



ANNUAL REPORT & ACCOUNTS

*The French version of this document was filed
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(French Stock Exchange Commission)
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Ordinary General Meeting of June 12, 1995

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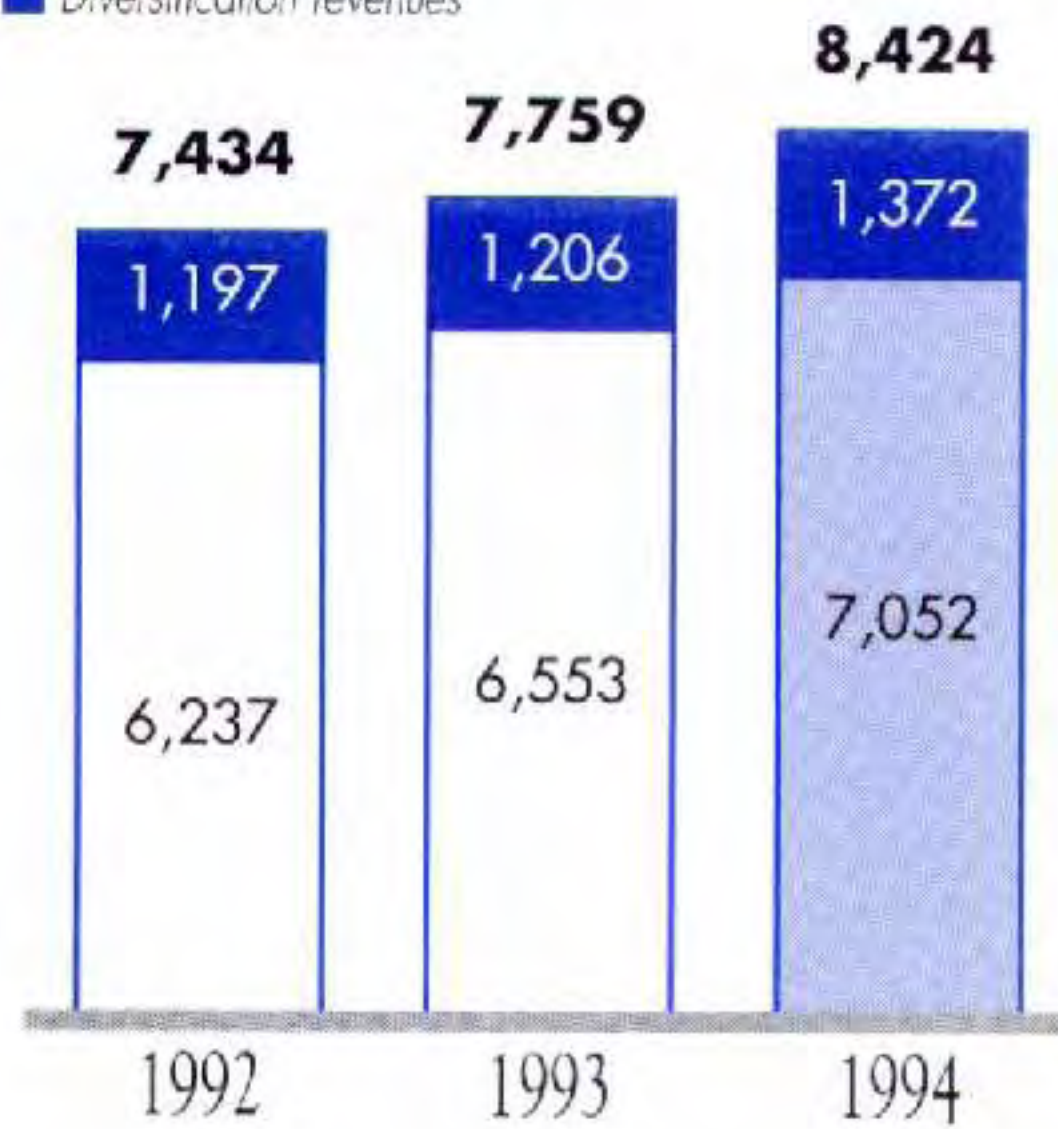
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T F1 GROUP

Turnover

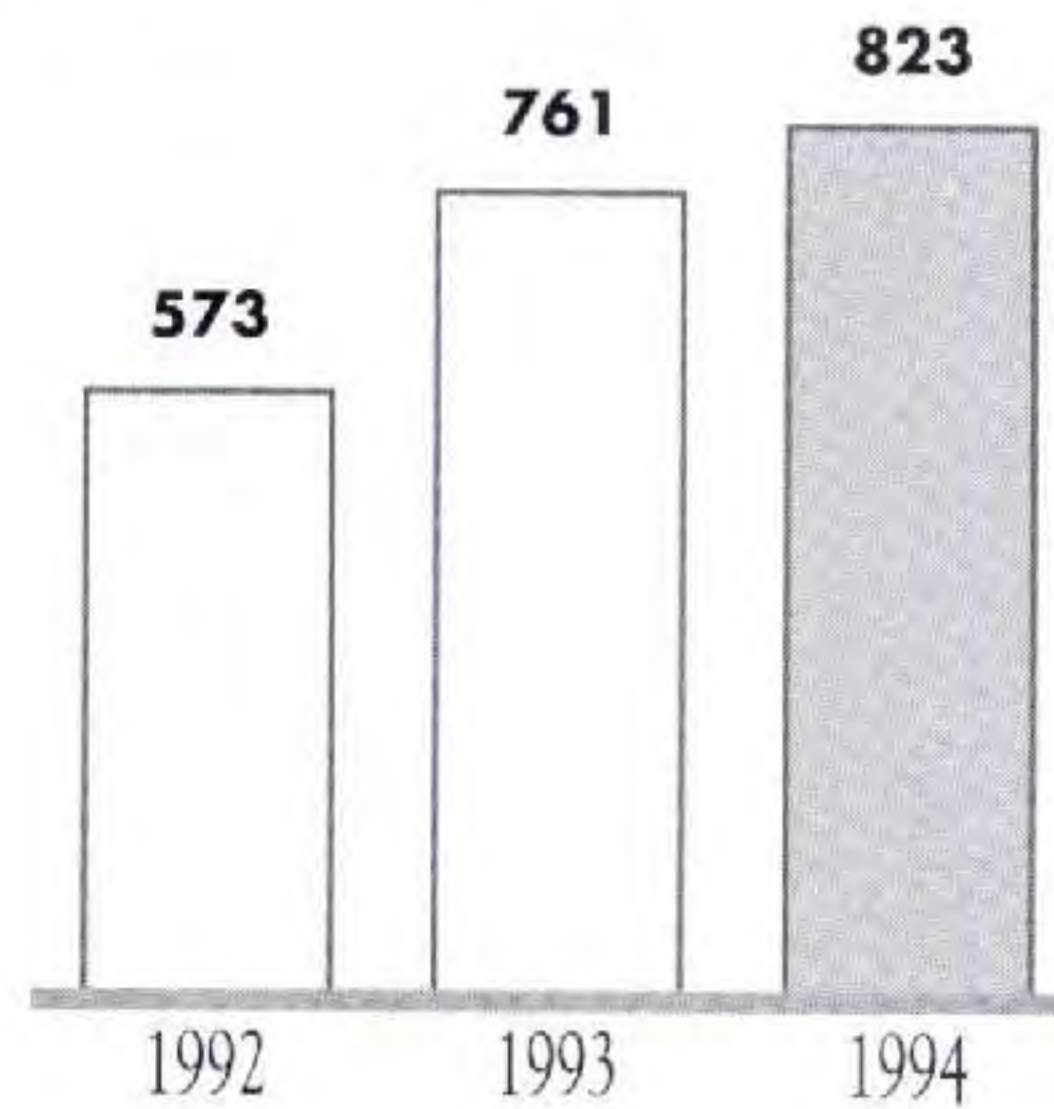
(in FF million)

- Advertising revenues
- Diversification revenues



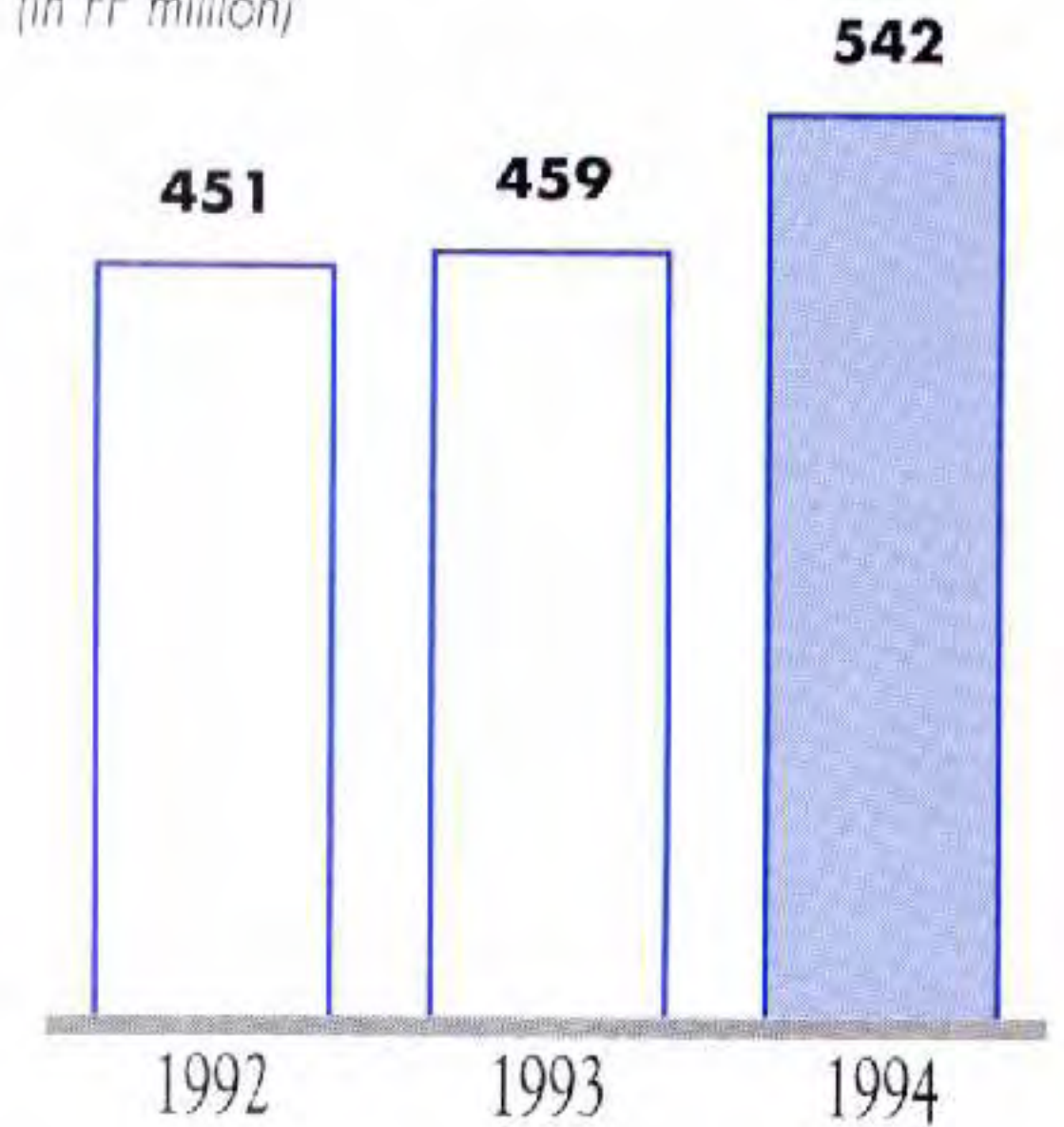
Profit before Tax and extraordinary items

(in FF million)



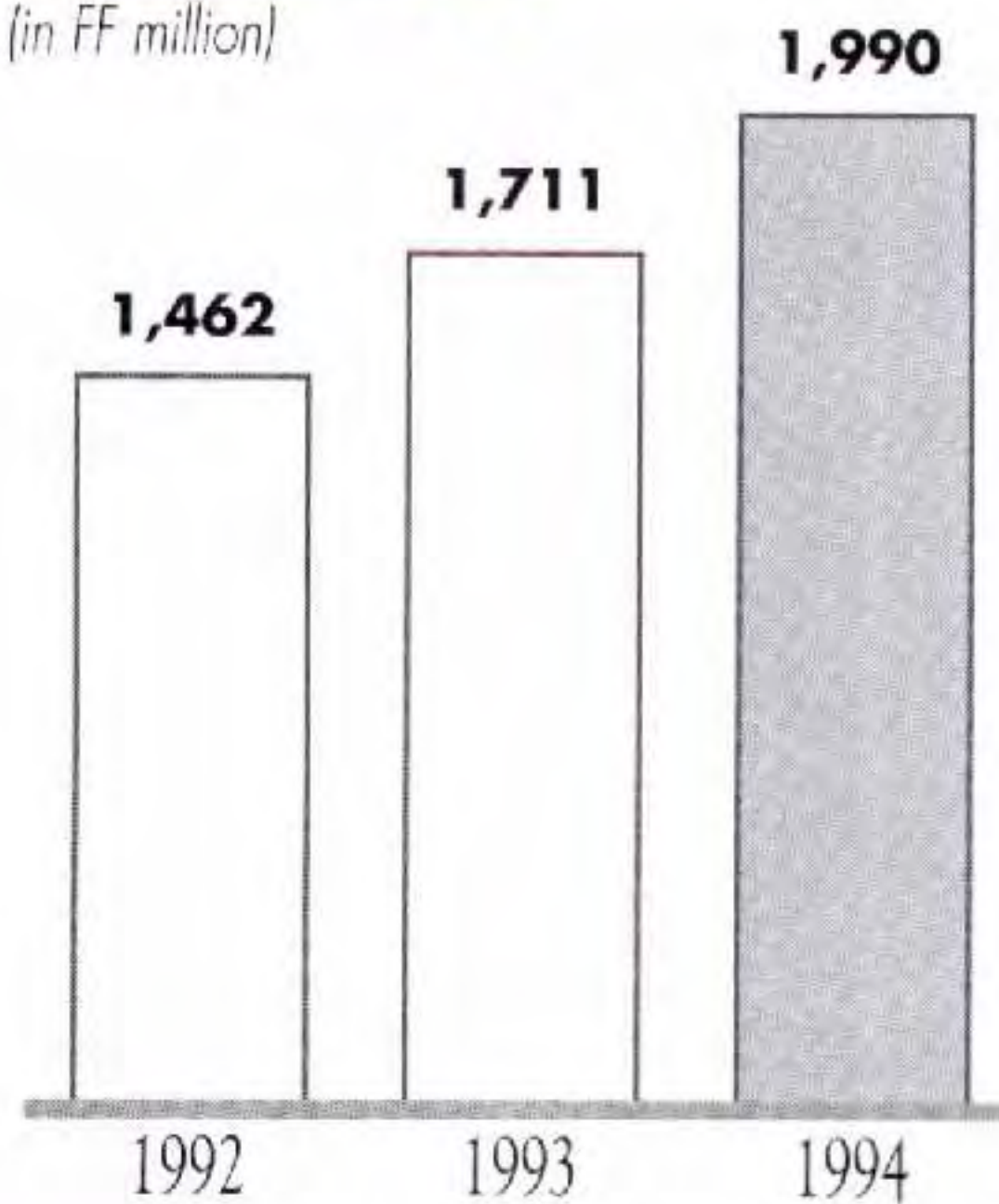
Net profit (attributable to the Group)

(in FF million)



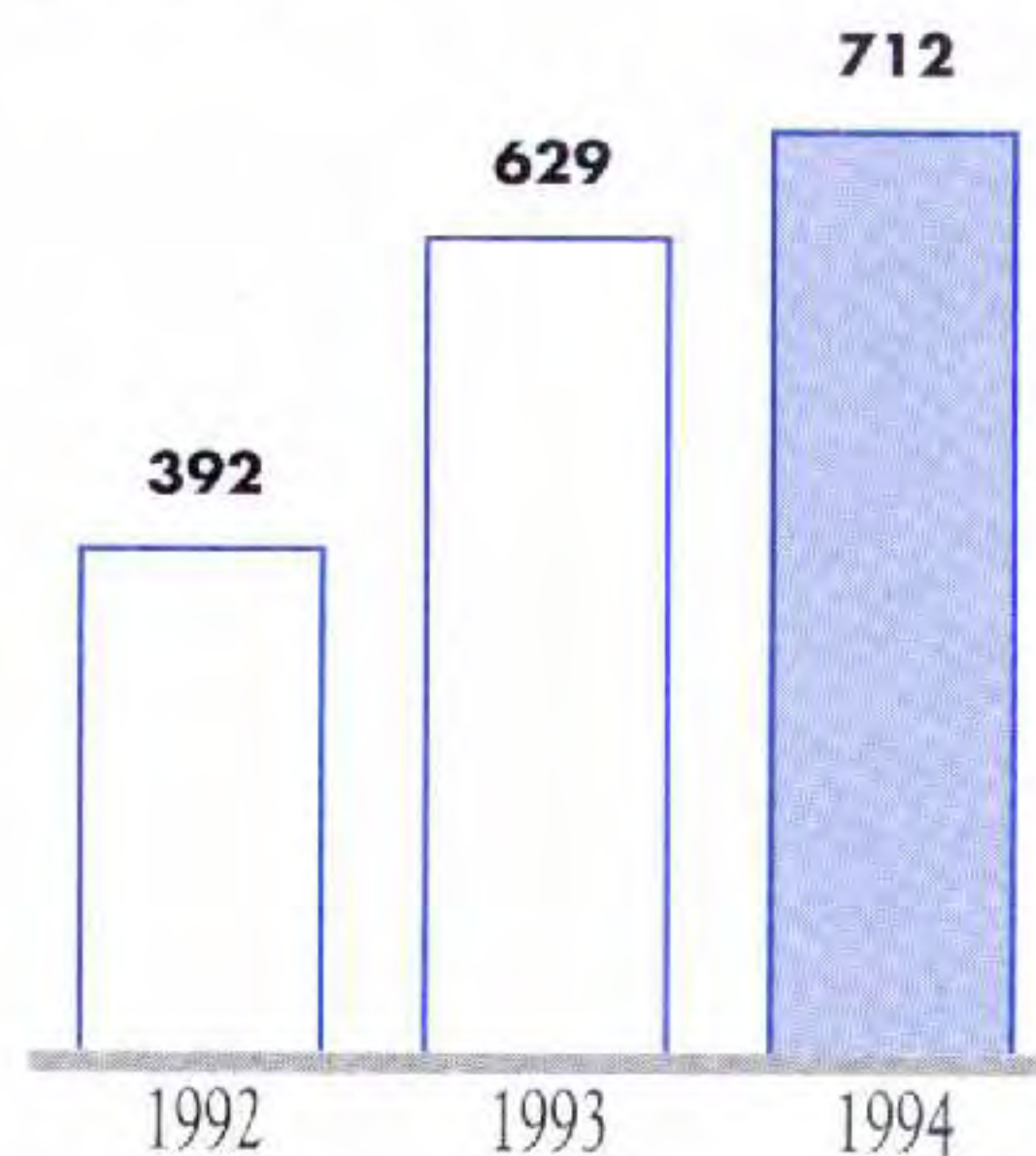
Shareholders' equity

(in FF million)



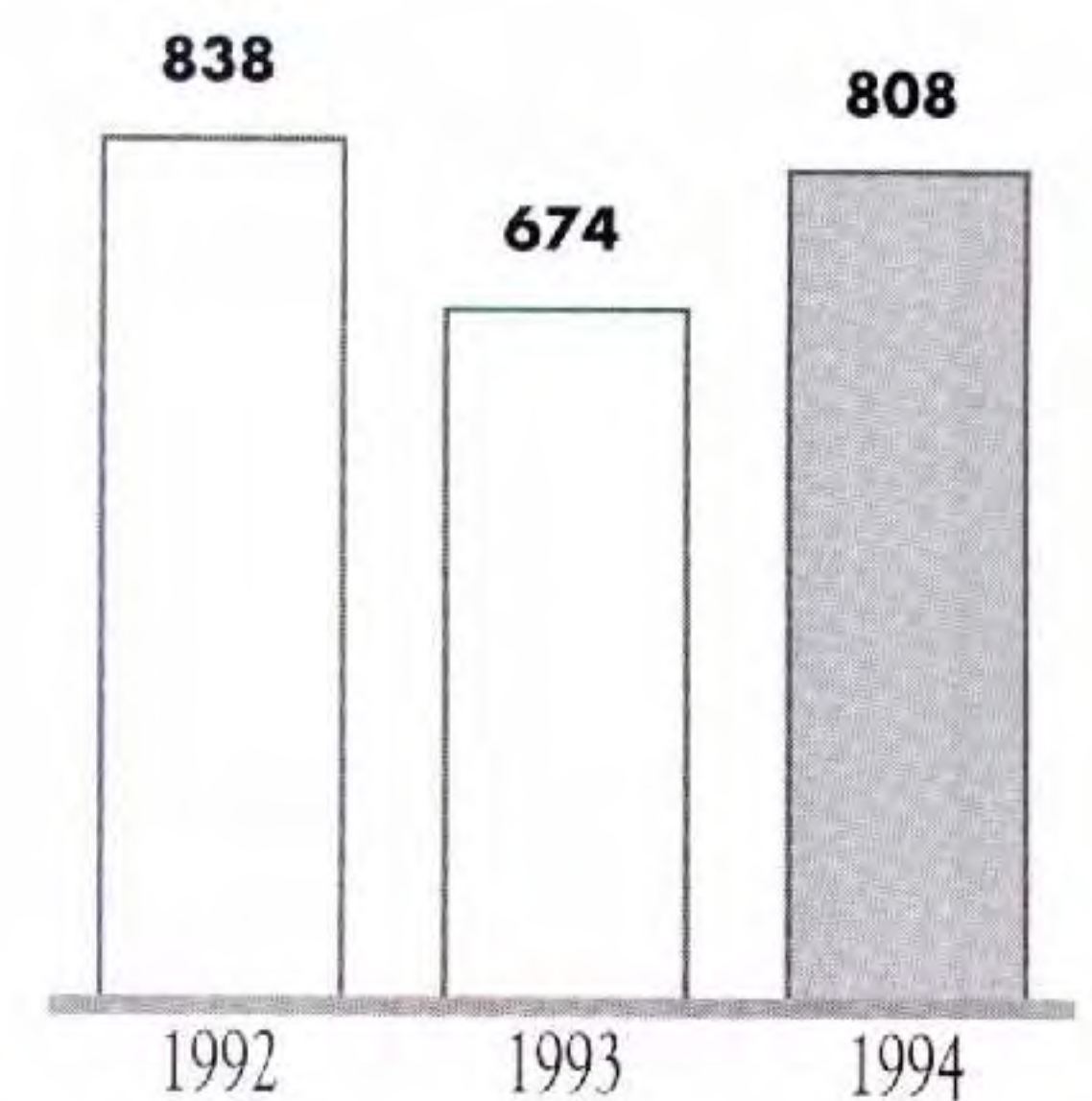
Cash flow

(in FF million)



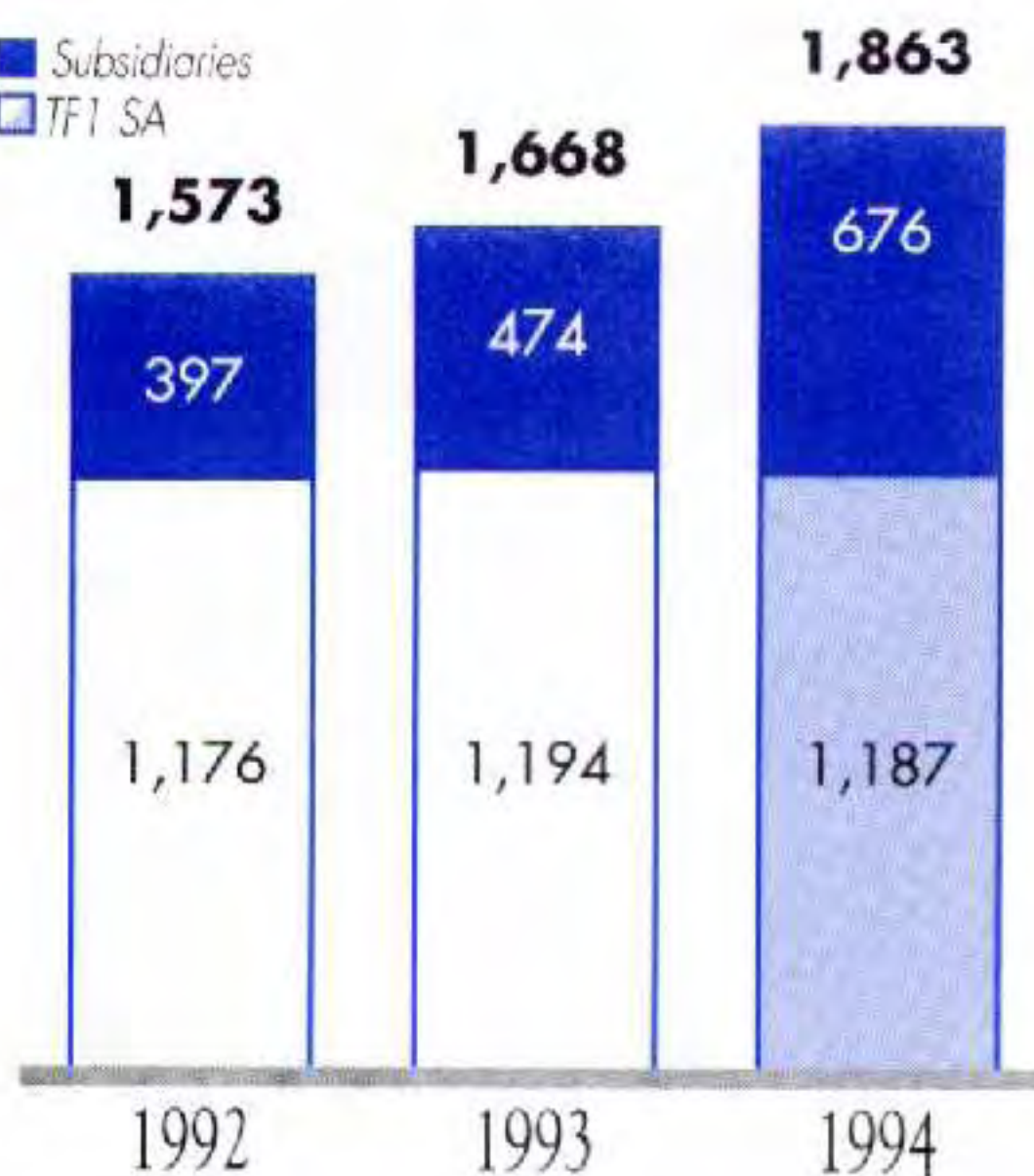
Net cash

(in FF million)



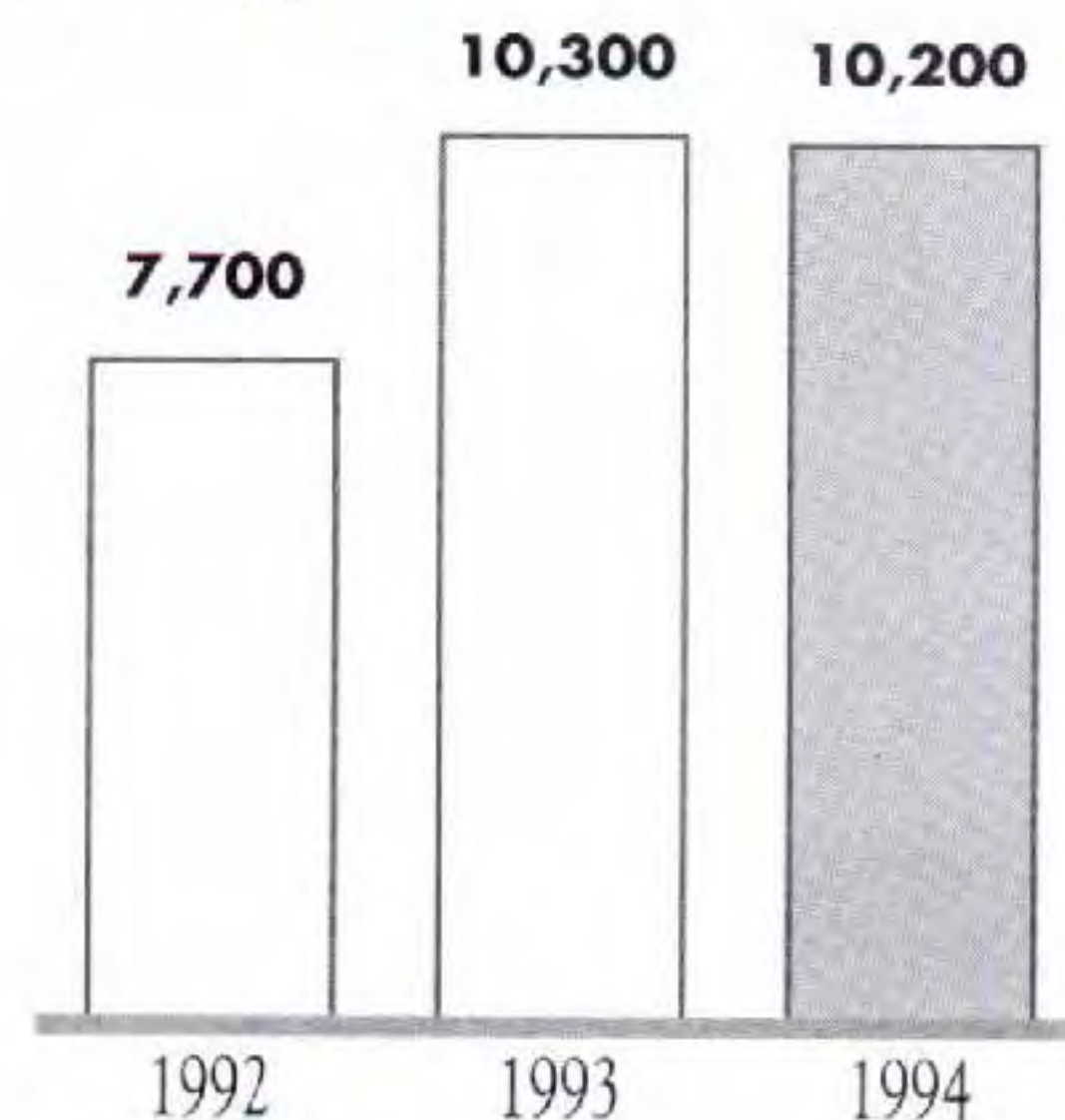
Staff

- Subsidiaries
- TFI SA



Market capitalisation (end Dec.)

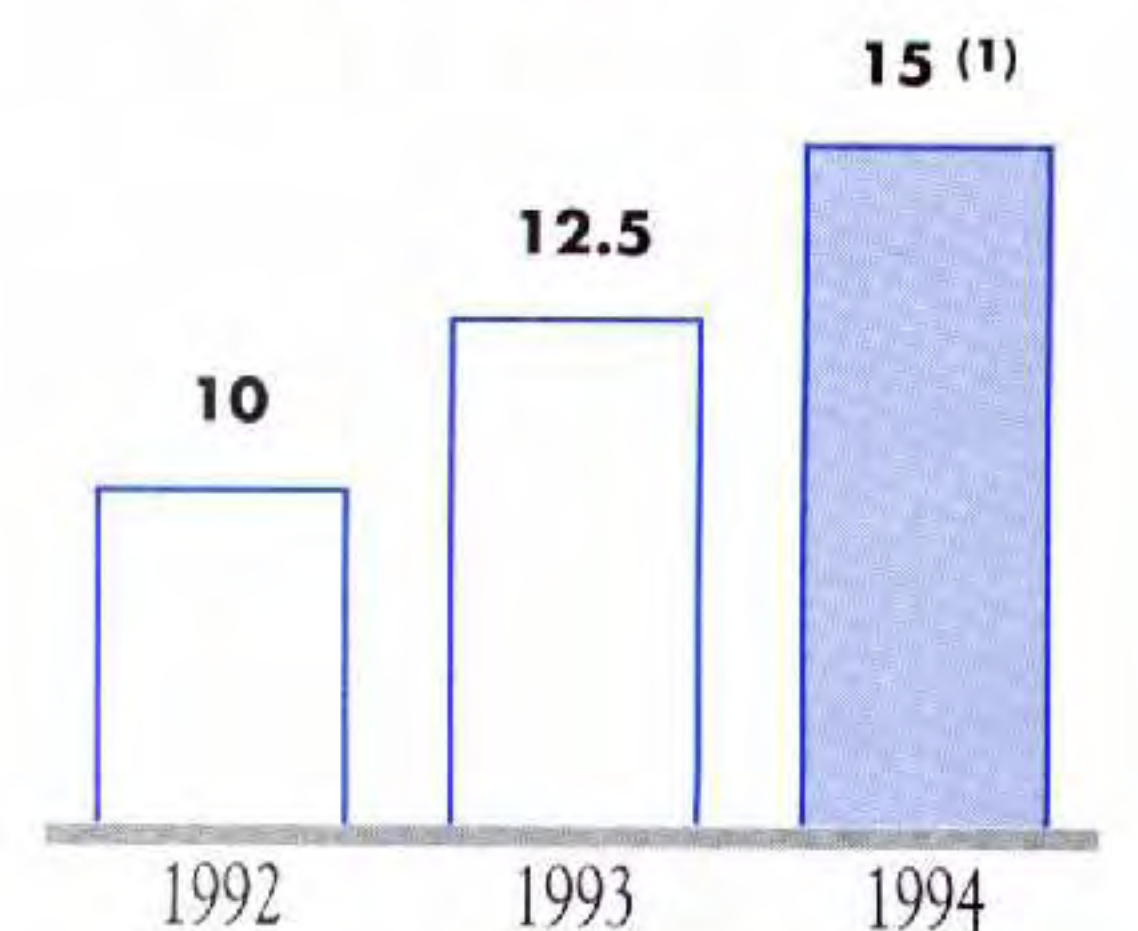
(in FF million)



Dividend per share (excl. tax credit)

(in FF)

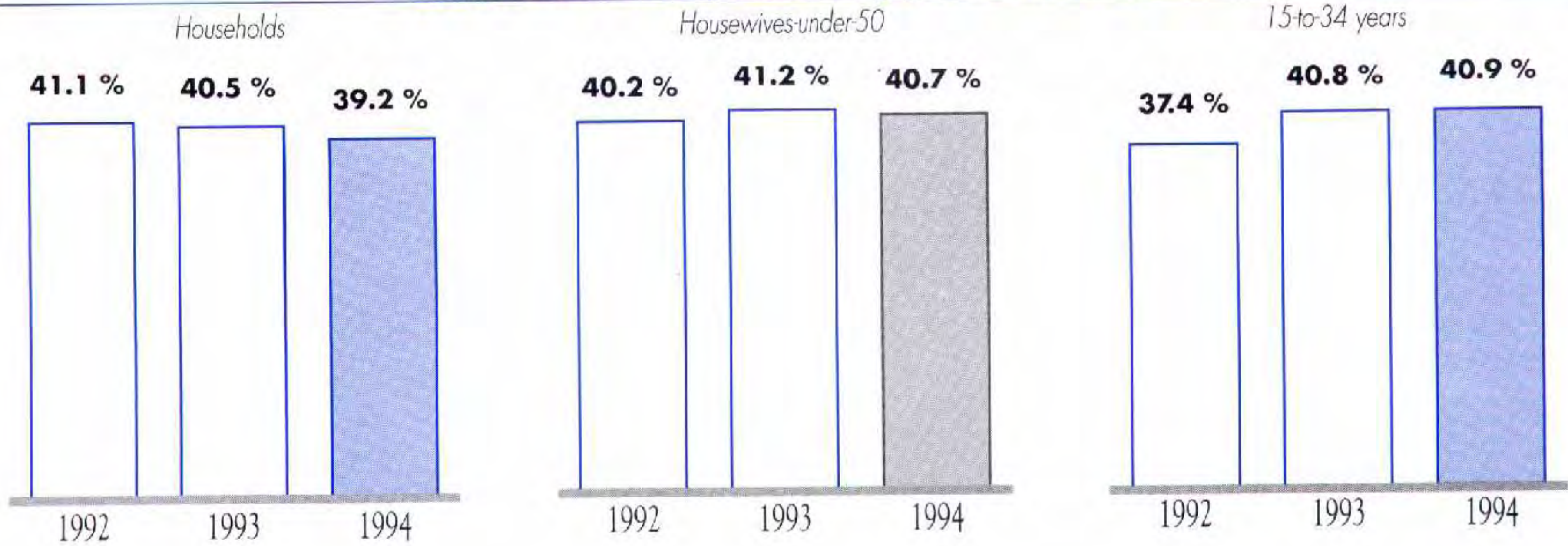
% pay-out ratio
46.6 % 57.2 % 58.1 %



(1) to be approved by General Meeting

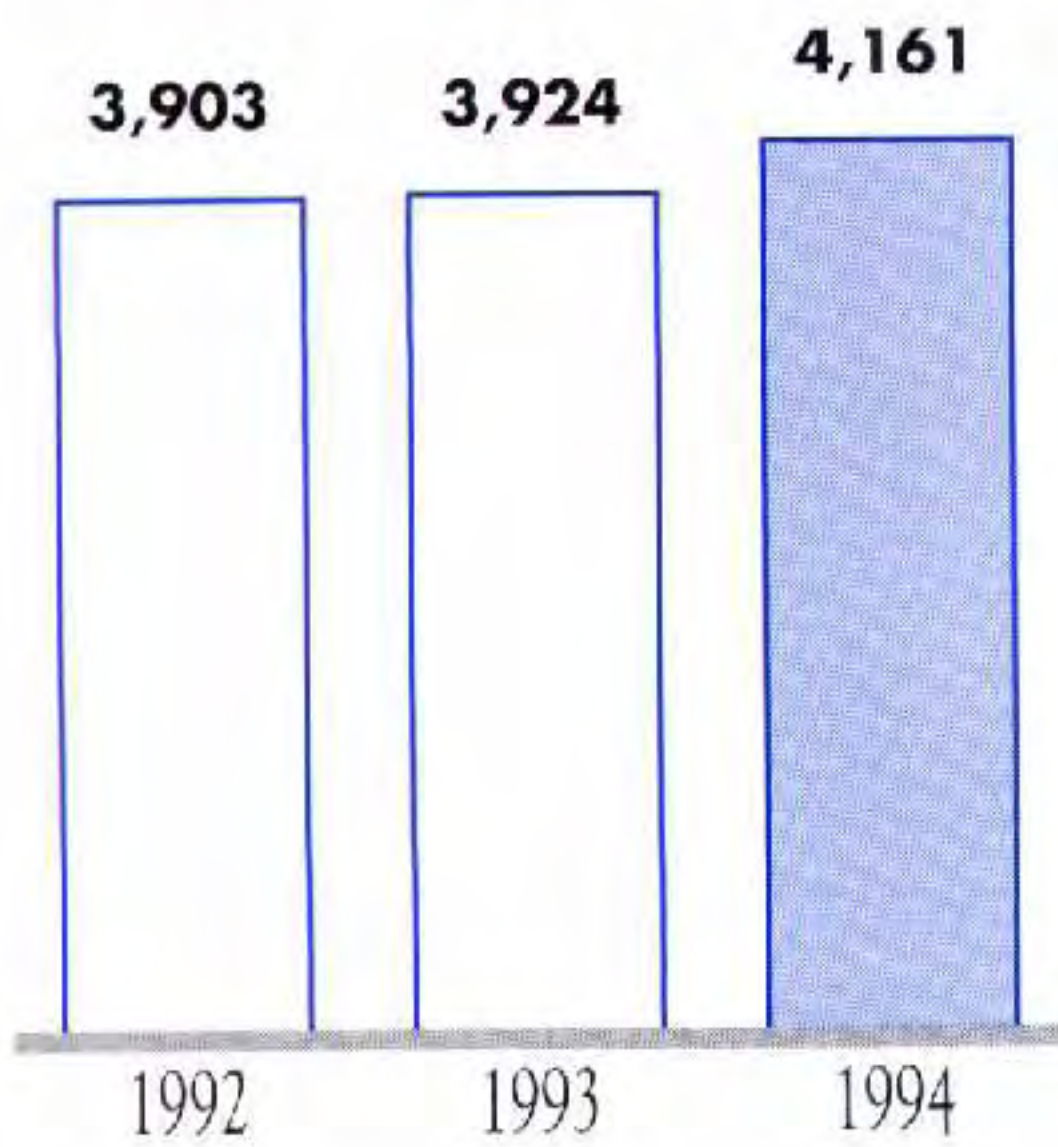
HIGHLIGHTS

Audience market share (annual average) - Sources: Médiamétrie



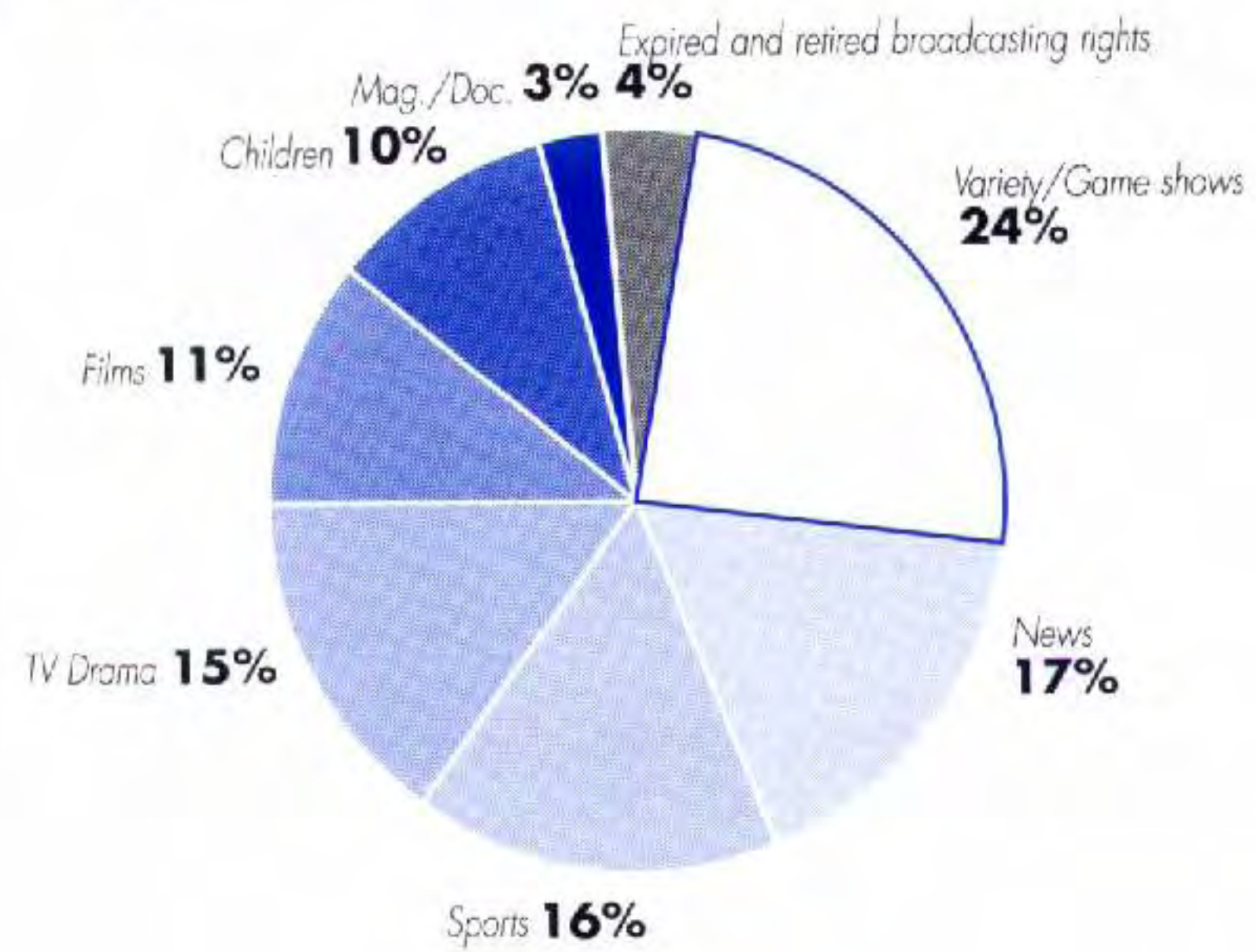
Programming costs

(in FF million)



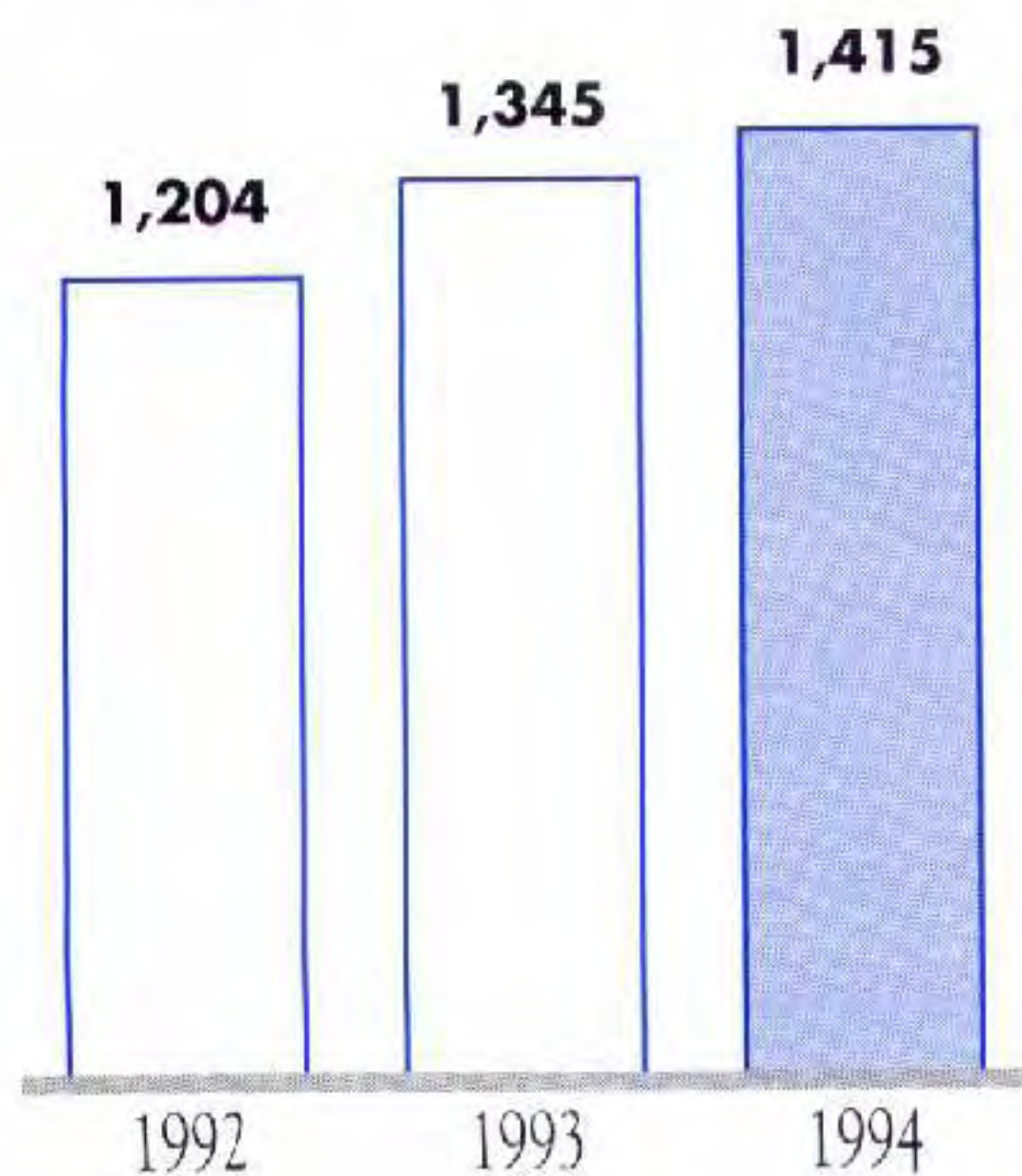
Breakdown of 1994 programming costs

(total = FF 4,161 million)



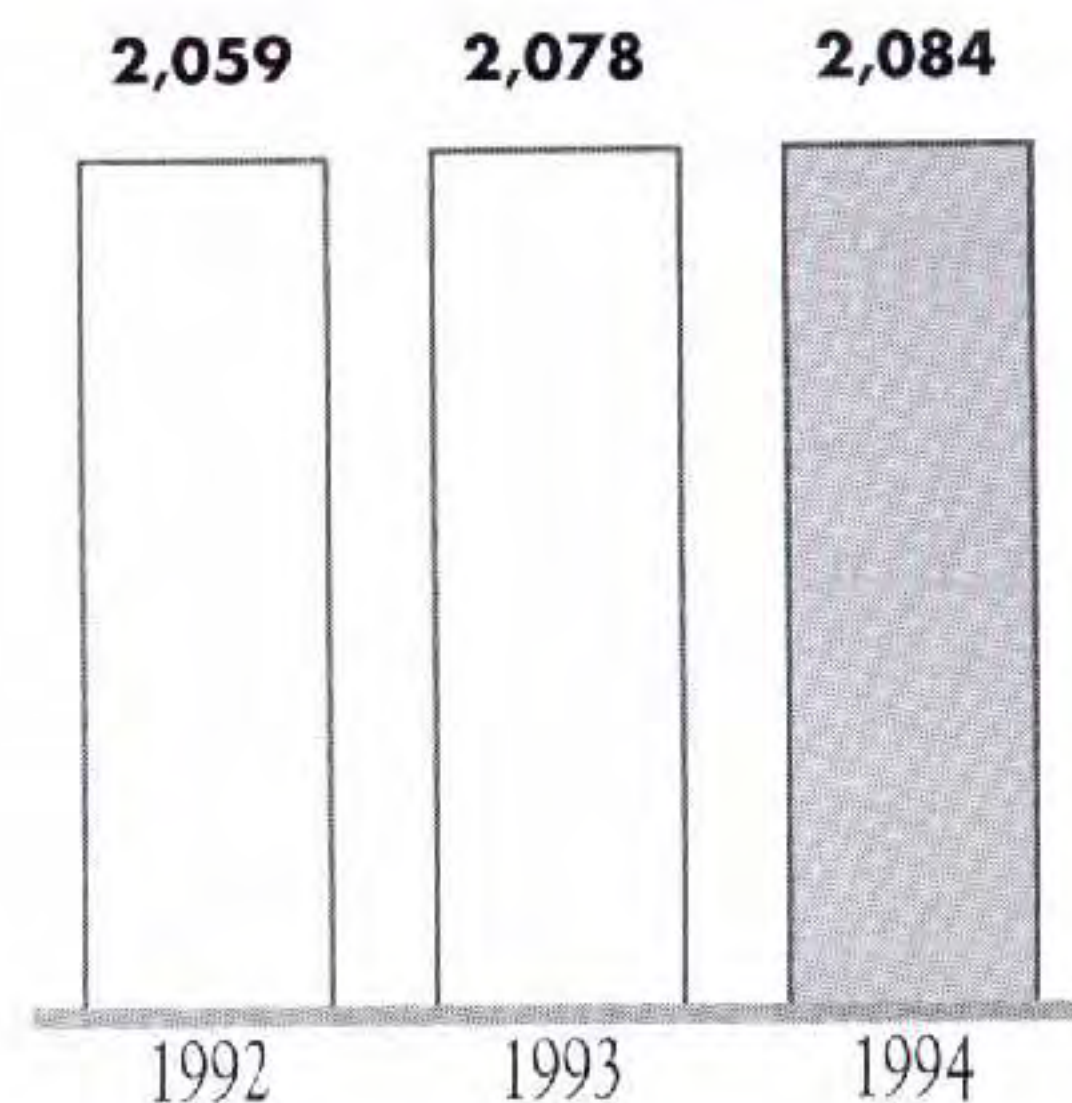
Investments in French production

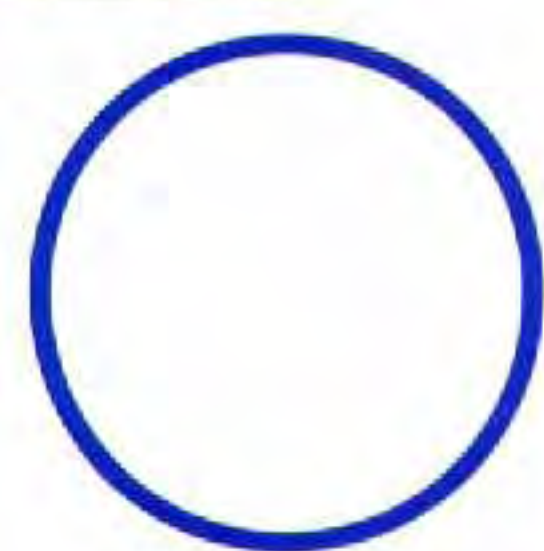
(in FF million)



Programmes and film rights in stock

(in FF million)





CONSOLIDATED PROFIT AND LOSS ACCOUNT: OPERATIONAL BREAKDOWN

(in FF million)	1994	1993	1992
REVENUES FROM ADVERTISING			
Advertising revenues (TF1 channel)	7,052	6,553	6,238
Advertising agency fees	(492)	(481)	(434)
Net revenues from broadcasting	6,560	6,072	5,804
ROYALTIES AND CONTRIBUTIONS			
- Authors	(268)	(244)	(238)
- CNC	(326)	(300)	(287)
TRANSMISSION COSTS			
- TDF, Satellites, Transmissions	(434)	(416)	(385)
- INA, TV5	(37)	(40)	(42)
PROGRAMMING COSTS	(4,161)	(3,924)	(3,903)
Gross margin	1,334	1,148	949
Diversification revenues	1,215	1,015	863
Other revenues	157	191	333
Other operating expenses	(1,540)	(1,315)	(1,399)
Depreciations and provisions	(380)	(247)	(200)
Operating profit	786	792	546
Financial profit	37	(31)	27
Profit before tax and extraordinary items	823	761	573
Extraordinary items	21	(50)	52
Tax and profit sharing	(300)	(250)	(170)
NET PROFIT OF INTEGRATED COMPANIES	544	461	455
Minority share of profit	(2)	(2)	(4)
NET PROFIT ATTRIBUTABLE TO THE GROUP	542	459	451

The table above provides complementary information to the notes to the consolidated accounts. It enables to identify the Group's main sources of revenues and costs:

- broadcasting of programmes,
- diversification activities.

NET REVENUES FROM BROADCASTING

Net revenues from broadcasting relate to net revenues invoiced to advertisers by TF1 PUBLICITE after a deduction to cover running costs.

GROSS MARGIN

The gross margin breaks down as follow:

- Net revenues from broadcasting
- Royalties and contributions
These fees are fully or partly based on advertising revenues and include:
 - * fees paid to Authors' societies,
 - * contribution to the CNC (National Cinema Council).
- Transmission costs:
Expenses linked to the transmission of TF1's programmes as well as filing costs paid to INA (National Institute of Archives).
- Programming costs:
Internal and external costs of programming. They include expired and retired broadcasting rights.

OPERATING PROFIT

It totals the gross margin, revenues from diversification activities and other revenues minus operating expenses related to diversification activities and other expenses not directly attributable to programmes. This operating profit is the one stated in the consolidated profit and loss account.

OTHER ITEMS

As stated in the consolidated profit and loss account.

BOARD OF DIRECTORS, AUDITORS

(April 1995)

■ Patrick LE LAY

Chairman & General Manager of TF1
Appointed April 17, 1987

■ Martin BOUYGUES

Chairman & General Manager of BOUYGUES
Appointed September 1, 1987

■ Corinne BOUYGUES

Administrative & Finance General Manager of TF1 Publicité
Appointed June 10, 1993

■ Nicholas CLIVE WORMS

General Partner of WORMS & Cie
Appointed October 18, 1991

■ CRÉDIT LYONNAIS

Represented by Sylvain CARNOT, Executive Vice-President of CRÉDIT LYONNAIS
Appointed April 11, 1991

■ Michel DERBESSE

Director of BOUYGUES' Construction Department
Appointed January 19, 1994

■ Philippe MONTAGNER

Director of BOUYGUES' Equipment and Development Department
Appointed January 23, 1995

■ Etienne MOUGEOTTE

Vice-Chairman of TF1
Appointed January 12, 1991

■ Olivier POUPART-LAFARGE

Director Economics & Finance of BOUYGUES
Appointed April 17, 1987

■ SOCIÉTÉ GÉNÉRALE

Represented by Marc VIENOT
Chairman & General Manager of SOCIÉTÉ GÉNÉRALE
Appointed October 18, 1991

■ Jean-Pierre PERNAUT

Director, Employee Representative elected May 27, 1994

■ Bernard AUBERT

Director, Employee Representative elected May 27, 1994

Auditors

Statutory auditors

■ Cabinet SALUSTRO-REYDEL

2, avenue Hoche
75008 Paris

■ Dominique LEDOUBLE (1)

33, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine

Alternate auditors

■ Jean-Louis MULLENBACH

2, avenue Hoche
75008 Paris

■ Jean-Pierre CROUZET (1)

2, avenue Hoche
75008 Paris

(1) The terms of office of Dominique LEDOUBLE and Jean-Pierre CROUZET expire in 1995, at the close of the General Meeting of June 12, 1995.

All terms of office expire at the close of the General Meeting of June 12, 1995, approving the 1994 annual accounts and deciding on their mandate renewal, except for:

- Nicholas CLIVE-WORMS, whose term of office was renewed for 2 years by the General Meeting of June 14, 1994.

- Bernard AUBERT and Jean-Pierre PERNAUT, who have been elected on May 27, 1994 for 2 years, Employee Representatives, according to the clauses of Article 10 of the corporate charter.



G R O U P M A N A G E M E N T

TF1

Executive management

- Patrick LE LAY
Chairman & General Manager
- Etienne MOUGEOTTE
Vice-Chairman
- Corinne BOUYGUES
General Manager of TF1 Publicité

Programmes

- Pascale BREUGNOT
Magazines and
Documentaries Director
- Gérard CARREYROU
News Director
- Xavier COUTURE
Programmes Director
- Jean-Claude DASSIER
Sports and Special
Operations Director
- DOROTHÉE
Children and
Family Programmes Director
- Laurent FONNET
TF1 Channel,
Administration & Finance director
- Claude de GIVRAY
TV Drama Director
- Catherine GRANDCOING
Marketing Director
- Anne MARCASSUS
Artistic Director
- Robert NAMIAS
Editorial Director
- Pascale TOUSSAINT
Programme Planning Director
- Guillaume de VERGES
Production, Cinema,
Acquisitions and International
Co-productions Director
- Francis WILLIAUME
Production Department,
Administration & Finance Director

Advertising

- Corinne BOUYGUES
General Manager,
Administration & Finance
- Claude COHEN
General Manager,
Sales
- Martine HOLLINGER
Sales Director
- Jean-Bernard ICHAC
Strategy and Development Director
- Monique MUGLER
Sales Director

General Management

- Pierre MARFAING
Technical and New Technologies
Director
 - Jean-Pierre MOREL
Deputy General Manager
& Chief Financial Officer
 - Jean-Pierre PAOLI
Company Secretary
 - Nonce PAOLINI
Human Resources Director
 - René TEZE
Communication Director
- 

Main subsidiaries

TF1 Entreprises

■ Patrick LE LAY
Chairman

■ Pierre BROSSARD
Director of TF1 Vidéo

■ Brigitte LEGENDRE
Merchandizing Director

■ Martine TOURNIER
Phone-based services Director

Une Musique

■ Corinne BOUYGUES
Chairwoman

■ Nadine LAIK-BLANCHARD
General Manager

Télé-Shopping

■ Corinne BOUYGUES
Chairwoman

■ Robert LENS
General Manager

TF1 Éditions

■ Patrick LE LAY
Chairman

■ Laurent FONNET
General Manager

TF1 Films Production

■ Etienne MOUGEOTTE
Chairman

■ Guillaume de VERGES
General Manager

Syalis Droits Audiovisuels

■ Patrick LE LAY
Chairman

■ Guillaume de VERGES
General Manager

■ Jean-Pierre DESCHATEAUX
International Distribution Director

Protécréa

■ Pierre WIEHN
Chairman & General Manager

Banco Production

■ Patrick LE LAY
Chairman

■ Pascale BREUGNOT
General Manager

Studios 107

■ Francis WILLIAUME
Chairman

■ Jean ADAM
Director

Eurosport

SAGAS

■ Jean-Pierre MOREL
Chairman

■ Jean-Claude DASSIER
Vice-Chairman

ESO

Managing company: SAGAS
■ Emmanuel FLORENT
General Manager

■ Jacques KREMER
Deputy General Manager

SETS

■ Patrick LE LAY
Chairman

■ Jean-Claude DASSIER
Vice-Chairman

■ Emmanuel FLORENT
General Manager

EUROSALES

Managing company: ESO
■ Jacques KREMER
General Manager

La Chaîne Info

Managing company: TF1
represented by Etienne MOUGEOTTE

■ Jérôme BELLAY
General Manager

TF1 GROUP: ORGAN

BRANCHES

MAIN SUBSIDIARIES

Télévision Française 7

Advertising and related services 99.98 % ▶

Production 99.97 % ▶
99.98 % ▶
99.99 % ▶
99.99 % ▶
33.33 % ▶
50.00 % ▶
99.88 % ▶

Studios 99.99 % ▶

Publishing Distribution 99.99 % ▶
99.76 % ▶
99.76 % ▶
84.95 % ▶
99.90 % ▶

Thematic channels 34.00 % ▶
99.94 % ▶
31.00 % ▶
99.95 % ▶
24.50 % ▶
99.76 % ▶

Audiovisual rights

Financing company 99.76 % ▶

TF1 PUBLICITÉ

99.98 % ▶ TF1 PUBLICITÉ PRODUCTION

TF1 FILMS PRODUCTION

BANCO PRODUCTION

PROTÉCRÉA

LUXTEL

TRICOM

99.99 % ▶ TRICOM & Cie

MERCURY INTERNATIONAL FILMS

MERY PRODUCTION

STUDIOS 107

TF1 ENTREPRISES

99.92 % ▶ Cie INTERNATIONALE DE COMMUNICATION (CIC)

UNE MUSIQUE

TF1 BOUTIQUES

TÉLÉ-SHOPPING

TF1 ÉDITIONS

SOCIÉTÉ D'ADMINISTRATION ET DE GESTION DE L'AUDIOVISUEL SPORTIF (SAGAS)

49.88 % ▶ SOCIÉTÉ EUROPÉENNE DE TÉLÉTRANSMISSIONS SPORTIVES (SETS)

TF1 EUROPE

34.00 % ▶ EUROSPO RT SALES ORGANISATION (ESO)

99.00 % ▶ EUROSAL ES

TV SPORT

LA CHAÎNE INFO

TELCARTE (MULTIVISION)

TELE ACHAT CABLE

SYALIS D.A. 99.96 % ▶

LÉGENDE DISTRIBUTION 37.50 % ▶

TF1 INTERNATIONAL 99.76 % ▶

SYALIS

EUROSPO RT



POSTAL ADDRESSES OF MAIN SUBSIDIARIES

1, quai du Point du Jour - 92100 Boulogne - France

TF1 PUBLICITÉ
TF1 PUBLICITÉ PRODUCTION
TF1 FILMS PRODUCTION
TF1 EDITIONS
SYALIS DROITS AUDIOVISUELS

305, avenue le Jour se Lève - 92100 Boulogne - France

TF1 ENTREPRISES
UNE MUSIQUE
TÉLÉ-SHOPPING

3, rue de l'Arrivée - 75015 Paris - France

BANCO PRODUCTION

221 bis, boulevard Jean-Jaurès - 92100 Boulogne - France

PROTÉCRÉA

30-32, rue Proud'hon - 93210 La Plaine Saint-Denis - France

STUDIOS 107

33, rue Vaugelas - 75015 Paris - France

LA CHAÎNE INFO

54, avenue de la Voie Lactée - 92100 Boulogne - France

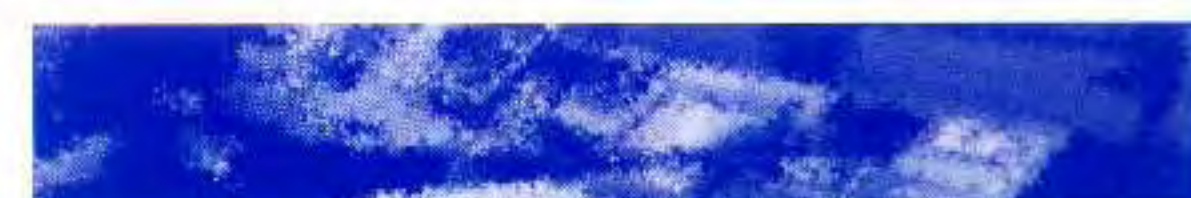
EUROSPORT : ESO, EUROSALES,
SAGAS, SETS

55, Drury Lane - London WC2 B 55 Q - UK

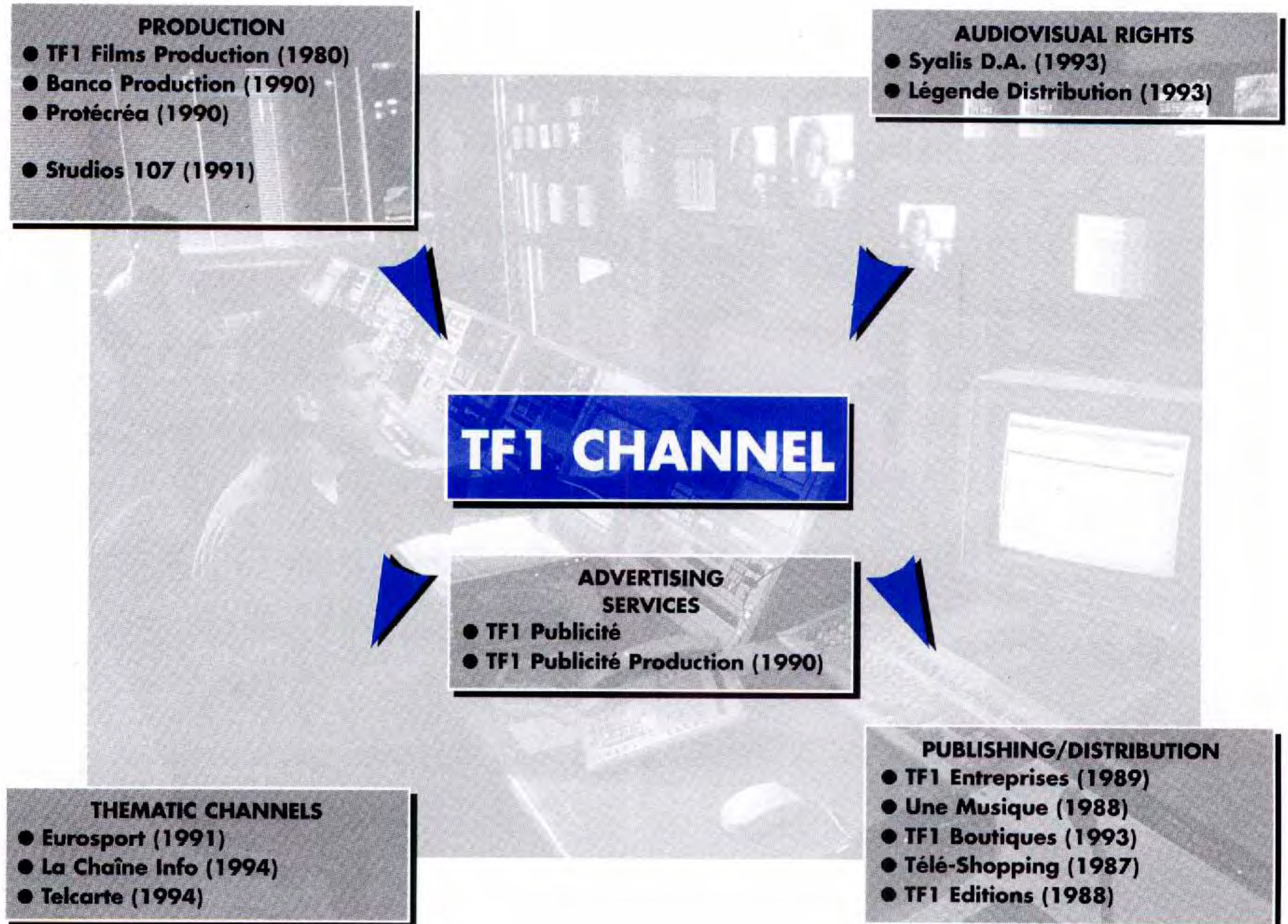
MT SPOT Ltd (EUROSALES)

Siedlerstrasse 2 - 85774 Unterföhring - Germany

MT SPOT GmbH (EUROSALES)



BUSINESSES OF THE GROUP



(Date of constitution or acquisition)

TF1 TELEVISION

Privatised in 1987, TÉLÉVISION FRANÇAISE 1 (TF1) is a non-encrypted terrestrial channel covering 99.9% of the French territory. It is the leading channel on its market in terms of audience and advertising market shares. Its generalist programme offer is based on six major themes: news, dramas, sport, variety and game shows, children's programmes and movies.

ADVERTISING

TF1 is a commercial channel. 85% of its consolidated turnover is derived from sales of advertising air-time. The channel gathers a large public around its programme offer and attracts advertisers' most prized targets.

Under a management contract, *TF1 Publicité* buys advertising air-time from TF1 and LCI, and sells it to advertisers and to advertising agencies.

TF1 Publicité Production creates and produces promotional spots for the TF1 channel, LCI and EUROSPORT as well as advertising spots, either for commercial breaks or sponsored shows.



AUDIOVISUAL RIGHTS

Since 1987, TF1 has become a complete communication group.

Mastering its original know-how as a broadcaster of programmes, TF1 has developed new fields in full synergy with the channel. It has thus multiplied its diversification activities:

- upstream, through production and exploitation of audiovisual rights
- and downstream, through publishing/distribution activities and thematic channels.

AUDIOVISUAL PRODUCTION

With more than FF 8,000 million invested since its privatisation, TF1 is the number one investor in French-speaking production among the non-encrypted channels. By law, TF1 is required to dedicate :

- 3% of its net advertising turnover in the co-production of French-speaking features for the cinema. Those investments are made by *TF1 Films Production* whose status of co-producer enables TF1 to generate box-office returns and to acquire rights for TF1 and its subsidiaries.
- 15% of its net advertising turnover in the production of French-speaking audiovisual programmes, and up to 5% through TF1's own production subsidiaries: *Banco Production* and *Protécrée* are thus producing quality dramas and series for the channel.

Located in the suburbs of Paris at Saint-Denis, *Studios 107* provide technical services and equipment to producers of variety or game shows, dramas or tele-shopping programmes. These high-tech facilities offer several production sets including two large studios equipped to receive audiences.

With the imminent explosion of the broadcasting capacity due to digital technology, demand for exclusive and original programmes will soar and will represent a new market for the Group. Solid experience in broadcasting, producing and distribution, allowed TF1 to create two specialised subsidiaries: *SYALIS Droits Audiovisuels* and *Légende Distribution* which buy and market audiovisual rights for exploitation in movie theatres, videocassettes and television in France and abroad.

PUBLISHING DISTRIBUTION

TF1 Entreprises' main activities are: publishing and distribution of videocassettes under the brand name TF1 Video, phone-based services and exploitation of spin-off products derived from the channel's programmes.

TF1 Video's publishing policy relies on releases of box-office hits and non-film videos (documentaries, concerts, sporting events...). On this latter segment, TF1 Vidéo has developed a strong know-how in full synergy with the channel.

Une Musique, has strongly expanded its activities launching out into music recording and publishing (CD, tapes), in association with major record labels. *Une Musique* also invests in the production of young French artists to build up its own catalogue of rights and to increase its notoriety.

Télé-Shopping was the first homeshopping company in France and broadcast its programmes on the TF1 channel. This activity still accounts for a major part of its turnover. The firm continues to develop by exploiting its client database through catalogues and by selling its programmes to cabled French channels.

TF1 Éditions uses the strong editorial value of the channel's programmes to write and publish books based on highly watched TV dramas, series and thematic productions and publishes high print-run titles, such as the Guinness Book of Records.

THEMATIC CHANNELS

To complement its generalist programme offer, TF1 has positioned itself on cable and satellite with two high-quality thematic channels.

Eurosport was initiated by the European Broadcasting Union (EBU) which purchases sports broadcasting rights for its members. In 1988, 17 EBU-members set up a Consortium so as to improve the use of rights.

In May 1991, TF1 relaunched EUROSPORT. At the beginning of 1993, EUROSPORT and «The European Sport Network» (TESN) combined their interest via a TF1/Canal+/ESPN (Capital Cities-ABC) partnership. One single pan-European programme is broadcast all over Europe. EUROSPORT is available in around 40 countries in eight different linguistic versions and is received by around 60 million households.

EUROSPORT's advertising agency, EUROSALES, is established in 5 European countries and is represented in the US and Asia.

Capitalising on its editorial and technical expertise, TF1 launched in June 1994 *La Chaîne Info (LCI)*, the first continuous French-speaking news channel. Available on cable and integrated into the Canal Satellite package, LCI has promptly positioned itself as a major thematic channel.

NEW TECHNOLOGIES

TF1 has a solid know-how in new technologies with its multi-media desktop computer system (STAR), its digital video server and its CD-ROMs and CDs. The Group is currently working on new projects, notably in digital television.

DIRECTORS' REPORT

**TO THE
GENERAL
MEETING
OF JUNE 12, 1995**

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 1994, and to comment on the company's current situation and future prospects.

As usual, the accounts for the year 1994 are presented both for the TF1 Group (consolidated accounts) and for TÉLÉVISION FRANÇAISE 1 (parent company).

BUSINESS REVIEW 1994

1 - THE TF1 GROUP

In a highly competitive environment, TF1's audience market share on the advertisers' favourite targets remained above the 40% level throughout 1994. Advertising revenues rose 7.6% to more than FF 7,000 million while programming costs grew by 6% to FF 4,200 million.

The TF1 Group also continued to develop its diversification activities. The outstanding events of 1994 were:

- "La Chaîne Info" (LCI) launched on June 24, 1994. LCI is the first French-speaking continuous news channel,
- purchase and integration of EUROSPORT's advertising agency as well as the launch of new linguistic versions,
- start-up of activities devoted to audiovisual rights acquisition and exploitation through the specialised subsidia-

ries SYALIS DA and LEGENDE DISTRIBUTION,

- in-house production of TELE-SHOPPING programmes,
- takeover of TF1 EDITIONS's management,
- broadcasting of programmes in digital stereo sound (NICAM).

The TF1 Group's turnover was FF 8,424 million in 1994 up from FF 7,759 million in 1993, an 8.6% rise.

Advertising revenues of the TF1 channel reached FF 7,052 million while revenues from other activities were FF 1,372 million, compared to FF 6,553 million and FF 1,206 million respectively in 1993. Revenues from the whole diversification activities, including EUROSPORT and LCI, accounted for 16% of total consolidated turnover.

Consolidated operating profit was FF 786 million, compared to FF 792 million in 1993. This reflects the impact of LCI's launch.

Consolidated financial profit rose to FF 37 million up from a loss of FF 31 million in 1993. This is due to an improvement in the consolidated cash position which remained positive throughout the year for the first time since 1987.

Consolidated extraordinary profit increased to FF 20 million, compared to a loss of FF 50 million in 1993. This is a result of write-back of provisions and a decline in charges related to the regrouping of all our activities in the Boulogne building.

Consolidated net profit attributable to the Group rose to FF 542 million from FF 459 million in 1993, an 18% growth.

CONTRIBUTION TO THE CONSOLIDATED TURNOVER*

(FF million)	1994	1993	1992
TF1 SA	7,110	6,614	6,302
Incl. advertising	7,052	6,553	6,237
PUBLISHING/ DISTRIBUTION	866	832	703
TF1 Entreprises	400	380	314
CIC	5	7	8
Télé-Shopping	281	301	282
Une Musique	154	123	66
TF1 Éditions	21	20	33
TF1 Boutiques	5	1	-
EUROSPORT	220	169	260
ESO	121	143	109
TV SPORT	33	26	-
Eurosales	66	-	-
SETS	-	-	151
LCI	27	-	-
PRODUCTION	121	81	108
TF1 Films Production	48	48	45
Banco	41	18	27
Protécra	32	15	36
STUDIOS 107	18	20	33
AUDIOVISUAL RIGHTS	12	-	-
Syalis DA	12	-	-
Légende Distribution	-	-	-
OTHERS	50	43	28
TF1 Publicité (divers)	5	13	23
TF1 Publicité Production	45	30	4
TF1 Publicité Belgique	-	-	1
TOTAL	8,424	7,759	7,434

*In this table, consolidated turnover integrates all of the companies' operating revenues (accounts 70 to 75) and also includes intragroup re-classifications.

CONTRIBUTION TO THE CONSOLIDATED PROFIT*

(FF million)	1994	1993	1992
TF1 SA	609	413	414
PUBLISHING/ DISTRIBUTION	32	45	44
TF1 Entreprises	24	27	30
CIC	1	1	1
Télé-Shopping	10	10	8
Une Musique	7	6	3
TF1 Éditions	-	1	2
TF1 Boutiques	(10)	-	-
EUROSPORT	(29)	(49)	(61)
ESO	(27)	(38)	(61)
TV SPORT	(3)	(11)	-
Eurosales	1	-	-
LCI	(117)	-	-
PRODUCTION	15	10	7
TF1 Films Production	6	2	(1)
Banco	3	1	5
Protécra	6	7	3
STUDIOS 107	(2)	-	(6)
AUDIOVISUAL RIGHTS	1	-	-
Syalis DA	2	-	-
Légende Distribution	(1)	-	-
OTHERS	33	40	53
TF1 Publicité	9	-	6
TF1 Publicité Production	1	1	-
TF1 Publicité Belgique	-	-	-
Syalis SA	11	17	20
La Réservée	-	2	26
TF1 Europe	12	20	1
TOTAL	542	459	451

*Due to re-classification entries of derogatory depreciations, provisions and deferred tax, company profits may differ from company contributions to consolidated profits.

The TF1 channel



In 1994, the French audio-visual landscape restructured and three distinct

groups emerged:

- the state-owned commercial channels («France Télévision»), aimed at mass public and especially older people,
- M6, focused on young targets,
- and TF1 whose strategy is twofold: gather the largest public while attracting young targets, particularly women.

In this highly competitive and structured environment, TF1 gathered 39.2% of household viewership as against 25.4% for France 2, 16.1% for France 3 and 11.9% for M6. However, the state-owned channels' ratings on advertisers' most prized targets were much lower than the household figures.

Indeed, France Télévision gathered only 34.3% of the housewives-under-50 (22% for France 2 and 12.3% for France 3). This compares with a leading 40.7% market share for TF1. On the 15-to-34 years segment, TF1 reached a 40.9% market share as against 30.8% for France Télévision.

Indeed, TF1 confirmed its leadership on these main targets even though M6 obtained 15.4% of the housewives-under-50 segment and 17.1% of the 15-to-34 years segment.

As the above distributions illustrate, TF1's competitors strategies are to attract distinct population segments. TF1's dual role as both a generalist and commercial channel means juggling programming policy.

For the 1994-1995 season, TF1's ambitions are:

- Understand and anticipate French people's tastes as life is more difficult and insecure. People need programmes that are original, generous, entertaining without being frivolous, informative without being boring. TF1 must make people smile, think and feel better.
- Create new entertainment programmes by gently revamping the traditional variety shows. Authenticity, vitality and generosity will be the guidelines for tomorrow.
- Optimise purchase and broadcasting of feature films despite a shortage of French production and constraining quotas.
- Develop children's programmes and generate revenues from spin-off products as it was successfully done with «Spirou» in 1994.

- Remain the number one sports channel without creating an overload of sports. Aside from Football and Formula One, TF1 now brings ice skating, one of the few sports gathering both men and women to the TV screen.
- Develop new French heroes for TV dramas adapted to the public's changing tastes. A second prime time slot for romantic and sentimental drama was created, complementing TF1's established offer with «Navarro», «Julie Lescaut», «Moulin»...
- And last but not least, remain the favourite news channel.

To reach all these goals, TF1 as a generalist and commercial channel must remain both the French people's and advertisers' chosen TV channel...

Advertising

In 1994, gross advertising revenues rose by FF 793 million (+ 8.5%), representing 41.2% of TV advertising market's total growth⁽¹⁾.

This increase was based both on volumes (+ 5.5%) and average prices (+ 5.8%).

TF1 was the only channel to record a growth in advertising revenues higher than ad air-time. This underlines the channel's expertise in proposing a suitable tariff offer together with high-impact advertising breaks.

Undoubtedly, 1994's most striking event was the drastic increase in advertising air-time volume by the state-owned channels. This was due to the creation of new ad breaks since the last quarter of 1994. This has affected TF1's market share, down 1.5 point to 54.3%.

Nevertheless, the twelve main TV advertisers invested 57.8% of their advertising budget on TF1. This is the best proof of advertisers' confidence in TF1.

(1) Sources: SECODIP



Diversification activities

In 1994, the Group continued to develop its four branches of diversification:

- publishing and distribution,
- production and studios,
- thematic channels,
- acquisition and exploitation of audiovisual rights.

N.B. In this part of the report, figures used to analyse the activities of TF1 subsidiaries are company figures (accounts 70 only), presented in table «Subsidiaries and Financial Investment» of the notes to TF1 SA accounts. These figures are net contributions to the consolidated turnover.

■ PUBLISHING AND DISTRIBUTION

This branch was set up to create a synergy with the channel's top programmes. With a total turnover of more than FF 870 million, publishing and distribution is TF1's largest diversification branch.

TF1 ENTREPRISES

The company releases and distributes «TF1 VIDEO» branded videocassettes. It also provides phone-based services, sells programmes and exploits spin-off rights from the channel's popular programmes.

In 1994, TF1 ENTREPRISES' turnover posted a 11% rise to FF 413 million, thanks to strong development in video and international programmes sales.

Leader on the non-film niche with a 33% market share⁽¹⁾, TF1 VIDEO sold more than 3 million cassettes in 1994. The top sales included «Platini», «La Vengeance d'une blonde» and «La leçon de piano» (The Piano).

Benefiting from a strengthened rights' portfolio, international programmes sales increased sharply to FF 69 million (+ 38%), thanks to the success of the Spirou cartoons.

In the face of tougher competition from phone based services, revenues from the Minitel activities declined. However, a high level of profitability was maintained.

Spin-off rights activities grew strongly in 1994 due to licences from the Ushuaïa programme.

UNE MUSIQUE

Turnover rose by 26% to FF 153 million. This is due mainly to the music recording businesses which represented 81% of total turnover. Sixty four new references were released in 1994 and more than 5 million units were sold. The company was awarded a platinum disk («Best of Barbelivien») and 12 gold disks (including Cat Stevens, Pat Benatar, UB 40 and Bananarama).

UNE MUSIQUE also produced French artists furthering the move to develop as a record label. Several new exclusive contracts were signed including «Gérard Berliner» and «Les Forbans».

TF1 BOUTIQUES

This subsidiary was originally created to test market products under the TF1 brand. However, it has been decided to close the shop in «La Défense» mall.

TELE-SHOPPING

Turnover slid 5% to FF 285 million in 1994 as consumer demand in France remained sluggish. However, net profit rose 5% to FF 12 million. 1994 was a year of change for TELE-SHOPPING: a new team of presenters, expanded mail-order activity and subdued costs.

TELE-SHOPPING now produces its own programmes and plans to sell its concepts to other French local channels (TMC, TLT and TLM).

TF1 EDITIONS

TF1 EDITIONS is a 100% subsidiary of TF1 since March 1994. It sells books derived from TF1's most popular programmes.

Turnover was FF 18 million in 1994, up 3.5%. Thirteen new titles were released after a renewed editorial team was put in place. 1994 top sales were: «Les Cœurs Brûlés: Les Yeux d'Hélène», «Instinct Mortel», and «L'Argent Par Les Fenêtres». The Guinness Book of Records still represents a major part of total sales.

In 1995, TF1 EDITIONS will release around 50 new titles.

■ PRODUCTION

Since privatisation in 1987, TF1 has invested around FF 8,000 million in French production. In 1994, these investments amounted to FF 1,415 million, including FF 376 million through three subsidiaries:

TF1 FILMS PRODUCTION

In 1994, TF1 FILMS PRODUCTION invested FF 182 million in the co-production of 15 movies. This exceeded TF1's obligation to invest 3% of its net advertising revenues in the co-production of French-speaking feature films.

TF1 is the number one investor in the French movie industry among non-encrypted channels. TF1 FILMS PRODUCTION co-produced 6 of the 9 French films above 1 million entries in 1994. These are: «La vengeance d'une blonde», «Grosse fatigue», «Le colonel Chabert», «La fille de d'Artagnan», «Un indien dans la ville» and «Casque bleu».

BANCO PRODUCTION ET PROTECREA

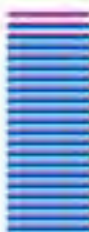
The two subsidiaries delivered around 20 dramas and 60 documentaries or executive productions to the TF1 channel or to different partners.

BANCO PRODUCTION produces several popular series such as «Le juge est une femme», «Honorin et l'enfant prodige» and «Une famille formidable».

It also produced «Fortitude», a TV drama broadcast on the 50th anniversary of D-Day. «Fortitude» was sold to about 12 countries and is the first step towards a strategy of international development.

PROTECREA produced TV series such as «Moulin» as well as shows like «52 sur la Une» and «Ushuaïa». PROTECREA will diversify its clients base by making documentaries for Arte and La Cinquième.

(1) Sources: SEV.



■ THEMATIC CHANNELS

EUROSPORT

In 1994, EUROSPORT enlarged its European coverage and is now received by more than 60 million households in 37 countries. 13 million viewers are watching EUROSPORT on a daily basis as programmes include more and more exclusive and live events.

EUROSPORT has now full control over its advertising agency. This enabled the company to emphasize its commercial policy on the sales of advertising breaks. This attracted prestigious mass-marketers and led to a significant rise in advertising revenues. Cable and satellite fees grew in line with ad revenues and total turnover reached FF 471 million, 45% up over last year.

Two new linguistic versions (Spanish and Czech) were launched while others are currently being studied.

LA CHAÎNE INFO (LCI)

Launched on June 24, 1994, LCI is an unique experience in the French audiovisual landscape. Indeed, LCI is the first French-speaking continuous news channel. Its programming is based upon regular news bulletins, live coverage, debates and talk-shows.

After 6 months of activity, LCI posted revenues of FF 30 million, derived from cable fees, advertising revenues and programmes sales to TF1.

The channel is already received by around 70% of French cable subscribing homes (775,000 households). Since February 1995, LCI has been sold within the CanalSatellite package, thus extending its viewership and increasing its revenue stream.

TELCARTE / MULTIVISION :

TF1 holds a 24.5% stake in TELCARTE, the operator of MULTIVISION, the first pay-per-view programme in Europe.

Available in 120,000 subscribing homes, it offers movies and special events. Purchasing rates were encouraging in 1994. During 1995, MULTIVISION will launch two additional channels, gearing up for the digital revolution.

■ ACQUISITION AND EXPLOITATION OF AUDIOVISUAL RIGHTS

In the light of the explosion of broadcasting capacities and the multi-media concept, the control of rights becomes the major stake for the future.

As a result, TF1 created two specialised entities:

SYALIS DROITS AUDIOVISUELS

Its purpose is to acquire and exploit audiovisual rights for all media (cinema, TV, video) and all territories. SYALIS DA acquired, jointly with the channel, rights of TV dramas, series and mini-series. It also purchased rights for international trading only.

SYALIS DA now owns all the rights previously dispersed in the Group's various entities.

LEGENDE DISTRIBUTION

LEGENDE DISTRIBUTION was set up in partnership with producer Alain Goldman and Dutch Bank ING. Its purpose is to purchase and sell feature film rights. TF1's total financial involvement through this subsidiary is limited to FF 17 million.

2 - THE PARENT COMPANY: TF1 SA

In 1994, turnover amounted to FF 6,610 million, up 7.6% over last year. Advertising revenues were FF 6,560 million while other revenues were FF 50 million.

Programming costs were FF 4,161 million in 1994, up from FF 3,924 million in 1993. This represents a 6% rise, lower than the growth in advertising revenues.

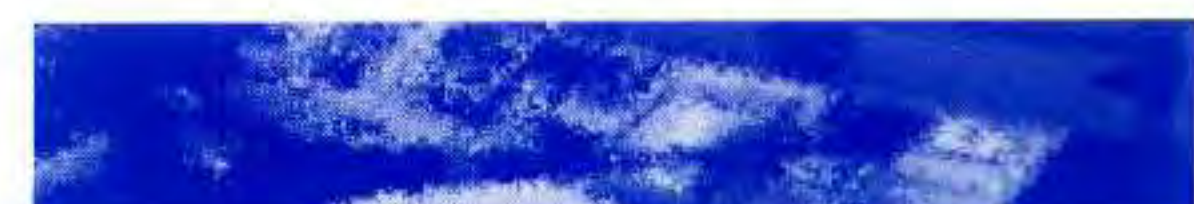
Net profit grew to FF 576 million, up from FF 408 million in 1993.

3 - RESEARCH AND DEVELOPMENT COSTS

In 1994, research and development costs were not significant.

4 - EXCEPTIONAL EVENTS OR LAWSUITS

Lawsuits that are under way have been fully provisioned in parent company and Group subsidiaries' accounts. To date and to TF1 SA's and to the Group subsidiaries' knowledge, no other exceptional event or lawsuit that would substantially affect their activity, their financial situation or their assets is under way.





II PROSPECTS FOR 1995

In an increasingly competitive environment, technological progress will completely reshuffle the audiovisual world. TF1's main objective is to strengthen its leadership on the commercial TV market with high-quality programming which addresses advertisers' needs and viewers' tastes.

The Group will also carry on development in several fields:

- continue diversification activities: TF1 ENTREPRISES, LCI, EUROSPORT...
- create, acquire and exploit audiovisual rights in all the Group's sectors (broadcasting, publishing, distribution...),
- launch pilots using new technologies.

Remain the leader on the commercial TV market

With tougher competition from state-owned channels, TF1 will focus on unique and exceptional programming around the 6 themes of the channel (news, sport, children's programmes, variety and game shows, dramas, movies).

TF1 will keep investing in the production of high-quality French dramas. This strategy has proved successful as these programmes attracted around 40% of viewers at prime time. This figure compares with feature film audiences and addressed advertisers' needs as well.

Regarding the TV advertising market, specialised institutes such as IP and IPSOS forecast a 6% and 8% rise respectively in television advertising investments i.e. more than the pluri-media market. As well as their seasonality, advertising revenues can also be influenced by the economic environment and the election calendar.

Continue diversification: LCI, EUROSPORT, TF1 ENTREPRISES...

The Group's diversification strategy is to interconnect the company's different businesses (broadcasting, publishing, distribution...) and generate synergies between them.

After a successful launch, LCI's objective is to develop its audience. Since February 1995, «La Chaîne Info» has been part of the CanalSatellite package. Moreover, in order to cover a wider part of the country, LCI's commercialisation will be extended to all major cities and will include medium-sized cabled networks. The growth of its audience will rely on the cable and satellite development.

In February 1995, EUROSPORT launched a Czech version of its programme which adds to the 7 existing linguistic versions (German, English, Spanish, Finnish, French, Dutch and Swedish). The pan-European channel continues to seek full European coverage, from Iceland to Turkey.

By acquiring and exploiting ATP tour rights, EUROSPORT will reinforce its programmes and develop a trading activity. EUROSPORT will thus step forward on the European sports rights market.

On the financial front, EUROSPORT should break even in 1996.

Within TF1 ENTREPRISES, TF1 Video will enter the German market in partnership with a major distributor. The sale of spin-off products will expand thanks to the development of rights and licences portfolio.

Create, acquire and exploit rights

Begun in 1994, this activity will strongly develop in 1995. SYALIS DA and LEGENDE DISTRIBUTION will increase their investments to build up stocks of programmes (dramas, series, movies...). TF1 will also create specialised subsidiaries to acquire sporting rights.

These companies represent a crucial step of the Group's development towards new technologies. Indeed, only communication companies possessing portfolios of high-quality rights will have the means to feed broadcasting, distribution or publishing new projects.

Launch pilots using new technologies

The Group has acquired a strong know-how in new technologies through:

- the development of a multi-media desktop computer system,
- the implementation of digital equipment (sound and video digital libraries, virtual editing workstation...),
- the production of a pilot CD-ROM in partnership with INTEL and MICROSOFT in 1993 and the production and commercialisation of a CDI in partnership with Philips in 1995,
- the broadcasting in digital stereo sound (NICAM) in 1994,

TF1 will launch new pilots :

- a digital multi-media information database.
- Video-On-Demand services, selected by the government as part of the call for tenders from the Ministry of Industry for the digital superhighways. A pilot service will be experimented in June in a Paris hotel.
- digital broadcasting of programmes on terrestrial.

In conclusion, TF1 will reinforce its position on the commercial TV market and will continue its diversification policy. The group is strongly positioning itself as a provider of products and services that will lead to a new concept of television. This will be a combination of TF1's generalist offer, new interactive services and digital technologies.



III HUMAN RESSOURCES

1 - STAFF

On December 31, 1994, full-time staff of the TF1 Group numbered 1,863 broken down as follow : 1,187 in TF1 SA, 220 in TF1 PUBLICITE, 120 in TF1 ENTREPRISES, 116 in LCI, 120 in EUROSPORT and 100 in other subsidiaries.

773 managerial staff, 308 journalists, 604 supervisors and 178 employees and workers make up this workforce.

	31 Dec. 94	31 Dec. 93	31 Dec. 92
TF1 SA	1,187	1,194	1,176
Filiales	676	474	397
TOTAL	1,863	1,668	1,573

2 - WAGE POLICY

TF1 pursued a dynamic wage policy. All full-time employees are now paid on a 13-month basis.

3 - PROFESSIONAL TRAINING AND RELATIONS WITH SCHOOLS AND UNIVERSITIES

Around 22,000 hours were devoted to professional training in 1994, through 1,191 internships in all the Group's structures.

Targeted relations were developed with schools and universities, notably in the audiovisual and multi-media fields.

4 - EMPLOYEE PROFIT SHARING AND SAVING PLANS

In 1994, employee profit sharing totalled FF 24 million against FF 18 million in 1993.

By December 1994, the new Employee Savings Plan totalled 971 subscribers (against 714 by end December 1993). The Group's contribution to the savings plan amounted to FF 10.6 million.

As of January 1st, 1995, the Group's contribution was raised to FF 22,500 a year per individual, the maximum authorised by the Law.

5 - 1995 GOALS

- maintain growth by detecting high-potential individuals and encouraging mobility,
- increase training for managers and their teams,
- improving career management and internal communication.

IV SUBSIDIARIES AND ASSOCIATED COMPANIES

1 - SUBSCRIPTIONS AND TRANSFERS IN 1994

TF1 acquired:

- From TF1 ENTREPRISES:
 - 2,493 shares of UNE MUSIQUE, bringing its total ownership up to 99.76%
 - 2,494 shares of TF1 BOUTIQUES, bringing its total ownership up to 99.76%
- From BETA FILMS:
 - 2,500 shares of MERY PRODUCTIONS, bringing its total ownership up to 99.88%

2 - CREATION OF NEW COMPANIES

- « La Chaîne Info » (« LCI »), a limited partnership company with a share capital of FF 1.5 million in which TF1 is limited partner with a 99% stake. TF1 is the manager of this new structure.
- Within EUROSPORT, EUROSALES, a limited partnership company with a share capital of FF 1.5 million. ESO is limited partner with a 99% stake. TF1 has an indirect interest in the company through its 34% stake in ESO.

3 - OTHER EVENTS IN 1994

- Liquidation of TF1 SERVICES ET GESTION, on June 30, 1994.
- Liquidation of LA RESERVEE, on June 30, 1994.

4 - SUBSEQUENT EVENTS

- Subscription of 28,500 shares of «LA CHAINE INFO» a limited partnership company through a share issue bringing the share capital from FF 1.5 million to FF 30 million. TF1's total stake is thus brought to 99.95%.

V CAPITAL

1 - SHARE APPRAISAL

In 1994, the TF1's share price declined slightly, shedding 1.4%. This compares with an 18% fall in the SBF 120 index as the French Bourse was particularly undermined by interest rates prospects throughout the year.

Ending the year at FF 484, the TF1 stock offered an 18.2% annual yield before tax (including tax credit) on its FF 165 issuing price on July 24, 1987. Daily volume averaged around 33,000 units in 1994, offering substantial liquidity.

The TF1's stock performance reflected the company's rising results as well as its 50% payout policy.

2 - SHARE ACQUISITION

During the past year, the company did not use its authorisation to buy its own shares to stabilise the share price. This authorisation was granted at the Annual General Meeting of June 14, 1994.

3 - CAPITAL AMOUNT CATEGORIES OF SHARES

TF1's share capital is FF 210 million, fully called up, divided into 21 million shares with a face value of FF 10.

There are no stock certificates without voting rights, no preferred shares, no shares with double voting rights.

4 - ADMINISTRATION OF TF1 SHARES

TF1 administrates all matters relating to share ownership.

5 - SHAREHOLDERS

To the Board's knowledge, the shareholding structure has evolved as follows:

	31 Dec. 94	23 Feb. 94	31 Dec. 92
BOUYGUES	37.5%	34.0%	25.0%
SOCIETE GENERALE	6.0%	6.0%	6.0%
Groupe WORMS & CIE	1.5%	1.5%	5.0%
CREDIT LYONNAIS	0.3%	2.1%	8.1%
François DALLE	-	-	-
TOTAL shareholders taking concerted action	45.3%	43.6%*	44.1%
Employees	1.6%	1.7%	1.6%
Public	53.1%	54.7%	54.3%
Total	100.0%	100.0%	100.0%

* SBF notification N° 94-600

TF1 does not own any of its shares either directly or indirectly.

Estimated number of shareholders is more than 100,000.

VI ALLOCATION AND DISTRIBUTION OF PROFITS (TÉLÉVISION FRANÇAISE 1, PARENT COMPANY)

In the resolutions submitted to them, shareholders are asked to receive and adopt the financial statements for the year ending December 31, 1994. Also, given that the distributable profits after tax amount to FF 842,085,257.24 including the 1994 net profit of FF 576,361,987.63 and the balance of FF 265,723,269.61 carried forward from the previous year, the Board of Directors recommends the following allocation and distribution of profits:

- Allocation to General Reserves FF 250,000,000.00
- Distribution of a dividend of FF 315,000,000.00 (i.e. a net dividend of FF 15 per share with a face value of FF 10, plus a tax credit of FF 7.5)
- Balance of available profits carried forward FF 277,085,257.24

The dividend would be payable as of June 30, 1995.

Shareholders are reminded that the net dividends distributed for the three previous financial years ending December 31, 1991, 1992, 1993 had been FF 8, FF 10, FF 12.5 respectively. The corresponding tax credits were FF 4, FF 5 and FF 6.25.

VII RESOLUTIONS

The auditors will submit to the shareholders their report on the accounts for the 1994 financial year, and on the agreements provided for under articles 101 and following of the law of July 24, 1966.

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

- approve the accounts for the 1994 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 July 24, 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,
- ratify the co-optation of Philippe MONTAGNER as Director, decided by the Board of Directors on January 23, 1995. His term of office expires at the close of this Meeting,
- re-appoint Martin BOUYGUES, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Corinne BOUYGUES, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint CREDIT LYONNAIS, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Michel DERBESSE, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Patrick LE LAY, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Philippe MONTAGNER, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Etienne MOUGEOTTE, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint Olivier POUPART-LAFARGE, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- re-appoint SOCIETE GENERALE, whose term of office expires at the close of this Meeting, as Director for a two-year period.
- to appoint Jacques VILLARY, as Statutory Auditor, for six financial years.
- to appoint Julien MARIN-PACHE, as Alternate Auditor, for six financial years.
- renew the annual authorisation, which was granted at the Meeting of June 14, 1994, 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 600 per share and the minimum selling price FF 300 per share.

Find hereafter the five-year financial record of your company.

Shareholders are asked to vote on the resolutions submitted to them.

THE BOARD OF DIRECTORS

FIVE-YEAR

FINANCIAL RECORD

	1990	1991	1992	1993	1994
I - CAPITAL AT THE END OF THE ACCOUNTING PERIOD					
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	-	-	-	-	-
II - TOTAL REVENUE AND PROFIT OF THE ACCOUNTING YEAR*					
a) Turnover before tax	4,867,144,981	5,178,682,786	5,834,944,678	6,131,932,600	6,610,557,695
b) Profit before income tax, profit sharing, depreciation & provisions	535,045,719	545,608,419	740,943,288	854,259,386	1,148,746,840
c) Income tax	165,504,939	167,840,066	140,824,240	195,393,635	258,530,966
d) Profit sharing	11,012,842	10,138,529	5,210,079	12,832,718	16,739,328
e) Profit after income tax, profit sharing, depreciation & provisions	280,871,781	290,171,585	464,623,097	407,748,161	576,361,987
f) Total dividends	147,000,000	168,000,000	210,000,000	262,500,000	315,000,000 ⁽¹⁾
III - PROFIT PER SHARE*					
a) Net profit before depreciation & provisions	17.07	17.50	28.32	30.76	41.59
b) Net profit after depreciation & provisions	13.37	13.81	22.12	19.42	27.44
c) Dividend per share	7.00	8.00	10.00	12.50	15.00 ⁽¹⁾
IV - PERSONNEL					
a) Number of full time employees	1,276	1,192	1,176	1,194	1,187
b) Total payroll costs*	480,358,433	570,324,356	524,941,319	497,997,349	530,607,926
c) Total of employee benefit costs*	179,032,239	216,151,921	217,430,643	221,477,938	231,316,495

(*FF)

(1) To be approved by the General Meeting

GENERAL REPORT OF THE STATUTORY AUDITORS

FINANCIAL YEAR ENDED DECEMBER 31, 1994

ON THE COMPANY ACCOUNTS

Gentlemen,

In accordance with the assignment for which we were appointed, we report below on:

- our examination of the financial statements of TF1 SA, as set out in this report,
- our verification of other required information prescribed by French law,

for the year ended December 31, 1994.

1. OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of your Company in accordance with generally accepted auditing standards by applying such auditing procedures as we considered necessary in the circumstances

In our opinion, the financial statements present fairly the financial position of your Company at December 31, 1994, and the results of its operations for the year ended.

2. OTHER PROCEDURES AND INFORMATION

We have also carried out the other required procedures prescribed by French law, in accordance with professional standards.

On the basis of these procedures, we have no comments on the accuracy of the financial information provided in the Board of Directors' management report or in the other documents prepared for the shareholders relating to the Company's financial position and financial statements or in the consistency of this information with that in the financial statements.

In conformity with the Law of July 24, 1966 we have ensured that the required information relating to the identity of shareholders and investments made or controlling interests taken in other companies has been disclosed to you in the management report.

Paris, April 14, 1995

Dominique LEDOUBLE

SALUSTRO REYDEL
Edouard SALUSTRO

ON THE CONSOLIDATED ACCOUNTS

Gentlemen,

In accordance with the assignment for which we were appointed, we report below on:

- our examination of the consolidated financial statements of the TF1 Group, as set out in this report,
- our verification of information provided in the Directors' Report,

for the year ended December 31, 1994.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated accounts of your Company in accordance with generally accepted auditing standards by applying such auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated accounts present fairly the financial position of the TF1 Group, composed of the consolidated subsidiaries, at December 31, 1994 and the results of its operations for the year ended.

2. OTHER PROCEDURES AND INFORMATION

We have also carried out the other required procedures prescribed by French law, in accordance with professional standards.

On the basis of these procedures, we have no comments on the accuracy of the consolidated financial information provided in the management report or in the consistency of this information with that in the financial statements.

Paris, April 14, 1995

Dominique LEDOUBLE

SALUSTRO REYDEL
Edouard SALUSTRO



SPECIAL REPORT OF THE STATUTORY AUDITORS

**FINANCIAL YEAR ENDED
DECEMBER 31, 1994**

ON REGULATED AGREEMENTS

Gentlemen,

In compliance with article 103 of the law of July 24, 1966, we draw up your attention to agreements referred to in article 101 of this law, and still operative in the current financial year :

1. WITH TF1 PUBLICITE

Since January 1, 1989, TF1 and TF1 PUBLICITE work together within the framework of two contracts :

- A management contract, under which TF1 PUBLICITE exclusively is responsible for selling all advertising on the channel. TF1 PUBLICITE carries the cost of prospection and therefore benefits from a discount on the purchase of advertising air-time. This discount is calculated on the basis of the management fee negotiated before deduction of advertising agency fees, i.e FF 491.2 million for the 1994 financial year.
- An agent agreement, under which TF1 PUBLICITE and TF1 agreed to share the cost of certain administrative services and other necessary expenses, particularly the promotion of the channel. In application of this agent agreement, TF1 invoiced TF1 PUBLICITE a total of FF 96.1 million in 1994.

Directors concerned:
Messrs Patrick LE LAY and Etienne MOUGEOTTE, Mrs Corinne BOUYGUES.

2. WITH TF1 ENTREPRISES

Since October 2, 1989, TF1 and TF1 ENTREPRISES work together within the framework of two contracts :

- A rental management agreement, under which TF1 ENTREPRISES exploits all rights (broadcasting, video, phone-based services). These rights are given to TF1 within the scope of co-productions contracts. Under this agreement, TF1 invoiced TF1 ENTREPRISES a rental management fee of FF 5.8 million in 1994 equal to 5% of amounts received.
- An agent agreement, under which TF1 ENTREPRISES markets broadcasting rights acquired by TF1 and not used in full or in part. TF1 ENTREPRISES carries the marketing costs and therefore is paid by TF1 35% of the selling price of these rights. Under this agreement, TF1 ENTREPRISES invoiced TF1 a total of FF 145 thousands in 1994.

Directors concerned:
Messrs Patrick LE LAY and Etienne MOUGEOTTE, Mrs Corinne BOUYGUES.

3. WITH BOUYGUES

On October 21, 1992, TF1 and BOUYGUES entered an agreement of assistance for administrative, financial, legal and general management.

In 1994, under the terms of this agreement, TF1 agreed to pay to BOUYGUES the sum of FF 37.8 million, representing 0.45% of TF1's turnover exclusive of tax.

Directors concerned:
Messrs Martin BOUYGUES, Patrick LE LAY, Olivier POUPART-LAFARGE and Michel DERBESSE (since June 14, 1994).

Paris, April 14, 1995

Dominique LEDOUBLE

SALUSTRO REYDEL
Edouard SALUSTRO

R ESOLUTIONS

SUBMITTED TO THE ORDINARY MEETING OF JUNE 12, 1995

FIRST RESOLUTION

(Approval of accounts)

The General Meeting, after hearing the Directors' management report, and the Auditors' general report, approves them together with the accounts for the year ended December 31, 1994 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 Auditor's special report on the regulated agreements provided for in articles 101 and following of the Law of July 24, 1966, approves said agreements and operations.

THIRD RESOLUTION

(Allocation of profits)

The General Meeting, after noting that the distributable profits amounts to FF 842,085,257.24, including the 1994 net profit of FF 576,361,987.63 and the balance of FF 265,723,269.61 carried forward from the previous financial year, approves the following allocation and distribution of profits recommended by the Board of Directors:

- Allocation to General Reserves FF 250,000,000.00
- Distribution of a dividend of FF 315,000,000.00 (i.e. a net dividend of FF 15 per share with a face value of FF 10, plus a tax credit of FF 7.50)
- Balance of distributable profits carried forward FF 277,085,257.24

Dividend will be payable as of June 30, 1995.

The General Meeting notes that the dividends paid for the three previous financial years ended December 31, 1991, December 31, 1992 and December 31, 1993 had been FF 8, FF 10 and FF 12.50 respectively; the corresponding tax credits were FF 4, FF 5 and FF 6.25.

FOURTH RESOLUTION

(Presentation of consolidated accounts)

The General Meeting notes that the consolidated accounts at December 31, 1994 were submitted to them and that the Directors' report on the Group management is included in the management report.

FIFTH RESOLUTION

(Ratification of the co-optation of a Director)

The General Meeting ratifies the co-optation of Mr Philippe MONTAGNER as Director, decided during the Board Meeting of January 23, 1995. The term of his office expires at the close of this Meeting.

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 Mrs Corinne BOUYGUES 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 CREDIT LYONNAIS 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 Michel DERBESSE 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 Patrick LE LAY 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 Mr Philippe MONTAGNER 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 Mr Etienne MOUGEOTTE whose term of office expires at the close of this Meeting, as a Director for two years.

THIRTEENTH 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.

FOURTEENTH 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.

FIFTEENTH RESOLUTION

(Appointment of a Statutory Auditor)

The General Meeting appoints Mr Jacques VILLARY, 4, avenue Marceau - 75008 PARIS, as a statutory auditor for six financial years.

SIXTEENTH RESOLUTION

(Appointment of an Alternate Auditor)

The General Meeting appoints Mr Julien MARIN-PACHE, 4, avenue Marceau - 75008 PARIS, as an alternate auditor for six 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 July 24, 1966, as amended by Law n° 81-1162 of December 30, 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 600 per share and the minimum selling price FF 300 per share.

The present authorisation is granted to the Board of Directors for a duration of eighteen months. The Board may delegate it 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.

The General Meeting, in accordance with Article 217-2 of the Law n° 66-537 of July 24, 1966, notes that the Board of Directors intend to use part or all of the shares purchased to consent stock options to employees or to the managing staff of the company or other subsidiaries.

EIGHTEENTH 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.

