
ANNUAL REPORT & ACCOUNTS



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1995

TF1

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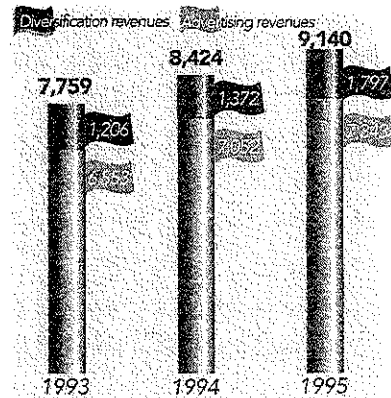
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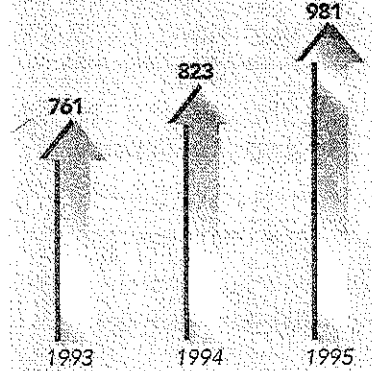
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TF1 GROUP HIGHLIGHTS

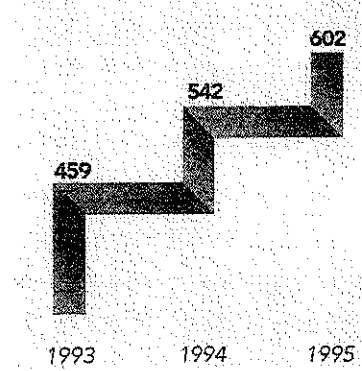
Turnover (in FF million)



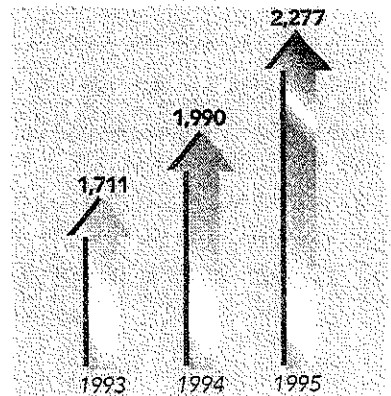
Profit bef. Tax and Extrao. items (in FF million)



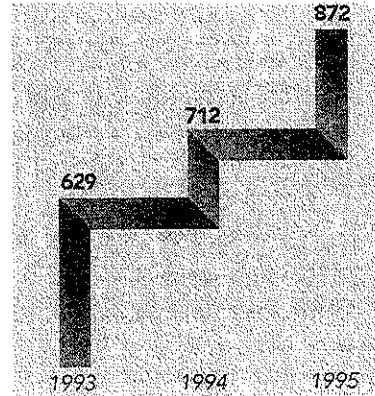
Net profit (attributable to the Group) (in FF million)



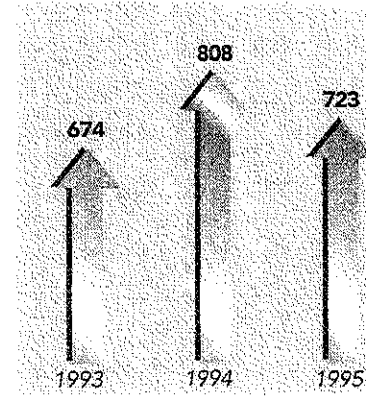
Shareholders' equity (in FF million)



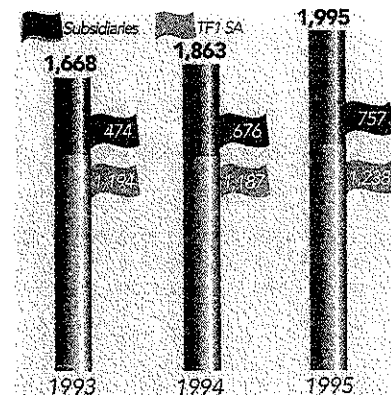
Cash flow (in FF million)



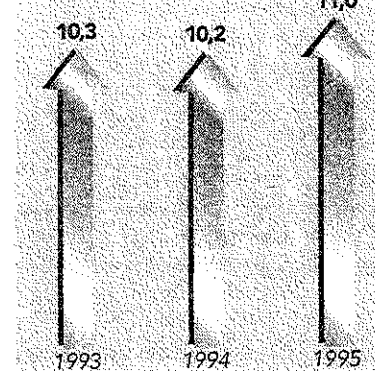
Net cash position (in FF million)



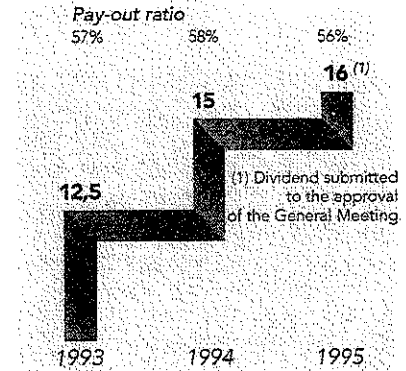
Staff



Market capitalisation (end Dec.) (in FF billion)

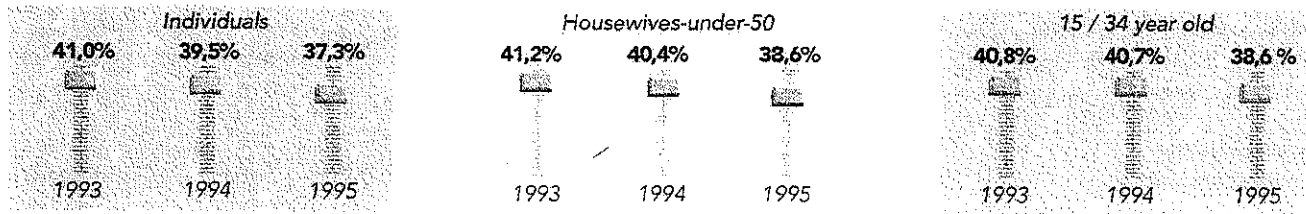


Dividend per share (excl. tax credit) (in FF)

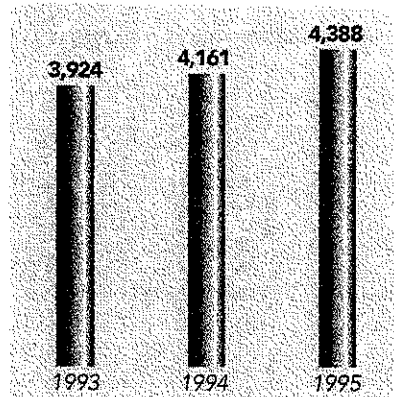


TF1 is one of the leading generalist TV channel in Europe in terms of audience market share and advertising revenues. Fully integrated and diversified communication group, TF1 has tripled its turnover and multiplied by thirteen its net profit since its privatisation in 1987. The TF1 Group has a sound financial structure and a debt-free balance sheet. A net cash position of FF 723 million and a cash-flow of FF 872 million in 1995 has enabled TF1 to maintain a dynamic dividend policy.

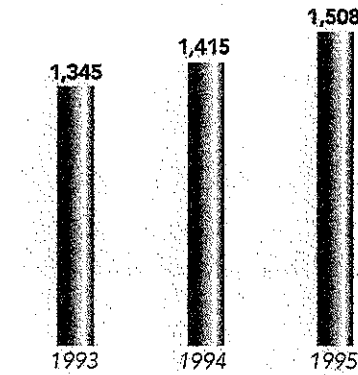
Audience market shares
(annual average) - Source Médiamétrie



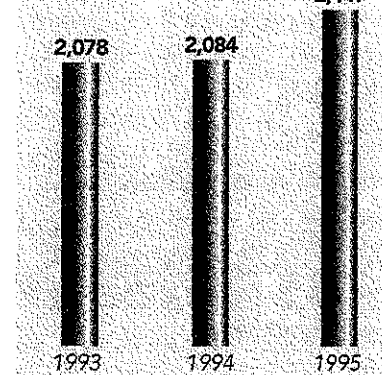
Programming costs (in FF million)



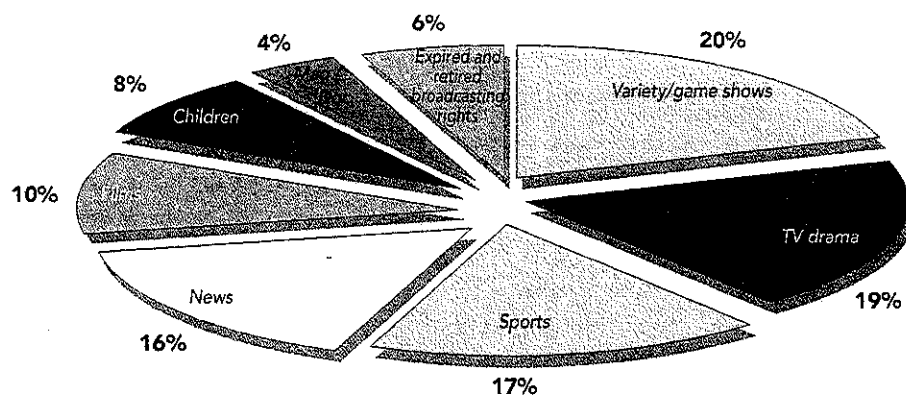
Investments in French production
(in FF million)



Programmes and film rights in stock
(in FF million)



Breakdown of 1995 programming costs
(total = FF 4,388 million)



**CONSOLIDATED
PROFIT AND LOSS
ACCOUNT :
OPERATIONAL BREAKDOWN**

(IN FF MILLION)	1995	1994	1993
TF1 Channel			
Advertising revenues	7,343	7,052	6,553
Advertising agency fees	(505)	(492)	(481)
NET REVENUES FROM BROADCASTING	6,838	6,560	6,072
Royalties and contributions			
Authors	(277)	(268)	(244)
CNC	(342)	(326)	(300)
TV5	(9)	(9)	(9)
Transmission costs			
TDF, Satellites, Transmissions	(411)	(434)	(416)
INA	(19)	(28)	(31)
Programming costs	(4,388)	(4,161)	(3,924)
GROSS MARGIN	1,392	1,334	1,148
Diversification revenues and other revenues	1,797	1,372	1,206
Other operating expenses	(1,892)	(1,540)	(1,315)
Depreciations and provisions (net value)	(365)	(380)	(247)
OPERATING PROFIT	932	786	792
FINANCIAL PROFIT	49	37	(31)
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	981	823	761
Extraordinary items	31	21	(50)
Tax and profit sharing	(408)	(300)	(250)
NET PROFIT OF INTEGRATED COMPAGNIES	604	544	461
Minority share of profit	(2)	(2)	(2)
NET PROFIT ATTRIBUTABLE TO THE GROUP	602	542	459

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.

■ 1. 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.

■ 2. GROSS MARGIN

The gross margin breaks down as follows :

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.

■ 3. 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.

■ 4. OTHER ITEMS

As stated in the consolidated profit and loss account.

BOARD OF DIRECTORS, AUDITORS

BOARD OF DIRECTORS (APRIL 1996)

✻ **Patrick LE LAY**
Chairman & Managing Director of TF1
Appointed April 17, 1987

✻ **Martin BOUYGUES**
Chairman & Managing Director of
Bouygues
Appointed September 1, 1987

✻ **Corinne BOUYGUES**
Managing Director 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**
Managing Director of Bouygues
Appointed January 19, 1994

✻ **Philippe MONTAGNER**
Director of Bouygues'
Telecommunications 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 & Managing Director of
Société Générale
Appointed October 18, 1991

✻ **Jean-Pierre PERNAUT**
Employee Representative
Elected May 27, 1994

✻ **Bernard AUBERT**
Employee Representative
Elected May 27, 1994

Auditors

Statutory auditors

✻ **Cabinet SALUSTRO-REYDEL**
8, avenue Delcassé
75008 Paris

✻ **Jacques VILLARY**
4, avenue Marceau
75008 Paris

Alternate auditors

✻ **Jean-Louis MULLENBACH**
8, avenue Delcassé
75008 Paris

✻ **Julien MARIN-PACHE**
4, avenue Marceau
75008 Paris



All Directors were appointed or re-appointed for 2 years by the General Meeting of June 12, 1995, except for :

- Nicholas Clive Worms, whose term of office expires at the close of the General Meeting of June 11, 1996, approving the 1995 annual accounts and deciding upon its mandate renewal.
- Bernard Aubert and Jean-Pierre Pernaut, whose terms of office expire when results of next Employee Representatives' election are announced on May 29, 1996, according to the clauses of Article 10 of the corporate charter.

GROUP MANAGEMENT

TF1

Executive management

■ **Patrick LE LAY**
Chairman & Managing Director



■ **Etienne MOUGEOTTE**
Vice-Chairman



■ **Corinne BOUYGUES**
Managing Director 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

■ **Gérard LOUVIN**
Artistic Director

■ **Jacques MOUSSEAU**
Channel's Planning Director

■ **Robert NAMIAS**
Editorial Director

■ **Pascale TOUSSAINT**
Programmes Planning Director

■ **Guillaume de VERGES**
Production, Cinema, Acquisitions and
International Co-productions Director

■ **Francis WILLIAUME**
Production Department
Administration & Finance Director

Advertising

■ **Corinne BOUYGUES**
Managing Director

■ **Claude COHEN**
Managing Director

■ **Catherine GRANDCOING**
Programmes Marketing Director

■ **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

■ **Ronald BLUNDEN**
Communication Director

MAIN SUBSIDIARIES

TF1 Entreprises

■ **Corinne BOUYGUES**
Chairwoman

■ **Pierre BROSSARD**
Director of TF1 Vidéo

■ **Hubert TAIEB**
Merchandising Director

■ **Martine TOURNIER**
Phone-based services Director

Une Musique

■ **Corinne BOUYGUES**
Chairwoman

■ **Nadine LAIK-BLANCHARD**
Managing Director

Télé-Shopping

■ **Corinne BOUYGUES**
Chairwoman

■ **Robert LENS**
Managing Director

TF1 Éditions

■ **Patrick LE LAY**
Chairman

■ **Adelaïde BARBEY**
Managing Director

TF1 Films Production

■ **Etienne MOUGEOTTE**
Chairman

■ **Guillaume de VERGES**
Managing Director

Protécra

■ **Pierre WIEHN**
Chairman & Managing Director

Banco Production

■ **Patrick LE LAY**
Chairman

■ **Pascale BREUGNOT**
Managing Director

Glem

■ **Etienne MOUGEOTTE**
Chairman

■ **Gérard LOUVIN**
Managing Director

Studios 107

■ **Francis WILLIAUME**
Chairman

■ **Jean ADAM**
Director

TF1 International

■ **Patrick LE LAY**
Chairman

■ **Pascal DELARUE**
Vice-Chairman

■ **Dov ATTIA**
Managing Director

Eurosport

SAGAS

■ **Jean-Pierre MOREL**
Chairman

■ **Jean-Claude DASSIER**
Vice-Chairman

ESO

Managing company: SAGAS

SETS

■ **Patrick LE LAY**
Chairman

■ **Jean-Claude DASSIER**
Vice-Chairman

■ **Emmanuel FLORENT**
Managing Director

EUROSALES

Managing company: ESO

La Chaîne Info

Managing company: TF1
represented by Etienne MOUGEOTTE

■ **Jérôme BELLAY**
Managing Director

**TF1 GROUP:
ORGANISATION
CHART**

April 1996

T E L E V I S I O N F R A N C A I S E 1

BRANCHES

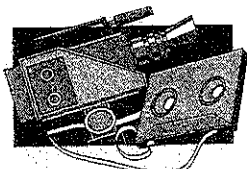
MAIN SUBSIDIARIES

Advertising and related services	100%	▽	TF1 PUBLICITÉ └── 99% ▷ TF1 PUBLICITÉ PRODUCTION
Production	99.99% 99.99% 100% 100% 60%	▽ ▽ ▽ ▽ ▽	TF1 FILMS PRODUCTION BANCO PRODUCTION PROTECREA LUXTEL GROUPE GLEM SA
Studios	100%	▽	STUDIOS 107
Publishing Distribution	100% 85% 99.98%	▽ ▽ ▽	TF1 ENTREPRISES └── 99.98% ▷ CIE INTERNATIONALE DE COMMUNICATION (CIC) └── 99.96% ▷ UNE MUSIQUE TÉLÉ-SHOPPING TF1 ÉDITIONS
Thematic channels	34% 99.99% 31%	▽ ▽ ▽	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: right; margin: 0;">EUROSPORT</p> <p>SOCIÉTÉ D'ADMINISTRATION ET DE GESTION DE L'AUDIOVISUEL SPORTIF (SAGAS) └── 49.88% ▷ SOCIÉTÉ EUROPÉENNE DE TÉLÉTRANSMISSIONS SPORTIVES (SETS)</p> <p>TF1 EUROPE └── 34% ▷ EUROSPORT SALES ORGANISATION (ESO) └── 99% ▷ EUROSALES</p> <p>TV SPORT</p> </div>
Audiovisual rights	99.95% 24.50%	▽ ▽	LA CHAÎNE INFO (LCI) TELCARTE (MULTIVISION)
Financing company	100%	▽	LÉGENDE DISTRIBUTION ▷ 37.27 % TF1 INTERNATIONAL ▷ 100 % SYALIS
Development	50%	▽	SOCIÉTÉ DE TÉLÉVISION EUROPÉENNE DE PROGRAMMES ET SERVICES (STEPS)

**POSTAL ADDRESSES
OF MAIN
SUBSIDIARIES**

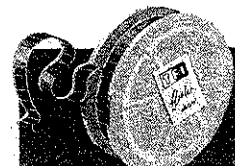
1, quai du Point du Jour 92100 Boulogne, France	TF1 PUBLICITÉ TF1 PUBLICITÉ PRODUCTION TF1 FILMS PRODUCTION
305, avenue le Jour se Lève 92100 Boulogne, France	TF1 ENTREPRISES TF1 ÉDITIONS TF1 INTERNATIONAL UNE MUSIQUE
3, rue de l'Arrivée 75015 Paris, France	BANCO PRODUCTION
221 bis, boulevard Jean-Jaurès 92100 Boulogne, France	PROTÉCRÉA SOCIÉTÉ DE TÉLÉVISION EUROPÉENNE DE PROGRAMMES ET SERVICES (STEPS)
30-32, rue Proud'hon 93210 La Plaine Saint-Denis, France	STUDIOS 107 TÉLÉ-SHOPPING
33, rue Vaugelas 75015 Paris, France	LA CHAÎNE INFO
105, avenue Raymond Poincaré 75016 Paris, France	GLEM
54, avenue de la Voie Lactée 92100 Boulogne, France	EUROSPORT : ESO, EUROSALLES, SAGAS, SETS TV SPORT, TF1 EUROPE
55, Drury Lane London WC2 B 55 Q, Royaume-Uni	MT SPOT LTD (EUROSALLES)
Siedlerstrasse 2 85774 Unterföhring, Allemagne	MT SPOT GMBH (EUROSALLES)

BUSINESSES OF THE GROUP



PRODUCTION

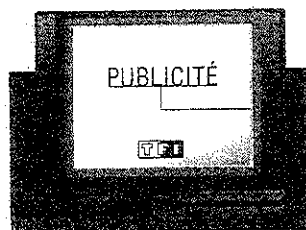
- TF1 Films Production (1980)
- Banco Production (1990)
- Protécra (1990)
- Glem (1995)
- Studios 107 (1991)



AUDIOVISUAL RIGHTS

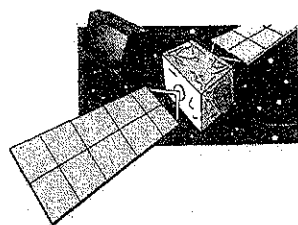
- TF1 International (1993)
- Légende Distribution (1993)

TF1 CHANNEL



ADVERTISING SERVICES

- TF1 Publicité
- TF1 Publicité Production (1990)



THEMATIC CHANNELS

- Eurosport (1991)
- La Chaîne Info (1994)
- Telcarte (1994)



PUBLISHING/DISTRIBUTION

- TF1 Entreprises (1989)
- Une Musique (1988)
- Télé-Shopping (1987)
- TF1 Éditions (1988)

(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, drama, sport, variety and game shows, children's programmes and movies.

■ ADVERTISING

TF1 is a commercial channel. 80% 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 TF1 and LCI as well as advertising spots, either for commercial breaks or sponsored shows.

Since 1987, TF1 has become a complete communication group.

Mastering its original know-how as a programme broadcaster, 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 10,000 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. Since 1987, TF1 Films Production has invested FF 1.2 billion in 130 feature films, 34 of which have reached more than 1 million paid entries.

- 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 **Protécra** are thus producing quality dramas and series for the channel.

In October 1995, TF1 bought a 60% share in **Glem Productions**. Glem produces variety shows for television, musical shows and theatre pieces.

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 teleshopping programmes. These high-tech facilities offer several production studios including two equipped to receive audiences.

■ EXPLOITATION OF AUDIOVISUAL RIGHTS

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: **TF1 International** (result of the merger between Syalis DA and CDA) and **Légende Distribution** which buy and market audiovisual rights, in partnership with US majors, for exploitation in movie theatres, videocassettes and television in France and abroad. Their diversified library of rights totals more than 8,000 hours of audiovisual programmes.

■ PUBLISHING AND DISTRIBUTION

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

TF1 Video's publishing policy relies on releases of French or foreign box-office hits and non-film videos (documentaries, concerts, sporting events...). On this latter segment, TF1 Vidéo has a leading market share of 36% on the French market.

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 French artists to build up its own catalogue of rights and to increase its notoriety.

Télé-Shopping was the first home-shopping 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 channels in France or abroad.

TF1 Éditions uses the strong editorial value of the channel's programmes to write and publish books and popular guides.

■ THEMATIC CHANNELS

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

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

now available in 43 countries in twelve different linguistic versions and is received by around 66 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 satellite, LCI has promptly positioned itself as a major thematic channel: it is the third most watched channel among French cabled homes with a 3.1% market share (data: Médiamétrie).

TF1 holds a 24.5% stake in **Telcarte/Multivision**, the first pay-per-view service in Europe. Multivision brings movies and special events (Wimbledon and US Open tennis tournaments) to 250,000 French cabled households.

■ NEW TECHNOLOGIES

TF1 has a solid know-how in new technologies with its multi-media desktop computer system (STAR), its digital video server, its CD-ROMs and CDIs and the first Video On Demand experience in Europe, launched in July 1995 in a hotel near Paris.

The Group is currently working on new projects and has signed an agreement with France Télévision, CLT, M6 and la Lyonnaise des Eaux for the launch of a digital package of programmes on the Eutelsat satellite system.

Finally, in 1996, TF1 will fully integrate its digital production processes and broadcast of programmes and will test the first stages of its interactive «Hypertélévision» project.

DIRECTORS' REPORT

To the General Meeting of June 11, 1996

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 1995, and to comment on the company's current situation and future prospects.

As usual, the accounts for the year 1995 are presented both for the TF1 Group (consolidated accounts) and for TELEVISION FRANCAISE 1 (parent company).

■ 1. BUSINESS REVIEW 1995

1-1 THE TF1 GROUP

In 1995, in a difficult economic environment, the Group's core business - i.e. TF1 channel's advertising revenues - grew less strongly than in 1994. Nevertheless, diversification activities rose steadily and consistently.

Consolidated turnover was FF 9,140 million in 1995, up 8.5% from FF 8,424 million in 1994.

Net advertising revenues rose 4.1% to FF 7,343 million despite a sluggish fourth quarter and declining sponsorship revenues. This was due to a lack of major sporting events compared with 1994 (Winter Olympics, Football World Cup). Programming costs were held at FF 4,388 million, up 5.5%.

Diversification activities grew by 31% to FF 1,797 million, up from FF 1,372 million in 1994. This accounted for 20% of total turnover.

Confirming its position as the most favoured channel among French people, TF1 furthered its development with :

- a solid growth in publishing and distribution activities which contributed to more than FF 1 billion in total consolidated turnover.
- the success of the movie « Un Indien dans la ville », totalling more than 8 million entries in theatres and 1 million videocassettes sold. The film was also distributed in more than 50 countries.
- the gearing up of audiovisual rights trading activities under the TF1 International banner.
- the acquisition of a 60% stake in the Glem Group.

Consolidated operating profit reached FF 932 million, up 18.5% from FF 786 million in 1994.

Consolidated financial profit was FF 49 million as against FF 37 million in 1994.

Consolidated extraordinary profit, mainly composed of recoveries of provisions, amounted to FF 31 million in 1995 compared to FF 20 million in 1994.

Consolidated net profit, attributable to the Group, rose to FF 602 million, a 11.1% gain over 1994 (FF 542 million).

In 1995, subsidiaries' contributions to the Group's turnover and net profit were as follows :

CONTRIBUTION TO THE CONSOLIDATED TURNOVER*

(FF MILLION)	1995	1994	1993
TF1 SA	7,409	7,110	6,614
Incl. advertising	7,343	7,052	6,553
PUBLISHING / DISTRIBUTION	1,001	866	832
TF1 Entreprises	484	400	380
CIC	-	5	7
Télé-Shopping	315	281	301
Une Musique	172	154	123
TF1 Éditions	28	21	20
TF1 Boutiques	2	5	1
EUROSPORT	264	220	169
ESO	147	121	143
TV SPORT	37	33	26
Eurosales	80	66	-
LCI	119	27	-
PRODUCTION	141	121	81
TF1 Films Production	67	48	48
Banco	10	41	18
Protécra	64	32	15
STUDIOS 107	24	18	20
AUDIO-VISUAL RIGHTS	143	12	-
TF1 International	143	12	-
Légende Distribution	-	-	-
OTHERS	39	50	43
TF1 Publicité	6	5	13
TF1 Publicité Production	33	45	30
TOTAL	9,140	8,424	7,759

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

CONTRIBUTION TO THE CONSOLIDATED PROFIT*

(FF MILLION)	1995	1994	1993
TF1 SA	609	609	413
PUBLISHING/DISTRIBUTION	78	32	45
TF1 Entreprises	55	24	27
CIC	-	1	1
Télé-Shopping	14	10	10
Une Musique	10	7	6
TF1 Éditions	(2)	-	1
TF1 Boutiques	1	(10)	-
EUROSPORT	(9)	(17)	(29)
ESO	(17)	(27)	(38)
TV SPORT	-	(3)	(11)
Eurosales	(1)	1	-
TF1 Europe	8	12	20
Eurosport GmbH	1	-	-
LCI**	(123)	(117)	-
PRODUCTION	(4)	15	10
TF1 Films Production	(18)	6	2
Banco	-	3	1
Protécra	14	6	7
STUDIOS 107	(2)	(2)	-
AUDIO-VISUAL RIGHTS	28	1	-
TF1 International	30	2	-
Légende Distribution	(1)	(1)	-
Parmentier	(1)	-	-
OTHERS	25	21	20
TF1 Publicité	4	9	-
TF1 Publicité Production	-	1	1
Syalis SA	21	11	17
La Réservée	-	-	2
TOTAL	602	542	459

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

** LCI being a limited partnership company, corresponding tax credits (respectively FF 45 million in 1995 and FF 39 million in 1994) are included in TF1 SA's net profit.



THE TF1 CHANNEL

In 1995, TF1 gathered 37.3% of « individuals-aged-more-than-4-years-old » and 38.6% of advertisers' favoured demographic groups (« housewives-under-50 » and « 15-to-34-years-old » segments). Outperforming its main competitors, TF1 scored 90 of the year's top 100 Prime Time audience ratings.

The State-owned channels position is twofold :

- France 2 lost 1 point with a 23.8% viewing share among « individuals »,
- France 3 gained 2 points with a 17.6% « individuals » audience market share, but its performances on the « housewives-under-50 » segment remained low (13.6% market share).

M6's viewing share stood at 11.5% on « individuals » in 1995, a level that has remained stable over the past three years. This confirmed the channel's position as a complementary network.

Despite increasing subscriptions, Canal Plus' audience market share has been declining steadily in the past four years (4.4% in 1995).

Finally, other terrestrial or cable/satellite channels, including La Cinquième and Arte, continued to gain ground and represented around 5% of global viewership.

In 1995, TF1 once again took up the challenge of gathering the largest number of viewers while remaining efficient on advertisers' targets.

Night after night, TF1 faces State-owned channels' programming policy : with France 2 and France 3 sharing out « young » and « senior » target groups. TF1 is always head to head with one of the two networks. TF1 must then offer powerful programmes appealing to both the entire family and advertisers' targets.

TF1 placed 90 out of the top 100 Prime Time programmes in 1995 :

- 36 out of 41 TV drama,
- the 22 movies on the top 100 list,
- 12 News programmes out of 15,
- 10 out of 12 variety shows,
- the 7 sports broadcast and the 3 reality shows on the top 100 list.

In 1996, TF1 faces a more and more constrained environment characterised by :

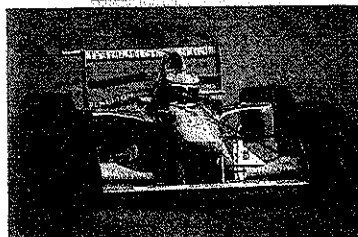
- the need to attract young target groups while remaining leader over the whole population,
- the unfair competition from State-owned channels implementing complementary programming policies,
- a rigid French regulation, stricter than in any other European country,
- an increasing volatility of more and more demanding viewers as demonstrated by recent surveys.

TF1's priority goal is to remain the channel for all French people, that informs, entertains and thrills them ... and above all shares their daily life.

ADVERTISING

In 1995, TF1 gross advertising revenues rose by FF 815 million to FF 10.9 billion (data : SECODIP). TF1 is the highest contributor to the growth in advertising investments. A noteworthy performance achieved in a difficult economic environment.

With a market share of 52.5%, TF1 drew more than half of TV advertising investments. However, the 1.8 point decrease from 1994 has to be moderated : a detailed analysis of the advertising market points to a more realistic market share between 54% and 55% :



© 1995 Femula One Constructors Association



- Increasing investments from the record, video and phone based services sectors benefited mainly M6. These sectors benefit from specific tariffs which are not taken into account by the SECODIP statistics. The actual revenues are therefore slightly lower. On the other sectors, in particular those investing strongly on TV, TF1's market share is around 54%.

- France Television's performances have to be downgraded : Their advertising air-time increased dramatically (+ 25%, permitted by the amendment made to general broadcasting obligations back in August 1994) as revenues gained 18.3%. This illustrates a long running policy of undervalued prices.

- TF1's programming difficulties on the Access Prime Time slot (7 PM to 8 PM) have had an impact on investments. Indeed, TF1's market share averaged 55.3% across other key dayparts.

Our main satisfaction remains our clients' confidence : on the main 12 advertisers, representing around 35% of total investments, TF1's market share remained unchanged in 1995 at 57.7%.

DIVERSIFICATION ACTIVITIES

In 1995, the Group recorded strong development in its four branches of diversification: publishing and distribution, production and studios, broadcasting and trading of audio-visual 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 Investments» of the notes to TF1 SA accounts. These figures differ from net contributions to the consolidated turnover.

Publishing and distribution

TF1's largest branch with more than FF 1 billion turnover in 1995, publishing and distribution activities exploit synergies with the mainstream channel.

TF1 ENTREPRISES

TF1 ENTREPRISES has four distinct activities : release and distribution of « TF1 VIDEO » branded videocassettes, phone based services, electronic publishing and sale of products derived from the channel's popular programmes. Turnover was FF 498 million in 1995, up 12%.

TF1 VIDEO posted a 37% increase in turnover to FF 365 million thanks to the success of « Un Indien dans la ville », which sold more than 1 million videocassettes.

Spin-off products activities developed firmly with brand names such as Ushuaïa and Spirou. Licence fees more than trebled and amounted to FF 22 million in 1995.

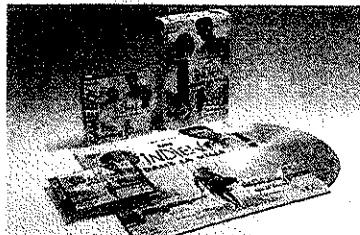
UNE MUSIQUE

UNE MUSIQUE posted a 12% increase in revenues to FF 172 million. This compares to a 4.5% rise in the French record market. Thanks to remarkable synergies between the Channel, the advertising arm of TF1 and Une Musique, the album « Indiens - Sacred spirit » was an outstanding success and sold more than 1.2 million copies.

In 1995, UNE MUSIQUE released 65 new titles and sold 6 million units. The company was awarded 2 platinum disks and 12 gold disks.

TELE-SHOPPING

Despite flattening consumer activity in France, TELES SHOPPING managed to develop all its businesses (home-shopping shows, mail-order activity, sales of programmes). Turnover rose 11.5% to FF 318 million.



TF1 EDITIONS

In 1995, TF1 EDITIONS released 39 new titles, including 4 under the brand « Editions du Levant ». Titles such as « Mandarom », « L'enfant des neiges », « Mike Brant » reached good sales levels.

Production

Since privatisation in 1987, TF1 has invested around FF 10,000 million in French production. In 1995, investments amounted to FF 1,508 million, including FF 442 million through TF1 FILMS PRODUCTION, BANCO and PROTECREA.

TF1 FILMS PRODUCTION

In 1995, TF1 FILMS PRODUCTION invested FF 189 million in the co-production of 13 French feature films. TF1 FILMS PRODUCTION co-produced 6 of the 10 French films above 1 million entries in 1995 among which « Un Indien dans la ville », « Les Anges Gardiens », « Elisa », « Les Trois Frères », « Nelly et Mr Arnaud » ... Movies co-produced by TF1 FILMS PRODUCTION totalled 25 million entries in 1995 which represents 55% of French films' global audience.

BANCO PRODUCTION and PROTECREA

The two subsidiaries delivered around 20 dramas and more than 80 documentaries or executive productions to the TF1 channel.

BANCO PRODUCTION delivered made for television series such as « Une famille formidable » and the Autumn's saga « Sandra, Princesse rebelle ».

PROTECREA delivered to TF1 several unitary programmes of long-running series such as « Rocca » or « Moulin », magazines such as « 52 sur la Une » and « Ushuaïa » and Nicolas Hulot's new show « Operation Okavango ».

GLEM

TF1 acquired a 60% stake in GROUPE GLEM SA, a company whose main activity is the production of TV variety shows. The creator of « Sacrée Soirée », one of the most successful show in French TV history, GLEM produces for TF1 popular variety shows such as « Intervilles », « Sans aucun doute », « Les années tubes », « Si on chantait », « Disney parade » and « L'or à l'appel ».

GLEM also produces theatres plays and musical shows such as « Les Années Twist », which attracted 250,000 people at « Les Folies Bergères » in Paris.

Broadcasting

EUROSPORT

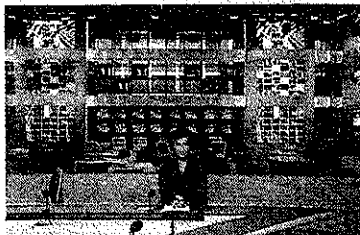
EUROSPORT is currently received by 66 million households in 43 countries i.e. one household out of 3 in Europe. 4 new linguistic versions were added, bringing the total to 12 : 90% of viewers now watch EUROSPORT's programmes in their mother tongue.

1995 turnover was FF 552 million, up 17% :

- advertising revenues rose despite a lack of major sporting events,
- cable and satellite fees increased strongly thanks to the development of the network in the UK, Central and Eastern Europe and the Mediterranean basin.

LA CHAINE INFO (LCI)

Two years after its launch, LCI has obtained strong notoriety thanks to its unique position on the continuous news segment within the French audio-visual landscape. Received by 1 million cable and satellite subscribing homes, LCI is praised for its reliability, the reactivity of its news coverage as well as its innovative concept.



1995 was the first full financial year for LCI. Turnover was FF 137 million, derived from cable and satellite fees, advertising and sales of programmes to TF1.

TELCARTE / MULTIVISION

TF1 holds a 24.5% stake in TELCARTE / MULTIVISION, the first pay-per-view service in Europe. MULTIVISION brings movies and special events (Wimbledon and US Open tennis tournaments) to 250,000 households of Lyonnaise Communications and France Telecom cabled networks.

Turnover was FF 5.6 million in 1995.

Audio-visual rights trading

TF1 INTERNATIONAL

(formerly named SYALIS DROITS AUDIOVISUELS)

TF1 INTERNATIONAL resulted from the acquisition merger of SYALIS DA by CDA SA in December 1995. This latter company owns a library of 77 feature films and was acquired by SYALIS SA in 1995. Since January 1st, 1995, TF1 INTERNATIONAL manages all audio-visual rights trading activities for the TF1 Group.

Turnover was FF 221 million including the box-office hit « Un Indien dans la ville », distributed in more than 50 countries.

In 1995, TF1 INTERNATIONAL's acquisition policy focused on feature films which represented around three quarters of total investments (FF 93 million excluding CDA) notably with « Casino » starring Robert de Niro and Sharon Stone and directed by Martin Scorsese. The company has built a diversified library which totals more than 8,000 hours of programmes.

TF1 INTERNATIONAL plans to invest around FF 180 million in 1996. Its priority goal is to broaden sales on the international rights market.

LEGENDE DISTRIBUTION

LEGENDE DISTRIBUTION, which already owns the rights to « Basket Ball Diaries » (starring Leonardo Di Caprio), acquired the rights to « Eddie » with Whopie Goldberg.

1-2 THE PARENT COMPANY: TF1 SA

In 1995, turnover rose to FF 6,897 million, up 4.3% over last year. Advertising revenues were FF 6,838 million while other revenues were FF 59 million.

Programming costs were FF 4,388 million in 1995, up 5.5% from FF 4,161 million in 1994.

Net profit was FF 555 million as against FF 576 million in 1994.

1-3 RESEARCH AND DEVELOPMENT COSTS

In 1995, research and development costs were not significant.

1-4 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.

■ 2. PROSPECTS FOR 1996

Specialised institutes IP and IPSOS forecasts for growth in TV advertising investments in 1996 are respectively 6% and 7%. However, those investments are seasonal and can be undermined by poor economic conditions.

In 1996, TF1 will further its development and will:

- reaffirm its position as the leading general public channel meeting viewers' expectations,
- develop and create assets through in-house expertise in mastering content and through partnerships with major producers,
- strengthen synergies between the Channel and the Group's subsidiaries,
- develop an offer of digital programmes and interactive services (see note 4-4 "Subsequent events").

■ 3. HUMAN RESOURCES

3-1 STAFF

On December 31, 1995, full-time staff of the TF1 Group numbered 1,995 broken down as follows: 1,238 in TF1 SA, 228 in TF1 PUBLICITE, 117 in TF1 ENTREPRISES, 130 in LCI, 147 in EUROSPOORT and 135 in other subsidiaries.

875 managerial staff, 320 journalists, 641 supervisors and 159 employees and workers made up this workforce.

	31 Dec. 95	31 Dec. 94	31 Dec. 93
TF1 SA	1,238	1,187	1,194
Subsidiaries	757	676	474
TOTAL	1,995	1,863	1,668

3-2 WAGE POLICY, EMPLOYEE PROFIT SHARING AND SAVING PLANS

TF1 pursued a dynamic wage policy.

Employee profit sharing was FF 28 million in 1995, compared with FF 24 million in 1994.

At the end of December 1995, the employee saving plan, created in December 1992, totalled 1,118 members. The Group's contribution to the saving plan was FF 19 million.

3-3 PROFESSIONAL TRAINING AND RELATIONS WITH SCHOOLS AND UNIVERSITIES

More than 30,000 hours were devoted to professional training in 1995, through 1,605 internships in all the Group's structures.

The Group also continued to develop ties with schools and universities through more than 300 internships in 1995.

3-4 1996 GOALS

In 1996, the Group will focus its efforts on several fields:

- improve the integration and evolution of employees with a more targeted recruitment and with in-house promotion,
- develop management practices with new training modules.

■ 4. SUBSIDIARIES AND ASSOCIATED COMPANIES

4-1 SUBSCRIPTIONS AND TRANSFERS IN 1995

- TF1 subscribed to the following capital increases :
 - 100,000 shares of BANCO PRODUCTION (capital brought up to FF 13 million),
 - 96,000 shares of TF1 FILMS PRODUCTION (capital brought up to FF 17 million),
 - 107,000 shares of STUDIOS 107 (capital brought up to FF 12 million),
 - 380,000 shares of TF1 EUROPE (capital brought up to FF 1 million),
 - 285,000 shares of LCI (capital brought up to FF 30 million).
- In October 1995, TF1 acquired a 60% stake in GROUPE GLEM SA, a company with a share capital of FF 250,000.

4-2 CREATION OF NEW COMPANIES

- Constitution of public limited companies SYALIS SPOPS, SYALIS MDS and SYALIS VARIETES, each of them with a share capital of FF 250,000. SYALIS, 99.76% owned by TF1, holds 99.76% of each of these companies.

4-3 OTHER EVENTS IN 1995

- In October 1995, SYALIS acquired 100% of COMPAGNIE DE DROITS AUDIOVISUELS (and its subsidiaries PARMENIER PRODUCTIONS and ARC PARTICIPATIONS, this latter was liquidated on December 29, 1995), a public limited company with a share capital of FF 250,000.

An acquisition merger of TF1 INTERNATIONAL (formerly named SYALIS DA) by COMPAGNIE DE DROITS AUDIOVISUELS followed by the dissolution of TF1 INTERNATIONAL (SYALIS DA) took place on

December 29, 1995. COMPAGNIE DE DROITS AUDIOVISUELS then took the business name TF1 INTERNATIONAL.

- In July 1995, TF1 FILMS PRODUCTION acquired 100% of ICE FILMS, then renamed LES FILMS DU JOUR.
- A merger acquisition of LES FILMS DU JOUR (ICE FILMS) by TF1 FILMS PRODUCTION followed by the liquidation of LES FILMS DU JOUR (ICE FILMS) took place on December 7, 1995.

4-4 SUBSEQUENT EVENTS

- January 22, 1996 : creation of « Société d'Exploitation de Réseau de Diffusion » a public limited company with a share capital of FF 252,000 owned by TF1 (33.3%), Canal Plus (33.3%) and Métropole Télévision (33.3%).
- January 15, 1996 : creation of « Société de Télévision Européenne de Programmes et de Services - STEPS », a limited company with a share capital of FF 50,000 owned by TF1 (50%), France 2 (25%) and France 3 (25%).
- March 26, 1996: in accordance with the terms of the Law of February 1, 1994, the « Conseil Supérieur de l'Audiovisuel (C.S.A.) » renewed without tender offer and for a period of 5 years TF1's licences for use of frequencies granted by decision #87-26 of April 4, 1987.
- April 11, 1996: TF1, FRANCE TELEVISION, CLT, M6 and LYONNAISE DES EAUX signed an agreement for the creation, development and exploitation of a digital satellite offer of audiovisual programs and services. A company will be created in which TF1 will take a 25% share. A total of FF 2.5 billion should be invested for this project in the next five years.

■ 5. CAPITAL

5-1 SHARE APPRAISAL

In 1995, the French stock market ended the year almost unchanged. The SBF 120 Index posted a slight 0.2% decline over the year. Indeed, the Paris Bourse was undermined by uncertainties over (I) the final outcome of the presidential election (II) weaknesses of the French Franc on currency markets (III) the new government's economic and financial policy (IV) December social conflicts.

The TF1 share price posted a 8.4% performance and ended the year at FF 525. Daily volume averaged around 29,000 units offering substantial liquidity. The TF1 stock offered a 17.6% annual yield before tax (including tax credit) on its F 165 issuing price on July 24, 1987.

The TF1's stock performance reflected the company's well-perceived fundamentals and its 50% payout policy.

5-2 SHARE ACQUISITION

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

However, TF1 has bought shares on the stock market within the frame of a stock-options plan detailed on paragraph #5-5.

5-3 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.

5-4 ADMINISTRATION OF TF1 SHARES

TF1 administrates all matters relating to share ownership.

5-5 SHAREHOLDERS

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

	31.12.95	31.12.94	23.02.94*
Bouygues	39.0%	37.5%	34.0%
Société Générale	6.0%	6.0%	6.0%
Groupe WORMS & Cie	1.5%	1.5%	1.5%
Crédit Lyonnais	0.3%	0.3%	2.1%
TOTAL shareholders			
taking concerted action	46.8 %	45.3 %	43.6 %
Employees	1.9 %	1.6 %	1.7 %
Public	51.3 %	53.1 %	54.7 %
TOTAL	100 %	100 %	100 %

* SBF notification N° 94-600

Estimated number of shareholders is more than 100,000.

The Ordinary General Meeting of June 12, 1995 authorised the Board of Directors to grant options to buy or apply for shares of the company. These options will be granted to employees and management of TF1 and subsidiaries under article 208.4 of the law of July 24, 1966.

The Board of Directors of October 10, 1995, under this authorisation decided to grant stock options to 40 beneficiaries allowing them to acquire a total number of shares of 170,500 i.e. 0.81% of the capital. Subscription price is FF 481, representing 95% of the average of the opening prices quoted on the last 20 days preceding October 10, 1995. Consequently, TF1 bought 51,758 shares on the market (0.25% of the capital) and will carry on with its purchases within the limits stated above depending on market opportunities. Those options could be exercised beginning October 10, 1996. This plan expires October 10, 2002.

6. 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, 1995. Also, given that the distributable profits after tax amount to FF 832,025,960.79 including the 1995 net profit of FF 554,940,703.55 and the balance of FF 277,085,257.24 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 336,000,000.00
(i.e. a net dividend of FF 16 per share with a face value of FF 10, plus a tax credit of FF 8)
- Balance of available profits carried forward
FF 246,025,960.79

The dividend would be payable as of July 1, 1996.

Shareholders are reminded that the net dividends distributed for the three previous financial years ending December 31, 1992, 1993, 1994 had been FF 10, FF 12.5, FF 15 respectively. The corresponding tax credits were FF 5, FF 6.25 and FF 7.50.

7. RESOLUTIONS

The auditors will submit to the shareholders their report on the accounts for the 1995 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 1995 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,
- re-appoint Nicholas CLIVE WORMS, whose term of office expires at the close of this Meeting, as Director for two years.
- acknowledge the election and appointment on May 29, 1996 and for two years of Directors, Employee Representatives whose names will be passed on by the Chairman of the Board,
- renew the annual authorisation, which was granted at the Meeting of June 12, 1995, allowing the company to buy its own shares so as to stabilise its stock price. Such purchases 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.
- ratify the transfer of the registered office and correlative amendment of article 4 of the corporate charter.

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**

	1995	1994	1993	1992	1991
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	6,897,135,313	6,610,557,695	6,131,932,600	5,834,944,678	5,178,682,786
b) Profit before income tax, profit sharing, depreciation & provisions	924,940,975	1,148,746,840	854,259,386	740,943,288	545,608,419
c) Income tax	259,827,667	258,530,966	195,393,635	140,824,240	167,840,066
d) Profit sharing	18,454,777	16,739,328	12,832,718	5,210,079	10,138,529
e) Profit after income tax, profit sharing, depreciation & provisions	554,940,703	576,361,987	407,748,161	464,623,097	290,171,585
f) Total dividends	336,000,000 ^(*)	315,000,000	262,500,000	210,000,000	168,000,000
III - PROFIT PER SHARE*					
a) Net profit before depreciation & provisions	30.79	41.59	30.76	28.32	17.50
b) Net profit after depreciation & provisions	26.42	27.44	19.42	22.12	13.81
c) Dividend per share	16.00 ^(*)	15.00	12.50	10.00	8.00
IV - PERSONNEL					
a) Number of full time employees	1,238	1,187	1,194	1,176	1,192
b) Total payroll costs*	579,333,946	530,607,926	497,997,349	524,941,319	570,324,356
c) Total of employee benefit cost*	260,523,733	231,316,495	221,477,938	217,430,643	216,151,921

^(*) submitted to the approval of the General Meeting

(*FF)

GENERAL REPORT OF THE STATUTORY AUDITORS

Financial year ended December 31, 1995

■ 1. ON THE COMPANY ACCOUNTS

In compliance with the assignment entrusted to us by your stockholders' General Meeting, we hereby report below on:

- the audit of the accompanying annual accounts of TF1 SA,
- the specific verifications and information required by law,

for the year ended December 31, 1995.

These annual accounts are the responsibility of the company's management. Our responsibility is to express an opinion on these annual accounts based on our audit.

OPINION ON THE ANNUAL ACCOUNTS

We have audited the annual accounts (comprising the balance sheet, the income statement, the cash-flow statement and the notes thereto) in accordance with French professional standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual accounts referred to above give a true and fair view of the company's financial position, and its assets and liabilities as of December 31, 1995, and of the results of its operations for the year then ended.

SPECIFIC VERIFICATIONS AND INFORMATION

We have also carried out the specific verifications required by law, in accordance with French professional standards.

We have no comment to make as to the fair presentation and the conformity with the annual accounts of the information given in the management report of the Board of Directors, and in the documents addressed to the stockholders, with respect to the financial position and the annual accounts.

In accordance with law, we have verified that the management report of the Board of Directors contains the required information concerning both the acquisition of minority and controlling interests and shareholdings in the company.

Paris, April 11, 1996

SALUSTRO REYDEL
Edouard SALUSTRO
Jean-Pierre CROUZET

Jacques VILLARY

■ 2. ON THE CONSOLIDATED ACCOUNTS

In compliance with the assignment entrusted to us by your stockholders' General Meeting, we have audited the accompanying consolidated accounts (comprising the consolidated balance sheet, the consolidated income statement, the consolidated cash-flow statement and the notes thereto) of the TF1 Group for the year ended December 31, 1995.

These consolidated accounts are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated accounts based on our audit.

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

In our opinion, the consolidated accounts referred to above give a true and fair view of the Group's financial position, and its assets and liabilities as of December 31, 1995, and of the results of operations of the companies included in the consolidation for the year then ended.

We have also carried out the verification of the information given on the management of the Group.

We have no comment to make as to its fair presentation and its conformity with the consolidated accounts.

Paris, April 11, 1996

SALUSTRO REYDEL
Edouard SALUSTRO
Jean-Pierre CROUZET

Jacques VILLARY

**SPECIAL REPORT
OF THE STATUTORY
AUDITORS**

Financial year ended December 31, 1995

On regulated agreements

Ladies and 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.

■ 1. REGULATED AGREEMENTS SETTLED IN THE 1995 FINANCIAL YEAR AND AUTHORISED BEFOREHAND

WITH TF1 INTERNATIONAL

Since January 1, 1995, TF1 and TF1 INTERNATIONAL (formerly Syalis Droits Audiovisuels) work together within the framework of an agent agreement under which TF1 INTERNATIONAL markets broadcasting rights acquired by TF1 and not use in full or in part. TF1 INTERNATIONAL carries the marketing costs and therefore is paid by TF1 35% of the selling price of these rights. Under this agreement, TF1 INTERNATIONAL invoiced TF1 a total of FF 68 thousands in 1995. This agreement was formerly operative between TF1 and TF1 ENTREPRISES.

Director concerned:
Mr Patrick LE LAY.

■ 2. REGULATED AGREEMENTS SETTLED IN PREVIOUS FINANCIAL YEARS AND OPERATIVE IN 1995

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 504.8 million for the 1995 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 104.7 million in 1995.

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

WITH TF1 ENTREPRISES

Since October 2, 1989, TF1 and TF1 ENTREPRISES work together within the framework of 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 5.3 million in 1995 equal to 5% of amounts received.

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

WITH BOUYGUES

On October 21, 1992, TF1 and BOUYGUES entered an agreement of assistance for administrative, financial, legal and general management. In 1995, under the terms of this agreement, TF1 agreed to pay to BOUYGUES the sum of FF 40.8 million, representing 0.45% of TF1's turnover exclusive of tax.

Directors concerned: Messrs Martin BOUYGUES, Patrick LE LAY, Olivier POUPART-LAFARGE, Michel DERBESSE and Philippe MONTAGNER (since June 12, 1995).

Paris, April 11, 1996

SALUSTRO REYDEL
Edouard SALUSTRO
Jean-Pierre CROUZET

Jacques VILLARY

RESOLUTIONS

Submitted to the Ordinary General Meeting of June 11, 1996

FIRST RESOLUTION

(Approval of financial statements)

The General Meeting, after hearing the Directors' management report, and the Auditors' general report, approves them together with the financial statements for the year ended December 31, 1995 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 832,025,960.79 including the 1995 net profit of FF 554,940,703.55 and the balance of FF 277,085,257.24 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 336,000,000.00
(i.e. a net dividend of FF 16 per share with a face value of FF 10, plus a tax credit of FF 8)
- Balance of distributable profits
carried forward: FF 246,025,960.79

Dividend will be payable as of July 1, 1996.

The General Meeting notes that the dividends paid for the three previous financial years ended December 31, 1992, December 31, 1993 and December 31, 1994 had been FF 10, FF 12.50 and FF 15 respectively; the corresponding tax credits were FF 5, FF 6.25 and FF 7.50.

FOURTH RESOLUTION

(Presentation of consolidated financial statements)

The General Meeting notes that the consolidated financial statements at December 31, 1995 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 Nicholas CLIVE WORMS whose term of office expires at the close of this meeting, as a Director for two years.

SIXTH RESOLUTION

(Acknowledgment of the election of Directors, Employee representatives)

The General Meeting, after having noted the names of Directors, Employee Representatives elected on May 29, 1996 and passed on by the Chairman of the Board, acknowledges their election and designation as Directors, Employee Representatives. The term of their offices will expire in two years, after the results of the next Employee Representatives election, according to Article 10 of statutes.

SEVENTH 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.

EIGHTH RESOLUTION

(Ratification of the transfer of the company's registered office and correlative amendment of Article 4 of statutes)

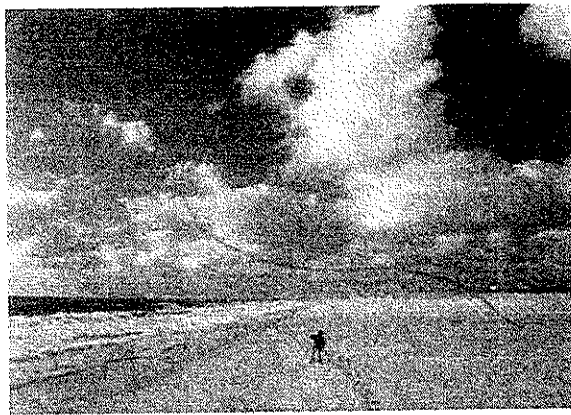
The General Meeting ratifies the transfer of the company's registered office decided by the Board of Directors of January 23, 1996 to the following address :

33, rue Vaugelas - Paris
(15th arrondissement)

This transfer is effective as of today.

Consequently, the General Meeting ratifies the correlative amendment of Article 4 of statutes.

FINANCIAL
STATEMENTS



1995

TF1

CONSOLIDATED BALANCE SHEET

ASSETS (FF THOUSANDS)	NOTES	31 Dec. 95			31 Dec. 94	31 Dec. 93
		GROSS VALUE	DEPRECIATIONS AND PROVISIONS	NET VALUE	NET VALUE	NET VALUE
INTANGIBLE FIXED ASSETS		959,054	660,530	298,524	156,229	111,362
Audiovisual rights	2.4 & 3.1	946,757	651,297	295,460	147,316	103,364
Other intangible fixed assets	2.5 & 3.2	12,297	9,233	3,064	8,913	7,998
GOODWILL		16,886	16,886	-	-	-
TANGIBLE FIXED ASSETS	2.6 & 3.3	900,275	402,982	497,293	552,220	514,631
Land		37,243	-	37,243	37,243	37,243
Freehold buildings		110,867	32,727	78,140	81,618	85,096
Other tangible fixed assets		752,165	370,255	381,910	433,359	392,292
FINANCIAL ASSETS		94,384	14,977	79,407	26,848	15,380
Investments and related loans		87,740	14,937	72,803	19,643	6,607
Other financial assets		6,644	40	6,604	7,205	8,773
FIXED ASSETS		1,970,599	1,095,375	875,224	735,297	641,373
Programmes and films rights	2.3 & 3.4	2,709,878	292,588	2,417,290	2,083,993	2,078,341
Raw materials and supplies		61,742	23,131	38,611	24,318	31,226
Trade debtors		2,292,626	39,008	2,253,618	1,973,400	1,768,590
Other debtors	3.5 & 3.12	1,193,985	20,158	1,173,827	844,570	867,068
Marketable securities	2.7 & 3.6	611,823	-	611,823	743,489	556,125
Cash		112,796	-	112,796	64,429	120,456
CURRENT ASSETS		6,982,850	374,885	6,607,965	5,734,199	5,421,806
ADJUSTMENT ACCOUNTS	3.14	283,866	-	283,866	238,291	207,065
DEFERRED TAXATION	2.10 & 3.11	106,868	-	106,868	94,503	59,072
TOTAL ASSETS		9,344,183	1,470,260	7,873,923	6,802,290	6,329,316

LIABILITIES (FF THOUSANDS)	NOTES	31 Dec. 95	31 Dec. 94	31 Dec. 93
Share capital		210,000	210,000	210,000
Revaluation reserve		30,705	30,705	30,705
Reserves		1,434,601	1,208,218	1,011,413
Profit attributable to the group		601,632	541,545	458,804
SHAREHOLDERS' EQUITY	3.7	2,276,938	1,990,468	1,710,922
Minority interests	3.8	3,620	3,665	3,652
Government grants for investment	2.8 & 3.9	64,899	21,446	24,152
Provisions for liabilities and charges	2.9 & 3.10	171,586	144,661	107,807
Deferred taxation	2.10 & 3.11	242,786	194,321	181,198
LONG TERM CAPITAL		2,759,829	2,364,561	2,027,731
Financial creditors and borrowings (1)	3.12	43,344	38,907	105,728
Trade creditors	3.12	2,794,215	2,443,472	2,315,099
Other creditors	3.12 & 3.13	2,217,711	1,931,765	1,840,997
CREDITORS		5,055,270	4,414,144	4,261,824
ADJUSTMENT ACCOUNTS		58,824	33,585	39,761
TOTAL LIABILITIES		7,873,923	6,802,290	6,329,316
(1) Including current bank overdrafts		1,679	165	2,452

**CONSOLIDATED
PROFIT AND LOSS
ACCOUNT**

(IN FF THOUSANDS)	NOTES	1995	1994	1993
TURNOVER		9,140,006	8,424,411	7,758,603
Net advertising revenues <i>incl.</i>	2.11	7,479,832	7,161,493	6,617,435
<i>TFI</i>		7,342,800	7,051,531	6,552,608
<i>EUROSPORT</i>		112,234	98,251	64,827
<i>LCI</i>		24,798	11,711	-
Diversification revenues		1,470,758	1,105,675	950,033
Technical services revenues		121,669	112,814	121,647
Other revenues		67,747	44,429	69,488
OPERATING EXPENSES		(8,207,982)	(7,638,128)	(6,966,487)
External production broadcast		(2,408,118)	(2,365,586)	(2,357,660)
Variation of in-house production stock		95,072	51,819	32,641
Staff expenses		(1,359,799)	(1,143,703)	(994,185)
Other operating expenses	4.1	(4,169,654)	(3,800,762)	(3,400,646)
Depreciations & Provisions (net value)				
- Depreciations		(318,007)	(204,761)	(197,783)
- Provisions		(47,476)	(175,135)	(48,854)
OPERATING PROFIT		932,024	786,283	792,116
Financial revenues		75,395	67,744	32,269
Financial expenses		(26,308)	(30,848)	(62,826)
FINANCIAL PROFIT	4.2	49,087	36,896	(30,557)
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		981,111	823,179	761,559
Extraordinary items	4.3	31,335	20,181	(50,036)
Profit sharing		(28,476)	(24,154)	(18,458)
Income tax	4.4	(379,720)	(275,813)	(232,441)
NET PROFIT OF INTEGRATED COMPANIES		604,250	543,393	460,624
Minority share of profit		(2,618)	(1,848)	(1,820)
NET PROFIT ATTRIBUTABLE TO THE GROUP	4.5	601,632	541,545	458,804

CONSOLIDATED CASH FLOW STATEMENT

(IN FF THOUSANDS)	31 Dec. 95	31 Dec. 94	31 Dec. 93
1- Operating activities			
Net profit	604,250	543,393	460,624
Depreciations & provisions	296,013	241,689	234,156
Investments grants released to revenue	(34,626)	(34,441)	(32,448)
Expenses to amortise	(40,892)	(50,936)	(40,241)
Capital gains (losses) on disposal of fixed assets	47,202	11,928	6,664
CASH FLOW	871,947	711,633	628,755
Stocks	(347,590)	1,256	(25,575)
Trade debtors	(697,349)	(146,685)	(175,035)
Trade creditors	634,507	162,683	(261,264)
Net advances from third parties	18,410	(38,989)	545
INCREASE (DECREASE) IN WORKING CAPITAL NEEDS	(392,022)	(21,735)	(461,329)
NET CASH FLOW FROM OPERATING ACTIVITIES	479,925	689,898	167,426
2. Investing activities			
Purchase of intangible fixed assets	(264,311)	(120,415)	(78,046)
Purchase of tangible fixed assets	(89,363)	(141,315)	(50,488)
Proceeds from sales of fixed assets	46,729	12,163	7,199
Purchase of financial fixed assets	(51,972)	(16,984)	(6,020)
Increase (decrease) in payables to fixed assets suppliers	65,727	5,827	(12,188)
	(293,190)	(260,724)	(139,543)
Consolidation adjustments	(35,750)	1,400	(702)
NET CASH FLOW FROM INVESTING ACTIVITIES	(328,940)	(259,324)	(140,245)
3. Financing activities			
Increase in shareholder's equity	78,079	31,735	40,720
Increase (decrease) in borrowings	2,976	(64,510)	(19,766)
Dividends paid	(316,800)	(264,150)	(212,220)
NET CASH FLOW FROM FINANCING	(235,745)	(296,925)	(191,266)
TOTAL INCREASE (DECREASE) IN CASH	(84,760)	133,649	(164,085)
Cash at beginning of period	807,778	674,129	838,214
Net inflow (outflow)	(84,760)	133,649	(164,085)
Cash at closing of period	723,018	807,778	674,129

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 April 16, 1987, enabling it to broadcast on the frequencies previously allocated to it as a state-owned channel.

Also, article 28.1 of Law 94-88 of February 1, 1994 stipulates that licences are «renewed by the CSA (Conseil Supérieur de l'Audiovisuel), without tender offer, to a limit of twice and on each occasion for a duration of five years, (...) unless the CSA considers that the penalty(ies) imposed on the licensee or claims made against the licensee justify, by reason of their seriousness, that the licence should not be renewed without tender offer». On March 26, 1996, the CSA renewed TF1's licences for use of frequencies for a period of 5 years. This authorisation should be confirmed after the signature of the new agreement between TF1 and the CSA defining the channel's obligations and due in the fall of 1996.

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. These restatements are made mostly on intangible fixed assets (programmes) and derogatory depreciations in TF1 SA.

Companies consolidated under the equity method

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, SETS Luxtél, Mery Production, Telcarte, Télé Achat Câble, TF1 Développement,

Syalis MDS, Syalis Variétés, Syalis Spops, TVRS 98, Telcarte) and the subsidiary under liquidation, TF01 have not been consolidated.

GLEM, which has been acquired by TF1 on October 19, 1995 for an amount of FF 51 million representing 60% of the share capital, has no significant impact on the Group's profit and thus was not consolidated. The FF 39 million goodwill will be amortized over four years starting January 1, 1996.

1-3 SCOPE OF CONSOLIDATION

COMPANY	LEGAL STRUCTURE	SHARE CAPITAL ⁽¹⁾	CURRENCY	NATIONALITY
FULLY-CONSOLIDATED SUBSIDIARIES				
TF1 PUBLICITÉ	SA	15,000	FRF	French
TF1 FILMS PRODUCTION	SA	17,000	FRF	French
TELE-SHOPPING	SA	1,000	FRF	French
SYALIS SA	SA	250	FRF	French
TF1 ÉDITIONS	SA	500	FRF	French
UNE MUSIQUE	SA	250	FRF	French
TF1 EUROPE	SA	21,000	FRF	French
TF1 PUB PRODUCTION	SARL	50	FRF	French
BANCO PRODUCTION	SA	13,000	FRF	French
PROTECREA	SA	10,000	FRF	French
TF1 ENTREPRISES	SA	52,000	FRF	French
STUDIOS 107	SA	12,000	FRF	French
C.I.C.	SA	785	FRF	French
TF1 BOUTIQUES	SA	250	FRF	French
LA CHAÎNE INFO	SCS	30,000	FRF	French
PARMENTIER PRODUCTIONS	SARL	3,429	FRF	French
TF1 INTERNATIONAL	SA	72,031	FRF	French
COMPANIES CONSOLIDATED UNDER THE PROPORTIONAL METHOD				
ESO	SCS	3,000	FRF	French
TV SPORT	SA	15,000	FRF	French
MT ZURICH	SA	600	CHF	Swiss
MT AMSTERDAM	SA	40	NLG	Dutch
MT MUNICH	SA	50	DEM	German
MT LONDRES	SA	10	GBP	English
TÉLÉVISION NORDIC AB	SA	50	SEK	Swedish
EUROSPORT GMBH	SA	50	DEM	German
SAGAS	SA	250	FRF	French
EUROSALES	SA	1,500	FRF	French
LÉGENDE DISTRIBUTION	SA	4,000	FRF	French

(1) Local currency (in thousands)

■ 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 January 3, 1985 and the decree of February 17, 1986.

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

ACTIVITY	% HOLDING
Marketing of TF1 advertising airtime	99.98
Production of films	99.99
Reshopping	84.96
Financing company	99.76
Book publishing	99.90
Music publishing	99.80
Financing company	99.99
Commercials and promos	100.00
Production of programmes	99.99
Production of programmes	99.99
Télé, phone-based services	99.99
TV production studios	99.99
Télé distribution	99.92
On-off products distribution	99.76
Exploitation of «La Chaîne Info»	100.00
Audiovisual rights	100.00
Audiovisuals rights	99.99
Commercialisation of the Eurosport's programme outside France	34.00
Commercialisation of the Eurosport's programme in France	30.99
Commercialisation of the Eurosport's programme in Switzerland	34.00
Commercialisation of the Eurosport's programme in Holland	34.00
Commercialisation of the Eurosport's programme in Germany	34.00
Commercialisation of the Eurosport's programme in the UK	34.00
Commercialisation of the Eurosport's programme in Sweden	34.00
Commercialisation of the Eurosport's programme in Sweden	34.00
CEO's manager	33.92
CEO's advertising agency	34.00
Distribution of films	37.27

2-2 COMPARABILITY OF ACCOUNTS

The financial year ending December 31, 1995 is a 12-month accounting period comparable to the previous period without restatements.

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's 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 (except Cartoons) - Variety - Theatre - Documentaries - News and Sport).

POSSIBLE TRANSMISSIONS	1	2 or more
1 st transmission	100%	100%
2 nd transmission	-	-

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

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

POSSIBLE TRANSMISSIONS	1	2 or more
1 st transmission	100%	100%
2 nd transmission	-	-

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

POSSIBLE TRANSMISSIONS	1	2 or more
1 st transmission	100%	80%
2 nd transmission	-	20%

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

POSSIBLE TRANSMISSIONS	1	2 or more
1 st transmission	100%	50%
2 nd 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 AUDIOVISUAL RIGHTS

Audiovisual rights relate to shares of films co-produced by TF1 FILMS PRODUCTION, audiovisual rights held by TF1 INTERNATIONAL devoted to either distribution or trading and finally, musical rights held by UNE MUSIQUE.

The date from which these rights are accounted for as intangible assets and their depreciation methods are defined as follows:

DATE OF RECORDING IN TANGIBLE ASSETS	DEPRECIATION METHOD			
	CO-PRODUCTION SHARE	AUDIOVISUAL RIGHTS DISTRIBUTION	AUDIOVISUAL RIGHTS TRADING	MUSICAL RIGHTS
End of shooting date	in line with revenues			
Censors' certificate	straight-line rate over 3 years			
Signing of contract		straight-line rate over 3 years	straight-line rate over 5 years	
Signing of contract				2 years 75% 1 st year 25% 2 nd year

For films co-produced by TF1 FILMS PRODUCTION, the method applied is the one which enables to fiscally amortise films as fast as possible. It can thus differ from film to film.

2-5 OTHER INTANGIBLE FIXED ASSETS

Other intangible assets relate essentially to acquisition of trade marks.

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 tangible fixed assets	straight line or reducing balance	3 to 10 years

* As of the date of its becoming TF1 property (prior to Dec. 31, 1986: 12 to 20 years)

Leasing operations do not require specific restatements. They are indicated on note 6-1.

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

If established for good, 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 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.

■ 3. NOTES TO THE CONSOLIDATED BALANCE SHEET

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 revenues 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».

3-1 AUDIOVISUAL RIGHTS

Defined as indicated under section 2-4, the movements for the financial year concerning films co-produced by TF1 FILMS PRODUCTION, rights acquired by TF1 INTERNATIONAL and rights held by UNE MUSIQUE break down as follows:

(FF MILLION)	01 JAN. 95	CHANGE IN THE SCOPE OF CONSOLIDATION	INCREASE	DECREASE	31 DEC. 95
Gross value	547	158	262	(20)	947
Depreciation	(400)	(121)	(148)	18	(651)
NET VALUE	147	37	114	(2)	296

3-2 OTHER INTANGIBLE FIXED ASSETS

(FF MILLION)	01 JAN. 95	CHANGE IN THE SCOPE OF CONSOLIDATION	INCREASE	DECREASE	31 DEC. 95
Gross value	15	-	2	(5)	12
Depreciation	(6)	-	(3)	-	(9)
NET VALUE	9	-	(1)	(5)	3

3-3 TANGIBLE FIXED ASSETS

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

Gross values

(FF MILLION)	01 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Lands	37	-	-	37
Buildings	111	-	-	111
Technical facilities & equipment	295	20	(41)	274
Other	426	65	(17)	474
Work in progress	1	4	(1)	4
TOTAL	870	89	(59)	900

Depreciations

(FF MILLION)	01 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Buildings	29	4	-	33
Technical facilities & equipment	144	43	(10)	177
Other	145	61	(13)	193
TOTAL	318	108	(23)	403

3-4 PROGRAMMES AND FILMS RIGHTS

The opposite table provides a breakdown of stocks of programmes and film rights, as defined under section 2-3, after deduction of provisions and depreciation.

(FF MILLION)	1995	1994	1993
Advances on programmes in progress	791	583	585
Programmes ready for broadcasting	1,560	1,503	1,394
Rights available for re-broadcasting	359	299	267
Gross value	2,710	2,385	2,246
Provisions	(293)	(301)	(168)
NET VALUE	2,417	2,084	2,078

3-5 OTHER DEBTORS

These amounted to FF 1,173 million, including FF 887 million of debtors related to value-added-tax.

3-6 MARKETABLE SECURITIES

These consist of FF 605 million in «SICAV» unit trusts (all capital gains have been taken on December 31, 1995) and of FF 7 million worth of TF1 shares bought within the stock options Plan.

3-7 SHARE CAPITAL AND RESERVES

Movements were as indicated in the opposite table:

(FF MILLION)	01 JAN. 95	DIVIDENDS	PROFIT OF THE YEAR	31 DEC. 95
Share capital	210			210
Revaluation reserves	31			31
Other reserves	1,749	(315)	602	2,036
TOTAL	1,990	(315)	602	2,277

NB : Share capital is divided in 21,000,000 shares with a face value of FF10. Capital is fully subscribed.

3-8 MINORITY INTERESTS

Movements were as indicated in the opposite table:

(FF MILLION)	01 JAN. 95	DIVIDENDS	PROFIT OF THE YEAR	31 DEC. 95
Minority interests	4	(2)	2	4

3-9 GOVERNMENT GRANTS FOR INVESTMENT

These relate to grants obtained by TF1 FILMS PRODUCTION from the National Cinema Council (CNC). The amount released to revenue in 1995 was FF 35 million as against FF 34 million in 1994.

3-10 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions, as indicated in the section 2-9, break down as indicated in the following table:

(FF MILLION)	01 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Claims	65	77	(36)	106
Associated companies	7		(3)	4
Other	73	38	(49)	62
TOTAL	145	115	(88)	172

Out of a total of FF 172 million of «Provisions for liabilities and charges», FF 168 million are related to risks with private companies and individuals and FF 4 million are related to risks with administrations.

On December 31, 1995, «Other provisions» essentially included TF1's share in the risk of the non-collection of TF1 PUBLICITE receivables.

3-11 DEFERRED TAXATION

Deferred income tax is calculated at the 36 2/3% rate prevailing at December 31, 1995, and recognized using the accrual method of tax allocation.

a) Deferred tax liabilities may be analysed as follows:

(FF MILLION)	1995	1994	1993
TF1	226	170	162
Subsidiaries	17	24	19
TOTAL	243	194	181

Deferred tax liabilities relate essentially to special depreciation allowed for tax purposes on films.

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

3-12 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	1,100	24	49	1,173
Financial creditors and borrowings	43	-	-	43
Trade creditors	2,794	-	-	2,794
Other creditors	2,195	23	-	2,218

3-13 OTHER CREDITORS

The breakdown of "Other creditors" is as follows:

(FF MILLION)	1995	1994	1993
Personnel, taxes and social security	1,345	1,068	1,192
Payables to fixed assets suppliers	111	52	39
Other creditors	762	812	610
TOTAL	2,218	1,932	1,841

The variation in other creditors essentially stems from the variation of value-added-tax.

3-14 ADJUSTMENT ACCOUNTS

Adjustments accounts, which amount to FF 284 million, essentially relate to:

- expenses to be amortised over several periods (products for sale) or prepaid expenses (products to be sold) related to the video activity for FF 23 million.
- prepaid sports broadcasting expenses for FF 231 million.

■ 4. NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

4-1 OTHER OPERATING EXPENSES

Other operating expenses include the following items:

(FF MILLION)	1995	1994	1993
Transmission costs (TDF)	498	502	496
Subcontracting and production costs	1,501	1,279	1,021
Sundry contributions	672	644	624
Taxes and levies	113	101	77
Other	1,386	1,275	1,183
TOTAL	4,170	3,801	3,401

4-2 FINANCIAL REVENUES AND EXPENSES

The financial result for 1995 splits up as follows:

(FF million)	
Net profits on the sale of marketable securities	35
Recoveries of provisions for contingency and financial investments	3
Interest expenses	10
Other	1
FINANCIAL PROFIT	49

4-3 EXTRAORDINARY ITEMS

The extraordinary items for 1995 split up as follows:

(FF MILLION)	
Capital losses on disposal of sales of fixed assets	(3)
Recoveries of provisions	40
Other	(6)
EXTRAORDINARY PROFIT	31

4-4 CORPORATE INCOME TAX

(FF MILLION)	1995	1994	1993
Current taxation	344	298	229
Deferred taxation	36	(22)	3
TOTAL	380	276	232

The deferred tax rate has been stated at 36 2/3% for the 1995 financial year.

The reported tax rate of 38.6% essentially relates to the FF 380 million of total income tax on pre-tax profit.

The impact of higher Corporation Tax rate is FF 44 million of which FF 10 million is deferred taxation.

Since January 1, 1989, TF1 has chosen the tax consolidation and renewed this option on January 1, 1994. The subsidiaries concerned are TF1 Publicité, Une Musique, TF1 Films Production, TF1 Entreprises, Protécraé, TF1 Europe, Syalis, TF1 Publicité Production, TF1 Boutiques, TF1 Développement, Télé Achat Câble, Compagnie Internationale de Communication and Banco Production.

4-5 TRANSITION FROM TF1 SA COMPANY PROFIT TO CONSOLIDATED PROFIT

(FF MILLION)	
TF1 SA profit	555
Profit from consolidated subsidiaries	(38)
	517
Restatements	
- Provisions for depreciation of programmes (net balance) ⁽¹⁾	(11)
- Elimination of impact of tax allowances	54
- Elimination of inter-group provisions	141
- Deferred taxation	(36)
- Dividends received from subsidiaries	(60)
- Other	(1)
CONSOLIDATED PROFIT	604
Minority interests	(2)
NET PROFIT ATTRIBUTABLE TO THE GROUP	602

(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 144 million at 31 Dec. 95.

■ 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 December 31, 1995 in the following table:

(FF MILLION)	LESS THAN ONE YEAR	OVER ONE YEAR	TOTAL
Programmes and broadcasting rights	1,046	1,021	2,067
Sports transmission rights	676	1,252	1,928
Video selling rights	9	-	9
Real-estate leasing	91	1,576	1,667
Other	140	10	150
TOTAL	1,962	3,859	5,821

The «Programmes» item includes long-term contracts relating to variety shows and children programmes for an amount of FF 938 million.

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

The «Broadcasting Rights» item includes TF1's commitment to SOGEDIF for FF 230 million. TF1 is indeed committed to purchasing from GIE SOGEDIF feature film rights acquired by SOGEDIF at TF1's request, up to a maximum of FF 400 million.

Group's commitments regarding real-estate leasing contracts:

In June 1994, TF1 leased its office building, 1 quai du Point du Jour in Boulogne, that it has been occupying since 1992. This contract has a 15 year duration and amounts to FF 1,080 million (excl. interest charges) :

- land	FF 300 million
- building	FF 380 million
- technical facilities	FF 400 million

TF1 has a purchase option from the seventh year at net accounting value. This financial lease contract with GIE Aphélie replaces the commercial lease originally contracted between TF1 and GAN.

Original value	1,080
Lease payments	134
- accumulated	40
- financial year	94
"Theoretical" depreciation charges ⁽¹⁾	84
- accumulated	28
- financial year	56
Estimated remaining future lease payments ⁽²⁾	
- less than one year	82
- between one and five years	384
- more than five years	979

(1) Depreciation charges that would have been accounted for if the building was owned by the company.
 (2) Lease payments calculated using a theoretical interest rate of 6.25%.

6-2 USE OF HEDGING FINANCIAL INSTRUMENTS

As TF1 SA and several subsidiaries are partly paid in foreign currency, they use forward exchange contracts to protect themselves from rate fluctuations. These operations are made on the currency markets. On December 31, 1995, exchange value of the global amount of these contracts amounted to FF 55 million, of which FF 37 million in US dollars and FF 18 million in Swiss Francs.

In 1995, TF1 did not use hedging instruments against interest rate risks.

6-3 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:

	1995	1994	1993
College 1			
-Workers and clerical employees	159	178	222
College 2			
-Technical staff	641	604	549
College 3			
-Managerial and executives	875	773	647
College 4			
-Journalists	320	308	250
TOTAL	1,995	1,863	1,668

6-4 GROUP MANAGEMENT'S REMUNERATION

The Group management comprises the 26 managers and directors listed on page 6 of this document. Total remuneration of Group management for the 1995 financial year amounted to FF 68,629,900.

On October 10, 1995, the Board of Directors granted 121,000 stock options to several managers and directors of the TF1 Group. Subscription price rate was fixed at FF 481, representing 95% of the average of the opening prices quoted on the last twenty days preceding the Board Meeting.

6-5 SUBSEQUENT EVENTS

- On March 26, 1996, in accordance with the terms of the Law of February 1, 1994, the « Conseil Supérieur de l'Audiovisuel (C.S.A.) » renewed TF1's licences for use of frequencies without tender offer for a period of 5 years. This authorisation should be confirmed after the signature of the new agreement between TF1 and the CSA defining the channel's obligations and due in the fall of 1996.
- On April 11, 1996, TF1, FRANCE TELEVISION, CLT, M6 and LYONNAISE DES EAUX signed an agreement for the creation, development and exploitation of a digital satellite offer of audiovisual programs and services. A company will be created in which TF1 will take a 25% share. A total of FF 2.5 billion should be invested for this project in the next five years.

7. SIGNIFICANT ELEMENTS OF THE NOTES TO THE PRIOR ACCOUNTING PERIODS

Notes to the 1995 accounts do not include any significant change in respect to prior accounting periods.

In 1994 and 1993: None.

TF1 SA
BALANCE SHEET

ASSETS (in FF THOUSANDS)	NOTES	31 Dec. 95			31 Dec. 94	31 Dec. 93
		GROSS VALUE	DEPRECIATIONS & PROVISIONS	NET VALUE	NET VALUE	NET VALUE
INTANGIBLE FIXED ASSETS	1.1 & 2.1	2,635,729	136,308	2,499,421	2,178,230	2,103,446
Franchises and other similar rights		889	889	-	76	-
Brand		314	314	-	-	-
Goodwill		95	-	95	95	95
Other intangible fixed assets		4,189	2,933	1,256	1,676	2,094
Programmes ready for broadcasting		1,559,980	93,375	1,466,605	1,370,549	1,343,315
Rights available for re-broadcasting		359,121	37,232	321,889	271,497	240,299
Programmes in progress		711,141	1,565	709,576	534,337	517,643
TANGIBLE FIXED ASSETS	1.2 & 2.2	799,555	365,448	434,107	453,219	483,799
Lands		37,243	-	37,243	37,243	37,243
Freehold buildings		110,867	32,727	78,140	81,618	85,096
Technical facilities and equipment		264,163	173,390	90,773	97,710	104,294
Other tangible fixed assets		383,216	159,331	223,885	236,521	257,166
Tangible fixed assets in progress		4,066	-	4,066	127	-
FINANCIAL ASSETS	1.3 & 2.3	663,566	119,912	543,654	407,275	391,360
Investments		648,498	109,851	538,647	401,574	384,332
Related loans		10,023	10,021	2	2	2
Other capitalized securities		508	-	508	508	508
Loans		2,175	-	2,175	2,832	3,253
Other financial assets		2,362	40	2,322	2,359	3,265
FIXED ASSETS		4,098,850	621,668	3,477,182	3,038,724	2,978,605
Raw materials and supplies		1,267	-	1,267	1,401	1,354
Inventories		1,505	-	1,505	1,834	1,076
Pre-paid		19,898	-	19,898	34,279	10,902
Trade debtors	1.4 & 2.4	1,592,236	270	1,591,966	1,527,052	1,439,460
Other debtors	2.4	786,148	11,063	775,085	628,039	488,537
Marketable securities	1.5, 2.5 & 4.5	611,823	-	611,823	740,506	540,992
Cash		13,836	-	13,836	7,209	65,953
Deferred expenses	2.6	244,195	-	244,195	188,983	164,429
CURRENT ASSETS		3,270,908	11,333	3,259,575	3,129,303	2,712,703
FOREIGN EXCHANGE UNREALISED LOSSES/GAINS		312	-	312	880	276
TOTAL ASSETS		7,370,070	633,001	6,737,069	6,168,907	5,691,584

LIABILITIES (IN FF THOUSANDS)

	NOTES	31 Dec. 95	31 Dec. 94	31 Dec. 93
Share capital		210,000	210,000	210,000
Revaluation reserve		30,705	30,705	30,705
Legal reserves		21,000	21,000	21,000
Long term capital gain reserves		163,995	163,995	163,995
Other reserves		650,000	400,000	350,000
Balance carried forward from previous year		277,085	265,723	170,475
Profit of the year		554,941	576,362	407,748
Government grants for investment	1.6	1,392	2,346	3,720
Regulated Provisions : Depreciation	1.7	547,870	487,851	485,030
SHAREHOLDERS' EQUITY	2.7	2,456,988	2,157,982	1,842,673
Provisions for liabilities		74,015	38,550	30,416
Provisions for charges		312	880	276
Other provisions		154,840	153,128	29,185
PROVISIONS FOR LIABILITIES AND CHARGES	1.8 & 2.8	229,167	192,558	59,877
Financial creditors and borrowings (1)		-	-	36
Other financial creditors (2)		636,442	607,007	570,489
Trade creditors		2,092,773	1,951,881	1,883,999
Tax and social liabilities		754,487	718,057	756,246
Payables to fixed assets suppliers		42,938	9,041	10,545
Other creditors		521,136	523,929	547,251
Deferred income		1,710	7,587	20,182
CREDITORS AND OTHER LIABILITIES	2.9	4,049,486	3,817,502	3,788,748
FOREIGN EXCHANGE UNREALISED LOSSES/GAINS		1,428	865	286
TOTAL LIABILITIES		6,737,069	6,168,907	5,691,584
(1) Including bank overdrafts		-	-	36
(2) Including current account with associated companies		636,442	607,007	530,829

TF1 SA
PROFIT AND LOSS
ACCOUNT

(IN FF THOUSANDS)	NOTES	1995	1994	1993
OPERATING REVENUES	1.9 & 3.1	9,185,047	8,652,820	7,952,374
Advertising revenues	3.1	6,837,961	6,560,279	6,072,276
Technical services		6,763	3,573	4,838
Others		52,411	46,706	54,818
In-house production		1,790,774	1,640,995	1,461,080
Depreciations & provisions recoveries		91,765	57,653	40,863
Reversals & expenses transferred		384,163	321,027	298,410
Other revenues		21,210	22,587	20,089
OPERATING EXPENSES		(8,010,224)	(7,563,699)	(7,063,431)
Purchase of raw materials and supplies		(1,961)	(2,277)	(1,947)
Variation in stock		(464)	806	(96)
Other external expenses		(2,105,338)	(1,893,180)	(1,737,890)
Taxes and levies	3.2	(417,196)	(397,061)	(355,338)
Wages & salaries paid	3.3	(579,334)	(530,608)	(497,997)
Social security charges & employment expenses	3.4	(260,524)	(231,317)	(221,478)
Depreciations and provisions				
- depreciations of broadcast programmes		(4,159,491)	(3,974,362)	(3,831,580)
- depreciations of other fixed assets		(85,159)	(80,678)	(81,045)
- provisions for intangible assets & current assets		(40,518)	(115,111)	(34,388)
- provisions for liabilities and charges		(56,975)	(31,915)	(23,476)
Other expenses	3.5	(303,264)	(307,996)	(278,196)
OPERATING PROFIT		1,174,823	1,089,121	888,943
NET PROFIT FROM JOINT OPERATIONS				
Financial revenues		301,496	135,974	146,082
Financial expenses		(294,794)	(184,177)	(163,374)
FINANCIAL PROFIT	3.6	6,702	(48,203)	(17,292)
PROFIT BEFORE TAX & EXTRAORDINARY ITEMS		1,181,525	1,040,918	871,651
EXTRAORDINARY REVENUES		455,968	372,791	301,839
Extraordinary revenues on operations		24,309	37,662	14,408
Extraordinary revenues on fixed assets		267,167	194,018	197,962
Provisions recoveries		164,492	141,111	89,469
EXTRAORDINARY EXPENSES		(804,270)	(562,077)	(557,516)
Extraordinary expenses on operations		(17,627)	(41,338)	(75,626)
Extraordinary expenses on fixed assets		(562,133)	(376,806)	(324,558)
Depreciations and provisions expenses		(224,510)	(143,933)	(157,332)
EXTRAORDINARY LOSS	3.7	(348,302)	(189,286)	(255,677)
PROFIT SHARING		(18,455)	(16,739)	(12,833)
INCOME TAX	3.8	(259,827)	(258,531)	(195,393)
NET PROFIT		554,941	576,362	407,748

TF1 SA
CASH FLOW
STATEMENT

(IN FF THOUSANDS)	31 Dec. 95	31 Dec. 94	31 Dec. 93
1. Operating activities			
Net profit	554,941	576,362	407,748
Depreciations and provisions (1) (2)	61,368	213,515	153,696
Investments grants reported as income	(954)	(2,304)	-
Capital gains (losses) on disposal of assets	64,307	1,121	8,096
CASH FLOW	679,662	788,694	569,540
Purchase of programmes (2)	(4,452,279)	(4,132,541)	(3,888,481)
Depreciations & provisions of programmes (2)	4,190,612	4,060,236	3,917,912
Stocks	463	(806)	96
Trade debtors	(266,604)	(252,253)	(234,973)
Trade creditors	169,215	(5,645)	40,674
Expenses to amortise over several periods	-	-	-
Net advances from third parties	14,381	(23,377)	(2,850)
INCREASE (DECREASE) IN WORKING CAPITAL NEEDS	(344,212)	(354,386)	(167,622)
NET CASH FLOW FROM OPERATING ACTIVITIES	335,450	434,308	401,918
2. Investment activities			
Purchase of fixed assets (1) (2)	(69,899)	(58,902)	(43,860)
Proceeds of sale fixed assets (1) (2)	443	7,962	21,125
Purchase of investments	(148,025)	(19,427)	(77,711)
Proceeds of investments	10,940	2,102	3,737
Net variation on payables to fixed assets suppliers	33,897	(1,504)	(23,888)
Net variation on other financial assets	703	1,318	2,295
NET CASH FLOW FROM INVESTING ACTIVITIES	(171,941)	(68,451)	(118,302)
3. Financing activities			
Increase in shareholders equity	-	930	3,720
Net change in borrowings	29,435	36,519	(16,164)
Dividends paid	(315,000)	(262,500)	(210,000)
NET CASH FLOW FROM FINANCING	(285,565)	(225,051)	(222,444)
TOTAL INCREASE (DECREASE) IN CASH	(122,056)	140,806	61,172
Cash at beginning of period	747,715	606,909	545,737
Net inflow (outflow)	(122,056)	140,806	61,172
Cash at closing period	625,659	747,715	606,909

(1) Programmes not included.

(2) In the company accounts, the purchase the consumption, the sale of programmes and the expired rights are recorded under «intangible fixed assets». In order to allow comparison with the consolidated accounts, all of the above were included in «Increase (decrease) in working capital needs».

NOTES
TO THE COMPANY
ACCOUNTS

Principles of accounting and presentation of the accounts for the twelve-month financial year ended December 31, 1995.

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. General principles

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

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

1.1.2. 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.

1.1.3. 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.

1.1.4. 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 in progress». 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 December 31, 1986, resulting only in the restatement of property assets in rue de l'Université.

Depreciation methods are set out in the table hereafter:

Buildings	Straight line	40 years*
Technical facilities & equipment (before 1 Jan. 92)	Reducing balance	3 to 5 years
Technical facilities & equipment (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 December 31, 1986: 12 to 20 years)

1-3 FINANCIAL ASSETS

Financial assets are valued at their purchase cost. Provision is made for the amortization 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 when a risk exists for subsidiaries controlled by TF1. Provisions are evaluated according to the 1982 French Chart of Accounts.

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 January 1, 1993;
- 50% of their total amount, net of tax, for accounts receivable falling due between January 1, 1993 and December 31, 1993.

1-5 MARKETABLE SECURITIES

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

Since marketable securities are systematically sold and re-purchased at the end of the year and are valued at their price of December 31, no provision is necessary.

1-6 GOVERNEMENT GRANTS FOR INVESTMENT

If established for good, government grants for investment are credited to a deferral account and released to revenue as and when the corresponding assets are depreciated.

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 July 3, 1970, which define monthly percentages as follows:

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

■ 2. NOTES TO THE
BALANCE SHEET

2-1 INTANGIBLE FIXED
ASSETS

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

Summary of programme movements

(FF MILLION)	31 DEC. 95			31 DEC. 94
	EXTERNAL PRODUCTION	IN-HOUSE PRODUCTION	TOTAL PRODUCTION	
Programmes in progress	522	14	536	518
Programmes ready for broadcasting	1,494	8	1,502	1,394
Rights available for rebroadcasting	299	-	299	267
VALUE OF PROGRAMMES AT 1 JAN. 95	2,315	22	2,337	2,179
<i>Add:</i>				
INVESTMENTS				
1 JAN. 95 TO 31 DEC. 95	3,147	1,791	4,938	4,498
<i>Subtract:</i>				
DISINVESTMENTS				
1 JAN. 95 TO 31 DEC. 95				
Cost 1 st transmission	(2,330)	(1,753)	(4,083)	(3,914)
Cost 2 nd transmission	(77)	-	(77)	(60)
Total cost of broadcast	(2,407)	(1,753)	(4,160)	(3,974)
Rights expired	(103)	-	(103)	(80)
Rights retired	(83)	(42)	(125)	(108)
Rights sold (residual book value)	(257)	-	(257)	(178)
TOTAL DISINVESTMENTS	(2,850)	(1,795)	(4,645)	(4,340)
VALUE OF PROGRAMMES AT 31 DEC. 95	2,612	18	2,630	2,337
BREAKDOWN				
Programmes in progress	704	8	712	536
Programmes ready for broadcasting	1,549	10	1,559	1,502
Rights available for rebroadcasting	359	-	359	299
TOTAL	2,612	18	2,630	2,337

NB:

At December 31, 95, the total provisions for depreciation of programmes ready for transmission amounted to FF 131 million, after allocations to provisions of FF 40 million and recoveries of FF 69 million over 1995 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:

Gross values

(FF MILLION)	1 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Lands	37	-	-	37
Buildings	111	-	-	111
Technical facilities & equipment	233	32	1	264
Other	362	34	13	383
Work in progress	1	4	1	4
TOTAL	744	70	15	799

Depreciations

(FF MILLION)	1 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Buildings	29	4	-	33
Technical facilities & equipment	136	38	1	173
Other	126	42	9	159
TOTAL	291	84	10	365

2-3 FINANCIAL ASSETS

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

- STUDIOS 107	FF 10.7 million	a	100%	stake
- BANCO PRODUCTION	FF 10.0 million	a	100%	stake
- TVRS 98	FF 0.23 million	a	22.5%	stake
- TF1 EUROPE	FF 38.0 million	a	100%	stake
- GLEM GROUPE SA	FF 51.0 million	a	60%	stake
- LA CHAINE INFO	FF 28.5 million	a	100%	stake
- TF1 FILMS PRODUCTION	FF 9.6 million	a	100%	stake

TF1 held SFP shares for an amount of FF 42 million, fully depreciated. On the Extraordinary General Meeting of November 9, 1995, SFP decided a capital increase offset by losses carried forward. As TF1 did not subscribe to this operation, shares' value became nil. Consequently, SFP shares were written-off and provisions fully recovered.

In 1995, TF1 sold its SOREAD shares to Syalis SA at net accounting value i.e. FF 10 million. Those shares were

held at a gross accounting value of FF 29 million and provisioned up to FF 19 million.

TF1 also sold its Une Musique shares to TF1 Entreprises for an amount of FF 0.25 million.

At December 31, 1995, the total value of the shares reported in the balance sheet of TF1 S.A. amounts to FF 648 million, with depreciations amounting to FF 110 million.

2-4 DEBTORS

2.4.1. Accounts receivable from TF1 PUBLICITE

Since January 1, 1989, TF1 PUBLICITE buys advertising slots from TF1 S.A., and sells them 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 1,020 million at December 31, 1995, as compared with FF 986 million at December 31, 1994.

2.4.2. Due dates for debtors

The debtors linked to fixed assets and current assets, totalling FF 3,041 million, essentially fall due within one year.

Only a proportion of the debtors carried under fixed assets (FF 13 million) and current assets (FF 15 million) fall due after one year.

2-5 MARKETABLE SECURITIES

These consist of «SICAV» unit trusts amounting to FF 605 million (all capital gains have been taken on December 31, 1995) and of FF 6.6 million worth of TF1 shares bought within the stock options Plan.

2-6 DEFERRED EXPENSES

Deferred expenses account for FF 244.2 million including FF 230.9 million related to prepaid sports transmissions.

2-7 SHARE CAPITAL

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

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

(FF MILLION)	AT 1 JAN. 95	ALLOCATION OF PROFIT (GENERAL MEETING OF JUNE 12, 95)	OTHER MOVEMENTS	AT 31 DEC. 95
Share capital	210	-	-	210
Revaluation reserve	31			31
Legal reserve	21			21
Long term capital gain reserves	164			164
Balance carried forward	266	11		277
Other reserves	400	250		650
Profit of the year	576	(576)	555	555
SUB-TOTAL	1,668	(315)	555	1,908
Investment grants	2		(1)	1
Regulated provisions	488		60 ⁽²⁾	548
TOTAL	2,158	(315)⁽¹⁾	614	2,457

(1) Dividends paid on June 30, 1995

(2) Net movements of the year

2-8 PROVISIONS FOR LIABILITIES AND CHARGES

Defined as stated under section 1-8, these provisions break down as shown in the opposite table:

(FF MILLION)	01 JAN. 95	INCREASE	DECREASE	31 DEC. 95
Claims	39	56	(21)	74
Associated companies	134	123	(120)	137
Bad debts	19	-	(1)	18
Other	1	-	(1)	-
TOTAL	193	179	(143)	229

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

■ 3. NOTES TO THE PROFIT AND LOSS ACCOUNT

2-9 CREDITORS

2.9.1. Bank borrowings

There are no bank overdrafts as of December 31, 1995.

The Company still has the possibility to draw up to FF 450 million on credit facilities in several banks. This was not used on December 31, 1995.

2.9.2. Other financial creditors

Cash put at TF1's disposal by its subsidiaries in accordance with cash management agreements is recorded under this item in the amount of FF 636 million.

2.9.3. Tax and social liabilities

Pension costs:

Rights accrued by personnel aged 50 and over were covered in 1990 by an insurance policy and therefore no longer appear under this item.

2.9.4. Other creditors

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

2.9.5. Due dates for creditors

The creditors, totalling FF 4,050 million, fall due within one year.

3-1 BREAKDOWN OF TURNOVER

Advertising revenues amount to FF 6,838 million and correspond to advertising space and sponsorship sold by TF1 Publicité, less the fees enabling TF1 Publicité to cover operating costs i.e. FF 505 million.

Other revenues refer to various sales and services amounting to FF 59 million.

3-2 TAXES AND LEVIES

This item essentially records TF1's contribution to the French National Cinema Council, business tax and the ORGANIC for an amount of FF 385 million.

3-3 WAGES AND SALARIES

This item includes freelance workers' wages for an amount of FF 74 million, as against FF 55 million in 1994.

3-4 SOCIAL SECURITY CHARGES & EMPLOYMENT EXPENSES

This item includes FF 13 million of personnel benefits, relating to the employer's contribution to the Company Savings Plan set up when TF1 was privatised and covers employee subscriptions for 1990, 1992, 1993, 1994 and 1995.

3-5 OTHER EXPENSES

This item covers payments to authors for an amount of FF 277 million.

3-6 FINANCIAL EXPENSES AND REVENUES

Financial expenses with respect to associated companies amount to FF 46 million and financial revenues to FF 18 million.

3-7 EXTRAORDINARY ITEMS

The extraordinary items for 1995 break down as follows:

(IN FF MILLION)	
Capital losses on disposal and retirement of programmes	(231)
Net provisions (including special depreciation for tax purposes)	(60)
Capital losses on disposal of tangible fixed assets	(3)
Capital losses on disposal of financial assets ⁽¹⁾	(60)
Other	6
NET LOSS	(348)

(1) counterbalanced by provision recoveries in financial revenues.

3-8 CORPORATE INCOME TAX

Income tax also takes into account the net losses recorded by GIE APHELIE (FF 44 million) and the limited partnership LA CHAINE INFO (FF 122 million).

The difference between theoretical income tax rate, stated at 36 2/3% and actual income tax rate also results from dividends deduction (FF 59 million).

The impact of higher Corporation Tax rate was FF 24 million.

Since January 1, 1989, TF1 has applied the tax consolidation system and renewed this option on January 1, 1994. The subsidiaries considered within the scope of tax consolidation are TF1 Publicité, Une Musique, TF1 Films Production, TF1 Entreprises, Protécra, TF1 Europe, Syalis, TF1 Publicité Production, TF1 Boutiques, TF1 Développement, Télé Achat Câble, Compagnie Internationale de Communication and Banco Production.

4. OTHER INFORMATION

4-1 OFF-BALANCE SHEET COMMITMENTS

On December 31, 1995, the various types of commitments and their fulfillment dates split up as follows:

(FF MILLION)	WITHIN LESS THAN ONE YEAR	OVER ONE YEAR	TOTAL
Programmes and broadcasting rights	1,114	1,023	2,137
Sports broadcasting rights	594	1,081	1,675
Real-estate leasing	82	1,552	1,634
Other	3	10	13
TOTAL	1,793	3,666	5,459

The "Programmes" item includes long-term contracts relating to variety shows and children programmes for an amount of FF 938 million.

The "broadcasting rights" item includes a TF1's FF 230 million commitment to SOGEDIF.

TF1 is committed to purchasing from GIE SOGEDIF, feature films rights acquired by GIE SOGEDIF at TF1's request, up to a maximum of FF 400 million.

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

Group's commitments regarding real-estate leasing contracts

In June 1994, TF1 leased its office building, 1 quai du Point du Jour in Boulogne, that it has been occupying since 1992.

This contract has a 15 year duration and amounts to FF 1,080 million (excl. interest charges):

- land: FF 300 million
- building: FF 380 million
- technical facilities: FF 400 million

TF1 has a purchase option from the seventh year at net accounting value. This financial lease contract with GIE Aphélie replaces the commercial lease originally contracted between TF1 and GAN.

Original value	1,080
Lease payments	134
- accumulated	40
- financial year	94
⁽¹⁾ Theoretical depreciation charges	84
- accumulated	28
- financial year	56
Estimated remaining future lease payments ⁽²⁾	
- less than one year	82
- between one and five years	384
- more than five years	979

(1) Depreciation charges that would have been accounted for if the building was possessed by the company.

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

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 stated in the opposite table:

	1995	1994	1993
College 1 - Workers and clerical employees	120	128	158
College 2 - Technical staff	440	430	417
College 3 - Managerial and executives	437	393	375
College 4 - Journalists	241	236	244
TOTAL	1,238	1,187	1,194

4-3 DIRECTORS' FEES

Directors' fees paid in 1995 amounted to FF 1.2 million.

4-4 MOVEMENTS OF PROVISIONS

(FF MILLION)	1 JAN. 95	INCREASE	DECREASE	31 DEC. 95
REGULATED PROVISIONS				
In respect of intangible fixed assets (programmes)	488	225	(165)	548
PROVISIONS FOR LIABILITIES AND CHARGES	193	180	(144)	229
PROVISIONS FOR DEPRECIATION OF FIXED ASSETS	164	40	(69)	135
PROVISIONS ON FINANCIAL ASSETS				
Long-term investments	170	-	(60)	110
Related loans	10	-	-	10
Deposits and warranties	-	-	-	-
PROVISIONS FOR DEPRECIATION OF CURRENT ASSETS	12	-	(1)	11
TOTAL	1,037	445	(439)	1,043

4-5 INVENTORY OF INVESTMENT SECURITIES
AS OF 31 DEC. 1995

FINANCIAL INVESTMENTS	NUMBER OF SHARES	%	INVENTORY VALUE IN FF
SYALIS	2,494	99.76	289,297,549
TF1 FILMS PRODUCTION	169,993	100.00	104,176,740
TF1 ENTREPRISES	519,988	100.00	103,574,567
PROTECREA	99,994	99.99	22,319,339
TF1 PUBLICITE	29,994	99.98	20,056,787
BANCO PRODUCTION	129,993	99.99	18,505,521
GLEM GROUPE SA	1,500	60.00	10,135,800
TELE SHOPPING	8,496	84.96	15,904,007
STUDIOS 107	119,994	100.00	9,953,945
MEDIAMETRIE	1,000	10.75	2,427,459
TF1 EUROPE	209,993	100.00	1,540,388
TECHNISONOR	5,632	6.84	728,336
MERY PRODUCTION	4,994	99.88	499,400
TELE ACHAT CABLE	2,493	99.72	243,523
TVRS 98	225	22.50	225,000
SAGAS	848	33.92	120,711
LUXTEL 1	12,498	99.98	13,158
UNE MUSIQUE	1	0.04	4,174
C.I.C.	1	0.01	515
SYALIS VARIETES	1	0.04	100
SYALIS SPOPS	1	0.04	100
SYALIS MDS	1	0.04	100
TOTAL FINANCIAL INVESTMENTS			606,839,587

SHORT TERM INVESTMENTS	NUMBER OF SHARES	QUOTATION AS OF 31 DEC. 95	INVENTORY VALUE IN FF
CENTRALE MONETAIRE	6,178	23,474.62	145,026,202
PRIMA CIC	117	1,196,324.70	139,969,990
BIP	1,240	111,766.21	138,590,100
UNION PLUS	408	171,994.87	70,173,907
CF JOUR	3,006	21,630.95	65,022,636
CHASE MANHATTAN	3,048	15,231.08	46,424,332
TOTAL SHORT TERM INVESTMENTS			605,207,167

TF1 SA shares 14,000 472.57 ⁽¹⁾ 6,615,936

(1) average buying price

TOTAL INVESTMENT SECURITIES 1,218,662,690

4-6 SUBSIDIARIES AND FINANCIAL INVESTMENTS (in thousands of FRF or foreign currency units (if indicated))

COMPANIES OR GROUP OF COMPANIES	CURRENCY	SHARE CAPITAL	RESERVES	HOLDING	GROSS BOOK VALUE OF HELD SHARES	NET BOOK VALUE OF HELD SHARES	GRANTED LOANS AND CREDITS NOT YET REIMBURSED	GRANTED GUARANTEES & PLEDGES	TURNOVER OF LAST ACCOUNT. YEAR	NET RESULT OF LAST ACCOUNT. YEAR	DIVIDENDS PAID DURING THE ACCOUNTING YEAR
I - SUBSIDIARIES (holding of at least 50% of shares)											
- TF1 PUBLICITÉ		15,000	1,616	99.98%	19,925	19,925	-	-	7,388,661	3,363	6,300
- TF01		500	-	99.86%	499	-	8,154	-	-	-	-
- TF1 FILMS PRODUCTION		17,000	200	100.00%	11,599	11,599	-	-	154,172	(13,319)	-
- TÉLÉ-SHOPPING		1,000	230	84.96%	850	850	-	-	318,089	17,099	10,200
- TF1 EDITIONS		500	1,661	99.88%	3,406	3,406	-	-	20,940	(2,346)	-
- TF1 ENTREPRISES		52,000	4,243	100.00%	52,002	52,002	-	-	497,924	47,182	21,320
- SYALIS		250	279,030	99.76%	273,402	273,402	-	-	-	10,615	11,000
- BANCO PRODUCTION		13,000	163	99.99%	12,999	12,999	-	-	91,749	9	-
- TF1 EUROPE		21,000	-	100.00%	127,999	39,000	-	-	-	(9,271)	-
- PROTÉCRÉA		10,000	802	99.99%	14,699	14,699	-	-	173,903	10,269	3,300
- LUXTEL 1	LUF	1,250	-	99.98%	200	200	-	-	-	(40)	-
- STUDIOS 107		12,000	-	100.00%	30,699	14,012	-	-	54,211	(2,029)	-
- TÉLÉ ACHAT CÂBLE		250	-	99.72%	249	249	-	-	-	(2)	-
- MERY PRODUCTION		500	-	99.88%	499	499	-	-	-	-	-
- LA CHAÎNE INFO		30,000	-	99.95%	29,985	29,985	-	-	136,467	(122,607)	-
- TF1 BOUTIQUES		250	25	99.76%	249	-	-	-	1,893	2,451	-
- GLEM GROUPE SA		250	972	60.00%	51,000	51,000	-	-	190,399	15,671	-
II - FINANCING INVESTMENTS (holding 10% to 50% of shares)											
- MÉDIAMÉTRIE		930	9,093	10.75%	100	100	-	-	150,829	1,997	30
- FMI		1,000	-	13.33%	133	-	1,867	-	-	-	-
- MERCURY INTERN. FILM	DEM	1,000	-	50.00%	1,674	1,674	-	-	-	-	-
- TRICOM SA		3,000	-	33.32%	1,000	1,000	-	-	-	(244)	-
- TV SPORT		15,000	-	31.00%	4,650	4,650	-	-	157,661	550	-
- SAGAS		250	25	33.92%	85	85	-	-	883	30	-
- PUBLICATION HACHETTE FILIPACCHI TF1		5,000	-	49.00%	2,450	-	-	-	-	-	-
- TELCARTE		4,000	-	24.50%	6,331	5,498	-	-	-	-	-
- TVRS 98		1,000	-	22.50%	225	225	-	-	-	-	-
III - FINANCING INVESTMENTS (holding less than 10% shares)											
- TECHNISONOR		8,225	1,841	6.84%	563	563	-	-	14,754	(2,598)	-
- TÉLÉ EUROPE		6,000	3,619	8.73%	419	419	-	-	31,485	(9,765)	-
- TF1 PUBLICITÉ PRODUCTION		50	5	1.00%	1	1	-	-	81,403	570	8
- GIE GIC		-	-	0.02%	0	0	-	-	-	-	-
- GIE CHALLENGER		-	-	0.50%	5	5	-	-	-	-	-
- CIC		785	91	0.01%	1	1	-	-	64	211	-
- MEDIAMETRIE EXPANSION		12,000	-	5.00%	600	600	-	-	-	(4,285)	-
- UNE MUSIQUE		250	25	0.04%	0	0	-	-	171,606	10,003	6,997
- SYALIS VARIETES		250	-	0.04%	0	0	-	-	-	-	-
- SYALIS SPOPS		250	-	0.04%	0	0	-	-	-	-	-
- SYALIS MDS		250	-	0.04%	0	0	-	-	-	-	-
TOTAL					648,498	538,647					

■ 5. SIGNIFICANT
ELEMENTS OF
THE NOTES TO THE PRIOR
ACCOUNTING PERIOD

Except for the following restatement,
notes to the 1995 accounts do not
include any significant change in res-
pect to prior accounting periods.

In 1994 and 1993:
None.

TF1 STOCK : MARKET AND YIELD

■ 1. DIVIDEND AND YIELD

Since privatisation in 1987, the number of outstanding shares has been 21,000,000.

YEAR	DIVIDEND PAID (FF)			SHARE PRICE (FF)			YIELD (BASE: LAST PRICE)
	NET	TAX CREDIT	TOTAL	HIGH	LOW	LAST	
1987	-	-	-	210	149	170	-
1988	3.0	1.5	4.5	411	165	410	1.1%
1989	5.0	2.5	7.5	448	278	300	2.5%
1990	7.0	3.5	10.5	358	220	290	3.6%
1991	8.0	4.0	12.0	383	260	300	4.0%
1992	10.0	5.0	15.0	542	300	367	4.1%
1993	12.5	6.25	18.75	583	361	491	3.8%
1994	15.0	7.5	22.5	572	437	484	4.6%
1995	16.0 ⁽¹⁾	8.0	24.0	549	410	525	4.6%

(1) To be approved by the General Meeting

The TF1 stock is listed on the «Second Marché» of the Paris Stock Exchange and is part of the SBF 120 index.

TF1's market capitalisation amounted to around FF 11,000 million on December 29, 1995.

No application for admission to quotation on another market is under way.

Dividends are at the shareholders' disposal from the date they are payable, either at TF1 for nominal securities, or at the financial institutions for bearer and registered securities.

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

■ 2. TAX STATUS

In the present state of the French Law, the tax status for stocks applies to:

* Individual shareholders, French residents:

Dividends from French stocks are part of securities revenues in order to determine the taxpayer's global income.

They will consequently be liable to income tax on top of:

- additionnal contribution of 1%
- CSG of 2,4%,
- social levy of 1%.
- CRDS on 11 twelfth of its amount.

These dividends will also benefit from the same annual allowance as bonds' revenues: FF 16,000 for married couples and FF 8,000 for unmarried, widows or divorced people.

* Legal entities liable to corporation tax and French residents:

Dividends paid are liable to common law conditions.

Shareholders are likely to benefit from the parent companies' status if they hold more than 10% of the share capital of the distributing company or if the cost of their stake is higher than FF 150 million.

* Shareholders from foreign countries:

Dividends distributed by companies whose head office is in France are liable to a 25% withhold when tax payer's head office or fiscal address is outside France. This withhold is likely to be reduced or abolished should international tax agreements take place.

3. SHARE PRICE AND TRADING VOLUMES

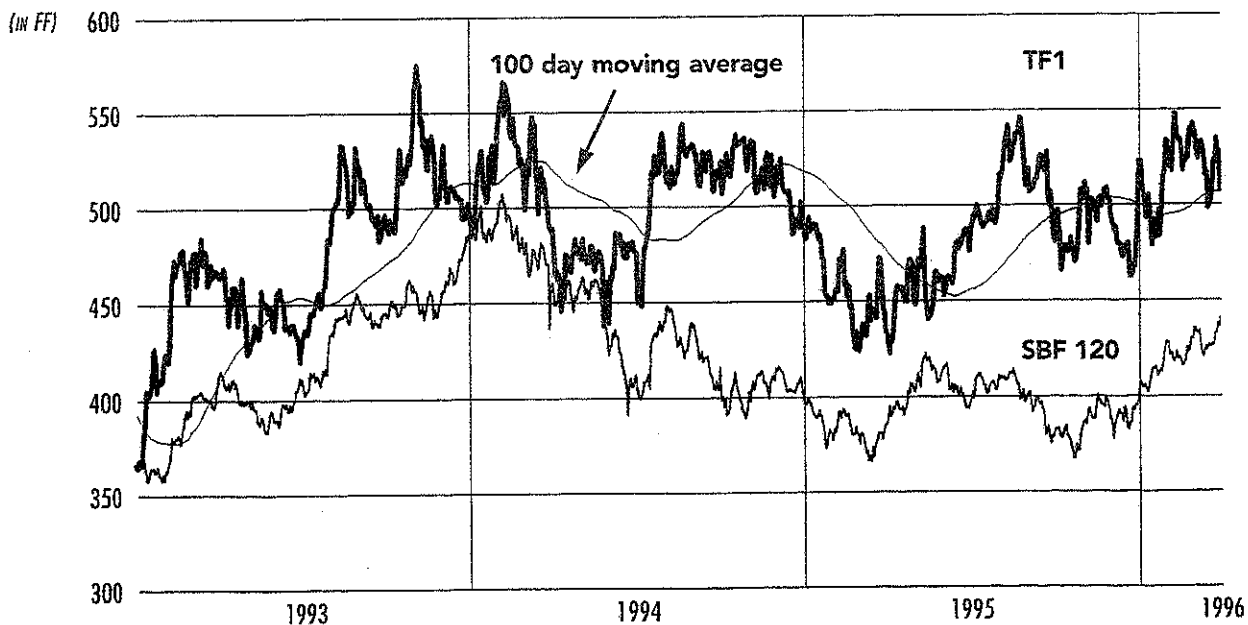
TF1's share price and trading volumes for the last 3 years and the current financial year:

YEAR	MONTH	LOW (FF)	HIGH (FF)	CLOSE (FF)	SHARE TRADED
1993	January	361	430	421	714,923
	February	420	489	474	906,832
	March	458	488	468	695,957
	April	416	470	427	438,795
	May	425	468	440	449,403
	June	420	464	435	488,932
	July	431	490	484.5	459,737
	August	479	543	529	751,718
	September	481	528	494	551,013
	October	485	573	564	577,172
	November	491	583	515	601,163
	December	477	543	491	758,800
1994	January	488	563	558	1,160,641
	February	501	572	515	579,815
	March	461.5	556	468	905,999
	April	437	493	474	1,029,603
	May	446	490	446	417,103
	June	440	493	451	627,956
	July	449	541	526	810,768
	August	505	547	530	794,638
	September	501	534	518	442,215
	October	510	541	534	453,379
	November	503	538	523	589,035
	December	475	529	484	433,066
1995	January	430	503	452	565,600
	February	410	478.5	427.5	404,090
	March	421.5	490	432	795,175
	April	430	479	449	435,632
	May	437	493	462	508,045
	June	451.5	500	477.5	886,762
	July	479	505	495.5	452,572
	August	493	549	512	784,563
	September	486	530	486	671,080
	October	460	514	505	732,406
	November	475	519	493	571,093
	December	456	531	525	374,004
1996	January	475	555	535	590,819
	February	510	553	539	530,832
	March	484	558	515	471,528

4. TF1 SHARE PRICE/SBF 120 INDEX

From January 4, 1993 to March 29, 1996

Data: Société des Bourses Françaises - Bourse de Paris
(traded volumes represent transactions on the negotiating CAC system).



INFORMATION CONCERNING TF1 SA

GENERAL INFORMATION

Name:

TELEVISION FRANÇAISE 1 - TF1

Registered office:

176/180, rue de l'Université
75007 PARIS

(will be transferred 33, rue Vaugelas
75015 PARIS if permitted by General
Meeting of June 12, 1996)

Trade register :

PARIS B 326 300 159

INSEE N° :

326 300 15900075

APE code :

922C

Form:

Public limited company
("Société Anonyme")

Date of creation:

September 18, 1982

Date of expiry:

January 31, 2082

Financial year:

January 1 to December 31

CORPORATE SCOPE

(art. 2 of the corporate charter)

TF1's scope is :

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

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

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

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

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

STATUTORY APPROPRIATION OF INCOME

(art. 26 of the corporate charter)

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

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

Distributable income is comprised of :

- the income of the financial year less previous losses and amounts credited to reserve, in application of the law and statutes,
- the income carried forward from previous financial year.

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

GENERAL MEETINGS

(art. 7 and 21 of the corporate charter)

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

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

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

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

STRUCTURE SERVICING STOCK AND PROVIDING FINANCIAL SERVICES

TF1 as issuing company.

CAPITAL (art.6 of the corporate charter)

On April 11, 1995, the capital of TF1 amounted to FF 210,000,000, fully paid, divided into 21,000,000 shares each of FF 10 nominal value.

The issued shares represent 100% of the share capital and existing voting rights.

There are no founder shares, dividend-right certificates, convertible or exchangeable bonds or other securities giving access to the capital, nor voting rights certificates, or double voting rights.

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

The company is authorised to make use of the legal provisions allowed to identify shareholders possessing voting rights in its own shareholders' meetings. In order to keep informed as to the breakdown of its capital, TF1 draws up from time to time lists of holders or bearers of registered shares via SICOVAM ("Société Interprofessionnelle pour la Compensation des Valeurs Mobilières").

ISSUE OPERATIONS

In accordance with the resolutions of the Ordinary General Meeting of June 14, 1994 valid for a duration of five years, the company is authorised to issue one or more bond debentures for a maximum amount of FF 1,500 million.

The table below details the different issues of securities that can be made by the company as authorised by the Extraordinary General Meeting of June 12, 1995 and the General Meeting of June 11, 1996.

The maximum nominal amount authorised for capital increases is FF 150 million.

The maximum nominal amount authorised for bond issues is FF 3,000 million.

	MAXIMUM NOMINAL AMOUNT (IN FF MILLION)	GENERAL MEETING	DURATION
Bond debentures	1,500	June 14, 94	5 years
Issues of shares and composite securities (including equity warrants), with PSR ⁽¹⁾	150	June 12, 95	26 months
Issues of shares and composite securities (including equity warrants), in take over bid or tender offer periods, without PSR	150	June 12, 95	26 months
Issues of shares and composite securities (including equity warrants) in take over bid or tender offer periods, with PSR	150	June 12, 95	26 months
Issues of shares and composite securities (including equity warrants) in take over bid or tender offer periods, without PSR	150	June 11, 96	1 year
Issues of shares reserved to employees subscribing to an Employees Savings Plan, without PSR	(2)	June 14, 94	5 years
Issues of shares for stock options plans without PSR	(2)	June 12, 95	5 years

(1) PSR: Preferential Subscription Rights.

(2) Within a global limit of 10% of share capital.

As of today, none of the authorisations granted by previous General Meetings has been used.

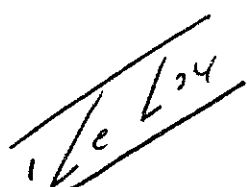
**PEOPLE RESPONSIBLE
FOR FINANCIAL
INFORMATION**

**PEOPLE ASSUMING
THE RESPONSIBILITY OF
THE ANNUAL REPORT :**

TF1

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

Patrick LE LAY
Chairman & Managing Director



Auditors

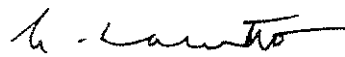
We have audited the financial statements reported in this document in accordance with generally accepted auditing standards by applying such auditing procedures as we considered necessary in the circumstances.

We have also audited the company accounts and consolidated accounts of 1993 to 1995 accounting periods.


We have no comments on the accuracy of the financial information provided in the present report.

Auditors

SALUSTRO-REYDEL
represented by Edouard Salustro



Jacques VILLARY



**INFORMATION AND
INVESTOR RELATIONS :**

■ **Jean-Pierre MOREL**

Deputy General Manager &
Chief Financial Officer
Tel.: (33) 1 41 41 25 99
Fax : (33) 1 41 41 29 10
E-mail : jpmorel@tf1.fr

■ **Christian LEMAIRE**

Financing & Investor Relations
Director
Tel.: (33) 1 41 41 27 32
Fax : (33) 1 41 41 29 10
E-mail : clemaire@tf1.fr

Legal documents can be consulted at :
TF1
Legal Affairs Department
1, Quai du Point du Jour
92656 BOULOGNE Cedex

You can also receive information on
the TF1 Group :

By mail :

TF1
Financing & Investor Relations
Department
1, Quai du Point du Jour
92656 BOULOGNE Cedex

By Minitel :

3615 TF1,
option BOURSE-ACTIONNAIRES.

By INTERNET :

<http://www.tf1.fr>
E-mail : comfi@tf1.fr

LEGAL FRAMEWORK

SHAREHOLDING

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

LICENCING CONDITIONS

TF1 is an audiovisual communications service subject to licence. The initial period of licence for use of frequencies issued to the group responsible for 50% of capital, led by BOUYGUES, by decision # 87-26 of April 4, 1987 is for ten years. Article 28.1 of the above law of February 1, 1994 stipulates that licences are «renewed by the CSA ("Conseil Supérieur de l'Audiovisuel")», without tender offer, limited to twice and on each occasion for a duration of five years, (...) unless the CSA considers that the penalty(ies) imposed on the licensee or claims made against the licensee justify, by reason of their seriousness, that the licence should not be renewed without tender offer.» The CSA gives a verdict on renewal without tender offer, one year before the expiry date of the licence for the service under consideration.

The decision # 87-26 of April 4, 1987 granted TF1 a 10-year licence for use of frequencies. This authorisation will end on April 15, 1997. On March 26, 1996, in accordance with the terms of the Law of February 1, 1994, the CSA renewed TF1's licences for use of frequencies for a period of 5 years, starting on April 15, 1997. This authorisation should be confirmed after the signature of the new agreement between TF1 and the CSA defining the channel's obligations and due in the fall of 1996.

MAIN LEGAL PROVISIONS AND OBLIGATIONS

Texts:

- Contract conditions set forth by Decree # 87-43 of January 30, 1987 and the Decision regarding licencing use of frequencies # 87-26 of April 4, 1987,
- Law # 86-1067 of September 30, 1986 as amended,
- Law # 94-88 of February 1, 1994,
- E.C. Directive on Transnational Television of October 3, 1989,
- Decree # 90-67 of January 17, 1990, as amended by Decree # 92-281 of March 27, 1992 and Decree # 95-1162 of November 6, 1995 (production obligations),
- Decree # 90-66 of January 17, 1990, as amended by Decree # 92-279 of March 27, 1992 (broadcasting obligations),
- Decree # 92-280 of March 27, 1992, repealing the decree of January 26, 1987 (obligations relating to advertising and sponsorship).

In terms of general broadcasting obligations and of investment in production, the principal legal provisions current in the month of March 1996 are the following:

- a maximum of 170 cinema films per year may be broadcast, of which a maximum of 104 shall begin between 8.30 p.m and 10.30 p.m. No cinema film shall be broadcast on Wednesday and Friday evenings, Saturday all day, Sunday before 8.30 p.m.
- broadcasting quotas apply for the whole broadcasting time and to peak viewing hours, to cinema and audiovisual works. 60% of broadcast material shall be of European origin and 40% of French origin.

- obligation to broadcast annually 670 hours of television news bulletins and 405 hours of television news magazines.

- obligation to invest 15% of net turnover for the commissioning of French-speaking audiovisual works, of which 10% from independent producers, and to broadcast 120 hours of French-speaking or European unreleased audiovisual works, starting between 8 p.m. and 9 p.m.

- obligation to commission SFP ("Société Française de Production") with a minimum annual volume of orders generating a turnover of FF 360 million for the years 1994 to 1996, under the terms of the memorandum of understanding signed with SFP on October 28, 1993.

- prohibited use of own means of production for programmes other than news and for up to 50% of annual volume of non-fiction programmes.

- obligation to invest 3% of net annual turnover in the co-production of French-speaking cinema works. This investment is to be achieved through a subsidiary of the broadcaster (TF1 FILMS PRODUCTION) operating as a minority. Its co-production part in its investment has to remain smaller than the pre-purchase part of the broadcasting right.

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

**JOINT GENERAL
MEETING
OF JUNE 11, 1996**

Extraordinary part

AGENDA:

- Possibility of utilizing the authority to increase capital in case of take over bid for shares of the company.
- Legal representation of the company in case of criminal action and correlative amendment to Article 16 of the corporate charter.
- Authority to deposit documents and procedure.

The extraordinary part of the Joint General Meeting will be based on supporting documentation.