b>	<b>16</b>	<b>1,762</b>	<b>1,619</b>	<b>1,336</b>
Trade debtors	1,088	8	1,080	1,016	951
Other debtors	690	8	682	603	385
<b>MARKETABLE SECURITIES</b>	<b>542</b>		<b>542</b>	<b>174</b>	<b>380</b>
<b>CASH AT BANK AND IN HAND</b>	<b>13</b>		<b>13</b>	<b>36</b>	<b>32</b>
<b>CURRENT ASSETS</b>	<b>2,344</b>	<b>16</b>	<b>2,328</b>	<b>1,849</b>	<b>1,761</b>
DEFERRED EXPENSES	95		95	71	53
FOREIGN EXCHANGE UNREALISED LOSSES/GAINS					
<b>TOTAL ASSETS</b>	<b>5,798</b>	<b>372</b>	<b>5,426</b>	<b>5,126</b>	<b>4,294</b>

**LIABILITIES****(FF million)**

	31 Dec. 92	31 Dec. 91	31 Dec. 90
Share capital	210	210	210
Revaluation reserve	31	31	31
Legal reserves	21	21	21
Other reserves	250	170	70
Balance carried forward from previous year	179	138	104
Profit of the year	465	290	281
Government grants for investment		9	11
Regulated Provisions • Amortisation of programmes	417	391	357
<b>SHAREHOLDERS' EQUITY</b>	<b>1,573</b>	<b>1,260</b>	<b>1,085</b>
Provisions for liabilities	30	35	44
Provisions for charges		1	4
Other provisions	25	25	28
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>55</b>	<b>61</b>	<b>76</b>
Financial creditors and borrowings (1)	9	163	9
Other financial creditors (2)	587	493	449
Trade creditors	1,938	1,796	1,613
Tax and social liabilities	513	543	448
Payables to fixed assets suppliers	34	115	49
Other creditors	716	694	559
<b>CREDITORS AND OTHER LIABILITIES</b>	<b>3,797</b>	<b>3,804</b>	<b>3,127</b>
DEFERRED INCOME			4
FOREIGN EXCHANGE UNREALISED LOSSES/GAINS	1	1	2
<b>TOTAL LIABILITIES</b>	<b>5,426</b>	<b>5,126</b>	<b>4,294</b>
(1) including bank overdrafts	9	13	9
(2) including current account with associated companies	560	468	409



# TF1 SA PROFIT AND LOSS ACCOUNT

	(FF million)			
	1992	1991 PROFORMA*	1991	1990
<b>OPERATING REVENUES</b>	<b>7,715</b>	<b>7,004</b>	<b>6,790</b>	<b>6,256</b>
Advertising revenue	5,803	5,081	5,081	4,808
Technical services	5	48	48	30
Other	27	49	49	30
In-house production	1,492	1,458	1,244	1,100
Reversals & expenses transferred	365	334	334	274
Other revenue	23	34	34	14
<b>OPERATING EXPENSES</b>	<b>(7,039)</b>	<b>(6,498)</b>	<b>(6,284)</b>	<b>(5,773)</b>
Purchase of raw materials and supplies	(3)	(5)	(5)	(8)
Variation in stocks	-	-	-	-
Other external expenses	(1,751)	(1,574)	(1,574)	(1,510)
Taxes	(331)	(288)	(288)	(273)
Wages & salaries paid	(525)	(570)	(570)	(480)
Social security charges & employment expenses	(217)	(216)	(216)	(179)
Depreciation & provisions				
• of broadcast programmes	(3,795)	(3,478)	(3,264)	(2,914)
• of other fixed assets	(89)	(79)	(79)	(63)
• provisions for intangible fixed assets & current assets	(36)	(38)	(38)	(55)
• provisions for liabilities and expenses	(4)	(18)	(18)	(49)
Other expenses	(288)	(232)	(232)	(242)
<b>OPERATING PROFIT</b>	<b>676</b>	<b>506</b>	<b>506</b>	<b>483</b>
NET PROFIT FROM JOINT OPERATIONS	0	0	0	(1)
FINANCIAL REVENUE	158	98	98	59
FINANCIAL EXPENSES	(128)	(71)	(71)	(60)
<b>FINANCIAL PROFIT</b>	<b>30</b>	<b>27</b>	<b>27</b>	<b>(1)</b>
<b>PROFIT BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	<b>706</b>	<b>533</b>	<b>533</b>	<b>481</b>
EXTRAORDINARY REVENUE	<b>784</b>	<b>197</b>	<b>197</b>	<b>145</b>
Extraordinary revenue on operations	1	7	7	6
Extraordinary revenue on fixed assets operations	637	52	52	34
Cancellation of provisions	146	138	138	105
EXTRAORDINARY EXPENSES	<b>(879)</b>	<b>(262)</b>	<b>(262)</b>	<b>(169)</b>
Extraordinary expenses on operations	(111)			
Extraordinary expenses on fixed assets operations	(610)	(89)	(89)	(57)
Depreciation and provisions expenses	(158)	(173)	(173)	(112)
<b>EXTRAORDINARY LOSS</b>	<b>(95)</b>	<b>(65)</b>	<b>(65)</b>	<b>(24)</b>
PROFIT SHARING	(5)	(10)	(10)	(11)
INCOME TAX	(141)	(168)	(168)	(165)
<b>NET PROFIT</b>	<b>465</b>	<b>290</b>	<b>290</b>	<b>281</b>

\* See section 3 of notes

# TF1 SA CASH FLOW STATEMENT

	(FF million)			
	31 Dec 97	31 Dec 98 PROFORMA*	31 Dec 98	31 Dec 98
<b>1 - OPERATING ACTIVITIES</b>				
Net profit	465	290	290	281
Depreciation and provisions	3,925	3,553	3,339	2,998
Investment grants reported as income	(9)	(2)	(2)	(4)
Capital Gains (losses) on disposal of assets	(17)	39	39	22
<b>Cash Flow</b>	<b>4,364</b>	<b>3,880</b>	<b>3,666</b>	<b>3,297</b>
Increase (decrease) in working capital needs				
• stocks	-	-	-	-
• Trade debtors	(168)	(302)	(302)	(220)
• Trade creditors	132	408	408	363
• Expenses to amortise over several periods	-	-	-	-
• Net advances from third parties	9	(6)	(6)	(10)
<b>NET INFLOW FROM OPERATING ACTIVITIES</b>	<b>4,337</b>	<b>3,980</b>	<b>3,766</b>	<b>3,430</b>
<b>2 - INVESTMENT ACTIVITIES</b>				
• Purchase of fixed assets	(4,267)	(4,307)	(4,093)	(3,268)
• Proceeds of sale of fixed assets	627	47	47	34
Net cash from purchase (sale) of financial investments				
• Purchase of investments	(70)	(44)	(44)	(45)
• Proceeds of investments	-	3	3	-
Payables to fixed assets suppliers	(80)	66	66	33
Net variation on other financial assets	26	3	3	2
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(3,764)</b>	<b>(4,232)</b>	<b>(4,018)</b>	<b>(3,244)</b>
<b>3 - FINANCING ACTIVITIES</b>				
Increase in shareholders' equity	-	-	-	-
Increase in borrowings	-	194	194	355
Decrease in borrowings	(57)			
Dividendes paid	(168)	(147)	(147)	(105)
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING</b>	<b>(225)</b>	<b>47</b>	<b>47</b>	<b>250</b>
<b>TOTAL INCREASE (DECREASE) IN CASH</b>	<b>348</b>	<b>(205)</b>	<b>(205)</b>	<b>436</b>
Cash at beginning of period	198	403	403	(33)
Net inflow (outflow)	348	(205)	(205)	436
Cash at closing of period	546	198	198	403
* See section 3 of notes				

# NOTES TO THE COMPANY ACCOUNTS

**Principles of accounting and presentation of the accounts for the twelve-month financial year ended 31 December 1992.**

The accounts for the financial year have been prepared in accordance with the legal and statutory provisions currently in force in France.

## 1 - ACCOUNTING PRINCIPLES AND METHODS

### 1.1 INTANGIBLE FIXED ASSETS

#### 1.1.1. Programmes

Film rights relating to feature-length films are fully or 50% amortised by reduction in the purchase value at first transmission, according to whether or not rebroadcasting rights are held. The remaining 50% is amortised at second transmission.

Film rights relating to series and co-production investments of a duration equal to or exceeding 60 minutes are fully or 80%

amortised by reduction in the purchase value at first transmission, according to whether or not rebroadcasting rights are held. The remaining 20% is amortised at second transmission.

All other programmes are fully amortised at first transmission and therefore do not appear under assets, whatever the duration of TF1 owner's rights.

#### 1.1.1.1. Programmes ready for broadcasting

The following are reported under this item:

- all non-broadcast programmes (co-productions, in-house productions, film rights) that have not yet been transmitted for the first time, recorded on the basis of their purchase cost or

their overall production cost (direct costs plus attributable production overheads).

- co-productions that have been transmitted for the first time, on the basis of their net cost.

#### 1.1.1.2. Rights available for rebroadcasting (purchased rights)

Feature-length films and series having already been transmitted once, and for which one or more rebroadcastings are still possible, are accounted for under "Rights available for

rebroadcasting" and valued at 50% or 20% of their purchase cost, according to their type.

#### 1.1.1.3. Programmes in progress

Programmes that have not been delivered or are not ready for transmission (Co-productions or In-house productions) by the end of the financial year, together with broadcasting rights for which the beginning of the validity period falls after the date of the closing of accounts, are reported under "Programmes under

production". These programmes are valued in the amount of capital expenditures at the date of the closing of the accounts. The remaining capital expenditures are valued in the off-balance sheet commitments.

### 1.2 TANGIBLE FIXED ASSETS

The tangible fixed assets were restated at 31 December 1986, resulting only in the restatement of Cognacq Jay property assets.

Depreciation methods are set out in the table hereafter:

N.B.: The Head Office building located 19, rue Cognacq Jay, 75007 Paris, was sold on 27 March 1992.

Buildings	straight line	40 years*
Technical facilities (before 1 Jan. 92)	reducing balance	3 to 5 years
Technical facilities (after 1 Jan. 92)	straight line	5 years
Other tangible	straight line or reducing balance	3 to 10 years

\* As of the date of its becoming part of TF1's property (prior to 31 Dec. 86: 12 to 20 years)

### 1.3 FINANCIAL ASSETS

Financial assets are valued at their purchase cost. Provision is made for the amortisation of these assets when their current value, determined notably with respect to the proportion of

equity held in the companies concerned, justifies such a provision. If necessary, a provision for liabilities and charges is made under liabilities.

### 1.4 TRADE DEBTORS

All trade debtors currently subject to claims, are fully provisioned.

Moreover, bad debts are covered by provisions for liabilities, as follows:

- 100% of their total amount, net of tax, for accounts receivable prior to 1st January 1990;

- 50% of their total amount, net of tax, for accounts receivable falling due between 1st January 1990 and 31 December 1990.

### 1.5 MARKETABLE SECURITIES

Marketable securities are recorded on the basis of their purchase value.

### 1.6 GOVERNMENT GRANTS FOR INVESTMENT

Government grants for investment are credited to a deferral account and released to revenue as and when the corresponding assets are depreciated. Grants capitalised as of 31 Dec. 91 have been fully recaptured into the income statement. Corresponding fixed assets have been retired or sold.

### 1.7 REGULATED PROVISIONS

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

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

### 1.8 PROVISIONS FOR LIABILITIES AND CHARGES

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

### 1.9 ADVERTISING

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

### 1.10 OFF-BALANCE SHEET COMMITMENTS

Purchased broadcasting rights and co-productions to which the station was firmly and contractually committed prior to the closing of the accounting period, but for which technical approval has not yet been granted, are reported as off-balance sheet commitments.

# NOTES TO THE COMPANY ACCOUNTS

## 2 - NOTES TO THE BALANCE SHEET

### 2.1 INTANGIBLE FIXED ASSETS

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

#### SUMMARY OF PROGRAMME MOVEMENTS (FF million)

ITEMS	EXTERNAL PRODUCTION	IN-HOUSE PRODUCTION	TOTAL PRODUCTION	PROFORMA IN 1991
Programmes in progress	595	5	600	534
Programmes ready for broadcasting	1,539	18	1,557	1,153
Rights available for rebroadcasting	181		181	168
<b>VALUE OF PROGRAMMES AT 31 DEC. 91</b>	<b>2,315</b>	<b>23</b>	<b>2,338</b>	<b>1,855</b>
Add:				
<b>1992 INVESTMENTS</b>	<b>+ 2,489</b>	<b>+ 1,490</b>	<b>+ 3,979</b>	<b>+ 4,015</b>
Subtract:				
<b>1992 DISINVESTMENTS</b>				
Cost of 1st transmission	- 2,262	- 1,467	- 3,729	- 3,431
Cost of 2nd transmission	- 67		- 67	- 47
<b>TOTAL COST OF BROADCAST</b>	<b>- 2,329</b>	<b>- 1,467</b>	<b>- 3,796</b>	<b>- 3,478</b>
Rights expired	- 32		- 32	- 19
Rights retired	- 47	- 28	- 75	- 19
Rights sold (Residual book value)	- 291		- 291	- 16
<b>TOTAL 1992</b>	<b>- 2,699</b>	<b>- 1,495</b>	<b>- 4,194</b>	<b>- 3,532</b>
<b>VALUE OF PROGRAMMES AT 31 DEC. 92</b>	<b>2,105</b>	<b>18</b>	<b>2,123</b>	<b>2,338</b>
<b>BREAKDOWN</b>				
Programmes in progress	550	6	556	600
Programmes ready for broadcasting	1,357	12	1,369	1,557
Rights available for rebroadcasting	198		198	181
<b>TOTAL</b>	<b>2,105</b>	<b>18</b>	<b>2,123</b>	<b>2,338</b>

N.B.: At 31 December 1992, the total provisions for depreciation of programmes ready for transmission amounted to FF 59.6 million, after allocations to provisions of FF 35.3 million and cancellation of FF 42.2 over 1992 financial year.

### 2.2 TANGIBLE FIXED ASSETS

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

(FF million)	GROSS VALUES			
	1 Jan. 92	Increase	Decrease	31 Dec. 92
Land	54	-	(17)	37
Buildings	216	1	(106)	111
Technical facilities	187	179	(160)	206
Other tangible fixed assets	140	313	(77)	376
Work in progress	203	(203)	-	
	<b>800</b>	<b>290</b>	<b>(360)</b>	<b>730</b>

(FF million)	DEPRECIATION			
	1 Jan. 92	Increase	Decrease	31 Dec. 92
Buildings	50	6	(34)	22
Technical facilities	125	42	(81)	86
Other	80	42	(50)	72
	<b>255</b>	<b>90</b>	<b>(165)</b>	<b>180</b>

## 2.3 FINANCIAL ASSETS

### Long-term investments

TF1 has subscribed shares in the equity of the following main companies:

TF1 Services et Gestion	FF million 2.09 for 83,7 % of the capital
TF1 PUBLICITE	FF million 0.15 for 0,5 % of the capital
M.T. SPOT Limited INTERNATIONAL DEVELOPPEMENT	FF million 3.74 for 40 % of the capital
	FF million 0.51 for 35 % of the capital

TF1 has subscribed to the capital increases of the following companies:

TF1 EUROPE	FF million 14.75 for 100 % of the capital
TF1 ENTREPRISES	FF million 36.79 for 100 % of the capital
BANCO PRODUCTION	FF million 2.00 for 100 % of the capital
STUDIOS 107	FF million 10.00 for 100 % of the capital

TF1 sold also to its subsidiary LUXTEL 7 % of the share capital of BANCO PRODUCTION. This sale was made at its purchase value of FF 0.2 million.

TF1 sold all its share of VENDOME PRODUCTIONS for a symbolic FF 1. The book value of this investment was FF 0.1 million. The corresponding provision was made in 1991.

TF1 made a provision of FF 41.7 million for its shares of the following subsidiaries:

STUDIOS 107	FF million 16.7
TF1 EUROPE	FF million 25.0

At 31 Dec. 92, the total value of the shares reported in the balance sheet of TF1 S.A. amounts to FF 481 million, with depreciations amounting to FF 102 million.

## 2.4 DEBTORS

### 2.4.1. Accounts receivable from TF1 PUBLICITE

Since 1 Jan. 89, TF1 PUBLICITE buys advertising slots from TF1 S.A., which it sells on to advertising agencies. The difference between the purchase and selling price allows TF1 PUBLICITE to cover its operating costs.

The total amount payable by TF1 PUBLICITE to TF1 S.A. with respect to such purchases was FF 917 million at 31 Dec. 92, as compared with FF 879 million at 31 Dec. 91.

### 2.4.2. Due dates for debtors

The debtors, totalling FF 1,805 million, essentially fall due within one year.

Only a proportion of the debtors (FF 17 million) carried under fixed assets fall due after one year.

## 2.5 MARKETABLE SECURITIES

These consist of "SICAV" unit trusts amounting to FF 542.3 million. All capital gains have been taken on 31 Dec. 92.

## 2.6 DEFERRED EXPENSES

Deferred expenses account for FF 95.1 million including FF 76.3 million related to prepaid sports transmissions.

## 2.7 SHARE CAPITAL

The movements for the financial year were as follows:

N.B.: The share capital is divided into 21,000,000 fully paid ordinary shares each with a face value FF 10.

(\*): Dividends paid on 30 June 1992  
(\*\*): Net movements of the year

(FF million)	AT 1 JAN. 92	ALLOCATION OF PROFIT (Shareholder Meeting 12 Jun. 92)	OTHER MOVEMENTS	AT 31 DEC. 92
Share capital	210			210
Revaluation reserve	31			31
Legal reserve	21			21
Balance carried forward	138	41		179
Other reserves	170	80		250
Profit of the year	290	(290)	465	465
<b>SUB-TOTAL</b>	<b>860</b>	<b>(169)</b>	<b>465</b>	<b>1,156</b>
Investment grants	9		(9)	0
Regulated provisions	391		26 (**)	417
<b>TOTAL</b>	<b>1,260</b>	<b>(169) (*)</b>	<b>482</b>	<b>1,573</b>

# NOTES TO THE COMPANY ACCOUNTS

## 2.8 PROVISIONS FOR LIABILITIES AND CHARGES

Defined as stated under section 1.8, these provisions break down as follows:

(FF million)	1 Jan. 92	Increase	Decrease	31 Dec. 92
Claims	35	3	(8)	30
Associated companies	6	-	-	6
Bad debts	19	-	(1)	18
Other	1	1	(1)	1
	61	4	(10)	55

The provision for bad debts includes TF1's share in the risk of TF1 PUBLICITE receivables which may not be collected.

## 2.9 CREDITORS

### 2.9.1. Bank borrowings

Bank borrowings are reported under this item for an amount of FF 9.2 million.

The Middle Term borrowing of FF 150 million made in 1991 has been fully reimbursed. The Company still has the possibility to draw up to FF 100 million on this credit facility. This was not used on 31 Dec. 1992.

### 2.9.2. Other financial creditors

Cash put at TF1's disposal by its subsidiaries in accordance with cash agreements is recorded under this item in the amount of FF 560.5 million.

### 2.9.3. Tax and social liabilities

#### Pension costs

Rights accrued by personnel aged 55 and over were covered in 1990 by an insurance policy and therefore no longer appear under this item.

### 2.9.4. Others creditors

This item includes the credits and rebates related to graduated tariffs to be granted by TF1.

### 2.9.5. Due dates for creditors

The creditors, totalling FF 3,797 million, essentially fall due within one year.

No creditors fall due over more than five years.

Creditors falling due within more than one year are as follows:

Bank borrowings .....	FF million 2.0
Personnel, taxes and social security .....	FF million 0.9

## 3 - NOTES TO THE PROFIT AND LOSS ACCOUNT

In 1992, new elements are included in the "in-house production" costs to make them more exhaustive. Revenue from "in-house production" and "depreciation of broadcast programmes" have been increased by FF 214 million in 1991

in order to allow the comparison with 1992 accounts. This amount essentially includes costs related to Foreign News Offices, the "Purchasing of broadcasting rights" Department and General Services of the News Department.

### 3.1 BREAKDOWN OF TURNOVER

Advertising revenue amounts to FF 5,803 million and corresponds to advertising space and sponsorship sold by TF1 PUBLICITE, less the fees enabling TF1 PUBLICITE to cover its FF 434.5 million operating costs.

Other revenue refers to various sales and services amounting to FF 31.9 million.

### 3.2 TAXES

This item essentially records TF1's contribution to the French National Cinema Council and business tax.

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### 3.3 WAGES AND SALARIES

In 1992, this item includes staff expenses relating to the transfer to the new head office in Boulogne.

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### 3.4 SOCIAL SECURITY CHARGES & EMPLOYMENT EXPENSES

This item includes personnel benefits FF 2.1 million, relating to the employer's contribution to the Company Savings Plan set up when TF1 was privatised and covers employee subscriptions for 1989, 1990 and 1992.

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### 3.5 OTHER EXPENSES

This item covers payments to the authors for an amount of FF 237.9 million.

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### 3.6 FINANCIAL EXPENSES AND REVENUES

Financial expenses with respect to associated companies amount to FF 51.0 million and financial revenues to FF 5.5 million. A provision of FF 41.7 million has been made to cover STUDIOS 107 and TF1 EUROPE shares.

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### 3.7 EXTRAORDINARY ITEMS

The extraordinary items for 1992 break down as follows (in FF million):

Capital losses on disposal and retirement of programmes	(128.6)
Net reversal of provisions (including special depreciation for tax purposes)	(11.3)
Capital gains on disposal of tangible fixed assets	155.3
Expenses related to the use of two buildings	(40.2)
CSA fines and FRANCE 2 punitive damages	(69.3)
Other	(0.7)
<b>NET LOSS</b>	<b>(94.8)</b>

### 3.8 CORPORATE INCOME TAX

The expense reported in 1992 notably takes into account the tax relating to long term gains of FF 260 million. Income tax also takes into account the net profit recorded by the partnership LA RESERVEE i.e FF 26.6 million corresponding to long term capital gains.

Since 1 Jan. 89, TF1 has applied the tax consolidation system. The subsidiaries considered within the scope of tax consolidation are TF1 PUBLICITE, UNE MUSIQUE, TF1 FILMS PRODUCTION, TF1 ENTREPRISES, PROTECREA, TF1 EUROPE and SYALIS.

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# NOTES TO THE COMPANY ACCOUNTS

## 4 - OTHER INFORMATION

### 4.1 OFF-BALANCE SHEET COMMITMENTS

On 31 Dec. 1992, the various types of commitments and their fulfilment dates split up as follows:

The "Programmes" item includes long-term contracts relating to variety shows in the amount of FF 1,367 million.

(FF million)	Within less than one year	Over one year	Total
Programmes and film rights	1,333	1,358	2,691
Sports broadcasting rights	329	988	1,317
Other	42	42	84
	1,704	2,388	4,092

"Film rights" includes TF1's commitment to SOGEDIF.

TF1 is committed to purchasing from GIE SOGEDIF, a 90% subsidiary of SOCIETE GENERALE, feature film rights acquired by GIE SOGEDIF at TF1's request, up to a maximum of FF 300 million. The total rights thus held by SOGEDIF, originating from rights previously purchased by TF1, amounted to FF 275.9 million at 31 Dec. 92.

Realisation dates of commitments relating to sports broadcasts have been broken down using the planned transmission dates of the given events.

### 4.2 WORKFORCE

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

	1992	1991
Workers and clerical employees	155	155
Technical staff	447	451
Managerial and executives	338	339
Journalists	236	247
	1,176	1,192

### 4.3 DIRECTORS' REMUNERATION

The emoluments of Company Directors are not displayed, and as such would require the disclosure of an individual salary.

The total remuneration of the ten highest-paid Directors for the financial year 1992 was FF 35,644,515.

### 4.4 MOVEMENTS OF PROVISIONS

(FF million)	1 Jan. 92	Increase	Decrease	31 Dec. 92
REGULATED PROVISIONS In respect of intangible fixed assets (programmes)	391	158	(132)	417
PROVISIONS FOR LIABILITIES AND CHARGES	61	4	(10)	55
PROVISIONS FOR DEPRECIATION OF FIXED ASSETS	81	35	(55)	61
PROVISIONS ON FINANCIAL ASSETS Long-term investments Related loans Deposits and warranties	61 10	41		102 10
PROVISIONS FOR DEPRECIATION OF CURRENT ASSETS	15	1		16
<b>TOTAL</b>	<b>619</b>	<b>239</b>	<b>(197)</b>	<b>661</b>

#### 4.5 INVENTORY OF INVESTMENT SECURITIES AS OF 31 DEC. 92

	Number of shares	%	Inventory value in FF
<b>FINANCIAL INVESTMENT</b>			
SYALIS	2,494	99.76	298,733,030
TF1 ENTREPRISES	519,988	100.00	89,151,446
TF1 FILMS PRODUCTION	19,993	99.97	56,462,533
TF1 PUBLICITE	994	99.40	18,876,041
PROTECREA	99,994	99.99	14,143,979
TELESHOPPING	8,495	84.95	8,933,229
BANCO PRODUCTION	27,894	92.98	4,026,747
TF1 EDITIONS	2,548	50.96	4,002,107
STUDIOS 107	99,994	99.99	3,311,404
MEDIAMETRIE	1,000	10.75	2,047,551
TECHNISONOR	5,632	6.84	1,429,365
TELE EUROPE	2,621	8.73	862,437
MT SPOT LTD	2,400	40.00	762,978
MERY PRODUCTIONS	2,497	49.94	249,700
EURO MEDIA SHOP	1,747	69.88	174,700
LUXTEL 1	12,499	99.99	138,242
INTERNATIONAL DEVELOPEMENT	507	35.00	79,674
RCL TV	50	5.00	12,500
CIC	1	0.01	307
<b>TOTAL FINANCIAL INVESTMENT</b>			<b>503,397,970</b>
	Number of shares	Quotation as of 31 Dec. 92	Inventory value in FF
<b>SHORT TERM INVESTMENT</b>			
OCCI	2,897	59,477.41	172,306,057
CENTRALE MONETAIRE	2,084	76,060.96	158,511,582
SOCIETE GENERALE BONS	35	4,485,452.00	156,990,820
MORGAN CT	2,011	19,901.30	40,021,514
INVESTICOURT	994	14,517.91	14,430,803
<b>TOTAL SHORT TERM INVESTMENT</b>			<b>542,260,776</b>
<b>TOTAL INVESTMENT SECURITIES</b>			<b>1,045,658,746</b>

#### 4.6 SUBSIDIARIES AND FINANCIAL INVESTMENTS

The corresponding table is presented on the following page.

### SIGNIFICANT ELEMENTS OF THE NOTES TO THE PRIOR ACCOUNTING PERIODS

#### IN 1992:

- New elements are included in the "in-house production" costs to make them more exhaustive (see section 3 of the notes). 1991 accounts have been restated to allow the comparison with 1992 accounts.
- Extraordinary items take into account the capital gain generated from the sale of part of former Cognacq Jay headquarters as well as extraordinary charges related to programme retirements and expirations, moving, EUROSPORT restructuring and fines imposed on TF1.



# TF1 STOCK: MARKET AND YIELD

## TF1 SHARES

Since privatisation, the number of outstanding shares has been 21,000,000.

Year	Dividend paid (FF)			Share price (FF)			
	Net	Tax credit	Total	High	Low	Average	Last
1987*	-	-	-	210	149	183	170
1988	3	1.5	4.5	411	165	236	410
1989	5	2.5	7.5	448	290	385	300
1990	7	3.5	10.5	358	220	297	290
1991	8	4.0	12.0	382	265	318	300
1992	10	5.0	15.0	538	310	417	367

\*issue price on 24 July 1987: FF 165

Share price on 22 April 1993: FF 453.

The TF1 stock is listed on the "Second Marché" of the Paris Stock Exchange.

Dividends are at the shareholders' disposal from the date they are payable.

Dividends not asked for 5 years after they are payable are paid to the French State.

## MARKET PRICE AND TRADING VOLUMES

Share price and trading volumes for 1992 and the current financial year:

Year	Share price (FF)		Shares traded
	High	Low	
<b>1992</b>			
January	350	302	224,102
February	410	330	1,078,067
March	409	360	1,473,602
April	488	425	1,762,729
May	523	471	638,195
June	542	466	778,429
July	522	463	4,453,108
August	527	445	479,638
September	490	405	532,491
October	410	300	560,903
November	385	320	393,775
December	382	345	348,775
<b>1993</b>			
January	430	361	965,288
February	480	420	917,530
March	488	458	704,161
April	470	416	571,795