Télévision Française 1

A public limited company (“Société Anonyme”)
with a share capital of €42,399,216
RCS Nanterre B 326 300 159

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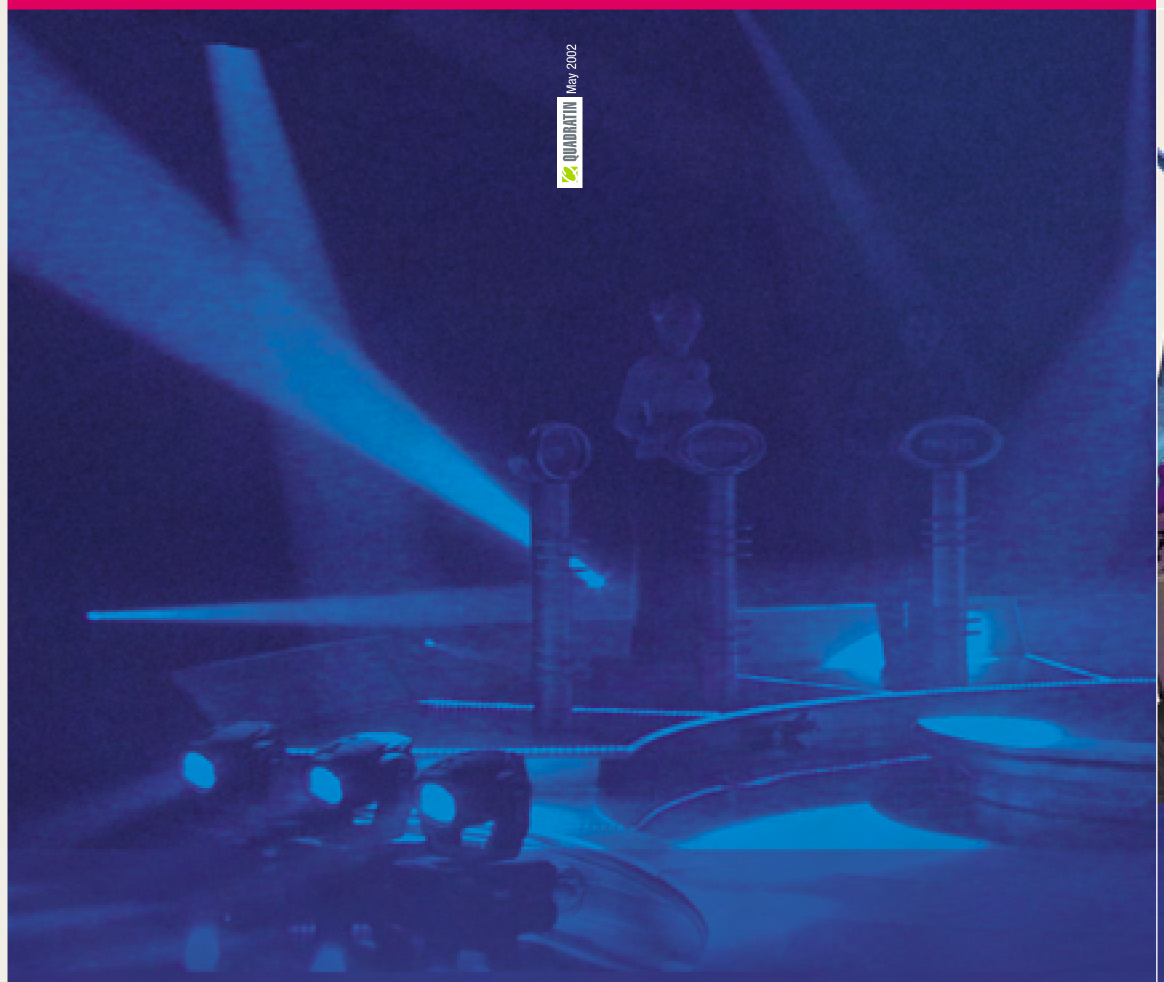
Annual report



Financial report 2001

TF1

Board of directors, auditors (March 2002)

Patrick LE LAY
Chairman & Chief Executive Officer of TF1 since October 11, 1988
Appointed April 17, 1987

- Administrator / Chairman & Chief Executive Officer of TV Breizh SA
- Chairman of TF1 Publicité SASU
- Administrator of Bouygues SA
- Administrator of Colas SA
- Permanent representative of TF1 Development for TPS Gestion SA
- Permanent representative of TF1 for Film Par Film SA
- Permanent representative of TF1 International SA for TF1 Films Production SA
- Permanent representative of TF1 for Téléma SAS
- Permanent representative of TF1 for SICCIS SA
- Permanent representative of TF1 Management Company for e-TF1 SCS

Patricia BARBIZET
Chief Executive Officer of Artémis
Co-opted July 12, 2000

- Administrator / Chief Executive Officer of Artémis SA
- Member of the Supervisory Board of Pinault-Printemps-Redoute SA
- Administrator of FNAC SA
- Permanent representative of Artémis for Bouygues SA
- Member of the Supervisory Board of Château Latour (SC)
- Permanent representative of Artémis for Sebdo le Point SA
- Member of the Supervisory Board of Yves Saint Laurent Couture SAS
- Member of the Supervisory Board of Yves Saint Laurent Parfums SA
- Administrator / Chairman & Managing Director of Théâtre Marigny SA
- Chairman / CEO / Administrator of Piasa SA
- Permanent representative of Artémis for AGEFI SA
- Administrator of Christies
- Administrator of Gucci

Martin BOUYGUES
Chairman & Chief Executive Officer of Bouygues
Appointed September 1, 1987

- Administrator / Chairman & Chief Executive Officer of Bouygues SA
- Administrator / Chairman & Chief Executive Officer of SCDM SA
- Administrator of ACTIBY
- Administrator of SADI (Société de Distribution d'Eau de la Côte d'Ivoire)
- Administrator of CIE (Compagnie Ivoirienne d'Electricité)

Claude COHEN
Chief Executive Officer of TF1 Publicité Since March 1, 1987
Co-opted October 7, 1997

- Administrator of Eurosport SA
- Chairman of TF1 Direct Marketing SAS
- Managing partner of TF1 Publicité Production SARL

Michel DERBESSE
Chief Executive Officer of Bouygues
Appointed January 19, 1994

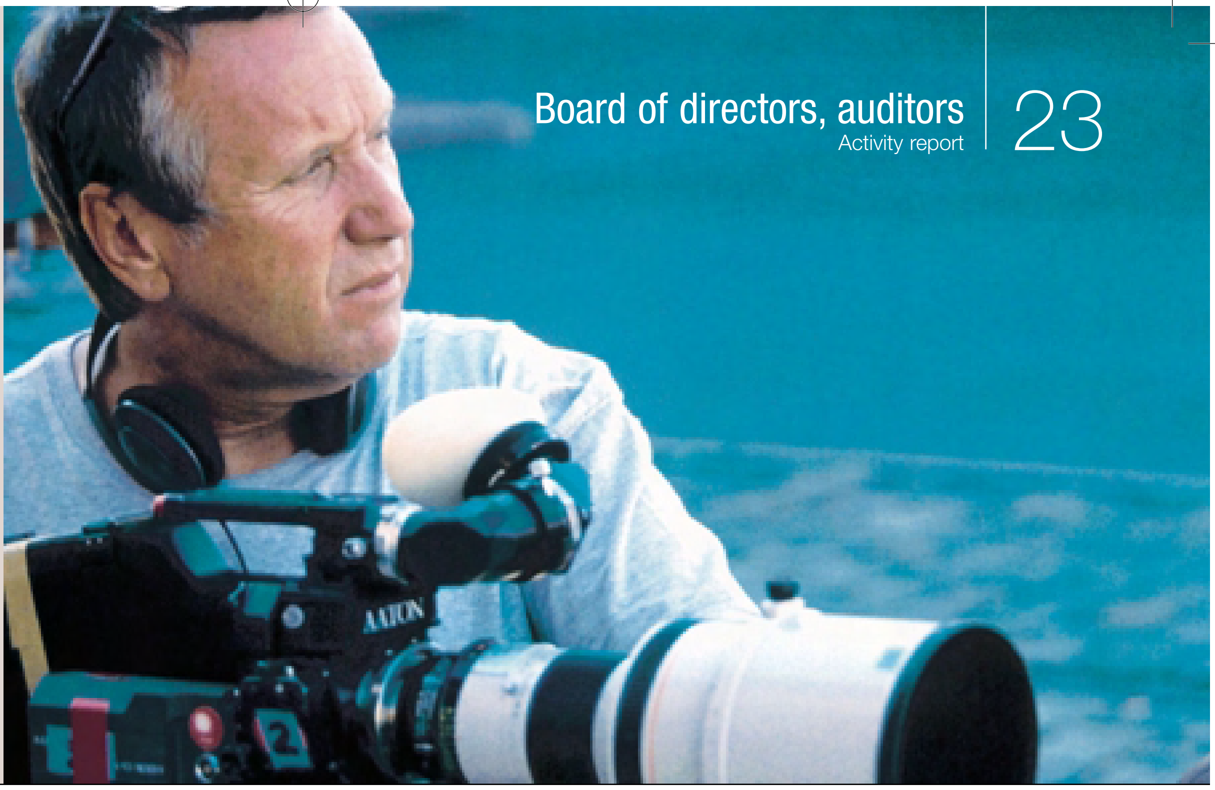
- Administrator / Chief Executive Officer of Bouygues SA
- Administrator of SCDM SA
- Administrator of Bouygues Construction SA
- Administrator of Colas SA
- Permanent representative of Bouygues for Société d'Aménagement Urbain et Rural SA
- Administrator of Bouygues Immobilier SA
- Administrator of Bouygues Offshore SA
- Administrator of BTD SA
- Administrator of Fédération nationale des Travaux Publics SA

Philippe MONTAGNER
Chief Executive Officer of Bouygues Telecommunications Department
Appointed January 23, 1995

- Administrator / Chief Executive Officer of Bouygues SA
- Administrator / Chairman & Chief Executive Officer of Bouygues Telecom SA
- Administrator / Chairman & Chief Executive Officer of Infomobile SA
- Administrator of Société d'Aménagement Urbain et Rural SA
- Administrator of ETDE SA
- Permanent representative of Bouygues for BTD SA

Etienne MOUGEOTTE
Senior Executive Vice President of TF1 since April 30, 1987
Appointed January 12, 1991

- Administrator / Chairman & Chief Executive Officer of Groupe Glem SA
- Administrator / Chairman & Chief Executive Officer of TF1 Films Production SA
- Administrator / Chairman & Chief Executive Officer of Tricom SA
- Administrator / Chairman & Chief Executive Officer of TF1 Digital SA
- Chairman of Alma Production SAS
- Administrator of Eurosport SA
- Administrator of TF1 Cinéma SA
- Administrator of SICCIS SA
- Legal representative of Tricom, Management Company for Tricom et Cie SCS
- Permanent representative of TF1 for TF6 Gestion SA
- Permanent representative of TF1 for Série Club SA
- Permanent representative of TF1 for Les Nouvelles Editions SAS
- Permanent representative of TF1 for TV Breizh SA
- Permanent representative of Groupe Glem for Glem SA
- Permanent representative of TF1 for Télévision Par Satellite Gestion SA
- Legal representative of TF1 Digital, Management Company for LCI SCS
- Permanent representative of Groupe Glem for Baxter SA
- Permanent representative of Groupe Glem for Glem Film SA
- Permanent representative of TF1 Films Production for Film Par Film



Corporate Governance

The Board of Directors met on six occasions in 2001. It is composed of 12 members including two directors representing the employees and three women. Each member has one vote. In the event of a tie, the chairman has a casting vote. 50% of the directors' fees, totalling €198,000, is paid in respect of their responsibilities as directors and the remaining 50% paid subject to the attendance of the directors at the different Board Meetings.
A Remuneration Committee has been set up to make proposals concerning the annual remuneration and service arrangements of Mr Patrick LE LAY.

Olivier POUPART-LAFARGE
Chief Financial Officer of Bouygues
Appointed April 17, 1987

- Administrator of Bouygues SA
- Administrator of Bouygues Telecom SA
- Administrator of Colas SA
- Administrator of BIC SA
- Administrator of SCDM SA
- Administrator of Société d'aménagement rural et urbain SA
- Administrator / Chairman of Bouygues Management UK LTD PVLC
- Permanent representative of Bouygues for Bouygues Construction SA
- Permanent representative of Bouygues for Bouygues Travaux Publics SA
- Permanent representative of Bouygues for Bouygues Bâtiment SA
- Permanent representative of Bouygues for Bouygues Immobilier SA
- Permanent representative of Bouygues for Bouygues Offshore SA
- Permanent representative of Bouygues for SFIB SA (Société Financière et Immobilière de Boulogne)

Alain POUYAT
Chief Executive Officer of Information Systems and New Technology of Bouygues
Co-opted March 18, 1998

- Administrator of Bouygues SA
- Administrator of ETDE SA
- Administrator of C2S SA
- Administrator of Société Parisienne d'Etudes Informatiques et de Gestion SA
- Permanent representative of Bouygues for Infomobile

Société Générale
*Represented by **Philippe Citerne,***
Chief Executive Officer of Société Générale
Appointed October 18, 1991

Major appointments of Société Générale
- Administrator of Silic SA
- Administrator of Fimatex SA
- Member of the Supervisory Board of Siparex SA
- Member of the Supervisory Board of Accor SA

Jean-Pierre PERNAUT
Vice President since February 1993
Elected February 23, 1988 Employee representative

Corinne CHEVRETON
Production executive January 1, 1995
Since June 30, 1997 Employee representative

Auditors

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

Cabinet MAZARS & GUÉRARD
Immeuble Le Vinci
4, allée de l'Arche, 92075 Paris La Défense
Date of first appointment
General Meeting of May 15, 2001
Expiry date of present appointment
General Meeting approving the 2006 annual accounts

Alternate auditors
Jean-Louis MULLENBACH
8, avenue Delcassé, 75008 Paris
Date of first appointment
General Meeting of January 14, 1988
Expiry date of present appointment
General Meeting approving the 2004 annual accounts

Thierry COLIN
Cabinet MAZARS & GUÉRARD
Immeuble Le Vinci
4, allée de l'Arche, 92075 Paris La Défense
Date of first appointment
General Meeting of May 15, 2001
Expiry date of present appointment
General Meeting approving the 2006 annual accounts

As at March 4, 2002: the majority of Directors were re-appointed for 2 years by the General Meeting of May 15, 2001. Alain POUYAT was re-appointed by the General Meeting of April 18, 2000. Jean-Pierre PERNAUT and Corinne CHEVRETON were re-elected as Employee representatives in 2000.

Combined Annual General Meeting on April 23, 2002
(Ordinary part)

Directors' report presented by the Board of Directors

Ladies and gentlemen,

We are assembled here today at the Ordinary Annual General Meeting, as required by French law and by our corporate statutes, to report to you on our management during the past financial year, submit the accounts for the 2001 financial year for your approval, and review the company's situation and growth prospects.

As in previous years, the accounts for financial year 2001 are presented for both TF1 Group (consolidated accounts) and for the parent company, Télévision Française 1.

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❶ *7 à 8*
❷ *Star Academy*

❷

1 - Activity and results 2001

1.1 - The Group

In 2001, Group TF1 achieved operating revenue of €2,325.1 M, an increase of 2.4%. The year's business on international markets represented 10% of total consolidated operating revenue.

Advertising revenue for the main channel decreased by 4.7%. This trend reflects an economic context that was less favourable than 2000 – GDP growth for 2001 stood at 2.1%[1] and the unemployment rate, which started rising during the second half year, reached 9%[1] in December. It is also the result of a significant fall in advertising investment across all media (- 1.1%[2] in 2001), but particularly for television (- 3.5%[3]).

Operating revenue from diversified activities reached €828.2 M, an increase of 18.4% compared to 2000 fuelled in particular by the 100% consolidation of the Eurosport group and the good performance of merchandising and production. On a like-for-like consolidation scope (that is, if the Eurosport group companies had been 100% consolidated in 2000), growth of these revenues would have been 1.1%. Operating revenue of diversified activities represented 35.6% of Group TF1's 2001 total consolidated operating revenue.

TF1 has continued its strategy of programming cost control, with an increase of 3.9%, and has intensified the monitoring of its general and administrative expenses through strict budgetary control.

Group TF1 reported an operating income of €375.9 M, a decrease of 11.2%, and achieved an operating margin on operating revenue of 16.2%.

The financial result was negative to the amount of €18.0 M partly because of diminished cashflow and debts linked to external growth (the acquisitions of 100% of Eurosport and 50% of Série Club), and partly resulting from a capital losses on investments disposed of.

Results from exceptional items amounted to €4.6 M.

Primarily as a result of the reduction of 18.8% of TPS losses, the share of losses of companies consolidated under the equity method fell by 24.5% to €24.9 M.

Net profit attributable to the Group was down by 16.0% to €210.3 M, that is a net margin on operating revenue of 9.0%.

At December 31, 2001, the shareholders' funds amounted to €975.5 M, an increase of 8.8%. The balance sheet total was €2,491.5 M.

(1) INSEE.
(2) Source: Sécodip.
(3) Source: Sécodip, TV national.

In 2001, the contributions of the Group's companies to operating revenue, operating income and net consolidated profit were the following:

	OPERATING REVENUE			OPERATING INCOME			CONSOLIDATED PROFIT		
(in € million)	2001	2000	1999	2001	2000	1999	2001	2000	1999
BROADCASTING	1,542.7	1,619.0	1,406,2	375.8	409.9	266.0	240.8	271.4	166,5
▶ TF1 SA	1,508.9	1,587.5	1,377.3	365.3	398.3	264.8	252.2	266.9	171.3
▶ TF1 PUBLICITÉ	10.8	10.7	10.7	4.3	6.3	1.0	6.5	4.1	0.7
▶ TF1 PUBLICITÉ PRODUCTION	8.0	7.1	7.5	0.3	0.4	(0.2)	0.2	0.2	(0.2)
▶ STUDIOS 107	15.0	13.7	10.7	0.9	0.9	(0.2)	0.3	0.4	(0.1)
▶ OTHERS	0.0	0.0	0.0	5.0	4.0	0.6	(18.4)	(0.2)	(5.2)
PUBLISHING & DISTRIBUTION	279.4	282.9	227.7	14.3	22.7	27.0	10.7	15.0	17.1
▶ TF1 ENTREPRISES	34.3	22.9	16.2	8.6	7.4	5.7	5.8	4.4	3.3
▶ TF1 VIDÉO (incl. CIC + RCV)	154.8	172.2	106.4	11.1	13.0	11.9	7.9	8.3	7.9
▶ UNE MUSIQUE	9.7	10.1	28.1	(1.0)	(1.2)	4.4	(0.8)	(0.7)	2.6
▶ TÉLÉSHOPPING	73.6	74.1	74.9	3.3	5.4	6.7	3.8	4.9	5.0
▶ EUROSHOPPING	6.9	3.1	1.5	(2.4)	(1.9)	(1.7)	(2.4)	(1.9)	(1.7)
▶ Sté NOUVELLES ÉDITIONS TF1	0.1	0.5	0.6	(0.2)	0.0	0.0	(0.1)	0.0	0.0
▶ TF1 MUSIC + SEBADO	0.0	-	-	(5.1)	-	-	(3.5)	-	-
EUROSPORT	299.5	175.9	88.1	23.0	9.0	4.8	3.5	3.4	3.3
THEMATIC CHANNELS	64.2	54.1	50.5	(6.6)	(0.5)	0.4	(6.4)	(0.6)	(0.8)
▶ TF1 DIGITAL	0.0	0.0	-	(0.2)	(0.4)	-	2.4	(0.4)	-
▶ LCI	43.8	46.2	44.4	(3.6)	0.9	1.1	(3.3)	1.7	-
▶ ODYSSÉE	8.4	7.7	6.1	0.9	0.6	(0.7)	0.8	0.4	(0.8)
▶ TF6	5.9	0.2	-	(5.2)	(1.6)	-	(5.4)	(1.5)	-
▶ TV BREIZH [1]	-	-	-	-	-	-	(1.6)	(0.8)	-
▶ SÉRIE CLUB	6.1	-	-	1.5	-	-	0.7	-	-
INTERNET	8.0	4.1	0.0	(14.8)	(18.2)	0.0	(16.3)	(18.6)	0.0
▶ e-TF1	8.0	4.1	-	(14.8)	(18.2)	-	(16.3)	(18.6)	-
PRODUCTION [2]	94.2	65.6	48.8	2.0	4.6	3.8	1.1	2.0	1.7
BROADCASTING RIGHTS [3]	37.1	68.7	33.3	(17.8)	(4.2)	(9.7)	(7.3)	(2.2)	(7.0)
DIGITAL TV [1]	0.0	0.0	0.0	0.0	0.0	0.0	(15.8)	(20.1)	(22.4)
▶ TPS	-	-	-	-	-	-	(23.2)	(30.6)	(36.3)
▶ TF1 DÉVELOPPEMENT	-	-	-	-	-	-	7.4	10.5	13.9
Total	2,325.1	2,270.3	1,854.6	375.9	423.3	292.3	210.3	250.3	158.4

Discrepancies with regard to individual company results are due essentially to restatements in the consolidated accounts of tax depreciation allowances, provisions and deferred tax.
(1) Consolidated under the equity method.
(2) Subsidiaries of the Production business: TF1 Films Production, Protécréa/Banco Production, Film Par Film, Groupe Glem, Téléma, Alma Production, TAP and Quai Sud.
(3) Subsidiaries of the audiovisual rights business: TF1 International, Groupe Ariane, Ciby DA, TCM and Films du Jour.

Broadcasting[1]

In 2001, daily television consumption broke new records: 197 minutes for individuals aged 4 and above against 193 minutes in 2000. This trend is all the more noticeable among women under 50, with an increase of 8 minutes (to 204 minutes).

With an audience share of 32.7% of individuals aged 4 and over and of 35.5% of women under 50, TF1 lost 0.7 and 0.4 audience share points, respectively, with these target audiences compared to 2000. However, TF1 is still well ahead of its main rival France 2 and has even increased the gap.

TF1 has once again shown its dynamism with the broadcast of 92 of the 100 top audiences in 2001 in the category of 4 years and above (it stood at 91 in 2000). Fiction dramas, news and the new entertainment programmes took pride of place in the channel's 2001 programming grid.

TF1 notched up 46 of the 48 top French TV dramas of the year, with regular shows such as *Julie Lescaut*, *Navarro* and *Les Cordier*, which remain the channel's blue-chip programmes. In 2001, TV dramas, TV films and series covered around 37% of the TF1 channel's broadcast time.

The success of the TF1 news broadcasts hosted by Patrick Poivre d'Arvor, Claire Chazal and Jean-Pierre Pernaut continues unabated over the years. The evening news at 8.00 pm on September 11 devoted to the initial news available on the New York disaster attracted 11.4 million viewers of 4 years and above (the 5th biggest audience for the year 2001).

In the year under review, TF1 decided to focus on innovation and renewal. The grid was therefore enhanced with a number of novelties in the area of entertainment and "real TV" with *Star Academy*, *Le maillon faible* as well as *Attention à la marche* and *Les aventuriers de Koh-Lanta*. These programmes have become highlights of the channel. Particularly the last edition of *Star Academy* in 2001 attracted 9.6 million viewers and exceeded 11 million at the beginning of 2002. For 2001, entertainment and games programmes represented almost 25% of the channel's broadcasting time, compared to 18% in 2000.

This new orientation of the channel's grid also applies to TV dramas, with the very promising advent of several heroes (*Sauveur Giordano* with Pierre Arditi and *Commissariat Bastille* with Smaïn), and new top-class TV dramas (*L'aîné des Ferchaux* with Jean-Paul Belmondo). It applies equally to news, with the Sunday news magazine *Sept à Huit* averaging 4.9 million viewers.

Advertising

The advertising market was hit by a difficult economic environment. At 2.1%[2], GDP growth was lower than in 2000 (when it was 3.2%[2]), the unemployment rate has been rising since July, and advertisers have been cutting back on their investment, especially in the telecommunications sector. The result is a drop of 1.1%[3] in cross-media advertising for 2001 after an exceptional year 2000 (+9.6%[3]).

Gross advertising investments on national television fell to €4.4 billion, a decrease of 3.5%[3]. Telecommunications (telephony and Internet) alone accounts for the totality of that fall in the market.

In that context, TF1's net advertising income decreased by 4.7% to €1,496.9 M, but still show a 10.8% increase over two years.

Different industry sectors showed significant advertising discrepancies. The telecommunications and food industries were down by 42.3%[3] and 6.6%[3], respectively, while publishing (+51.9%[3]) and the services sector (banking and insurance: + 28.6%[3]) expanded substantially in 2001.

The complementary channels market continued to be very concentrated, with 10 thematic channels accounting for more than 66% of advertising investment[4]. 2001 growth was around 36%[4]. TF1's advertising revenues from thematic channels and the Internet were up by 44.2% thanks notably to the change in scope linked to the consolidation of Eurosport.

Diversification activities

In 2001, operating revenue generated by the Group TF1 diversification activities and other products rose by 18.4% to €828.2 M, fuelled primarily by production and merchandising activities and the change in scope of the Eurosport group.

In the recent past there has not been a business interruption likely to have any significant impact on TF1's financial situation or its results.

(1) Source: Médiamétrie.
(2) Source: INSEE.
(3) Source: Sécodip.
(4) Source: Sécodip and gross figures reported by the channels.

❶ *Joséphine, Ange Gardien*
❷ *La vérité si je mens 2*

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

Publishing-distribution

TF1 Entreprises

TF1 Entreprises comprises the following departments:

- TF1 Licences, with 2001 revenue of €9.7 M (+12.8% compared with 2000), has benefited from the *Pokémon™* effect, for which it has sold 35 licenses in France (not including promotional operations). Pre-tax profit rose by 25.8% to €3.9 M.

- TF1 Interactif brought in 45.7% of TF1 Entreprises consolidated revenue and reported an increase of 25.7% in its activity compared with 2000 (€17.6 M vs. €14 M). This growth is linked to the success of the television games *Allô Quiz* and *Who wants to be a millionaire?* as well as to the *Star Academy* programme, which provoked more than 37 million calls in 2001 (+54%). Pre-tax profit showed growth of 27.3% to €5.6 M.

- TF1 Games is a new department, established in 2001 to produce parlour games. It started off well, notably with *Who wants to be a millionaire?*, the best-selling parlour game in France in 2001. TF1 Games was profitable in its first year of operation, with revenue of €5.2 M and pre-tax profit of €0.2 M.

TF1 Vidéo (including CIC and RCV)

In 2001, the French market recorded sales of 36.5 million tapes and 25.5 million DVDs[1].

TF1 Vidéo possesses a catalogue of over 3,000 items of all categories, from feature films and children's videos to sport. The musical *Roméo et Juliette*, *Le Fabuleux destin d'Amélie Poulain* and *La Tour Montparnasse Infernale* were among the best-sellers in 2001.
The DVD business contributes increasingly to total revenue (39% in 2001 compared to 25% in 2000).

In 2001, TF1 Vidéo revenue dropped by 9.9%, primarily due to weaker programming than in 2000 (*Pokémon™*, *Taxi 2*, etc).
Total units sales reached 13.2 million, a fall of 18.0%.

2001 net profit decreased by 4%, but net margin grew by 0.4 point to 5.3%.

Une Musique

After two years of recession, the French music market reported an 8% sales growth in 2001, with 166 units sold. This is basically due to the growth of national music titles that now represent 59% of the market.

Last year, Une Musique suffered from the slowdown of sales of the album *Emile & Images studio* and saw its revenue fall by 2.0% to €9.6 M.

The subsidiary's net loss is stable at €- 0.7 M.

Téléshopping

The mail order market was stable in 2001[2], but its market share has fallen in comparison with the advances of other distribution circuits.

Téléshopping revenues showed a marginal 0.9% improvement at €77.6 M. The reduction of air time had a mechanical impact on the Téléshopping business, which has found growth alternatives in catalogue and Internet activities. "Catalogue" revenue rose by 7.6% thanks to its more than one million active customers. And the www.teleshopping.fr site saw its business level and its monthly order tempo rise two fold in the year.

The Shopping Avenue channel finished the year with 1.3 million subscribers and revenue that improved by 18%.

Téléshopping net profit stood at €1.6 M, a decrease of 34.2% due to investments in a new sales system.

Les Nouvelles Editions TF1

In 2001, Les Nouvelles Editions TF1 published two titles, *Who wants to be a millionaire?* and *Méditerranée*, capitalising on the main channel's audiences. Revenue was €0.12 M.

(1) Source: SEV.
(2) Source: FEVAD.

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❶ *The Full Monty*
❷ *Walker Texas Ranger*
❸ *Les apprentis*
❹ *Passiflore*

The thematic channels

As of December 31, 2001, TF1 had direct stakes in eight thematic channels and indirect stakes in seven thematic channels developed by TPS.

Eurosport group

The year 2001 was marked by the acquisition on January 31 of the holdings of Canal+ and Havas Images in Eurosport. As a result of this operation, TF1 owns 100% of Eurosport International and Eurosport France.

2001 revenue reached €297.4 M, an increase of 8.1% over the previous year. It is the result of contrasting trends of its two prime sources of revenue:

- Receipts from cable and satellite operators increased by some 23.2% in 2001 thanks notably to the growth in the number of paying subscribers – which reached 44 million by the end of December 2001, i.e five million additional households;
- Advertising was down by 17.2% compared to 2000, due to a lack of major sporting events during the year. Advertising represents around 30% of total revenue.

Operating margin increased by 0.1 point to 8.6% thanks to good programming cost control and in spite of the acquisition of new rights, such as the US Open tennis tournament.

2001 net profit was €2.7 M and takes into consideration loan interest linked to the acquisition of the third-party holdings as well as goodwill amortisation.

LCI: The News Channel

At end December 2001, LCI was received by 4.2 million subscribers, an increase of 15% over 2000.

LCI recorded revenue of €44.5 M, a fall of 4.7%, and a pre-tax loss of €3.2 M. This downturn should be seen in the context of renegotiations of contracts with the main cable operators and an erosion of the advertising environment. The advertising contribution to total LCI revenue was 37%.

Odyssée

By the end of 2001, Odyssée had notched up 1.7 subscribed households, representing an increase of some 100,000. This is the outcome of expanding distribution across different networks.

2001 revenue increased 10.7% to €8.3 M, benefiting from the growth of the channel's distribution and the increase in advertising revenues. The latter represent 5% to total revenue. Having reached break-even last year, Odyssée's net profit reached €0.8 M.

TV Breizh (TF1 stake: 22%; figures quoted at 100%)

TV Breizh was launched in September 2000 and at year-end 2001 the number of subscribers amounted to more than 3 million on cable and satellite (TPS and Canal Satellite).

Last year the channel generated revenue of €4.2 M, of which 33% derived from advertising. It reported a net loss of €7.4 M.

TF6 (TF1 stake: 50%; figures quoted at 100%)

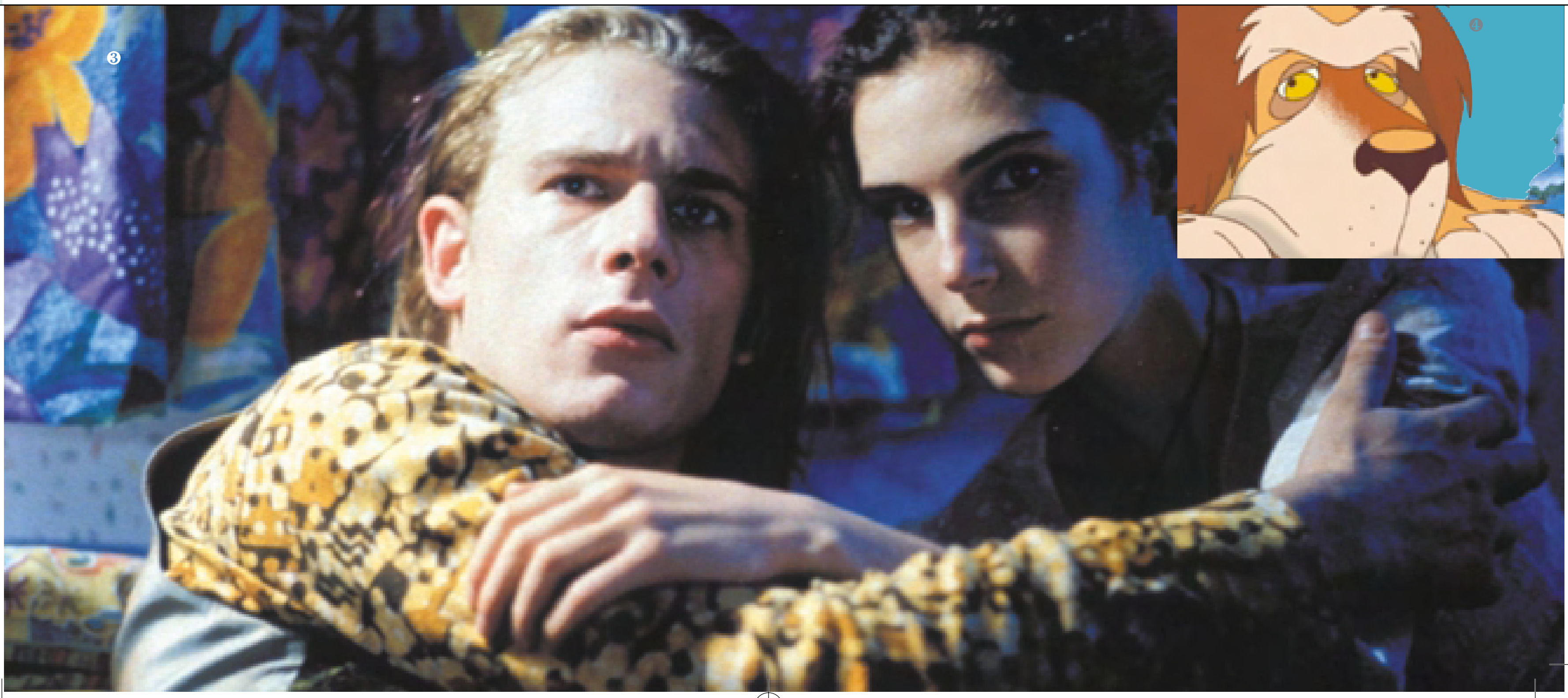
For its first full year of existence, TF6 has extended its distribution network and now has more than 1.6 million subscribers. Revenue stood at €10.3 M, of which €5.8 M came from advertising, that is, a 56% contribution.

TF6 net loss was at €10.6 M.

Série Club (TF1 stake: 50%; figures quoted at 100%)

Since January 1, 2001, Série Club has been consolidated into TF1 at 50%. The channel has two million subscribers through TPS and the main cable networks.

In 2001, Série Club's revenue came to €12.2 M, a drop of 1.9%. Advertising revenues contributed 30% of the channel's turnover. Net profit was €2 M, with a net margin of over 16%.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Production and audiovisual rights

TF1 International

TF1 International's revenue in 2001 was €32.7 M, a fall of 46.2% compared to 2000. The net loss of the subsidiary stood at €12.1 M. This business contraction is partly due to the fact that 2000 was an exceptional year and partly to a delayed delivery of a few films, which should take place in 2002.

TF1 Films Production

Revenue for TF1 Films Production rose by 2.3% in 2001 to reach €48.8 M. Net profit was €0.2 M.

In 2001, within the framework of the investment requirement stipulated in the company licence, TF1 Films Production co-produced, and acquired the rights for first broadcast of, 18 feature films for a total of €42.6 M. Last year, TF1 Films Production confirmed its very good competitive positioning, with a 51%[1] market share of French films. This is primarily thanks to the co-production of 11 of the 17 French films that exceeded one million theatre entries (*La Vérité si je mens 2, Le Placard, Le Pacte des Loups, etc.).*

Glem group

In 2001 Glem group consolidated revenue were of €75.7 M, a rise of 45% versus 2000. This is mainly thanks to the "stage show" business, powered by the success of the musical *Roméo et Juliette.*

Net profit grew by 97.7% to €4.5 M.

Digital television

Satellite Television - TPS

On December 27, 2001, TF1 signed an agreement with France Télécom and France Télévision to purchase their 25% stake in TPS. The amount paid for the acquisition of shares and inter-company accounts will be €195 M. Following this operation, which will be completed during the first half 2002, TF1 will have a 50% shareholding in TPS.

At December 31, 2001, TPS had 1.09 million DTH subscribers and 1.34 million including households that subscribe to the TPS film offer on cable networks.

TPS group revenue reached €457.3 M, an increase of 18.8%. The group net loss came down by 18.8% to €99.2 M.

At the end of 2001, TPS' accumulated borrowing requirements amounted to €670 M, covered by bank and shareholder loans.

Internet

e-TF1

The year 2001 experienced accelerated penetration of the Internet in France. In the fourth quarter, 36% of the French households had a PC at home (29% in the same period 2000) and 17.8 million users aged 11 and over had home-access to Internet[2].

In 2001, e-TF1 generated revenue of €7.8 M, an increase of 122.9%, despite an unfavourable advertising trend. This growth is linked primarily to the sale of content, with the launch of partnership contracts with Bouygues Télécom and Crédit Agricole, and the on-line deployment of pay services and content (Ferrari games, *Attention à la marche* and the live video streaming of *Star Academy*).

In 2001, e-TF1 reported a loss of €15.3 M vs. €20.5 M in 2000.

The portal www.tf1.fr is the leading French site in the media sector with 138 million pages viewed[3] 10 by December 2001 (3.2 times more than in December 2000) and 7.6 million visits[3].

(1) Source: CNC.
(2) Source: Médiamétrie - Baromètre Internet 24 000.
(3) Source: Cybermétrie.

Other

TF1 Publicité Production (TPP)
2001 revenue was up 7.6% to €14.2 M. The major part of the business came from sponsorship operations, from production of advertising films, trailers and promotional spots.

TPP also produced the logo and trailers for TF6 and pursued the production of short programmes such as *Du côté de chez vous* and *Vivre com'ça*.

Multimedia activity continued to grow and accounted for 8% of total revenue.

Studios 107
Operating revenue amounted €27.9 M, up 8.1%.

In 2001, Studios 107 was the executive producer of 2001, *l'Odyssée des Enfoirés* and continued the production of Téléshopping programmes (240 programmes during the year), *Shopping Avenue, 52 sur la Une* and *Ushuaïa Nature.*

Titus
On November 21, 2000, TF1 and the producer of video games, Titus, signed an industrial and commercial partnership agreement with a view to developing multi-platform video games.

On June 29, 2001, as an extension to this partnership, TF1 passed the threshold of a 5% stake in Titus' capital stock.

This investment confirms TF1's interest in the video game industry and its determination to strengthen its links with a company that offers numerous synergies with the Group's core business areas.

As of December 31, 2001, TF1 held some 7.8% of Titus' capital, representing an investment of €8.5 M for an average share price of close to €11.

1.2 - The TF1 parent company
In 2001, TF1 SA generated revenue of €1,431.6 M, a decrease of 4.0%, attributable to advertising operations and other revenue accounting for €17.3 M.

Operating profit was €390.5 M, down by 7.4%.

Net profit stood at €276.2 M, representing a 19.3% net margin on revenue.

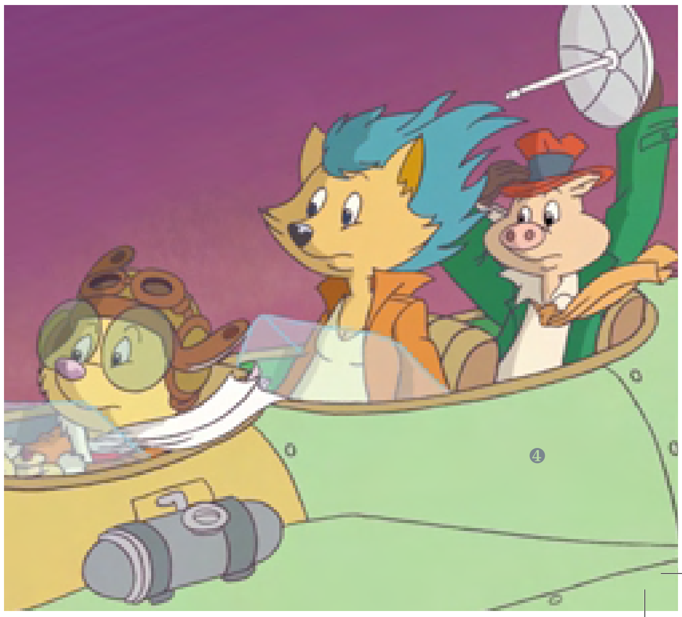
1.3 - Research and development costs
The R&D costs committed during the 2001 financial year were not significant.

1.4 - Environment
Group TF1 makes every effort to respect simple rules in favour of the environment. In particular, a policy of recycling waste linked to its activity was implemented and concerns paper, batteries, neon lamps, printer toner, etc.

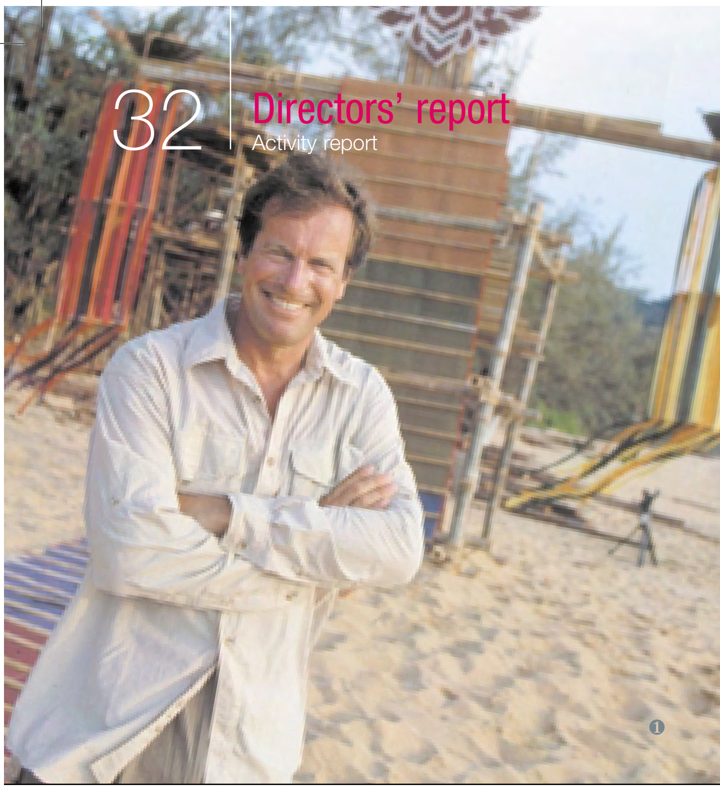
In view of the nature of TF1's business, there is no significant industrial risk to the environment.

1.5 - Interest rate and exchange rate hedging
TF1 did not effect any interest rate hedging for 2001. However, in 2001, the Group did use exchange rate hedging instruments (forward currency purchases and sales as well as contracts for the purchase of options) to protect itself from foreign exchange fluctuations, primarily for the purchase of broadcasting rights paid in foreign currency.

1.6 - Exceptional events and litigation
Any litigation known today by the company and the Group has been fully provisioned in the accounts. To the best knowledge of the company and the Group, there are no other exceptional events or litigation liable to have a significant effect on the activity, results, financial situation or property of the company or the Group.



❶ *Rêve d'un jour*
❷ *Eurosport*
❸ *Miss France 2002*
❹ *Providence*



2 - 2002 outlook

As in previous years, the Group TF1 strategy revolves around content: its broadcasting, its distribution and its production.

This policy underpinned the Group's major operations of 2001 and the beginning of 2002. Indeed, whether it concerns the acquisition of Eurosport, the broadcasting rights of 2002 and 2006 Football World Cups, or the 50% stake in TPS, each transaction revolved around content. This will not change in 2002.

TF1 - Content developer

In a highly competitive climate, the general-interest channel has strengthened its position both as leading French programme and as the European channel with the largest audience share on its market.

This is why TF1 pursues a policy, which aims to:
- offer family-oriented, general-interest programming,
- broadcast original, exclusive, innovative programmes, with a bias towards live broadcasts,
- constantly adapt its offering to the expectations of its audiences.

TF1 acquired the exclusive rights for the 2002 Football World Cup for France, as well as video rights of the film *Lord of the Rings* and continues to modernise its programming grid by broadcasting new formats that have proved successful in 2001, i.e. "real TV", dramas and entertainment shows. This should help to strengthen the already rich, diversified programming and maintain TF1's position as the leading channel in the French audiovisual landscape.

Other than the general-interest channel, the TF1 Group also has an extensive portfolio of thematic channels, which have all taken foothold.

Today's task is to strengthen these positions and optimise profits in an economic environment that is less favourable than 2000. Similarly to what was accomplished in 2000 with the other Group TF1 thematic offerings under the "TF1 Digital" umbrella, Eurosport – the pan-European sports channel – now 100% controlled by TF1 Group, has been endowed with a clear legal structure and an original offering enabling it to begin the year 2002 with confidence.

Our goal remains to boost the profitability of these channels to make them an engine for growth and a natural complement to the general-interest channel. This has to be achieved in an audiovisual market place which is increasingly open to competition from alternatives.

TF1 - Broadcaster and distributor of programmes and services

Over and above the general-interest channel's analogue distribution, governed by a strict regulatory framework, it is our aim to distribute content developed by the Group to a wide audience, using all the possibilities offered by digital technology. This is the background to TF1's increasing its holding in the TPS (satellite television) capital to 50%. However, our growth will not be limited to satellite distribution, as TF1:
- is improving its Internet offer both to individuals and to businesses,
- will be a direct and indirect player in Télévision Numérique Terrestre (TNT - Digital terrestrial television), a new distribution network that should start operating in 2003,
- is preparing distribution of its contents over ADSL (high speed telephone lines).

Furthermore, the TF1 Group, through its subsidiaries, also distributes video and/or music to the general public and operates in broadcasting rights trading.

TF1 - Producer

The privatisation legislation required that TF1 produce and/or co-produce audiovisual works. Above and beyond these obligations, the Group's subsidiaries produce films, TV dramas, documentaries, entertainment programmes as well as music, shows, games, etc. Indeed, access to content continues to be a key success factor for any communication group. We will pursue and even strengthen this policy. We will multiply the synergies between the different elements of the Group with the aim of optimising our resources and put the spotlight on the programmes and services to which we have access.

The co-operative agreements we developed in 2001 among our subsidiaries in the areas of news, entertainment, Internet and merchandising will be leveraged to a maximum to place the Football World Cup, the major event of 2002, in the limelight.

As a conclusion, your Group is determined to strengthen its leading position in its markets by pooling its talents and by pursuing its quest for excellence and innovation.

3 - Human Resources

3.1 - Workforce

On December 31, 2001, Group TF1 employed a regular staff of 2,902. This included 1,330 employees at TF1 SA, 242 at TF1 Publicité, 242 in Publishing & Distribution, 143 at LCI, 573 at Eurosport, 12 at Odyssée, 22 at TV Breizh, 28 at TF6 and Série Club, 133 in the subsidiaries of Production and Broadcasting Rights, 24 at TPP, 29 at Studios 107, 100 at e-TF1 and 24 at Téléma.

	31.12.01	31.12.00	31.12.99
TF1	1,330	1,299	1,271
Subsidiaries	1,572	1,298	978
Total	**2,902**	**2,597**	**2,249**

❸

3.2 - Compensation policy, employee profit sharing and savings

Employee profit sharing paid in 2001 for the 2000 financial year amounted to €16.8 M.

2,351 employees had subscribed to the corporate savings plan by December 31, 2001 (vs. 2,121 in 2000), i.e 81% of the Group's regular workforce. TF1 and its subsidiaries contributed an additional payment of €6.3 M.

TF1 Group employees were given the opportunity to benefit from the capital increase reserved to TF1 Group employees for financial year 2001. 1,944 employees subscribed to this new operation for a total amount of €19 M.

TF1 Group staff were also able to subscribe to the capital increase reserved to employees of the Bouygues group for the financial years 2001 and 2002. 1,754 TF1 Group employees subscribed to this operation for a total sum of €11.9 M.

3.3 - Professional training and school partnerships

TF1 Group provided over 46,000 hours of training in close to 2,725 courses spread across the organisation. In 2001, professional training expenditure accounted for some 3.5% of payroll[1].

TF1 Group received 601 interns, of whom 452 as part of the company's partnership policy with schools.

3.4 - 35-hour work week

Negotiations on the application of the 35-hour work week started in the last quarter of 1999. At TF1 SA, they concerned regular staff (production staff, journalists, technical and administrative staff) and temporary staff. The agreement on the 35-hour work week, signed by the trade unions, took effect on June 1, 2000. The company did not wish this agreement to affect its long-standing compensation policy.

The negotiations on the application of the 35-hour work week were finalised at TF1 SA during the first half 2001. It only remained to negotiate the agreement specific to mobile cameramen and that for film directors.

❶ Hubert Auriol
❷ Laurence Ferrari
❸ *Jet Set*

(1) Estimated TF1 Group training figures at February 25, 2002, excluding TF6 and TV Breizh.

4 - Subsidiaries and interests

4.1 - New incorporations

Transport Automatique de Produits Audiovisuels Spéciaux - TAPAS
Incorporated on June 29, 2001, the simplified joint stock company (SAS), TAPAS, with a capital of €40,000 divided in 2,500 shares with a nominal value of €16 each, is owned by TF1 (99%) and SYALIS (1%). Its aim is to provide services of all types in the area of communications and broadcasting.

Tous Azimuts Production - TAP
Incorporated on June 14, 2001, the simplified joint stock company, TAP, with a capital of €80,000 divided in 5,000 shares with a nominal value of €16 each, is 100% owned by TF1. Its aim is to provide services of all types in the area of production, purchasing and sales of audiovisual programmes, cinema films and musical works.

The company name was changed to Tout Audiovisuel Production - TAP, following a decision by the company's Annual General Meeting of August 30, 2001.

Société Internationale de Commercialisation de Cinéma, d'Images et de Services - SICCIS
Incorporated on November 28, 2001, the public limited company SICCIS, with a capital of €40,000 divided in 40,000 shares with a nominal value of €1 each, is 100% owned by TF1. Its aim is to carry out projects of an industrial, commercial, financial, property or real estate nature.

Big Cash
Incorporated on November 19, 2001, the public limited company Big Cash, with a capital of €80,000 divided in 80,000 shares with a nominal value of €1 each, is 100% owned by TF1. Its aim is the production or co-production of feature films.

Transport Automatique de Produits Audiovisuels Spéciaux 2 - TAPAS 2
Incorporated on November 15, 2001, the simplified joint stock company TAPAS 2, with a capital of €40,000 divided in 40,000 shares with a nominal value of €1 each, is 100% owned by TF1. Its aim is the creation and operation of any television service, in French or a foreign language, on any medium, notably free to air, cable, satellite or telecommunications network, using any technology and standards known or unknown at the present time.

Transport Automatique de Produits Audiovisuels Spéciaux 3 - TAPAS 3
Incorporated on November 15, 2001, the simplified joint stock company TAPAS 3, with a capital of €40,000 divided in 40,000 shares with a nominal value of €1 each, is 100% owned by TF1. Its aim is the creation and operation of any television service, in French or a foreign language, on any medium, notably free to air, cable, satellite or telecommunications network, using any technology and standards known or unknown at the present time.

4.2 - Acquisitions

Acquisition of an interest in the companies of the Eurosport group
On January 30, 2001, TF1 and its subsidiaries exercised their pre-emptive right to acquire all of the Eurosport shares held by:

- the companies of the Canal+ group: 49% of Eurosport Sales Organisation - ESO, 49% of Société d'Administration et de Gestion de l'Audiovisuel Sportif - SAGAS, and 30% of TV Sport. The total amount for the acquisition of these shares was €309 M;

- the company Havas Images: 34% of TV Sport, for €56.3 M.

Purchase by TF1 of the interest of Légende Entreprise in Ballade Distribution (formerly Légende Distribution)
On July 10, 2001, TF1 purchased the total interest of Légende Entreprise for €0.16, bringing its stake in the company's capital to 62.5% (including the 37.27% holding of its subsidiary SYALIS).

Purchase by TF1 of the interest of TF1 International in Téléma
On June 29, 2001, TF1 purchased the interest of TF1 International in the capital of Téléma for the sum of €9,220,116, which corresponds to 3,283 shares. As a result of this operation, TF1 holds 49% of the Téléma capital.

Purchase by TF1 of the France Télécom and France Télévision interest in Télévision Par Satellite - TPS
On December 27, 2001, TF1 signed an agreement with France Télécom and France Télévision to purchase their 25% interest in TPS. The amount paid for the acquisition of their shares and the shareholder loans will be €195 M. On completion of this operation during the first half 2002, TF1 will have a 50% holding in TPS.

4.3 - Re-organisation of Eurosport

On January 30, 2001, less than 10 years after the launch of Eurosport, TF1 became the sole shareholder of the companies making up the Eurosport entity. This clarification of the shareholding has enabled the establishment of a simplified legal structure of the subsidiaries forming the Eurosport group.

The following is a rundown of the legal operations leading to the re-organisation:

- On April 30, 2001, TF1 Europe purchased from SYALIS the 59,406 shares SYALIS held in ESO (0.1%).
- On November 2, 2001, TF1 Europe purchased from the consortium the 1,250 shares the consortium held in SETS (50%).

❶ *La vérité si je mens 2*
❷ *Le dîner de cons*

- On December 31, 2001:
  - TF1 Europe absorbed ESO and adopted the new company name, Eurosport.
  - Eurosport increased its capital by €150 M in cash through compensation of TF1 loans, taking the company capital from €3,150,000 to €153,150,000.
  - Eurosport acquired 76,500 shares (51% of the capital) of TV Sport from TF1 by capital contribution for a value of €64,680,750. The capital of Eurosport was subsequently increased by the sum of €51,631,710 to compensate TF1 by attributing to TF1 the newly issued shares at a premium of €13,049,040; with this operation, the Eurosport capital rose from €153,150,000 to €204,781,710.
  - Eurosport acquired 73,500 TV Sport shares (49% of the capital) from TF1 by transfer order for a value of €62,144,250.
  - Eurosport reduced its capital by the sum of €204,372,146.58 by reducing the nominal value of each share from €15 to €0.03 and transferring to a "special capital reduction reserve account" the sum of €14.97 for each share. As a result, the capital is reduced from €204,781,710 to €409,563.
  - Eurosport absorbed SAGAS and increased its capital by €48,757 to compensate TF1 by attributing these new shares to TF1. The Eurosport capital was raised from €409,563 to €458,320.

4.4 - Disposals

Disposal of the interest in World On Line France - WOLF

Following the change in shareholders of WOLI (World On Line International), TF1 decided to exit from WOLF. On June 27, 2001, TF1 therefore sold its shareholding (117,004 shares) to WOLI for the sum of €7,577.88.

4.5 - Subsequent events

On December 27, 2001, TF1 Group signed an agreement with France Télécom and France Télévision to buy out their 25% stake in TPS. TF1 will pay €195 M for both the equity and loans granted. As a result of this acquisition, TF1 will own 50% of TPS. This transaction will be completed during the first half 2002.

The impact of this transaction and the proportionate consolidation of TPS may be analysed as below (balance sheet and P&L restated for 2001):

Simplified balance sheet TF1 and TF1+ TPS pro forma on December 31, 2001 (in € million):

ASSETS	TF1	TF1 + TPS Pro forma	EQUITY AND LIABILITIES	TF1	TF1 + TPS Pro forma
Fixed assets, net	752.7	1,090.8	Shareholders' funds	770.4	738.7
			Other long term capital	205.0	141.2
Current assets	1,596.9	1,652.0	Short term financial creditors		
Adjustment accounts,			and borrowings	210.0	602.4
deferred taxation	141.9	169.1	Trade payables	1,270.0	1,374.2
			Adjustment accounts	36.1	55.4
TOTAL	**2,491.5**	**2, 911.9**	**TOTAL**	**2,491.5**	**2,911.9**

Simplified profit and loss account TF1 and TF1+ TPS pro forma on December 31, 2001 (in € million):

	TF1	TF1 + TPS Pro forma
Turnover	**2,282.2**	**2,490.2**
Total operating revenues	2,325.1	2,536.9
Total operating charges	(1,949.2)	(2,202.2)
including depreciation and amortization	(118.0)	(164.1)
Operating profit	**375.9**	**334.7**
Financial losses	**(18.0)**	**(32.7)**
Net profit attributable to the Group	**210.3**	**178.6**

The consolidation of 50% of TPS under the proportionate method on December 31, 2001 would have increased the off-balance sheet commitments and contingencies of the TF1 Group by €273.5 M.

5 - Capital

5.1- Share price

The TF1 share closed the 2001 stock exchange year at €28.4, showing a year-on-year decrease of 51%. Its market capitalisation amounted to €6.0 billion. In the same period, the CAC 40 share index fell by 22%.

Share liquidity increased with an average of 890,000 shares traded daily. The TF1 share has yielded 20% pre-tax (including tax credit) annually on its July 24, 1987 introduction price of €2.51 (restated to take into account the division of its nominal share value by 10).

5.2 - Market transactions

During financial year 2001, in the framework of the share re-purchase programme authorised by the General Meeting of May 15, 2001 and in compliance with the objectives that the company established, TF1 purchased 251,537 shares to compensate for the dilution resulting from the capital increase reserved to employees.

5.3 - Amount / Share types

Operation	Share issue price		Number of shares		Total share capital after increase
	Nominal	Premium	Issued	Total	
29/10/99 Increase of employee capital	10 francs	969.21 francs	118,316	21,118,316	211,183,160 francs
Operation	**Nominal value per share**		**Number of shares**		**Total share capital**
	Nominal	Increase	Issued	Total	
01/01/00 Conversion of capital to €					
a) Capital increase	10 francs	3.11914 francs	0	21,118,316	277,054,144.17 francs
b) Conversion	2 euros	0	0	21,118,316	42,236,632 euros
20/06/00 Division of nominal value	0.2 euro	0	0	211,183,160	42,236,632 euros
	Nominal	Pemium	Issued	Total	
20/12/01 Increase of employee capital	0.2 euro	23.21 euros	812,919	211,996,079	42,399,216 euros

Following the increase of employee capital, which created 812,919 new shares in December 2001, the Télévision Française 1 capital rose to €42,399,215.80, fully paid, divided into 211,996,079 ordinary shares each with a nominal value of €0.2.
There are no investment certificates, preference shares or dual vote shares.

5.4 - Share management

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

5.5 - Shareholders

To the best knowledge of the Board of Directors, the Group's shareholding broke down as follows at December 28, 2001:

	Capital holdings on December 28, 2001	Voting rights on December 28, 2001
Bouygues	41.7%	41.9%
Société Générale	1.4%	1.5%
Total core shareholders[1]	43.1%	43.4%
Others France[2, 3]	28.1%	28.3%
of which employees	**2.9%**	**3.0%**
Treasury shares	0.7%	0.0%
Europe (excluding France)[3]	15.6%	15.7%
Others[3]	12.5%	12.6%
Total	**100%**	**100%**

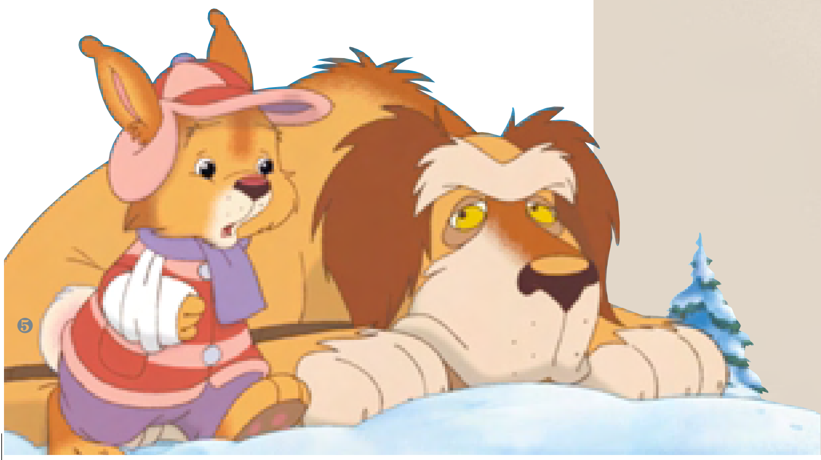
(1) Core as declared to Euronext on February 23, 1994 (avis Euronext n°94-600).
(2) Including non-identified holders (around 13%).
(3) Estimates by Euroclear on December 28, 2001.

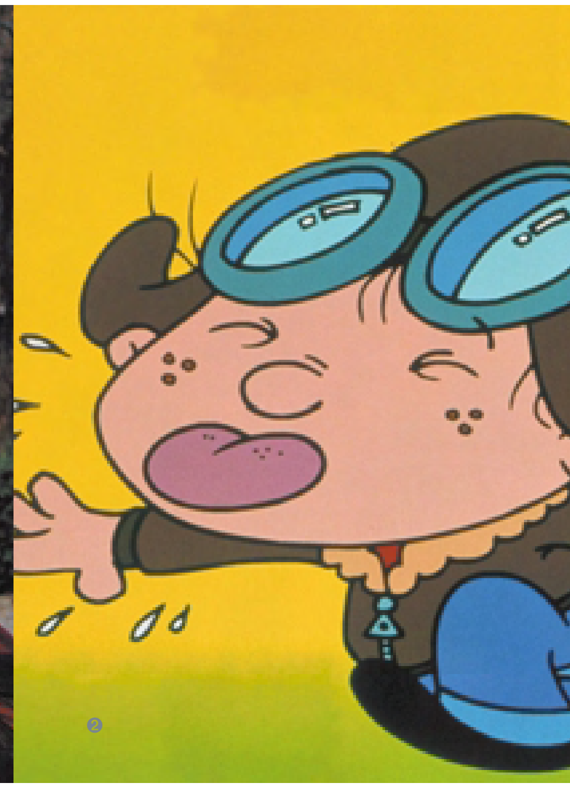
The number of shareholders is estimated at over 100,000.

On June 4, 2001, US based investor Putnam Investment Management LLC. and The Putnam Advisory Company informed TF1 that they held more than 5% of its capital through several funds. To the best knowledge of the company, no other shareholder owns more than 5% of the TF1 capital.

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

❶ *Le mariage de mon meilleur ami*
❷ *Gilmore*
❸ *Confessions intimes*
❹ *L'aîné des Ferchaux*
❺ *Passiflore*





5.6 - Stock warrant or stock purchase plan

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

Within Plan 6, the board of directors granted:

- 300,000 options, to TF1's chairman,
- 520,000 options, to the 10 other executives of TF1 who received the largest number of options.

During 2001, the directors and employees of the company have been granted no options by associated companies (in the circumstances provided by Article L. 225-180 of French commercial law) or by controlled companies (as defined by Article L. 233-16 of French Commercial Law).

After division of nominal share value	Plan n° 1	Plan n° 2	Plan n° 3	Plan n° 4	Plan n° 5	Plan n° 6
Date of GM	12/06/95	12/06/95	12/06/95	12/06/95	18/04/00	18/04/00
Date of Board meeting	10/10/95	08/04/97	18/03/98	20/09/99	06/12/00	11/12/01
Type of plan	Purchase	Subscription	Subscription	Subscription	Subscription	Subscription
Total number of shares eligible as options or for purchase	1,705,000 shares	2,270,000 shares	2,300,000 shares	2,300,000 shares	840,000 shares	1,961,300 shares
Total number of options granted to executives[1]	750,000	955,000	930,000	720,000	0	430,000
Options exercisable as from	End of vesting period					
Maturity date	7 years after date of attribution (= date of board meeting)					
Warrant price	€7.33	€7.97	€10.02	€23.27	€53.04	€27.80
Terms of exercice	Vesting period 1 year, exercisable for the following 4 years by cumulative tranches of 1/4	Vesting period: 3 years shares can be sold 2 years later	Vesting period: 3 years shares can be sold 2 years later	Vesting period: 3 years shares can be sold 2 years later	Vesting period: 3 years shares can be sold 1 year later	Vesting period: 3 years shares can be sold 1 year later
Number of options excercised in 2001	120,270[2]	–	–	–	–	–
Number of options exercised by executives[1] in 2001	30,000	–	–	–	–	–

(1) Quoted on page 4 of the key figures brochure.
(2) Of which 60,270 options granted to other executives and employees who have exercised the most in 2001.

5.7 - Directors' interests in the capital

Chief Executive Officer
The fixed gross compensation (with benefits but excluding variable compensation, including that from TPS for €304,898) that the company paid to Patrick Le Lay, Chief Executive Officer, in 2001 amounted to €786,942. The variable gross compensation for the year 2001 and paid by the company in 2002 amounted to €784,808.

Furthermore, in 2001, Patrick Le Lay received €15,244.90 as director's fees for his appointment in the different Group companies.

Directors' fees
In 2001, directors' fees, which totalled €175,316.35, were paid to all the Administrators as follows:

Patricia BARBIZET	€13,720.41
Martin BOUYGUES	€15,244.90
Corinne CHEVRETON (representing employees)	€15,244.90
Philippe CITERNE	€15,244.90
Claude COHEN	€15,244.90
Michel DERBESSE	€13,720.41
Patrick LE LAY	€15,244.90
Philippe MONTAGNER	€13,720.41
Etienne MOUGEOTTE	€15,244.90
Jean-Pierre PERNAUT (representing employees)	€13,720.41
Olivier POUPART-LAFARGE	€13,720.41
Alain POUYAT	€15,244.90

The director's fees for the Administrators representing employees were paid to the trade unions.

6 - Appropriation and distribution of profits by Télévision Française 1 (parent company)

In the resolutions that we are submitting for your approval, we are seeking your approval of the company and consolidated accounts for the 2001 financial year. In view of the available profits of €351,543,800.59 including the net profit of €276,227,636.64 from the year under review and the profit of €75,316,163.95 brought forward from the previous financial year, we ask that you agree to the following appropriation and distribution proposed by the Board of Directors:

Appropriation as Legal reserve (consequently amounting to 10% of capital)	€16,258.38
Appropriation as Other reserves	€140,000,000.00
Distribution of a dividend of (i.e. net dividend of €0.65 per share with a nominal value of €0.2 with a tax credit[1])	€137,797,451.35
Appropriation as balance carried forward	€73,730,090.86

(1) The dividend to be distributed for the year under review gives the right to a tax credit equal to:
- 50% of the net amount distributed, if the recipient is an individual shareholder,
- 15% of the net amount distributed if the recipient is a legal entity.

The tax credit remains at 50% if the amounts distributed are to be used in the framework of the parent/subsidiary scheme.

Dividends will be payable on April 26, 2002.

We hereby seek your authorisation to appropriate the dividends related to TF1-owned shares as balance carried forward, as provided for in Article L. 225-210 of French Commercial Law.

We remind you that in the last three financial years, net per share dividends paid for the 1998, 1999 and 2000 financial years were, respectively, €0.34, €0.46 and €0.65 net per share with a nominal value of €0.2; the corresponding tax credits on the basis of a 50% rate were, respectively, €0.17, €0.23 and €0.33. The amounts for financial years 1998 and 1999 have been adjusted to take into account the division of the nominal share value by 10 on June 21, 2000.

❶ *Méditerranée*
❷ *Les petites crapules*
❸ *Eurosport*

7 - Resolutions

The Group's statutory auditors will make known their reports on the Group's accounts for the 2001 financial year and the agreements governed by Article L. 225-38 of French Commercial Law.

In the resolutions that are being submitted to you, we propose that you:

- approve the company and consolidated accounts for the 2001 financial year, the appropriation and distribution of profits, and the agreements and operations governed by Article L. 225-38 of French Commercial Law mentioned in the special report of the statutory auditors,
- give full discharge to the Board of Directors,
- take due note of the presentation of operations concerning stock warrants or stock purchase plans granted or exercised in 2001,
- renew for a two-year term the mandate of Administrator Alain POUYAT, whose term of office is due to expire at the end of this Annual General Meeting,
- take note of the election of Administrators representing employees,
- authorise the implementation of a share acquisition programme enabling the company to buy back its own shares on the stock market. The aim of the buy-back programme is to regulate the stock market price, appropriate shares for employees, keep or transfer shares in the course of financial operations, or cancel shares subject to the adoption of the 14th resolution (extraordinary part), notably to repurchase a number of shares corresponding to shares issued in stock warrant plans or in capital increases reserved for employees. Such acquisition would be limited to 10% of total share capital. The maximum purchase price per share is to be set at €100 and the minimum sale price per share at €10,
- cancel the authorisation (not used) given by your Annual General Meeting of April 18, 2000 and to authorise the Board of Directors, for a duration of twenty-six months, to issue one or several bonds up to a limit of one billion two hundred million euros.

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

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

The Board of Directors

❶ *La vérité si je mens 2*

Five year financial record

	1997	1998	1999	2000	2001
1 - Share capital at the end of the accounting period (in €)					
a) Share capital	32,014,294	32,014,294	32,194,665	42,236,632	42,399,216
b) Number of shares issued	21,000,000	21,000,000	21,118,316	211,183,160 [1]	211,996,079
c) Number of bond convertible into shares	-	-	-	-	-
2 - Profit and loss account (in €)					
a) Turnover (excluding VAT)	1,112,369,346	1,162,190,073	1,285,997,333	1,491,806,305	1,431,613,565
b) Profit before tax, profit sharing, depreciation amortisation and provisions	172,569,329	211,322,398	311,225,175	596,567,739	442,366,777
c) Corporate income taxe	51,378,055	77,376,899	103,988,111	150,087,760	126,152,134
d) Employee profit sharing	3,076,990	4,066,042	10,344,406	13,511,247	11,592,039
e) Profit after income tax, profit sharing, depreciation, amortisation and provisions	90,566,769	140,271,944	178,747,652	358,132,161	276,227,636
f) Total dividends	51,222,870	70,431,446	97,144,254	137,269,054	137,797,451 [2]
3 - Earnings per share (in €)					
a) Net profit before depreciation, amortisation and provisions	5.62	6.18	9.32	2.05	1.44
b) Net profit after depreciation, amortisation and provision	4.31	6.68	8.46	1.70	1.30
c) Dividend per share	2.44	3.35	4.60	0.65	0.65 [2]
4 - Employees					
a) Number of employees	1,220	1,209	1,271	1,299	1,330
b) Total payrol costs (in €)	91,567,251	92,104,170	94,352,055	97,677,913	98,448,241
c) Total of employees benefit cost (in €)	39,466,125	39,988,069	42,283,355	43,173,430	43,930,772

(1) After 10 for 1 stock split 10 June 21, 2000.
(2) Submitted for approval at the General Meeting.

Financial statements in euros

Legal informations

The French version of the Key Figures booklet, the Activity Report and the Financial Report composed the document that was filed by the "Commission des Opérations de Bourse" (COB-French stock exchange commission) on April 2, 2002, in accordance with the regulation n°98-01.
This document may not be used to support a financial operation unless it is accompanied by an operation note certified by the COB.

Breakdown of programming costs 2001

3.0% Children's programmes

12.6% Films

14.2% News

17.0% Sports

24.8% TV dramas

28.4% Entertainment, games, shows and documentaries

(€ million)	2001	2000	1999 Pro forma
TF1 Channel			
Advertising revenue	1,496.9	1,570.9	1,351.3
Advertising agency fees	(82.6)	(86.9)	(90.1)
NET REVENUE FROM BROADCASTING	1,414.3	1,484.0	1,261.2
Royalties and contributions			
- Authors	(58.1)	(60.6)	(51.5)
- CNC	(73.9)	(74.6)	(67.4)
Transmission costs			
- TDF, Satellites, Transmissions	(54.5)	(56.3)	(54.5)
Programming costs	**(770.1)**	**(741.2)**	**(724.0)**
GROSS MARGIN	457.7	551.3	363.8
Diversification revenues and other revenues	822.2	696.8	484.2
Other operating expenses	(786.0)	(676.2)	(458.6)
Depreciation, amortisation and provisions (net)	(118.0)	(148.7)	(97.0)
OPERATING PROFIT	375.9	423.2	292.4
FINANCIAL PROFIT / (LOSS)	(18.0)	18.0	1.7
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	357.9	441.2	294.1
Exceptional items	4.6	(0.4)	4.3
Goodwill amortisation	(3.5)	(2.3)	(3.5)
Corporate income tax	(122.7)	(154.8)	(98.1)
Share in net earnings of companies consolidated under the equity method	(24.9)	(33.0)	(37.9)
NET PROFIT OF CONSOLIDATED COMPANIES	211.4	250.7	158.9
Minority interest	(1.1)	(0.4)	(0.5)
NET PROFIT ATTRIBUTABLE TO THE GROUP	210.3	250.3	158.4

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

1 NET REVENUE FROM BROADCASTING

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

2 GROSS MARGIN

The gross margin breaks down as follows:
Net revenue from broadcasting. See above
Royalties and contributions
These fees are fully or partly based on advertising revenue and include:
• fees paid to authors,
• contribution to the CNC (National Cinema Council).

Transmission costs
These expenses result from the transmission of TF1's programmes.
Programming costs
These are the internal and external costs of programming. They include expired and retired broadcasting rights.

3 OPERATING PROFIT

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

4 OTHER ITEMS

As stated in the consolidated profit and loss account.

STATUTORY AUDITORS' REPORTS ON THE FINANCIAL STATEMENTS

Financial year ended December 31, 2001

In accordance with our appointment by your shareholders' General Meeting we hereby report to you, for the year ended on December 31, 2001:

- the audit of the accompanying financial statements of TF1 SA in euros presented on pages 18 to 29 of the financial report,
- the specific verifications and information required by law.

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

Opinion on the financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

Specific verifications and information

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

Paris, March 5, 2002

The Statutory Auditors

RSM SALUSTRO REYDEL		**MAZARS & GUÉRARD**	
Edouard SALUSTRO	Xavier PAPER	Jacques VILLARY	Michel ROSSE

STATUTORY AUDITORS' REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended December 31, 2001

In accordance with our appointment by your shareholders' General Meeting we have audited the consolidated financial statements of the Group in euros presented on pages 6 to 17 of the financial report, for the year ended December 31, 2001.

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

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

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

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

Paris, March 5, 2002

The Statutory Auditors

RSM SALUSTRO REYDEL		**MAZARS & GUÉRARD**	
Edouard SALUSTRO	Xavier PAPER	Jacques VILLARY	Michel ROSSE

STATUTORY AUDITORS' REPORT ON REGULATED CONTRACTS

Financial year ended December 31, 2001

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

1 AGREEMENTS CONCLUDED DURING THE YEAR AND DULY AUTHORISED

Agreement with Bouygues

The Board of Directors on December 11, 2001 authorized the signature of a sub-lease agreement between TF1 and Bouygues. According to this agreement, TF1 contracts to lease furnished 89 square metres to Bouygues. These premises are located in the building "Le Levant" in Boulogne Billancourt. The monthly rent amounts to €6,408 excluding tax. During 2001, the amount invoiced amounted to €5,569.

Directors concerned: Mr. Martin Bouygues, Mr. Michel Derbesse, Mr. Philippe Montagner, Mr. Patrick Le Lay, Mr. Olivier Poupart-Lafarge, Mr. Alain Pouyat and Ms. Patricia Barbizet.

2 AGREEMENTS CONCLUDED DURING PAST YEARS AND CONTINUING IN THE YEAR ENDED DECEMBER 31, 2001

In conformity with the Decree of March 23, 1967, we have been informed that the following agreements, concluded during past years, continued during 2001.

Agreement with certain subsidiaries

These agreements signed on November 15, 1999 provide for the invoicing of specific services supplied, at the request of TF1 subsidiaries, by the administrative departments (relating to management, human resources, legal and finance) and a proportion of the residual shared administrative services costs, which includes the amount invoiced by Bouygues to TF1 under the terms of the common services agreement between them. This proportion is determined by the application of key allocation criteria (employees and turnover) specific to each type of cost.

During 2001, besides specific services in conformity with market conditions, TF1 invoiced to certain subsidiaries a proportion of the residual shared administrative services costs, as defined in these agreements, as follows:

	Amount (excluding VAT) (in thousands of euros)
TF1 PUBLICITE	13,127
EUROSPORT	2,484
TV SPORT	518
TF1 ENTREPRISES	370
TF1 VIDEO	1,365
LA CHAINE INFO	535
UNE MUSIQUE	86
TF1 MUSIC	16
e-TF1	180
TELESHOPPING	765
TF1 FILMS PRODUCTION	403
STUDIOS 107	207
TF1 INTERNATIONAL	472
ODYSSEE	83
TF1 PUBLICITE PRODUCTION	145
TAP	15
ALMA PRODUCTION	3
TOTAL	**20,774**

Agreement with Bouygues

The common services agreement entered into by TF1 and Bouygues on October 8, 1997 (relating to management, human resources, company secretarial, information technology, finance and other advice), provides for the invoicing of specific services supplied, at TF1's request, by these common services and a proportion of the residual shared services costs. This proportion, determined by the application of key allocation criteria (employees, long term capital and turnover) specific to each type of cost, cannot exceed 0.45% of TF1's consolidated turnover before tax.
During 2001, the amount invoiced by Bouygues amounted to €5.2 millions, none of which related to specific services, as defined in the common services agreement.

Agreement with Bouygues Relais

With effect from February 1, 2001, TF1 and Bouygues Relais entered into an agreement (under the same conditions as the agreement signed on December 1, 1999) under which TF1 can deposit its surplus cash with Bouygues Relais, and block a part thereof, for a period of a calendar month. The consideration due under this agreement is in conformity with market conditions.
In 2001, under the terms of this agreement, TF1 received €111,000.

Paris, March 5, 2002

The Statutory Auditors

MAZARS & GUÉRARD		RSM SALUSTRO REYDEL	
Jacques VILLARY	Michel ROSSE	Edouard SALUSTRO	Xavier PAPER

Consolidated balance sheet

ASSETS *(€ thousands)*	*Notes*	Gross value	Depreciation, amortisation and provisions	**31.12.01** Net value	**31.12.00** Net value	**31.12.99** Pro forma Net value
Intangible fixed assets		**1,060,352**	**624,724**	**435,628**	**133,155**	**118,770**
Audiovisual rights	*2.3 and 3.1*	676,554	597,498	79,056	82,510	118,141
Other intangible fixed assets	*2.4 and 3.2*	383,798	27,226	356,572	50,645	629
Goodwill	*2.5 and 3.3*	**144,417**	**24,768**	**119,649**	**46,114**	**1,769**
Tangible fixed assets	*2.6 and 3.4*	**369,507**	**197,964**	**171,543**	**175,519**	**163,011**
Land		45,741	0	45,741	45,740	45,740
Freehold buildings		57,945	18,372	39,573	42,014	44,453
Other tangible fixed assets		265,821	179,592	86,229	87,765	72,818
Financial assets	*3.5*	**32,943**	**7,061**	**25,882**	**15,906**	**9,486**
Investments consolidated under the equity method		1,786	0	1,786	2,570	31
Investments and loans to associated undertakings		9,253	5,055	4,198	1,668	8,303
Other financial assets		21,904	2,006	19,898	11,668	1,152
FIXED ASSETS		**1,607,219**	**854,517**	**752,702**	**370,694**	**293,036**
Programmes and film rights	*2.7 and 3.6*	696,076	102,773	593,303	490,784	461,998
Raw materials and supplies		16,183	3,934	12,249	6,397	4,879
Trade debtors		630,663	5,754	624,909	533,757	406,587
Other debtors	*3.7 and 3.14*	351,951	17,128	334,823	313,067	236,690
Marketable securities and cash at bank and in hand	*2.8 and 3.8*	31,749	168	31,581	345,116	288,396
CURRENT ASSETS		**1,726,622**	**129,757**	**1,596,865**	**1,689,121**	**1,398,550**
Adjustment accounts	*3.16*	97,473	0	97,473	40,151	37,101
Deferred taxation	*2.11 and 3.13*	44,459	0	44,459	42,078	36,485
TOTAL ASSETS		**3,475,773**	**984,274**	**2,491,499**	**2,142,044**	**1,765,172**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ thousands)*	*Notes*	31.12.01	31.12.00	31.12.99 Pro forma
Share capital		42,399	42,237	32,195
Share premium		36,350	17,482	17,482
Revaluation reserve		0	0	4,681
Other reserves		481,359	374,889	317,640
Profit attributable to the Group		210,289	250,265	158,355
Shareholders' funds	*3.9*	**770,397**	**684,873**	**530,353**
Minority interest	*3.10*	269	(856)	280
Government grants for investment	*2.9 and 3.11*	6,214	5,388	7,817
Provisions for liabilities and charges	*2.10 and 3.12*	135,558	150,737	117,939
Deferred taxation	*2.11 and 3.13*	62,982	56,156	50,628
Long term financial creditors and borrowings		0	0	62,009
LONG TERM CAPITAL		975,420	896,298	769,026
Short term financial creditors and borrowings [1]	*3.14*	209,963	9,727	23,929
Trade creditors	*3.14*	776,309	643,188	499,908
Other creditors	*3.14 and 3.15*	493,716	564,954	455,464
CREDITORS		1,479,988	1,217,869	979,301
Adjustment accounts	*3.16*	36,091	27,877	16,845
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		2,491,499	2,142,044	1,765,172
(1) Including current bank overdrafts		*20,156*	*48*	*67*

Consolidated profit and loss account

(€ thousands)	*Notes*	2001	2000	1999 Pro forma
Turnover		**2,325,122**	**2,270,253**	**1,854,600**
Net advertising revenue	*2.12*	1,617,678	1,654,598	1,388,226
TF1		*1,496,911*	*1,570,875*	*1,351,310*
OTHERS		*120,767*	*83,723*	*36,916*
Diversification revenue		632,815	544,094	387,505
Technical services revenue		31,703	21,583	36,950
Other revenue		42,926	49,978	41,919
Operating expenses		**(1,949,172)**	**(1,846,966)**	**(1,562,257)**
External production costs		(461,728)	(438,766)	(408,964)
Change in stocks of in-house production		(9,262)	(2,361)	(5,255)
Staff costs		(303,487)	(256,173)	(230,193)
Other operating expenses	*4.1*	(1,056,663)	(1,001,022)	(820,847)
Depreciation, amortisation and provisions (net)				
- depreciation		(100,135)	(109,890)	(88,252)
- provisions		(17,897)	(38,754)	(8,746)
OPERATING PROFIT		**375,950**	**423,287**	**292,343**
Financial revenue		25,950	40,500	13,722
Financial expense		(43,996)	(22,505)	(11,994)
FINANCIAL PROFIT / (LOSS)	*4.2*	**(18,046)**	**17,995**	**1,728**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**357,904**	**441,282**	**294,071**
Net exceptional income / (expense)	*4.3*	4,572	(376)	4,258
Goodwill amortisation		(3,545)	(2,352)	(3,451)
Income tax	*4.4*	(122,667)	(154,830)	(98,069)
Share in net earnings of companies consolidated under the equity method	*4.5*	(24,879)	(33,030)	(37,926)
NET PROFIT BEFORE MINORITY INTEREST		**211,385**	**250,694**	**158,883**
Minority interest		(1,096)	(429)	(528)
NET PROFIT ATTRIBUTABLE TO THE GROUP	*4.6*	**210,289**	**250,265**	**158,355**
Share in circulation (in thousands)		210,207	210,189	210,032
Earnings per share (€)		1.00	1.19	0.75
Diluted earnings per share (€)		0.99	1.16	0.74

Consolidated cash flow statement

(€ thousands)	Notes	2001	2000	1999 Pro forma
1 Operating activities				
Net profit		211,385	250,693	158,882
Depreciation, amortisation and provisions		**110,438**	**118,256**	**91,075**
• Intangible fixed assets	3.1 and 3.2	76,648	80,989	63,635
• Tangible fixed assets	3.4	35,308	25,628	23,421
• Financial assets	3.5	(717)	4,429	(40)
• Expenses to amortise		187	112	624
• Goodwill		6,858	2,352	3,451
• Provisions for liabilities and charges		(7,846)	4,746	(16)
Investment grants released to revenue		(9,121)	(9,442)	(8,515)
Expenses to amortise		(83)	(84)	(63)
Capital gains (losses) on disposal of fixed assets	4.3	165	646	(295)
Change in deferred taxation	4.6	5,148	(1,375)	(3,316)
Share of investments consolidated under the equity method		24,879	33,030	37,926
Cash flow		**342,811**	**391,724**	**275,694**
Stocks		(96,447)	(25,705)	(5,201)
Trade debtors		(95,379)	(185,550)	(15,738)
Trade creditors		(26,542)	229,342	90,861
Net advances from third parties		353	5,836	(2,542)
Decrease in working capital needs		**(218,015)**	**23,923**	**67,380**
NET CASH INFLOW FROM OPERATING ACTIVITIES		**124,796**	**415,647**	**343,074**
2 Investing activities				
Purchase of intangible fixed assets	3.1 and 3.2	(73,157)	(56,814)	(77,498)
Purchase of tangible fixed assets	3.4	(23,097)	(40,176)	(17,695)
Disposal of fixed assets		4,755	8,912	1,529
Purchase of financial asset investments	3.5	(403,213)	(104,827)	(16,415)
Increase (decrease) in other financial assets	3.5	(4,888)	(12,256)	13,539
Increase (decrease) in fixed assets creditors		(11,596)	6,996	3,769
		(511,196)	**(198,165)**	**(92,771)**
Consolidation adjustments		(1,219)	4,254	59,014
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(512,415)**	**(193,911)**	**(33,757)**
3 Financing activities				
Increase in shareholders' funds		21,617	7,013	24,538
Decrease in loans	3.14	176,265	(72,577)	(145,038)
Dividends paid	3.9 and 3.10	(143,906)	(99,433)	(71,194)
NET CASH OUTFLOW FROM FINANCING		**53,976**	**(164,997)**	**(191,694)**
TOTAL INCREASE IN CASH AND CASH EQUIVALENTS		**(333,643)**	**56,739**	**117,623**
Cash at beginning of period		345,068	288,329	170,706
Net inflow		(333,643)	56,739	117,623
Cash at end of period		11,425	345,068	288,329

1 THE TF1 GROUP

1.1 Presentation of TF1

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

Also, article 28.1 of Law 94-88 of February 1, 1994 stipulates that licences are “renewed by the CSA (Conseil Supérieur de l’Audiovisuel), without tender offer, up 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”. On March 26, 1996, the CSA renewed TF1’s licences for use of frequencies for a period of 5 years. TF1 benefits from an automatic renewal of this autorisation, from 2002 to 2007, by decision of the CSA on October 5, 2001.

1.2 Consolidated accounts

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

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

1.3 Scope of consolidation

COMPANY	LEGAL STRUCTURE	SHARE CAPITAL(1)	CURRENCY	NATIONALITY
FULLY CONSOLIDATED COMPANIES				
TF1 PUBLICITE	SASU	2,400	€	French
TF1 FILMS PRODUCTION	SA	2,550	€	French
TELESHOPPING	SASU	128	€	French
SYALIS SA	SASU	40	€	French
UNE MUSIQUE	SASU	40	€	French
EUROSPORT	SASU	458	€	French
TF1 PUBLICITE PRODUCTION	SARL	8	€	French
TF1 CINÉMA (EX-BANCO)	SA	1,950	€	French
PROTECREA	SA	1,500	€	French
TF1 ENTREPRISES	SASU	3,000	€	French
STUDIOS 107	SASU	1,800	€	French
SEBADO(3)	SAS	40	€	French
CIC	SASU	118	€	French
SETS(3)	SA	40	€	French
ALMA PRODUCTION(3)	SASU	80	€	French
LES FILMS DU JOUR	SASU	45	€	French
TV SPORT	SA	2,325	€	French
EUROSPORT	AG	600	CHF	Swiss
EUROSPORT TELEVISION	BV	18	€	Dutch
EUROSPORT TELEVISION	LTD	10	GBP	English
EUROSPORT TV	AB	100	SEK	Swedish
EUROSPORT MEDIA	GMBH	30	€	Germain
EUROSHOPPING	SCS	75	€	French
TF1 DIGITAL	SA	99,132	€	French
E-TF1	SCS	1,000	€	French
LA CHAINE INFO	SCS	4,500	€	French
TF1 DEVELOPPEMENT	SA	38	€	French
TF1 MUSIC(3)	SA	38	€	French
EUROSALES	SCS	225	€	French
TF1 VIDEO	SASU	3,095	€	French
PARMENTIER PRODUCTION	SARL	514	€	French
TF1 INTERNATIONAL	SA	37,500	€	French
GROUPE GLEM	SA	40	€	French
GLEM	SA	150	€	French
BAXTER	SA	38	€	French
GLEM REPORTAGES	SARL	8	€	French
GLEM FILM	SA	80	€	French
TOUT AUDIOVISUEL PRODUCTION	SASU	80	€	French
MIKADO	SARL	8	€	French
LES NOUVELLES EDITIONS TF1	SAS	250	FRF	French
STE D’EXPLOITATION DE DOCUMENTAIRES	SCS	8	€	French
COGELDA	SASU	9,638	€	French
LES FILMS ARIANE	SASU	80	€	French
REGIE CASSETTE VIDEO	SASU	40	€	French
CIBY DA	SA	9,294	€	French
GIE APHELIE	GIE	-	-	French
QUAI SUD(3)	SAS	40	€	French
QUAI SUD TV(3)	SARL	153	€	French
COMPANIES PROPORTIONATELY CONSOLIDATED				
TF6	SCS	80	€	French
TF6 GESTION	SA	80	€	French
SERIE CLUB (EXTENSION TV)(3)	SA	50	€	French
FILM PAR FILM	SA	10,000	FRF	French
TELEMA	SA	766	€	French
COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD				
TV BREIZH	SA	15,000	€	French
TPS	SNC	1,800	€	French
TPS GESTION	SA	93	€	French
TCM DA	SNC	240	€	French
TCM GESTION	SA	40	€	French

(1) Local currency (in thousands).
(2) There is no difference between the control and the interest held percentage.
(3) Company consolidated for the first time in 2001, without any significant impact on TF1 Group’s financial figures.

LITY	ACTIVITY	CONTROL %(2)
h	Marketing of TF1 advertising airtime	100.00
h	Co-production of films	100.00
h	Home shopping	100.00
h	Financing company	99.76
h	Music publishing	100.00
h	Selling of the Eurosport channel outside France	100.00
h	Commercials and promos	100.00
h	Production of programmes	100.00
h	Production of programmes	100.00
h	Video, on-line services, merchandising products	100.00
h	TV production studios	100.00
h	Data base management	100.00
h	Video distribution	100.00
h	Delivering services for Eurosport	100.00
h	Production of programmes	100.00
h	Co-production of films	100.00
h	Selling of the Eurosport channel in France	100.00
s	Selling of the Eurosport channel in Switzerland	100.00
n	Selling of the Eurosport channel in Holland	100.00
h	Selling of the Eurosport channel in the UK	100.00
sh	Selling of the Eurosport channel in Sweden	100.00
in	Selling of the Eurosport channel in Germany	100.00
h	Home shopping theme channel	100.00
h	Holding of the theme channel division	100.00
h	Creation/broadcasting of Internet services	100.00
h	Exploitation of “La Chaîne Info”	100.00
h	Development of digital technology	99.76
h	Distribution of interactive services	99.80
h	Eurosport advertising agency	100.00
h	Video distribution	100.00
h	Audiovisual rights	100.00
h	Audiovisual rights	100.00
h	Financing company	72.80
h	Production of programmes	96.80
h	Music publishing	95.08
h	Press agency	100.00
h	Co-production of films	99.81
h	Production of programmes	100.00
h	Public relation and agent services	75.20
h	Publishing	51.00
h	Documentary thematic channel	100.00
h	Audiovisual rights	100.00
h	Audiovisual rights	100.00
h	Video distribution	100.00
h	Audiovisual rights	100.00
h	Real estate leasing	95.00
h	Production of programmes	60.00
h	Production of programmes	60.00

h	Thematic channel (general interest)	50.00
h	TF6’s management company	50.00
h	Thematic channel (series)	50.00
h	Production of feature films	50.00
h	Production of feature films	49.00

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

2 GROUP ACCOUNTING POLICIES

2.1 Basis of accounting

The consolidated financial statements of the TF1 Group have been prepared in accordance with Generally Accepted French Accounting Standards, notably the 99/02 rules of the Accounting Regulations Committee, ratified by the Government order dated June 22, 1999.
The accounting policies adopted for the 2001 consolidated financial statements are comparable to those for the 2000 and 1999 consolidated financial statements. 1999 consolidated financial statements have been subject to a pro forma restatement, so as to take in account the first consolidation in 2000 of the GIE Aphélie (*ad hoc* entity in accordance with article 10-052 of these rules). In 1994, TF1 leased from the GIE Aphélie the office building, 1, quai du Point du Jour in Boulogne-Billancourt (92), it had been occupying since 1992.

2.2 Comparability of consolidated financial statements

Due principally to the first consolidation of the GIE Aphélie, and in order to ensure comparability, the 1999 financial statements have been restated on a pro forma basis, to reflect the new consolidation accounting standard.
The main change in the scope of consolidation in 2001 was the increase to 100% of TF1’s stake in Eurosport group, now fully consolidated.
Changes of TF1’s stake in Eurosport:

	31.12.2001	31.12.2000	31.12.1999
Eurosport (previously ESO) and subsidiaries	100%	50.5%	34.0%
TV Sport	100%	36.0%	31.0%
SETS	100%	0.0%	0.0%

The table below summarises the main variations resulting from the change in interest in the Eurosport group between 2000 and 2001 of 100% of Eurosport.

(€ million)	Impact of change in consolidation scope
Fixed assets	375.0
Incl. Goodwill	97.1
Business	250.4
Brands	15.2
Total Assets	493.6
Turnover	157.0
Operating profit	11.7
Net profit attributable to the Group	(7.1)
Incl. Goodwill amortisation	(4.9)

2.3 Audiovisual rights

This note refers to the shares owned in films that have been co-produced by TF1 Films Production, Glem Films, Studios 107, Film par Film, Les Films du Jour, Téléma and Les Films Ariane, audiovisual trading and distribution rights held by TF1 International, TF1 Entreprises, RCV, Ciby DA and Cogelda, and musical rights held by Une Musique and Baxter.
The date of posting as intangible assets and the amortisation rates are defined as follows:

	Amortisation rate			
Date of posting	Co-production share	Audiovisual distribution rights	Audiovisual trading rights	Musical rights
End of shooting date	in line with revenue			
Censors' certificate	straight-line rate over 3 years			
Signing of		straight-line rate over 3 years or in line with	straight-line rate over 5 years	2 years *75% 1st year* *25% 2nd year*

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

2.4 Other intangible fixed assets

This mainly concerns valuation difference, as it is defined in note 3.3. Other intangible assets relate essentially to acquisition of trademarks and software, and are amortized over a period of between 1 and 2 years, except for the Eurosport trade mark which is not amortised.

2.5 Goodwill

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

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

2.6 Tangible fixed assets

Depreciation rates are as follows:

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

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

2.7 Programmes and film rights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d.5 All other programmes are fully written off at first transmission, and therefore are no longer considered as company assets whatever the duration of the owner's rights.

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

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

2.8 Marketable securities

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

2.9 Government grants for investment

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

2.10 Provisions for liabilities and charges

Provisions are calculated on the basis of an estimation of all existing risks at the balance sheet date.
Negative goodwill is recorded under this heading.
Winding up costs in respect of subsidiaries in liquidation are fully provided for.

2.11 Deferred taxation

Deferred taxation, as applicable to TF1 and its subsidiaries, results from:
- restatements that are made in order to eliminate the impact, on the financial statements, of entries resulting from fiscal allowances;
- differences in timing of recognition of items in the financial statements and by tax authorities.

Deferred tax has been calculated using the liability method.

2.12 Advertising

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

2.13 Commitments and contingencies

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

2.14 Pension costs

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

2.15 Financial instruments

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

2.16 Treasury shares

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

3 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 Audiovisual rights

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

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Gross value	613.0	–	67.1	(3.5)	676.6
Amortisation	(523.7)	–	(59.9)	2.4	(581.2)
Provisions	(6.8)	–	(12.3)	2.8	(16.3)
Net book value	**82.5**	**–**	**(5.1)**	**1.7**	**79.1**

3.2 Other intangible fixed assets

Cost

(€ million)	Gross value 01.01.01	Change in the scope of consolidation	Increase	Decrease	Gross value 31.12.01
Business goodwill [1]	46.8	291.4	–	–	338.2
Brands and software	24.2	17.1	6.0	(1.7)	45.6
Gross value	**71.0**	**308.5**	**6.0**	**(1.7)**	**383.8**

(1) See note 3.3.

Amortisation

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Business goodwil	–	–	–	–	–
Brands and software	(20.4)	(1.1)	(7.2)	1.5	(27.2)
Amortisation	**(20.4)**	**(1.1)**	**(7.2)**	**1.5**	**(27.2)**

3.3 Goodwill

(€ million)	Gross value at 01.01.01	Change in scope of consolidation	Gross value at 31.12.01	Amortisation at 01.01.01	Increase	Change in scope of consolidation	Amortisation at 31.12.01	Net value at 31.12.01
MT SPOT	0.7	(0.7)	–	(0.7)	–	0.7	–	–
PARMENTIER PROD.	0.5	–	0.5	(0.5)	–	–	(0.5)	–
CIC	0.5	–	0.5	(0.5)	–	–	(0.5)	–
PROTECREA	0.6	–	0.6	(0.6)	–	–	(0.6)	–
SYALIS	0.2	–	0.2	(0.2)	–	–	(0.2)	–
GROUPE GLEM	7.5	–	7.5	(7.5)	–	–	(7.5)	–
FILM PAR FILM	3.5	–	3.5	(3.5)	–	–	(3.5)	–
TELESHOPPING	2.8	–	2.8	(1.9)	(0.5)	–	(2.4)	0.4
ESO	43.4	37.3	80.7	(2.2)	(3.0)	–	(5.2)	75.5
TELEMA	5.0	–	5.0	(1.0)	(1.0)	–	(2.0)	3.0
TV SPORT	–	25.9	25.9	–	(1.4)	–	(1.4)	24.5
SETS	–	14.8	14.8	–	(0.7)	–	(0.7)	14.1
QUAI SUD	–	2.4	2.4	–	(0.3)	–	(0.3)	2.1
Total	**64.7**	**79.7**	**144.4**	**(18.6)**	**(6.9)**	**0.7**	**(24.8)**	**119.6**

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

During 2001, TF1 increased its interest in Eurosport, TV Sport and SETS to 100% (see note 2.2). This additional participation caused the TF1 Group to review the allocation method applied to the goodwill arising on the transaction undertaken in 2000 in relation to companies of the Eurosport Group. This revision has been applied in accordance with the principles set out in note 2.5. The goodwill amortisation charged in 2000 relating to Eurosport has been corrected in the profit and loss account for 2000 to reflect the definitive allocation.

At December 31, 2001, goodwill arising in respect of Eurosport group companies has been allocated as follows:

(in € million)	Business goodwill (subscriber list, etc)	Eurosport brands	Goodwill
Eurosport (formerly ESO)	241.3	–	80.7
TV Sport	75.0	–	25.9
SETS	–	15.2	14.8
Total	**316.3**	**15.2**	**121.4**

The determination of the fair value of the above assets has principally been made on the basis of cash flow forecast.

3.4 Tangible fixed assets

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

Cost

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Lands	45.7	–	–	–	45.7
Buildings	58.0	–	–	–	58.0
Technical facilities & equipment	126.3	18.1	6.9	(5.1)	146.2
Other tangibles assets	102.1	7.0	12.4	(5.2)	116.3
Assets under construction	6.5	(7.0)	3.7	–	3.2
Total	**338.6**	**18.1**	**23.0**	**(10.3)**	**369.4**

Depreciation

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Buildings	(15.9)	–	(2.4)	–	(18.3)
Technical facilities & equipment	(84.5)	(5.8)	(16.6)	4.2	(102.7)
Other tangible assets	(62.7)	(2.3)	(16.5)	4.5	(77.0)
Total	**(163.1)**	**(8.1)**	**(35.5)**	**8.7**	**(198.0)**

3.5 Financial assets

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Investments consolidated under the equity method	2.6	–	0.8	(1.6)	1.8
Investments and loans to associated undertakings	7.4	1.2	2.5	(1.8)	9.3
Other financial assets	13.7	(4.0)	12.3	(0.1)	21.9
Total gross value	**23.7**	**(2.8)**	**15.6**	**(3.5)**	**33.0**
Provisions	(7.8)	–	(1.1)	1.8	(7.1)
Total net value	**15.9**	**(2.8)**	**14.5**	**(1.7)**	**25.9**

The €403.2 M "purchase of financial asset investments" in the consolidated cash flow statement corresponds mainly to the acquisition of shares of consolidated companies. This does not have any impact on financial assets on the consolidated balance sheet, as these investments are eliminated.

3.6 Programmes and film rights

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

(€ million)	2001	2000	1999
Advances on programmes in progress	165.6	141.6	140.7
Programmes ready for broadcasting	321.5	267.8	239.0
Rights available for further broadcasting	209.0	180.0	151.7
Gross value	696.1	589.4	531.4
Provisions	(102.8)	(98.6)	(69.4)
Net value	**593.3**	**490.8**	**462.0**

3.7 Other debtors

These amounted to €352 M, mainly consisting of debts related to value added tax (VAT) for €174 M, of income tax debts for €42 M and of TPS current account for €16 M.

3.8 Marketable securities

Cash at bank and in hand amounted to €24.5 M.
Marketable securities for a net amount of €7.1 M, consist of:
- €5.8 M in money market funds (all capital gains have been realised at December 31, 2001),
- €1.5 M worth of TF1 shares. These securities were bought in order to fulfil the stock option plan set up in October 1995 for certain employees and directors of TF1,
- a €0.2M provision has been made in order to cover the difference between the option price and the purchase price of these shares.

3.9 Shareholders' funds

Movement of shareholders' funds in the last three accounting periods is indicated in the following table:

(€ million)	Share capital	Revaluation reserves	Retained earnings	Shareholders' funds
Shareholders' funds at 31.12.98 (3)	**32.0**	**4.7**	**406.1**	**442.8**
- Capital increase(2)	0.2		17.5	17.7
- Adjustment for treasury shares			(18.5)	(18.5)
- Dividends			(70.0)	(70.0)
- 1999 net profit(3)			158.4	158.4
Shareholders' funds at 31.12.99(3)	**32.2**	**4.7**	**493.5**	**530.4**
- Capital increase	10.0	(4.7)	(5.3)	–
- Dividends			(95.8)	(95.8)
- 2000 net profit			250.3	250.3
Shareholders' funds at 31.12.00	**42.2**	**0**	**642.7**	**684.9**
- Capital increase(2)	0.2		18.9	19.1
- Adjustment for treasury shares			(7.4)	(7.4)
- Dividends			(136.5)	(136.5)
- 2001 net profit			210.3	210.3
Shareholders' funds at 31.12.01 (1)	**42.4**	**0**	**728.0**	**770.4**

(1) Share capital is divided into 211,996,079 ordinary shares with a nominal value of €0.2 per share. Share capital is fully subscribed.
(2) Capital increase reserved to employees.
(3) Pro forma.

3.10 Minority interest

Movements in minority interest are indicated in the following table:

(€ million)	2001	2000	1999(1)
Opening minority interest	(0.9)	0.3	1.0
Change in the scope of consolidation	0.8	–	–
Dividends	(0.7)	(1.6)	(1.2)
Net profit	1.1	0.4	0.5
Closing minority interest	0.3	(0.9)	0.3

(1) Pro forma.

3.11 Government grants for investment

These primarily consist of a grant obtained by TF1 Films Production from the National Cinema Council (CNC). In 2001, €9.1 M was credited to the profit and loss account as against €9.4 M in 2000.

3.12 Provisions for liabilities and charges

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

(€ million)	01.01.01	Change in the scope of consolidation	Increase	Decrease	31.12.01
Claims	21.6	1.9	7.0	(12.9)	17.6
Associated companies	0.2	–	–	–	0.2
Other provisions(1)	16.2	(1.1)	12.1	(13.2)	14.0
Sub-total(2)	**38.0**	**0.8**	**19.1**	**(26.1)**	**31.8**
Pension cost	10.6	0.3	2.6	–	13.5
Equity method (3)	98.8	–	23.3	(31.8)	90.3
Negative goodwill	3.3	–	–	(3.3)	0.0
Total	**150.7**	**1.1**	**45.0**	**(61.2)**	**135.6**

(1) The €14.0 M of other provisions mainly cover the risks of returned goods from the publishing and distribution activities (€8.3 M).
(2) The €31.8 M of provision for liabilities and charges mainly cover the risk relating to private companies and individuals.
(3) Concerning the provision for liabilities and charges constituted in respect of companies consolidated under the equity method:
- the increase corresponds to TF1's share of losses in TPS and TCM,
- the decrease corresponds to the allocation of these companies' losses during the exercise.

3.13 Deferred taxation

Deferred tax is calculated on the liability basis at the rate of 35.43 % (common rate) and 20.20% (reduced rate) at December 31, 2001.

a) Deferred tax liabilities may be analysed as follows:

(€ million)	2001	2000	1999 Pro forma
TF1	53.5	46.5	44.6
Subsidiaries	9.5	9.7	6.0
Total	**63.0**	**56.2**	**50.6**

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

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

3.14 Due dates for debtors and creditors

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

(€ million)	Less than one year	Between one and five years	Over five years	Total
Other debtors	348.5	2.4	1.1	352.0
Financial creditors and loans	210.0	–	–	210.0
Trade creditors	776.3	–	–	776.3
Other creditors	491.5	2.1	–	493.6

3.15 Other creditors

The breakdown of "other creditors" is as follows:

(€ million)	2001	2000	1999
Employee taxes and social security	278.1	322.8	290.1
Fixed assets creditors	8.7	17.4	10.4
Other creditors	206.9	224.8	155.0
Total	**493.7**	**565.0**	**455.5**

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

3.16 Adjustment accounts

Adjustment accounts, which amount to €97.5 M, mainly comprise prepayments related to the broadcasting of sports events for €80.4 M.

4 NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

4.1 Other operating expenses

Other operating expenses include the following items:

(€ million)	2001	2000	1999 Pro forma
Transmission costs (TDF)	65.3	65.6	63.7
Subcontracting and production costs	306.8	336.4	298.5
Sundry contributions	161.4	161.0	144.1
Taxes and levies	30.8	25.0	22.0
Other operating expenses	492.4	413.8	292.5
Total	**1,056.7**	**1,001.0**	**820.8**

4.2 Financial profit / (loss)

The financial profit / (loss) for 2001 comprises the following:

(€ million)	2001	2000	1999 Pro forma
Net profits / (loss) on the sale of marketable securities	(31.1)	27.1	4.1
Release of provisions for contingencies and financial investments	0.7	(4.4)	(0.5)
Release of provisions for marketable securities	8.9	(7.8)	–
Interest	(5.2)	0.9	(2.4)
Foreign exchange gains	4.4	2.4	1.1
Others	4.3	(0.2)	(0.6)
Total	**(18.0)**	**18.0**	**1.7**

4.3 Exceptional items

Exceptional items in 2001 comprise the following:

(€ million)	2001	2000	1999 Pro forma
Capital gains / (losses) on disposal of fixed assets	(0.1)	(0.6)	0.3
Net provisions	–	1.1	(0.7)
Waiver of state loan	–	–	4.0
Reimbursement of the radio tax	4.8	–	–
Other	(0.1)	(0.9)	0.7
Total	**4.6**	**(0.4)**	**4.3**

4.4 Corporate income tax

(€ million)	2001	2000	1999 Pro forma
Current taxation	117.5	156.2	101.4
Deferred taxation	5.2	(1.4)	(3.3)
Total	**122.7**	**154.8**	**98.1**

Deferred taxation is calculated on the liability basis at the rate of 35.43% (common rate) and 20.20% (reduced rate) at December 31, 2001.
The effective tax rate of 36.8% corresponds to the total tax charge (€122.7 M) as a percentage of pre-tax profit. Tax savings by reason of the tax losses of subsidiaries are always reimbursed to the subsidiaries.
Since January 1, 1989, TF1 has chosen the status of tax consolidation, an option renewed on January 1, 1994 and on January 1, 1999.

4.5 Companies consolidated under the equity method

Significant figures (€ million) 100%	TPS	TCM	TV Breizh
Net fixed assets	190.3	55.3	1.6
Financial debt	465.9	11.0	0.2
Total net assets	396.3	77.5	7.4
Consolidated trunover	457.3	22.8	4.2
Consolidated operating profit	(82.5)	0.6	(7.8)
Consolidated net loss	(99.2)	(2.0)	(7.4)

4.6 Reconciliation of TF1 SA company profit to consolidated profit at December 31, 2001

(€ million)		
TF1 SA profit		276.2
Losses of consolidated subsidiaries		(67.7)
		208.5
Restatements		
- Provision for amortisation of programmes (net balance)(1)	(3.3)	
- Elimination of regulated provisions	25.0	
- Elimination of inter-Group provisions	(4.8)	
- Deferred taxation	(5.2)	
- Dividends received from subsidiaries	7.8	
- Cancellation of inter-Group capital gains	(12.5)	
- Other	(4.1)	
Consolidated profit	**211.4**	
Minority interest	(1.1)	
Net profit attributable to the Group	**210.3**	

(1) The provision for amortisation of programmes which will not be broadcast and which have been already written off (in accordance with note 1.9 of the notes to TF1 SA accounts) amounts to €98.5 M at December 31, 2001.

5 NOTE TO THE CASH FLOW STATEMENT

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

6 OTHER INFORMATION

6.1 Sector information

(€ million)	Turnover 2001	Turnover 2000	Operating profit 2001	Operating profit 2000
TF1 core channel	1,533.3	1,597.8	375.8	409.9
Publishing - Distribution	274.6	279.5	14.3	22.7
Eurosport(1)	298.0	175.7	23.0	9.0
Thematic channels	64.2	54.1	(6.6)	(0.5)
Internet	7.9	4.1	(14.8)	(18.2)
Production	68.7	43.7	2.1	4.6
Audiovisual rights	35.5	65.4	(17.8)	(4.2)
Digital television - TPS (2)	–	–	–	–
Total	**2,282.2**	**2,220.3**	**376.0**	**423.3**

(1) Impact of variations of Eurosport consolidation perimeter on TF1 Group's turnover and operating profit is detailed in the note 2.2.
(2) Consolidated under the equity method.

6.2 Commitments and contingencies

As described in note 2.13, the due dates of these commitments at December 31, 2001 are as follows:

Commitments given

(€ million)	Less than one year	Over one year	Total
Programmes and broadcasting rights[1]	300.2	374.1	674.3
Sports transmission rights[1]	249.4	527.9	777.3
Video exploitation rights	2.0	–	2.0
Leasing	0.4	–	0.4
Guarantees	34.9	34.6	69.5
Other commitments	77.4	92.7	170.1
Total	**664.3**	**1,029.3**	**1,693.6**

(1) Including 77,2 M€ in CHF and €242,6 M in USD.

Commitments received

(€ million)	Less than one year	Over one year	Total
Programmes and broadcasting rights	298.0	374.1	672.1
Sports transmission rights	249.4	527.9	777.3
Video exploitation rights	2.0	–	2.0
Guarantees	2.8	4.7	7.5
Other commitments	70.2	31.0	101.2
Total	**622.4**	**937.7**	**1,560.1**

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

6.3 Use of financial hedging instruments

6.3.1 Hedging of exchange rates

As TF1 SA and several Group subsidiaries transact business in foreign currencies, they use buy and sell forward exchange contracts and purchase of call option contracts to protect themselves from exchange rate fluctuations.
On December 31, 2001, the exchange value of these contracts amounted to €41.2 M of forward purchase exchange contracts in Sterling.

6.3.2 Hedging of interest rates

On December 31, 2001, there is no significant interest rate risk, since the TF1 Group has no long-term indebtedness.

6.4 Employees

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

	2001	2000	1999
College 1 - Workers and clerical employees	87	90	82
College 2 - Technical staff	720	697	697
College 3 - Managerial and executive staff	1,689	1,413	1,142
College 4 - Journalists	406	397	328
Total	**2,902**	**2,597**	**2,249**

6.5 Executive compensation

Remuneration of the 10 executive directors (composed of the general management and two directors of the broadcasting department as listed on page 4 of the Key figures booklet) for the year ended 31 December 2001 amounted to €6,952,504.

The information on the share purchase options and share subscription options of the 10 executive directors is available under the paragraph 5.6 “Stock warrant or stock purchase plan” in the Directors’ report of the Board of Directors.

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

6.6 Risks in emerging countries

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

6.7 Subsequent events

On December 27, 2001, TF1 Group has signed an agreement with France Télécom and France Télévision to buy out their 25% stake in TPS. TF1 will pay €195 M for both the equity and loans granted. As a result of this acquisition, TF1 will own 50% of TPS. This transaction will be completed during the first half 2002.

The impact of this transaction and the proportionate consolidation of TPS may be analysed as below (balance sheet and P&L restated for 2001).

Simplified balance sheet TF1 and TF1 + TPS pro forma on December 31, 2001 (€ million):

ASSETS	TF1	TF1 + TPS Pro forma	EQUITY AND LIABILITIES	TF1	TF1 + TPS Pro forma
Fixed assets, net	752.7	1,090.8	Shareholders’ funds	770.4	738.7
			Other long term capital	205.0	141.2
Current assets	1,596.9	1,652.0	Short term financial creditors and borrowings	210.0	602.4
Adjustment accounts, deferred taxation	141.9	169.1	Trade payables	1,270.0	1,374.2
			Adjustment accounts	36.1	55.4
Total	**2,491.5**	**2,911.9**	**Total**	**2,491.5**	**2, 911.9**

Simplified profit and loss account TF1 and TF1 + TPS pro forma on December 31, 2001 (€ million):

	TF1	TF1 + TPS Pro forma
Turnover	**2,282.2**	**2,490.2**
Total operating revenues	2,325.1	2,536.9
Total operating charges	(1,949.2)	(2,202.2)
Including depreciation and amortisation	(118.0)	(164.1)
Operating profit	**375.9**	**334.7**
Financial losses	**(18.0)**	**(32.7)**
Net profit attributable to the Group	**210.3**	**178.6**

The consolidation of 50% of TPS under the proportionate method on December 31, 2001 would have increased the off-balance sheet commitments and contingencies of the TF1 Group by €273.5 M.

7 SIGNIFICANT ELEMENTS IN THE NOTES TO THE PRIOR ACCOUNTING PERIODS

The information contained in the notes to the accounts for 2001 is equivalent to that for previous periods.
The same applied to 2000 and 1999.

TF1 SA balance sheet

ASSETS (€ thousands)	Notes	Gross value	Depreciation, amortisation and provisions	31.12.01 Net value	31.12.00 Net value	31.12.99 Net value
Intangible fixed assets	*1.2 and 2.1*	**218,963**	**4,343**	**214,620**	**184,737**	**167,788**
Franchises and other similar rights		725	398	327	430	13
Brand		73	73	0	0	0
Goodwill		0	0	0	14	14
Other intangible fixed assets		639	639	0	0	0
Co-production ready for broadcasting		107,782	0	107,782	89,047	83,217
Co-production rights available for rebroadcasting		50,029	332	49,697	44,295	39,691
Co-production in progress		59,715	2,901	56,814	50,951	44,853
Tangible fixed assets	*1.3 and 2.2*	**150,386**	**105,370**	**45,016**	**51,850**	**33,515**
Land		0	0	0	0	0
Freehold buildings		0	0	0	0	0
Technical facilities and equipment		63,179	44,940	18,239	15,651	8,604
Other tangible fixed assets		85,750	60,430	25,320	30,596	20,074
Tangible fixed assets under construction		1,457	0	1,457	5,603	4,837
Financial assets	*1.4 and 2.3*	**552,632**	**1,381**	**551,251**	**330,495**	**157,015**
Investments		425,375	1,090	424,285	208,606	103,464
Loans to associated undertakings		285	285	0	0	0
Other investments held as fixed assets		27,136	0	27,136	19,351	18,610
Loans		99,129	0	99,129	101,879	34,669
Other financial assets		707	6	701	659	272
FIXED ASSETS		**921,981**	**111,094**	**810,887**	**567,082**	**358,318**
Inventories	*1.5 and 2.4*	**445,505**	**60,592**	**384,913**	**321,021**	**315,120**
Raw materials and consumables		935	0	935	1,040	1,093
Goods held for resale		33	3	30	35	95
Rights ready for broadcasting		179,614	28,688	150,926	123,569	137,895
Rights for rebroadcasting		159,011	31,351	127,660	109,248	95,434
Broadcasting rights in progress		105,912	550	105,362	87,129	80,603
Prepayments and accrued income		4,059	0	4,059	1,850	4,096
Trade debtors	*1.6 and 2.5*	334,611	0	334,611	335,662	288,966
Other debtors	*2.5*	599,728	1,713	598,015	452,884	349,936
Marketable securities and cash at bank and in hand	*1.7, 2.6 and 4.7*	2,493	159	2,334	223,713	128,824
Prepaid expenses	*2.7*	83,190	0	83,190	29,663	31,730
CURRENT ASSETS		**1,469,586**	**62,464**	**1,407,122**	**1,364,793**	**1,118,672**
Unrealised losses / gains on foreign exchange		882	0	882	757	381
TOTAL ASSETS		**2,392,449**	**173,558**	**2,218,891**	**1,932,632**	**1,477,371**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ thousands)*	*Notes*	31.12.01	31.12.00	31.12.99
Share capital		42,399	42,237	32,195
Share premium		36,350	17,482	17,482
Revaluation reserve		0	0	4,681
Legal reserve		4,224	4,224	3,201
Long term capital gain reserve		25,001	25,001	25,001
Other reserves		530,000	330,000	266,785
Retained earnings		75,316	53,671	40,794
Net profit for the year		276,228	358,132	178,748
Government grants for investment	*1.8*	0	0	0
Regulated provisions: programme amortisation	*1.9*	148,967	125,762	113,930
SHAREHOLDERS' FUNDS	*2.8*	**1,138,485**	**956,509**	**682,817**
Provisions for contingencies		9,093	11,475	11,289
Provisions for charges		882	757	381
Other provisions for liabilities		28,038	35,171	13,182
PROVISIONS FOR LIABILITIES AND CHARGES	*1.10 and 2.9*	**38,013**	**47,403**	**24,852**
Bank borrowings(1)		43,799	0	0
Other financial creditors(2)		241,504	149,582	129,957
Trade creditors		456,831	392,655	327,928
Tax and social liabilities		129,598	205,946	181,817
Fixed assets creditors		2,071	5,924	3,057
Other creditors		152,895	162,652	116,035
Prepaid income		15,620	11,801	10,800
CREDITORS AND OTHER LIABILITIES	*2.10*	**1,042,318**	**928,560**	**769,594**
Unrealised losses / gains on foreign exchange		75	160	108
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**2,218,891**	**1,932,632**	**1,477,371**
(1) Including bank overdrafts		*19,799*	*0*	*0*
(2) Including current account with associated companies		*141,504*	*149,582*	*129,957*

TF1 SA profit and loss account

(€ thousands)	*Notes*	2001	2000	1999
Turnover	*1.11 and 3.1*	**1,567,069**	**1,602,198**	**1,379,242**
Advertising revenue	*3.1*	1,414,328	1,483,962	1,261,199
Technical services		1,716	1,302	1,911
Other operating revenue		15,569	6,542	22,887
Stored production		(473)	(232)	184
In-house production		0	8,797	561
Operating grant		14	312	74
Depreciation, amortisation and provisions releases		26,902	14,147	22,347
Expense transfers		103,633	84,112	66,415
Other revenue		5,380	3,256	3,664
Operating expenses		**(1,176,612)**	**(1,180,672)**	**(1,091,973)**
Purchase of raw materials and consumables	*3.2*	(469,869)	(398,576)	(342,542)
Change in inventory		64,513	32,333	12,166
Other purchases and external expenses		(341,396)	(345,417)	(326,091)
Taxes and levies	*3.3*	(92,600)	(91,455)	(82,891)
Wages and salaries	*3.4*	(98,448)	(97,678)	(94,352)
Social security charges	*3.5*	(43,931)	(43,173)	(42,283)
Depreciation, amortisation and provisions	*3.6*			
- amortisation of broadcast coproduction		(89,387)	(110,415)	(126,169)
- depreciation of other fixed assets		(16,966)	(12,849)	(11,236)
- provision for intangible assets and current assets		(16,307)	(40,084)	(17,442)
- provision for liabilities and charges		(6,843)	(5,913)	(5,671)
Other expenses	*3.7*	(65,378)	(67,445)	(55,462)
OPERATING PROFIT		390,457	421,526	287,269
Net profit from joint operations		0	0	0
Financial revenue		95,401	59,985	30,938
Financial expense		(49,774)	(35,941)	(15,971)
FINANCIAL PROFIT	*3.8*	45,627	24,044	14,967
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		436,084	445,570	302,236
Exceptional income		**162,812**	**135,977**	**40,079**
Exceptional revenue on operations		1,124	248	5,361
Exceptional revenue on fixed assets		129,289	104,070	262
Provision releases		32,399	31,659	34,456
Exceptional expenses		**(184,924)**	**(59,816)**	**(49,235)**
Exceptional expense on operations		(2,112)	(729)	(788)
Exceptional expense on fixed assets		(127,209)	(15,595)	(7,478)
Exceptional depreciation, amortisation and provisions		(55,603)	(43,492)	(40,969)
EXCEPTIONAL PROFIT	*3.9*	(22,112)	76,161	(9,156)
Employee profit sharing		(11,592)	(13,511)	(10,344)
Corporate income tax	*3.10 and 3.11*	(126,152)	(150,088)	(103,988)
NET PROFIT		276,228	358,132	178,748

(€ thousands)	31.12.01	31.12.00	31.12.99
1 Operating activities			
• Net profit	276,228	358,132	178,748
• Depreciation, amortisation and provisions(1) (2)	5,667	34,501	4,521
• Investment grants released to revenue	0	0	0
• Gain (loss) on disposal of fixed assets	(12,594)	(95,128)	76
Cash flow	**269,301**	**297,505**	**183,345**
• Purchase of coproduction(2)	(118,965)	(130,297)	(131,031)
• Depreciation, amortisation and provisions of coproduction(2)	112,170	125,598	132,740
• Stocks	(63,891)	(5,901)	(6,403)
• Trade debtors	(197,734)	(147,952)	(148,559)
• Trade creditors	(18,195)	136,527	62,100
• Expenses to amortise over several periods	0	0	0
• Net advances from third parties	(2,209)	2,246	(2,133)
Increase in working capital needs	**(288,824)**	**(19,779)**	**(93,286)**
NET CASH INFLOW FROM OPERATING ACTIVITIES	(19,523)	277,726	90,059
2 Investing activities			
• Purchase of fixed assets(1) (2)	(10,283)	(32,562)	(11,257)
• Disposal of fixed assets(1) (2)	209	920	140
• Purchase of fixed asset investments	(330,034)	(13,135)	(6,931)
• Disposal of fixed asset investments	128,919	4,058	80
• Increase (decrease) in fixed assets creditors	(3,853)	2,866	1,848
• Increase (decrease) in other financial assets	(5,078)	(68,337)	(20,937)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(220,120)	(106,190)	(37,057)
3 Financing			
• Increase (decrease) in shareholders' funds	19,030	0	17,662
• Net change in loans	115,922	19,625	(18,781)
• Dividends paid	(136,487)	(96,273)	(69,973)
NET CASH OUTFLOW FROM FINANCING	(1,535)	(76,648)	(71,092)
TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(241,178)	94,888	(18,090)
Cash at beginning of period	223,713	128,825	146,915
Net inflow (outflow)	(241,178)	94,888	(18,090)
Cash at end of period	(17,465)	223,713	128,825

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

Accounting policies and presentation of the accounts for the twelve-month financial period ended December 31, 2001.

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

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Comparability of financial statement

No specific element is likely to affect the comparability of financial accounts.

1.2 Intangible fixed assets

1.2.1 General principles

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

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

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

b) Cartoons

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

c) Programmes of a duration not exceeding 52 minutes

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

d) Programmes of a duration of 52 minutes or over

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

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

1.2.2 Co-productions ready for broadcasting

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

1.2.3 Co-productions rights available for rebroadcasting

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

1.2.4 Co-productions in progress

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

1.3 Tangible fixed assets

Depreciation methods are set out in the following table:

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

1.4 Financial assets

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

1.5 Inventories

1.5.1 General principles

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

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

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

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

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

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

c) Programmes of a duration not exceeding 52 minutes

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

d) Programmes of a duration of 52 minutes or over

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

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

1.5.2 Rights ready for broadcasting

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

1.5.3 Rights available for rebroadcasting

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

1.5.4 Rights in progress

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

1.6 Trade debtors

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

- 100% of their total amount, net of tax, for accounts receivable prior to January 1, 1999,
- 50% of their total amount, net of tax, for accounts receivable falling due between January 1, 1999 and December 31, 1999.

Risks on receivables originating after December 31, 1999 and not yet collected at December 31, 2001, are not significant.

1.7 Marketable securities

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

1.8 Government grants

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

1.9 Regulated provisions

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

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

1.10 Provisions for liabilities and charges

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

1.11 Advertising

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

1.12 Commitments and contingencies

Purchased broadcasting rights and co-productions to which the station was firmly and contractually committed prior to the end of the accounting period, but for which technical approval has not yet been granted, are reported as “Commitments and contingencies”.

These commitments are valued on the basis of the amount set out in the contract, after deduction of amounts that have been capitalised and recorded under the heading “Programmes and film rights”.

1.13 Pension costs

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

1.14 Financial instruments

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

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

2 NOTES TO THE BALANCE SHEET

2.1 Intangible fixed assets

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

SUMMARY OF MOVEMENTS

(€ million)	2001	2000
Co-productions in progress	54.3	44.9
Co-productions ready for broadcasting	89.1	83.3
Co-productions available for rebroadcasting	44.6	39.9
VALUE OF CO-PRODUCTIONS AS OF JANUARY 1	**188.0**	**168.1**
Add:		
INVESTMENTS JANUARY 1 TO DECEMBER 31	**129.4**	**136.1**
Subtract:		
DISINVESTMENTS JANUARY 1 TO DECEMBER 31		
Cost 1st transmission	(81.1)	(101.2)
Cost 2nd transmission	(8.3)	(9.2)
Total cost of broadcast	**(89.4)**	**(110.4)**
Rights expired	(1.5)	(1.2)
Rights retired	(8.8)	(4.6)
Rights sold (residual book value)	(0.2)	-
TOTAL DISINVESTMENT JANUARY 1 TO DECEMBER 31	**(99.9)**	**(116.2)**
VALUE OF CO-PRODUCTIONS AS OF DECEMBER 31	**217.5**	**188.0**
BREAKDOWN		
Co-productions in progress	59.7	54.3
Co-productions ready for broadcasting	107.8	89.1
Co-productions available for rebroadcasting	50.0	44.6
Total	**217.5**	**188.0**

As of December 31, 2001, the provision for risk of non-transmission of co-productions amounted to €35.0 M, of which €0.4 M in provision for depreciation of assets and €34.6 M in existing regulated provisions made as described in note 1.9.

2.2 Tangible fixed assets

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

Cost

(€ million)	01.01.01	Increase	Decrease	31.12.01
Technical facilities and equipment	56.5	9.4	2.7	63.2
Other	83.0	5.1	2.4	85.7
Assets under construction	5.6	0.9	5.0	1.5
Total	**145.1**	**15.4**	**10.1**	**150.4**

Depreciation

(€ million)	01.01.01	Increase	Decrease	31.12.01
Technical facilities and equipment	40.9	6.7	2.6	45.0
Other	52.4	10.2	2.2	60.4
Total	**93.3**	**16.9**	**4.8**	**105.4**

2.3 Financial assets

Financial investments
TF1 purchased to the following:

- Téléma €9.2 M for 49% of share capital
- TV Sport €105.5 M for 64% of share capital
- Sagas €0.3 M for 49.5% of share capital

TF1 sold Eurosport SA:

- 51% of TV Sport shares reported in its accounts for €33.2 M,
- the entire holding in Sagas reported in its accounts for €0.3 M,

and received in return shares of Eurosport SA for an amount of €64.7 M.

TF1 sold to Eurosport SA 49% of shares it hold in TV Sport, reported in its accounts for an amount of €80.9 M.

TF1 subscribed to the Eurosport SA capital increase for €150.0 M.

At December 31, 2001, the total value of the shares reported in the balance sheet of TF1 SA amounts to €425.4 M, with provisions amounting to €1.1 M.

Loans
This heading essentially relates to:
- an equity loan of €39.7 M (€31.0 M nominal value) granted to GIE Aphélie. This loan, including rolled-up interest, would enable the exercise of the purchase option on the leased building in 2009, under the terms and conditions stated in note 4.1,
- a long term loan granted to GIE Aphélie, bought back by TF1 from a bank pool on March 31, 2000 (residual value on December 31, 2001: €57.4 M),
- a loan granted to Studios 107 (residual value on December 31, 2001: €1.8 M).

Other financial assets
This heading essentially relates to 1,245,387 TF1 shares, for a total amount of €25.9 M.
993,850 shares have been purchased as part of a share buyback programme as described in the information note which received the visa 99-305 from the Commission des Opérations de Bourse (COB) on March 30, 1999.
In October 1999, TF1 carried out a capital increase reserved to the Group's employees. The subscribers only contributed to 1/10 of their total investment. The remaining 9/10 were financed through an underwritten bank loan. As part of this operation, TF1 has sold a call option to a bank at a price of €18.66 covering 709,900 TF1 shares.
These shares are aimed at covering this call option.

251,537 shares have been purchased as part of a share buyback programme as described in the information note which received the visa 01-436 from the Commission des Opérations de Bourse (COB) on April 24, 2001.

In December 2001, TF1 carried out a capital increase reserved to the Group's employees. The subscribers only contributed to 1/10 of their total investment. The remaining 9/10 have been financed through an underwritten bank loan. As part of this operation, TF1 has sold a call option to a bank at a price of €29.26 covering 97,550 TF1 shares.

2.4 Inventories

This heading essentially relates to non-transmitted broadcasting rights.

	External production	In-house production	Total production	2000
Rights ready for 1st broadcasting	154.7	2.9	157.6	155.8
Rights available for rebroadcasting	135.5	–	135.5	111.8
Rights in progress	86.8	0.5	87.3	80,6
VALUE OF PROGRAMMES AS OF JANUARY 1	**377.0**	**3.4**	**380.4**	**348.2**
Add				
INVESTMENT JANUARY 1 TO DECEMBER 31	**465.0**	**269.7**	**734.7**	**657.5**
Subtract:				
DISINVESTMENT JANUARY 1 TO DECEMBER 31				
Cost 1st transmission	352.9	267.8	620.7	582.2
Cost 2nd transmission	29.6	–	29.6	25.6
Total cost of broadcast	382.5	267.8	650.3	607.8
Rights expired	8.3	–	8.3	9.3
Rights retired	9.4	2.4	11.8	7.9
Rights sold (residual book value)	0.2	–	0.2	0.3
TOTAL DISINVESTMENTS JANUARY 1 TO DECEMBER 31	**400.4**	**270.2**	**670.6**	**625.3**
VALUE OF PROGRAMMES AS OF DECEMBER 31	**441.6**	**2.9**	**444.5**	**380.4**
CHANGE IN STOCK	**64.6**	**(0.5)**	**64.1**	**32.2**
BREAKDOWN				
Rights ready for 1st broadcasting	177.7	1.9	179.6	157.6
Rights available for rebroadcasting	159.0	–	159.0	135.5
Rights in progress	104,9	1,0	105,9	87,3
Total	**441.6**	**2.9**	**444.5**	**380.4**

As of December 31, 2001, the provision for risk of non-transmission of rights amounted to €60.6 M.

2.5 Debtors

2.5.1 Trade debtors

TF1 Publicité, as agent of TF1 SA, sells advertising space to advertising agencies. For this, TF1 Publicité receives fees indexed on turnover generated. The balance payable by TF1 Publicité to TF1 SA in respect of such purchases was €137.4 M at December 31, 2001, against €139.5 M at December 31, 2000. This balance is net of sales rebates which have yet to be granted and which are included in "Other creditors".

2.5.2 Other debtors

This heading essentially relates to VAT receivable for €65.9 M, to loans granted to subsidiaries under cash management agreements for €479.8 M, and to corporate income tax for €39.6 M.

2.5.3 Due dates for debtors

The debtors linked to fixed assets and current assets, totalling €1,041 M, essentially fall due within one year.
A proportion of the debtors carried under fixed assets (€29.9 M) and current assets (€0.3 M) fall due between one and five years.
A proportion of the debtors carried under fixed assets (€64.1 M) fall due after five years.

2.6 Cash and marketable securities

Marketable securities consist of TF1 shares bought in order to fulfil the stock option plan set up in October 1995 for certain employees and management of TF1, for an amount of €1.5 M. A provision of €0.2 M has been made to cover the difference between the option price and purchase price for these shares.

2.7 Prepaid expenses

Prepaid expenses account for €83.2 M including €79.3 M relating to prepaid sports transmissions.

2.8 Shareholders' funds

The share capital is divided into 211,996,079 fully paid ordinary shares each with a nominal value of €0.2.
The movements for the financial year were as shown in the following table:

(€ million)	01.01.01	Allocation of profit (General Meeting of May 15, 2001)	Other movements	31.12.01
Share capital	42.2	–	0.2(3)	42.4
Share premium	17.5	–	18.9(3)	36.4
Legal reserve	4.2	–	–	4.2
Long term capital gain reserve	25.0	–	–	25.0
Retained earnings	53.7	21.6	–	75.3
Other reserves	330.0	200.0	–	530.0
Net profit for the year	358.1	(358.1)	276.2	276.2
Sub-total	**830.7**	**(136.5)**	**295.3**	**989.5**
Regulated provisions	125.8	–	23.2(2)	149.0
Total	**956.5**	**(136.5)(1)**	**318.5**	**1,138.5**

(1) Dividends paid on May 31, 2001.
(2) Net movements of the year.
(3) Share capital increase reserved to employees.

2.9 Provisions for liabilities and charges

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

(€ million)	01.01.01	Increase	Decrease	31.12.01
Claims	11.5	5.2	7.6	9.1
Associated companies	22.4	15.9	22.2	16.1
Bad debts	2.7	–	–	2.7
Pension costs	7.6	1.6	–	9.2
Exchange loss	3.2	0.9	3.2	0.9
Total	**47.4**	**23.6**	**33.0**	**38.0**

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

2.10 Creditors

2.10.1 Bank borrowings

Bank overdrafts represent at December 31, 2001, an amount of €19.8 M.
The Company has the possibility to draw up to €289.2 M on credit facilities with various banks, which €24 M have been used as at December 31, 2001.
The company has subscribed in May 1999 a syndicated loan amounting to €381 M, for a period of 7 years. This loan has not yet been used.

2.10.2 Other financial creditors

Cash put at TF1's disposal by its subsidiaries in accordance with cash management agreements is recorded under this heading amounting to €202.0 M (€126.7 M in 2000).

2.10.3 Other creditors

This heading includes credit notes and rebates on tariffs to be granted by TF1, amounting to €148.6 M (€159.1 M in 2000).

2.10.4 Due dates for creditors

The creditors, totalling €1,026.7 M, fall due within one year.
A €2.1 M of other debts are due after more than one year.

3 NOTES TO THE PROFIT AND LOSS ACCOUNT

3.1 Breakdown of turnover

Advertising revenues amount to €1,414.3 M and correspond to TF1 Publicité's revenues, less the fees enabling TF1 Publicité to cover operating costs (€82.6 M).

3.2 Purchase of raw materials and consumables

The purchase of broadcasting rights has been accounted for as inventories. Their consumption is determined by reference to date of broadcast or to their retirement.

3.3 Taxes and levies

This heading essentially records TF1's contribution to the French National Cinema Council, business tax and a tax levied by a Social Security agency (ORGANIC) for an amount of €85.3 M in 2001 and 2000.

3.4 Wages and salaries

This heading includes €6.5 M of fees paid to freelance employees as against €7.4 M in 2000.

3.5 Social security charges & employment expenses

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

3.6 Depreciation, amortisation and provisions

The heading "amortisation of broadcast co-productions" concerns only the amortisation of the shares of broadcast co-productions.

3.7 Other expenses

This item covers payments to authors amounting to €58.1 M in 2001 (€60.6 M in 2000).

3.8 Financial profit

Financial profit for 2001 breaks down as follows:

(€ million)	2001	2000
Dividends	36.0	23.8
Net interest received	21.7	14.5
Provisions for liabilities	(14.2)	(20.5)
Exchange differences	1.0	0.9
Profits on sales of marketable securities	1.1	5.4
Net	**45.6**	**24.1**

Financial expenses with respect to associated companies amount to €5.9 M and financial revenues amount to €24.8 M in 2001 (respectively €4.6 M and €14.0 M in 2000).

3.9 Exceptional items

The exceptional items for 2001 break down as follows:

(€ million)	2001	2000
Capital losses on disposal and retirement of programmes	(10.3)	(5.8)
Net provisions (including accelerated amortisation for tax purposes)	(23.2)	(11.8)
Capital gains on disposal of financial assets (1)	12.8	95.3
Other	(1.4)	(1.6)
Net	**(22.1)**	**76.1**

(1) Shares reclassification within TF1 Group.

3.10 Corporate income tax

The difference between the theoretical income tax charge (36.43%) and the actual income tax charge (31.3%) mainly results from the elimination of inter-Group capital gains (€12.5 M), deduction of dividends (€36.0 M), employee profit sharing (€1.9 M) and the net losses recorded by GIE Aphélie (€3.0 M).
Since January 1, 1989, TF1 has chosen the status of tax consolidation, an option renewed on January 1, 1994 and on January 1, 1999.
The tax savings arising due to the tax losses of Group companies are reimbursed to those subsidiaries.

3.11 Deferred taxation

(€ million)	Future increase in tax	Future decrease in tax
Regulated provisions	52.8	–
Employee profit sharing, paid vacation, Organic tax, Pension costs provisions, etc	–	10.7

4 OTHER INFORMATION

4.1 Commitments and contingencies

On December 31, 2001, the various types of commitments and their due dates are as follows:

Commitments given

(€ million)	Within less than one year	Over one year	Total
Programmes and broadcasting rights (1)	270.2	374.1	644.3
Sports broadcasting rights (1)	163.2	329.6	492.8
Real-estate leasing	16.3	117.3	133.6
Other commitments	32.4	55.2	87.6
Total	**482.1**	**876.2**	**1,358.3**

(1) Including €77.2 M in CHF and €242.6 M in USD.

Commitments received

(€ million)	Within less than one year	Over one year	Total
Programmes and broadcasting rights	270.2	374.1	644.3
Sports broadcasting rights	163.2	329.6	492.8
Real-estate leasing	16.3	117.3	133.6
Other commitments	–	16.1	16.1
Total	**449.7**	**837.1**	**1,286.8**

The heading "Programmes and broadcasting rights" includes long-term contracts relating to variety and game shows and entertainment programmes for €445 M. The item "Sports broadcasting rights" mainly includes pluri-annual contracts.

Group's commitments regarding real-estate leasing contracts
In June 1994, TF1 leased from GIE Aphélie its office building, 1 quai du Point du Jour in Boulogne, that it had been occupying since 1992. This capital lease contract has a 15 years' term and amounts to €164.6 M (excl. interest charges):
- land: €45.7 M
- building: €57.9 M
- equipment: €61.0 M

Since June 30, 2001, TF1 has had an option to purchase the property at its net book value. This financial lease contract replaces the 12 year commercial lease originally contracted between TF1 and GAN.

Original value		164.6
Lease payments (1)		88.2
- accumulated	74.5	
- financial year	13.7	
"Theoretical" depreciation charges (2)		64.0
- accumulated	55.5	
- financial year	8.5	
Estimated remaining future lease payments (3)		
- less than one year	16.3	
- between one and five years	69.6	
- more than five years	47.7	
Purchase option on the building in 2009		67.1

(1) Including capital repayment of €23.5 M.
(2) Depreciation charges that would have been accounted for if the building were owned by the company.
(3) Lease payments calculated using a theoretical interest rate of 6.25%.

4.2 Use of financial hedging instruments

4.2.1 Hedging of exchange rates

There is no hedging of exchange rates on December 31, 2001.

4.2.2 Hedging of interest rates

There is no risk on interest rates on December 31, 2001.

4.3 Employees

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

	2001	2000	1999
College 1 - Workers and clerical employees	40	43	38
College 2 - Technical staff	442	444	480
College 3 - Managerial and executive staff	636	594	528
College 4 - Journalists	212	218	225
Total	**1,330**	**1,299**	**1,271**

4.4 Executive compensation

Remuneration of the 10 executive directors (composed of the general management and two directors of the broadcasting department as listed on page 4 of the Key figures booklet) for the year ended 31 December 2001 amounted to €6,952,504.
The information on the share purchase options and share subscription options of the 10 executive directors is available under the paragraph: 5.6 “Stock warrant or stock purchase plan” in the Directors’ report of the Board of Directors.
No significant personal loans or guarantees have been granted to any Director or Board Member apart from share loans to Directors who are also Board Members.

4.5 Directors’ fees

Directors’ fees paid in 2001 amounted for €175,316.

4.6 Movements in provisions

(€ million)	01.01.01	Increase	Decrease	31.12.01
REGULATED PROVISIONS	125.8	55.6	32.4	149.0
In respect of intangible fixed assets (programmes)				
PROVISIONS FOR LIABILITIES AND CHARGES	47.4	23.7	33.1	38.0
PROVISIONS FOR DEPRECIATION OF FIXED ASSETS	4.5	0.3	0.9	3.9
PROVISIONS ON FINANCIAL ASSETS				
Long-term investments	2.9	–	1.8	1.1
Related loans	0.3	–	–	0.3
PROVISIONS FOR DEPRECIATION OF CURRENT ASSETS				
Inventories	60.4	16.0	15.8	60.6
Advances to subsidiaries	1.8	–	0.1	1.7
Investment securities	0.3	–	0.1	0.2
Total	**243.4**	**95.6**	**84.2**	**254.8**

4.7 Financial and short term investments held at December 31, 2001

Financial investments	Number of shares	%	Shareholder’s fund in euros
EUROSPORT	15,277,338	100.00	263,177,638
TF1 DIGITAL	6,195,729	100.00	93,008,707
SYALIS	2,494	99.76	27,145,378
TF1 PUBLICITE	30,000	100.00	21,683,027
TF1 FILMS PRODUCTION	169,994	100.00	16,892,578
TF1 ENTREPRISES	200,000	100.00	16,107,767
GROUPE GLEM	1,820	72.80	5,160,774
STUDIOS 107	120,000	100.00	4,681,238
FILM PAR FILM	9,998	49.99	3,927,647
TELESHOPPING	8,500	100.00	3,601,634
TELEMA	3,282	48.98	2,495,547
TF1 CINEMA	129,994	100.00	1,861,387
TV BREIZH	32,999	22.00	921,000
TCM DA	5,100	34.00	555,851
TRICOM	29,994	99.98	436,726
BIG CASH	79,994	99.99	79,992
TAPAS 2	40,000	100.00	40,000
TAPAS 3	40,000	100.00	40,000
@ TF1	39,999	100.00	39,999
SAGIT	39,994	99.99	39,994
SICCIS	39,994	99.98	39,992
TAPAS	2,475	99.00	39,525
TCM GESTION	848	33.92	13,117
TPP	5	1.00	2,706
SED ODYSSEE	1	0.20	1,521
SEBADO	1	0.04	139
SERIE CLUB	1	0.004	90
LCI	1	0.0003	5
TPS GESTION	1	0.02	2
TRICOM & CIE	2	0.07	2
TF6 GESTION	1	0.001	1
FINANCIAL INVESTMENTS			**461,993,984**
Shareholders’ funds correspond to the proportion of net shareholders’ equity owned by TF1 SA.			
TF1 SA shares	179,000	7.33 [1]	1,312,070 [1]
TOTAL INVESTMENTS			**463,306,054**

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

4.8 Subsidiaries and financial investments

Companies or groups of companies	Currency	Share capital	Reserves	Interest held	Gross book value of shares held	Net book value of shares held	Loans and credits granted but not yet repaid	Guarantees and pledges granted	Turnover in last accounting period	Net result in last accounting period	Dividends received during period
		In € thousands or foreign currency units if indicated					In € thousands				
I SUBSIDIARIES (holding of at least 50% of shares)											
- TF1 PUBLICITE		2,400	13,256	100.00%	3,038	3,038	–	–	1,539,429	6,027	2,880
- TF1 FILMS PRODUCTION		2,550	14,152	100.00%	1,768	1,768	–	–	42,110	192	–
- TELESHOPPING		127	1,870	100.00%	130	130	–	–	77,641	1,604	2,499
- TF1 PUBLICATIONS	FRF	75	(1,668)	99.88%	519	–	1,391	–	–	20	–
- TF1 ENTREPRISES		3,000	499	100.00%	3,049	3,049	–	–	38,473	12,609	13,900
- SYALIS		40	42,566	99.76%	41,680	41,680	37,991	–	–	(15,395)	9,100
- TF1 CINEMA		1,950	(243)	100.00%	1,982	1,982	1,626	–	54	155	–
- PROTECREA		1,500	(4,378)	99.99%	2,241	2,241	7,921	–	2,784	(2,981)	–
- LUXTEL 1	LUF	1,350	–	99.99%	62	62	–	–	–	–	–
- STUDIOS 107		1,800	2,647	100.00%	4,680	4,680	1,963	–	20,632	234	690
- TF1 MUSIC	FRF	38	19	99.76%	38	38	1,882	–	69	(3,649)	–
- ALMA PRODUCTION		80	12	100.00%	80	80	240	–	–	(210)	–
- GROUPE GLEM		80	4,855	72.80%	9,595	9,595	–	–	1,051	2,154	1,823
- TF1 US	USD	28	–	100.00%	24	24	–	–	–	–	–
- TRICOM		450	(23)	99.99%	439	439	–	–	–	10	–
- SWONKE	NLG	40	906	100.00%	900	441	–	–	–	9	–
- e-TF1		1,000	897	99.90%	999	999	11,930	–	7,769	(15,307)	–
- TF1 DIGITAL		99,132	(2,360)	100.00%	99,132	99,132	32,799	–	573	(3,763)	–
- @-TF1		40	–	100.00%	40	40	–	–	–	–	–
- SAGIT		40	–	99.99%	40	40	–	–	–	–	–
- EUROSPORT		458	257,155	100.00%	234,243	234,243	–	–	309,646	5,564	5,097
- TAP		80	–	100.00%	80	80	22	–	1,428	(88)	–
- TAPAS 2		40	–	100.00%	40	40	–	–	–	–	–
- TAPAS 3		40	–	100.00%	40	40	–	–	–	–	–
- BIG CASH		80	–	99.99%	80	80	–	–	–	–	–
- SICCIS		40	–	99.99%	40	40	40	–	–	–	–
- TAPAS		40	–	99.99%	40	40	–	–	–	–	–
II FINANCIAL INVESTMENTS (holding 10% to 50% of shares)											
- MEDIAMETRIE	FRF	930	5,063	10.75%	15	15	–	–	33,024	543	11
- FMI	FRF	1,000	–	13.33%	20	–	285	–	–	–	–
- MERCURY INTERN. FILM	DEM	1,000	–	50.00%	255	255	–	–	–	–	–
- TELEMA		766	4,316	48.98%	9,217	9,217	–	–	19,026	13	–
- TVRS 98	FRF	1,000	1,842	22.50%	34	34	–	–	108	58	43
- FILM PAR FILM	FRF	10,000	41,537	49.99%	7,345	7,345	–	–	2,764	–	–
- TCM GESTION		40	(1)	33.92%	14	14	–	–	107	–	–
- TCM DROITS AUDIOVISUELS		240	3,354	34.00%	82	82	3,135	–	22,838	(1,959)	–
- TV BREIZH		15,000	(3,413)	22.00%	3,300	3,300	–	–	4,228	(7,400)	–
- BALLADE DISTRIBUTION	FRF	4,000	(13,698)	25.23%	–	–	–	–	9	246	–
III FINANCIAL INVESTMENTS (holding of less than 10%)											
- TF1 PUBLICITE PRODUCTION		8	109	1.00%	–	–	–	–	14,256	153	–
- GIE GIC	FRF	500	–	0.02%	–	–	–	–	–	–	–
- GIE CHALLENGER	FRF	75	–	6.67%	1	1	–	–	–	–	–
- MEDIAMETRIE EXPANSION	FRF	12,000	(575)	5.00%	91	–	–	–	–	212	–
- TPS GESTION		93	(54)	0.01%	–	–	–	–	1,141	(23)	–
- LES NOUVELLES EDITIONS TF1		38	39	1.00%	–	–	–	–	133	(151)	–
- EUROSHOPPING		75	162	0.02%	–	–	–	–	6,908	(2,582)	–
- SEBADO		40	203	0.01%	–	–	804	–	660	105	–
- TRICOM & CIE		45	9	0.07%	–	–	–	–	–	(51)	–
- TF6		80	113	0.02%	–	–	–	–	10,263	(10,611)	–
- TF6 GESTION		80	–	0.01%	–	–	–	–	5	2	–
- SERIE CLUB		50	196	0.004%	2	2	–	–	12,245	2,006	–
- SED ODYSSEE		8	(64)	0.20%	–	–	1,332	–	8,303	817	–
- LA CHAINE INFO		4,500	50	0.0003%	–	–	–	–	44,501	(3,156)	–
TOTAL					**425,375**	**424,286**					

4.9 Post balance sheet events

On December 27, 2001, TF1 signed with France Télécom and France Télévision a purchase agreement in respect of their 25% stake in TPS. The operation will be completed during the first half of 2002.

5 SIGNIFICANT ELEMENTS IN THE NOTES TO THE PRIOR ACCOUNTING PERIODS

The information contained in the notes to the accounts for 2001 is equivalent to that for the previous periods. The same applied to 2000 and 1999.

Legal informations

ORDINARY PART

FIRST RESOLUTION
(Approval of the company accounts)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, having heard the Board of Directors' report and the Statutory Auditors' report on the accounts of the company, approves them together with the financial statements for 2001 financial year including the balance sheet, the profit and loss account and the notes to the financial statements as submitted to them, as well as the operations reflected in these accounts and summarised in these reports.

The General Meeting approves the Directors' management of the Company.

SECOND RESOLUTION
(Approval of the consolidated accounts)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, having noted that the Board's report on the Group is included in the Directors' report, and aware of the information contained in the Board's report and in the Statutory Auditors' report, approves them together with the consolidated financial statements for 2001 financial year including the balance sheet, the profit and loss account and the notes to the financial statements as submitted to them, as well as the operations that reflected in these accounts and summarised in these reports.

THIRD RESOLUTION
(Approval of agreements covered by Article L. 225-38)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, having noted the Statutory Auditors' special report on the agreements covered by Articles L. 225-38 of the French Commercial Law, approves the agreements and the operations contained therein.

FOURTH RESOLUTION
(Allocation and distribution of profits)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, after noting that the distributable profit amounts to €351,543,800.59, being the 2001 year net profit of €276,227,636.64 and €75,316,163.95 in retained earnings from the previous year, approves the following allocation and distribution of the profits proposed by the Board of Directors:

• Allocation to Legal Reserve (amounting to 10% of the Capital)	€16,258.38
• Allocation to Other Reserves	€140,000,000.00
• Distribution of a dividend of (i.e. a net dividend of €0.65 per €0.2 nominal share together with a tax credit*)	€137,797,451.35
• Leaving a balance to be carried forward of	€74,534,311.45

** The dividend to be distributed for the year under review given the right to a tax credit that equals:*
- 50% of the net amount distributed if the recipient is an individual shareholder,
- 15% of the net amount distributed if the recipient is legal entity.
The tax credit remains at 50% if the amounts distributed are to be used in the framework of the parent/subsidiary scheme.

Dividends will be payable on April 26, 2002.

In compliance with the provisions of Article 225-210, of the French Commercial Law, the General Meeting authorises the inclusion, in Retained Earnings, of the amount of dividends relative to the TF1 shares which TF1 holds as treasury stock.

The General Meeting notes that the net dividends distributed for financial years 1998,1999 and 2000 were respectively €0.34, €0.46 and €0.65 per share; the corresponding tax credits were of €0.17, €0.23 and €0.33 on the basis on a 50% tax credit. These amounts have been restated following to the 1 for 10 stock split of June 21, 2000.

FIFTH RESOLUTION
(Presentation of the stock warrant or stock option plans)

The General Meeting acting in compliance with the quorum and majority rules required for combined general meetings, having heard the special report of the Board of Directors on stock warrant or stock options plans in 2001 notes the information contained in this report.

SIXTH RESOLUTION
(Renewal of a Director's term of office)

The General Meeting renews, acting in compliance with the quorum and majority rules required for ordinary general meetings, for a further two years, the term of office of the Director Alain POUYAT, which expires at the end of this Meeting.

His term of office shall end at the end of the General Meeting convened to rule on the accounts for the 2003 financial year.

SEVENTH RESOLUTION
(Noting of the election of Directors Representing the Staff)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, after having taken cognizance of the names of the Directors Representing the Staff elected by the body of electors on March 19, 2002 and communicated by the Chairman of the Board prior to the reading of this resolution, notes their election and their designation as Directors Representing the Staff.

The terms of office of the Directors Representing the Staff shall be two years and shall end at the time of the next announcement of the results of the election for the Directors Representing the Staff, in accordance with Article 10 of the articles of association.

EIGHTH RESOLUTION
(Purchase of own shares)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, after hearing the report from the Board of Directors and being informed that the information note had been approved by the COB (French stock exchange authority), authorises the Board of Directors, in compliance with the provisions of Article L. 225-209 of the French Commercial Law, to purchase, whenever it deems appropriate and on one or more occasions, its own shares up to a limit of 10% of the share capital.

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

- in the context of the employee profit sharing scheme, or in the context of one or more new share issues intended for company employees or companies in the Group which have a company savings plan, or in order to allocate purchase or subscription options to the employees and management of the Group,
- or to retain the shares,
- or to stabilise the share price through systematic intervention against the market trend for the stock,
- or to cancel the shares, subject to adoption by the General Meeting of the 14th resolution hereafter authorising such a cancellation,
- or to use them in share exchanges, particularly in the context of financial operations,
- or in the context of financial and asset management,
- or to deliver shares at the time of exercise of rights attached to securities which grant entitlement, through redemption, conversion or exchange, to a warrant or any other allocation of the company's shares.

The General Meeting decides to set at €100 the maximum unit price at which the company will be able to perform such acquisitions which should respect the rules laid down by the COB relative to operations performed by companies concerning their own shares.

The General Meeting authorises the Board of Directors to sell the shares so acquired with a minimum unit sale price of €10.

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

The General Meeting, in compliance with the Article 179-1 of the decree of March 23,1967 on commercial companies, on the basis of the existing number of shares composing the capital of 211,996,079 and taking into account the fact that the company owns 1,424,117 shares for stock option plan and employee savings plans, fixes at 19,775,491 [(211,996,079 x 10%) – 1,424,117] the maximum number of shares that may be purchased in compliance with this authorisation, amounting to a maximum of €1,977,549,100 at a €100 purchase price per share.

This authorisation is valid until the next General Meeting, called to consider the accounts for the financial year 2002.

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

As a result, full powers are granted to the Board of Directors to place all orders on the stock exchange, sign all agreements necessary for the registration of share purchases and sales, make all declarations to the COB, the French Financial Market Council and all other authorities, execute all other formalities and, in general, take all necessary actions.

NINETH RESOLUTION
(Issue of one or more debenture loans)

The General Meeting, acting in compliance with the quorum and majority rules required for ordinary general meetings, after having heard the Board of Directors' report and complying with the Articles L. 25-38 of the French Commercial Law, authorises the Board of Directors to create and issue in France and/or abroad, on one or more occasions and on the basis of its deliberations alone, bonds, whether subordinated or not, with a limited or unlimited duration, or bond warrants denominated in euros or foreign currencies or in any other monetary unit established by reference to several currencies. The debentures may be accompanied by scrip certificates for debentures of the same type, up to a nominal amount of one thousand million two hundred thousands euros (€1,200,000,000) or an equivalent amount in any other currency, with or without a guarantee, and in the proportions, forms and at periods, interest rates and issue conditions and under amortisation conditions which it considers suitable, it being stated that the maximum nominal amount shall apply to all bonds issued directly or following the exercise of warrants.

The General Meeting grants full powers to the Board of Directors to issue the said debenture bond(s) and states that it shall be free to determine the characteristics of the bonds or warrants which, in particular, may have a variable interest rate and a fixed or variable redemption premium above par, with the said premium added to the maximum amount of one thousand million two hundred thousands euros (€1,200,000,000) mentioned above.

In addition, the Board of Directors may, within the scope of this resolution, delegate, pursuant to the Law, the powers granted it under this authorisation.

The Board of Directors may also grant any delegations, take any measures and complete any formalities made necessary by the issue or issues referred to herein.

This authorisation, which is given for a period of 26 months, replaces with effect for from today the authorisation given to the Board of Directors by the 8th resolution of the Ordinary General Meeting of shareholders of April 18, 2000.

EXTRAORDINARY PART

AGENDA

- Reading of the Directors' report and the Statutory Auditors' special report.
- Authorisation to be given to the Board of Directors to issue securities providing access to the capital, with preferential subscription rights being maintained.
- Authorisation to be given to the Board of Directors to issue securities providing access to the capital, with cancellation of preferential subscription rights.
- Authorisation to be given to the Board of Directors to increase the share capital at the time of a cash takeover bid or a share-swap takeover bid concerning the company's shares.
- Authorisation to be given to the Board of Directors to increase the share capital at the time of a public exchange offer initiated by the company.
- General limit on the above mentioned operations.
- Authorisation to be given to the Board of Directors to reduce the share capital through the company cancelling the shares it holds on its own behalf.
- Authorisation to be given to the Board of Directors to initiate a stock option or subscription plan.
- Compliance of the company's articles of association with the Law No. 2001-420 of May 15, 2001, relative to New Economic Regulations.
- Powers for registration and formalities.

GENERAL INFORMATION

Name:	TÉLÉVISION FRANÇAISE 1 - TF1
Registered office:	1, quai du Point du Jour, 92656 Boulogne-Billancourt Cedex
Trade register:	326 300 159 RCS Nanterre
Siret N°:	326 300 159 00067
APE code:	922C
Form:	Public limited company (“Société Anonyme”)
Date of incorporation:	September 17, 1982
Date of expiry:	January 31, 2082
Financial year:	January 1 to December 31

COMPANY OBJECTS

The objects of TF1 are as follows:

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

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

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

- to sell and produce advertising,

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

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

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

STATUTORY APPROPRIATION OF INCOME

5% of the income of a financial year, as reduced by any previous losses, if the situation arises, shall be deducted to constitute legal reserve funds. This deduction ceases to be obligatory when the reserve funds reach one tenth of the company's registered capital. This process shall resume when, for whatever reason, the legal reserve falls below this one tenth.

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

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

GENERAL MEETINGS

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

All shareholders may vote by correspondence. A shareholder may only be represented at the General Meeting by his/her spouse or another shareholder.

In order to have the right to attend, to vote by correspondence or to be represented at the General Meeting:
- holders of registered shares must be included in the shareholders' register of the company at least five days before the date set for the General Meeting and they are then admitted with simple proof of identity;
- holders of bearer shares must arrange for the authorised intermediary, with whom their shares are recorded in an account, to send to the company, at least five days before the date set for the General Meeting, a certificate declaring that the shares remain unavailable for trading up until the date set for the meeting. The certificate must be sent to The Legal Department (General Meetings Section), TF1, 1, quai du Point du Jour, 92656 Boulogne Cedex, France.

Shareholders may, at least six days before the date of the meeting, request from TF1 at the above address a single form by which they can vote by correspondence or appoint a representative for the meeting.

The single form to appoint a proxy or to vote by correspondence, duly completed, must reach TF1 at the above address at least three days before the date of the meeting.

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

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

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

COMPANY RESPONSIBLE FOR SHARE ADMINISTRATION AND FINANCIAL INFORMATION

TF1 as issuing company.

CAPITAL

Changes

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

Capital increase through an increase of the share nominal value, following the conversion of the capital into euros - 2000
The capital was increased by an amount of FF65,870,984.17 from FF211,183,160 to FF277,054,144.17 by the transformation of FF30,704,644.76 coming from “revaluation reserve” and FF35,166,339.41 from “other reserves”.
The share value of each share was increased from FF10 to FF13.11914 (€2). The capital, converted into euros as of January 1, 2000 amounts to €42,236,632, divided into 21,118,316 shares of €2 each.

Nominal value split - 2000
Nominal value was split ten for one by decision of the General Meeting dated April 18, 2000 and taking effect on June 21, 2000. The number of share went from 21,118,316 to 211,183,160.

Employee saving plan - 2001
In the scope of its employees saving plan, TF1 issued in 2001 812,919 new shares with a nominal value of 0.2€. This resulted in a capital increase of €162,583.80 and a share premium of €18,867,849.99.

Amount

On March 4, 2002, the capital of TF1 amounted to €42,399,215.80, divided into 211,996,079 shares each of €0.2 nominal value.

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

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

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

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

AUTHORISED OPERATIONS CONCERNING THE CAPITAL OF TF1

The company is authorised, subject to the approval of the General Meeting of April 23, 2002, to issue, during a period of 26 months, one or more bond debentures for a maximum amount of €1,200,000,000.

The table below details the different issues of securities that can be made by the company subject to the approval of the General Meeting of April 23, 2002. The proposed 2002 approvals would replace all earlier authorisations.

The maximum nominal amount of the authorised increases (whether immediate or at a later date) in share capital is €120,000,000.

The maximum nominal amount of the authorised bond issues is €1,200,000,000.

AUTHORISED OPERATIONS CONCERNING THE CAPITAL OF TF1

	Maximum nominal amount of capital increases(1)	Maximum nominal amount for bond issues(1)	Duration	Remaining duration(2)	General Meeting	Resolution n°
Bond debentures	–	€1,200 M	26 months	26 months	Combined General Meeting April 23, 2002	9
Issues of shares and composite securities (including equity warrants), with PSR(3)	€120 M	€1,200 M	26 months	26 months	Combined General Meeting April 23, 2002	10
Issues of shares and composite securities (including equity warrants), without PSR(3)	€120 M	€1,200 M	26 months	26 months	Combined General Meeting April 23, 2002	11
Issues of shares and composite securities, paying shares brought in a public exchange offer	€120 M	€1,200 M	26 months	26 months	Combined General Meeting April 23, 2002	12
Issues of shares for stock option plans without PSR(3)	(4)	–	38 months	38 months	Combined General Meeting April 23, 2002	15
Issues of shares reserved to employees subscribing to an Employees Savings Plan, without PSR(3)	(4)	–	3 years	2 years	Combined General Meeting May 15,	20
Purchase of shares for the employees subscribing to the Company Savings Plan	–	–	–	unlimited	Combined General Meeting June 12, 1992	11
Programme to purchase own shares	(4)	–	1 year	1 year	Combined General Meeting April 23, 2002	8
Capital reduction through share cancellation	(4)	–	18 months	18 months	Combined General Meeting April 23, 2002	14

(1) It should be specified that (13th resolution - Combined General Meeting of April 23, 2002):
• the total nominal amount of the various authorised increases in capital must not exceed €120 million.
• the total nominal amount of bond issues must not exceed €1,200 million.
(2) With effect from the Combined General Meeting of April 23, 2002.
(3) PSR: Preferential Subscription Right.
(4) Within a maximum limit of 10% of share capital.

The company did not use previous bond debentures and composite securities authorizations through a public issue.

LEGAL FRAMEWORK

Shareholding

Under the terms of Article 39 of Law No. 86-1067 of September 30, 1986, an individual or entity, acting alone or with others, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a national television service by terrestrial hertzian route.

This provision was modified by Law No. 2001-624 of July 18, 2000. This limits the scope of the 49% rule to those hertzian channels with an average annual audience (hertzian, cable and satellite combined) in excess of 2.5% of the total television audience. A decree of the Conseil d'Etat (Council of State) will define in detail how channel audiences are to be calculated.

Licensing conditions

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

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

In compliance with the Article 28-1 of the law of September 30,1986, as modified by the law of August 1, 2000, TF1 benefits from another "automatic" renewal of its licence for the years 2002 to 2007, by decision of the CSA on October 5, 2001.

Under the provisions of Article 82 of the Law of September 30, 1986, this authorization could be automatically extended to 2012, by reason of the simultaneous broadcasting ("simulcast") of the channel's programmes by digital terrestrial transmission.

Main legal provisions and obligations

Texts:

- Contract conditions set forth by Decree n° 87-43 of January 30, 1987 and the Decision regarding licencing use of frequencies n° 96-614 of September 17, 1996, given to Télévision française 1, until January 1, 2002,
- Law n° 86-1067 of September 30, 1986 as amended by Law n° 94-88 of February 1, 1994, and law 2000-719 of August 1, 2000,
- E.C. Directive on Transnational Television of October 3, 1989, as modified,
- Decree n° 90-67 of January 17, 1990, as amended by Decree n° 92-281 of March 27, 1992 and Decree n° 95-1162 of November 6, 1995 (production obligations) and Decree n° 99-189 of March 11, 1999,
- Decree n° 90-66 of January 17, 1990, as amended by Decree n° 92-279 of March 27, 1992 (broadcasting obligations),
- Decree n° 92-280 of March 27, 1992, repealing the Decree of January 26, 1987 (obligations relating to advertising and sponsorship),
- With effect from January 1, 2002, Decree n° 2001-609 of July 9, 2001, amended by Decree n° 2001-1326 of December 28, 2001 (production obligation of free to air analogue channels).

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

- a maximum of 192 cinema films per year may be broadcast, of which a maximum of 104 shall begin between 8.30 p.m. and 10.30 p.m. No cinema film shall be broadcast on Wednesday and Friday evenings, Saturday all day, or Sunday before 8.30 p.m.,

- broadcasting quotas apply for the whole broadcasting time and to peak viewing hours, to cinema and audiovisual works. 60% of broadcast material shall be of European origin and 40% of French origin,

- a minimum of two thirds of the annual broadcasting air-time shall be devoted to French-speaking programmes,

- obligation to broadcast annually a minimum of 1,000 hours of children's programmes including 50 hours of magazines and documentaries,

- obligation to broadcast annually 800 hours of television news bulletins and television news magazines,

- obligation to invest 15% (16% from January 1, 2002) of the previous year's net annual turnover for the commissioning of French-speaking audiovisual works, of which 10% from independent producers, and to broadcast 120 hours of French-speaking or European unreleased audiovisual works, starting between 8 p.m. and 9 p.m.,

- obligation to invest 0.6% of net turnover for the commissioning of French-speaking and European cartoons (obligation included in the previous 15%). Two thirds of the acquired broadcasting rights cannot exceed four years,

- prohibited use of own means of production for fiction programmes; authorised use of own means of production for news and for up to 50% of annual volume of other programmes,

- obligation to invest 3% (3.2% from January 1, 2002) of the previous year's net annual turnover, with at least 2.5% dedicated to French-speaking cinema works and at least 75% from independent producers, in the co-production of European cinema works. This investment is to be achieved through a subsidiary of the broadcaster (TF1 Films Production) operating as a minority shareholder. Its co-production part in its investment must remain smaller than the pre-purchase part of the broadcasting right.

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

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

Applications for digital terrestrial television services

The CSA (French media authority) set a deadline of 5.00 p.m. on March 22, 2002 for receiving applications for licences for DTT frequencies.

The indicative calendar for granting licences to service providers is as follows:

April 2002	Announcement of list of candidates accepted;
July 2002	Announcement of shortlist of candidates selected;
November 2002	Grant of licences and signature of agreements.

TF1 Group responded to this tender and applied in respect of the following channels: TF1, Eurosport, LCI, Odyssée, TF6 and Shopping Avenue.

EXTENT OF INSURANCE COVER

In respect of 2001 and 2002

TF1 has insurance policies covering two main areas: Damages and Civil Liability.

1) DAMAGES

TF1 has an All Risks policy with AXA. This policy insures TF1 and its existing and future subsidiary companies, both in France and throughout the world, wherever they are in business, against:
- material damage to the assets of TF1 (up to €250,893,900),
- loss of profits consequent on such damage (up to €79,273,480).

It should be noted that this policy covers all acts of terrorism and carries an excess of €18,003.

2) CIVIL LIABILITY

TF1 has a civil liability policy with Generali. This policy protects TF1 and its existing and future subsidiary companies against the consequences of any civil liability risks it incurs.

The cover is in respect of damages caused to third parties under the following heads:

a) Operational liability: all types of damage (€30,489,803 per claim), including:

- physical and intangible damages following a material damage, including food poisoning: €15,244,902,

- consequential material and intangible damages, excluding those caused by fire, explosion, water and electrical damage: €7,622,451 per claim,

- intangible damages not caused by a material damage: €762,245 per claim,

- consequential material and intangible damages caused by fire, explosion, water and electrical damage: €15,244,902 per claim,

- accidental environmental pollution causing physical, material, and intangible damages: €304,898 per claim.

b) Product liability: €1,524,000 per claim and per annum (in respect of damages caused by the products and service supplied by TF1).

c) Professional liability: €1,524,000 per claim and per annum (in respect of damage caused by the transmission of television programmes).

3) DIRECTORS' AND OFFICERS' INSURANCE

TF1 maintains policies with Chubb and AXA.

The person's insured are the directors of TF1, their representatives on the Board of Directors of subsidiary and associated companies (those companies in which TF1 holds directly or indirectly at least 50% of the voting rights).

In addition, the policies cover *de facto* directors and officers who may be held responsible for any professional negligence in the conduct of their office as director, supervisor or manager.

The policy gives cover of an amount of €30,490,000 (in respect of the loss or damage and consequential legal costs following a claim made against the insured resulting from real or alleged negligence).

1 DIVIDEND AND YIELD

On the basis of a total number of shares of 211,183,160 on December 31, 2000, and following the capital increase reserved to employees (TF1 Avenir 2) on December 20, 2001, which led to the creation of 812,919 new shares, the total number of shares of TF1's capital amounted to 211,996,079 on December 31, 2001.

The Group's share capital amounts to €42,399,215.8 with a nominal value of €0.2 per share.

Year	Dividend paid(1) (€)			Share price(1) (€)			Yield (closing price)
	Net	Tax credit	Total	High	Low	Close	
1995	0.24	0.12	0.36	8.4	6.3	8.0	4.6%
1996	0.24	0.12	0.36	9.7	7.2	7.6	4.8%
1997	0.24	0.12	0.36	9.4	7.4	9.4	3.9%
1998	0.34	0.17	0.51	17.1	9.4	15.2	3.3%
1999	0.46	0.23	0.69	54.9	14.8	52.0	1.3%
2000	0.65	0.325	0.975	94.2	45.9	57.5	1.7%
2001	0.65(2)	0.325(3)	0.975	63.1	19.1	28.4	3.4%

(1) Adjusted for 10 for 1 split.
(2) Submitted for approval at the General Meeting.
(3) Based on a 50% tax credit.

On June 28, 2001, TF1's stock entered the ASPI Eurozone® index, managed by Arese, a social and environmental rating agency.

On October 15, 2001, the stock also entered the DJSI STOXX index, developed and managed by Dow Jones Indexes, Stoxx Ltd and Sam Group. Being part of this index, which brings together 120 European securities (of which 11 are French) performing on social, ethical and environmental considerations, shows the sense of civic responsibility and the civic commitments of TF1 Group.
The stock is also part of the CAC 40, ITCAC, SBF 120 and FTSE 300 indexes.
On December 31, 2001, the TF1 market capitalization amounted to €6.0 billions.
No application for quotation on another market is underway.

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

2 SHARE PRICE AND TRADING VOLUMES

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

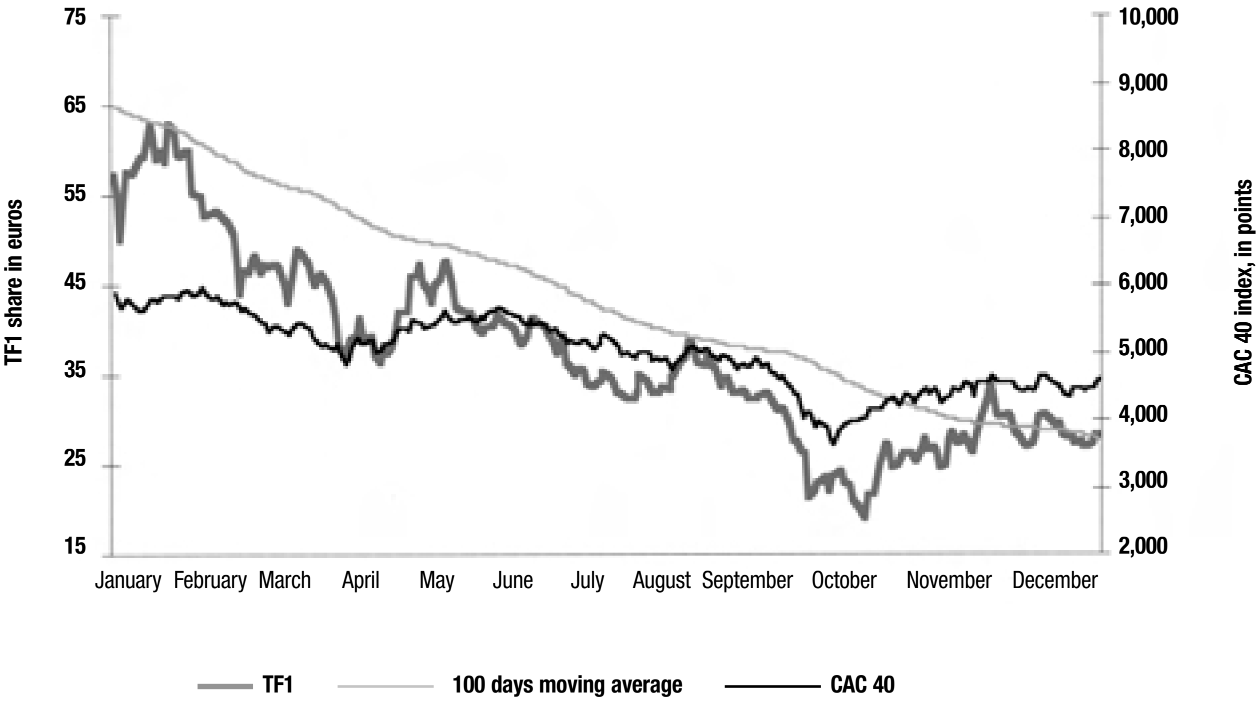
Year	Month	High(1) €	Low(1) €	Close €	Number of shares traded(2)
1999	January	19.00	15.00	17.50	1,196,971
	February	17.65	14.51	16.30	818,606
	March	17.39	15.51	17.39	554,020
	April	19.90	16.51	18.50	593,949
	May	24.00	18.55	22.34	748,597
	June	22.83	20.71	22.60	978,557
	July	24.46	21.46	22.50	595,505
	August	25.10	22.00	23.60	756,533
	September	28.01	23.50	26.27	871,789
	October	30.05	25.41	29.80	1,095,809
	November	43.00	29.51	36.00	1,713,261
	December	56.00	35.00	52.00	1,106,317
2000	January	57.50	45.50	54.60	1,785,780
	February	67.50	53.70	67.50	1,140,548
	March	95.70	70.00	77.00	1,695,722
	April	82.00	54.10	75.30	2,015,019
	May	81.70	58.00	69.00	2,146,228
	June	75.90	66.75	73.00	3,688,439
	July	85.40	70.00	80.20	8,423,162
	August	85.00	71.70	82.10	9,441,931
	September	88.70	64.80	65.00	15,677,546
	October	69.90	53.25	64.30	18,698,062
	November	66.75	47.90	50.40	19,063,964
	December	59.00	50.70	57.50	10,926,718
2001	January	63.80	50.00	55.00	14,424,459
	February	54.45	43.26	46.97	20,792,841
	March	50.00	35.60	38.85	22,958,240
	April	48.90	35.81	47.30	14,054,795
	May	48.50	38.20	38.50	21,912,299
	June	41.85	32.23	34.46	17,865,710
	July	39.20	31.21	38.55	16,573,817
	August	39.76	31.50	31.99	15,756,226
	September	32.00	20.15	21.00	25,599,967
	October	28.65	18.51	24.96	28,266,619
	November	35.10	24.58	27.12	26,809,491
	December	31.20	26.23	28.39	14,112,735
2002	January	31.60	26.00	27.10	14,482,576
	February	27.65	24.94	26.92	13,437,677

Source: Euronext Paris SA.
Note: adjusted for 10 to 1 split in June 2000.
(1) Highs and lows are those recorded during stock market sessions.
(2) Traded volumes represent transactions recorded both on and off the central CAC system.

TF1 SHARE PRICE / CAC 40 INDEX

Change from January 1, 2001 to December 31, 2001
TF1: - 50.6%
CAC 40: - 22.0%

Change from December 29, 2000 to December 28, 2001



3 TAX STATUS

Under present French Law, the applicable tax regime is as follows:
Individual shareholders resident in France:
Dividends from French shares are taken into account as part of revenue from securities in order to determine the taxpayer's global income.
They will consequently be liable to income tax and will incur:
- CSG of 7.5%, 5.1% being deductible from taxable income,
- social levy of 2%, non-deductible,
- CRDS of 0.5%, non-deductible.

These dividends will also benefit from the same annual allowance as bond revenues: €2,440 for married couples and €1,220 for unmarried, widowed or divorced people. This allowance is not applicable to taxpayers chargeable at the top rate of tax.

French resident legal entities liable to corporate income tax:
Dividends paid are liable to common law conditions.
Shareholders may benefit from the parent company regime if they hold more than 5% of the share capital of the distributing company.

Shareholders not resident in France:
Dividends distributed by companies registered in France are liable to a 25% withholding tax if the shareholder is resident in a country outside of France. The withholding tax may be reduced or eliminated in accordance with the relevant double tax agreements.
Please note that this is a simplified presentation of tax regulations.

PEOPLE ASSUMING THE RESPONSABILITY FOR THE ANNUAL REPORT

TF1

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

Paris, April 2, 2002

Patrick LE LAY
Chairman & Chief executive officer

Statutory Auditors

Financial year ended December 31, 2001

In our capacity as statutory auditors of TF1 and as required by Commission des Operations de Bourse regulation COB 98-01, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in this "reference document".

This "reference document" is the responsibility of the Chairman of the Board of Directors of TF1. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in the "reference document".

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

We also audited the financial statements of the Company and the Group for the years ended December 31, 2001, 2000 and 1999 as approved by the Board of Directors, in accordance with French generally accepted auditing standards. Our reports on these financial statements were free of any qualifications or observations.

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

Paris, April 2, 2002

The Statutory Auditors

MAZARS & GUERARD		**RSM SALUSTRO REYDEL**	
Jacques VILLARY	Michel ROSSE	Edouard SALUSTRO	Xavier PAPER

INFORMATION AND INVESTOR RELATIONS

Responsible for information:

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Fax: (33) 1 41 41 29 10
E-mail: jpmo@tf1.fr

Legal documents can be consulted at:
TF1
Legal Affairs Department
1, quai du Point du Jour
92656 Boulogne Cedex
France

You can also receive information on the TF1 Group :

By mail:
TF1
Investor Relations Department
1, quai du Point du Jour
92656 Boulogne Cedex
France

By Internet:
http://www.tf1finance.com
E-mail: comfi@tf1.fr

Investor Relations agenda:

January 29, 2002:	2001 Q4 turnover
March 4, 2002:	Annual accounts 2001
March 5, 2002:	Analyst meeting
April 23, 2002:	Annual shareholders' meeting
April 29, 2002:	2002 Q1 estimate turnover
July 11, 2002:	2002 H1 estimate turnover
September 4, 2002:	2002 H1 accounts
September 5, 2002:	Analyst meeting
November 6, 2002:	2002 Q3 estimate turnover

This agenda may change.

Postal and e-mail addresses of main subsidiaries and participations

Addresses	Companies	Internet sites
1, quai du Point du Jour 92656 BOULOGNE-BILLANCOURT CEDEX - FRANCE	TF1 PUBLICITE TF1 PUBLICITE PRODUCTION TF1 FILMS PRODUCTION TF1 DIGITAL TF1 CATALOGUE TF1 INTERNATIONAL PICTURES TF1 CINEMA ALMA PRODUCTION	(www.tf1pub.fr) (www.tf1.fr/tpp)
305, avenue le Jour se Lève 92656 BOULOGNE-BILLANCOURT CEDEX - FRANCE	e-TF1 TF1 ENTREPRISES SOCIETE D'EXPLOITATION ET DE DOCUMENTAIRES - ODYSSEE	(www.tf1licences.com) (www.odyssee.com)
9, rue Maurice Mallet 92130 ISSY-LES-MOULINEAUX - FRANCE	UNE MUSIQUE TF1 VIDEO	(www.tf1.fr/unemusique) www.tf1video.fr)
18, quai du Point du Jour 92656 BOULOGNE-BILLANCOURT CEDEX - FRANCE	TF1 INTERNATIONAL	
105, avenue Raymond Poincaré - 75116 PARIS - FRANCE	GROUPE GLEM	
30-32, rue Proud'hon 93210 LA PLAINE-SAINT-DENIS - FRANCE	STUDIOS 107 EUROSHOPPING TELESHOPPING TOUT AUDIOVISUEL PRODUCTION	(www.shoppingavenue.fr) (www.teleshopping.fr)
54, avenue de la Voie Lactée 92656 BOULOGNE-BILLANCOURT CEDEX - FRANCE	LA CHAINE INFO - LCI	(www.lci.fr)
145, quai de Stalingrad 92137 ISSY-LES-MOULINEAUX CEDEX - FRANCE	TELEVISION PAR SATELLITE - TPS	(www.tps.fr)
3, rue Gaston et René Caudron 92448 ISSY-LES-MOULINEAUX CEDEX - FRANCE	EUROSPORT	(www.eurosport.com)
120, avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE - FRANCE	TF6 SERIE CLUB	(www.tf6.fr) (www.serieclub.fr)
Quai Péristyle - 56100 LORIENT - FRANCE	TV BREIZH	(www.tvbreizh.fr)

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The French version of the Key Figures booklet, the Activity Report and the Financial Report composed the document that was filed by the “Commission des Opérations de Bourse” (COB-French stock exchange commission) on April 2, 2002, in accordance with the regulation n°98-01.
This document may not be used to support a financial operation unless it is accompanied by an operation note certified by the COB.