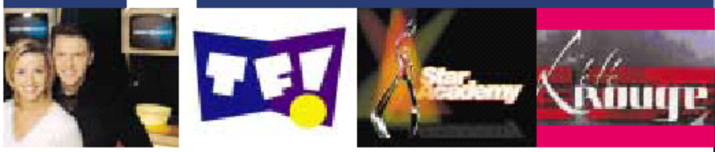

Interim Report
First Half 2003

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Chairman's statement

Dear shareholders,

At the end of the first half, several indicators allow us a certain optimism:

- The trend towards an increase in the advertising market observed since July 2002 was confirmed during the second quarter 2003 and has accelerated during the summer. Subject to the continuation of this upward trend during the fourth quarter 2003, we forecast a growth in advertising revenue for TF1 SA close to the upper end of our outlook at 2%-3%. However, this rebound, fuelled by the "traditional" sectors, is taking place against a persistently volatile background and with reduced visibility.

- In an environment of slowly eroding audiences for the traditional general-interest channels, TF1 has maintained its position on commercial targets, especially on "youth" targets.

- Costs are still under control and evolving in line with our annual budget.

- Overall, the subsidiaries are improving their situation:

  - TPS has generated its first half-year profit. However, because of the seasonal nature of its activity, TPS will still be making a loss at end 2003 and should, on the basis of its present structure, reach its break-even point in 2004.

  - Eurosport increased its operating margin percentage.

  - The thematic channels LCI, TF6 and Série Club improved their audience scores. TF6 reached financial break-even during the first half and will make a slight loss for the full year. LCI, whose subscription base is increasing, has renewed its broadcasting contract on CanalSatellite for three years, confirming therefore a fall in subscription revenues, which will impact on its profitability.

  - TF1 Vidéo has strengthened its commercial position. Since the end of August, it has been distributing the second episode of "Lord of the Rings", which looks like being a commercial success.

  - The restructuring of the cinema branch is now complete and this branch is looking forward to break even in 2004. Thanks to its cinema distribution subsidiary, TFM, this activity branch has seen some solid successes – *Chicago*, *The Hours*, *Frida*, etc.

TF1 Group is in good health. We are working on the growth of our profitability by reducing the losses at some of the subsidiaries that are still in the red and by increasing the profits of those in the black.
In conclusion, assuming that current trends are confirmed during the second half, your company should substantially increase its 2003 consolidated net profit compared to financial year 2002.

Patrick Le Lay
Chairman& Chief Executive Officer

Consolidated key figures

(€ million)

	H1 2003[1]	H1 2002[2]	2002
Turnover[3]	1,419.3	1,365.1	2,655.3
TF1 core channel advertising revenue	*835.2*	*817.2*	*1 507.3*
Diversification and other revenue	*584.1*	*547.9*	*1 148.0*
EBITDA[4]	312.7	263.3	427.8
EBIT	232.8	202.0	293.5
Net profit attributable to the Group	137.7	111.9	155.2
Shareholders' funds	809.6	757,9	806.2
Net financial debt	519.1	525.1	492.6
Earnings per share (€)	0.65	0.53	0.73
Diluted earnings per share (€)	0.64	0.52	0.73

	H1 2003	H1 2002	2002
Average number of outstanding shares (in thousands)	212,991	211,470	211,970
Closing share price (€)	26.8	27.1	25.5
Market capitalization at end of period (€ billion)	5.7	5.7	5.4

[1] TPS is proportionately consolidated at 66%
[2] TPS is proportionately consolidated at 50 %
3 If TPS had been consolidated at 66% in H1 2002, total revenue would have increased by 1.2%.
[4] EBITDA : EBIT + Depreciation, amortisation and provisions

Key events

Broadcasting

January
NRJ Music Awards, for their 4th edition, gathered 7.8 million viewers, with a 53% audience share of women under 50 (source : Médiamétrie).

March
Start of shooting of ***L'Affaire Dominici***, a prestige TV drama produced by GTV and starring Michel Serrault and Michel Blanc.

Audience success for the new TV reality show, ***Fear Factor***, broadcast Fridays in the second half of the evening, which attracted an average of 4.3 million people and an audience share of 36% of viewers aged four years and over, 40% of women under 50 and 48% of 15-24 year olds (source: Médiamétrie).

March was marked by the start of the **Iraq conflict**. TF1 naturally adjusted its programming to reflect this major event by allotting more time to the news.

April
Launch of ***Nice People*** which, in access prime time from Monday to Saturday, attracted an average of 3.0 million viewers with an audience share of 46% of women under 50 and 51% of 15-24 year olds (source: Médiamétrie).

June
New or renewed, real-tv shows broadcast on TF1 are real audience successes : ***Koh Lanta*** and ***Greg le Millionaire*** respectively attracted on average an audience share of 41% and 45% of women under 50, 44% and 54% of 15-24 year olds (source : Médiamétrie)

TPS

February
TPS enhanced its cinema offering with the signature of a multi-year contract with **Warner Bros** for first broadcasting of the TV films in its library (*Ocean's Eleven* and *Harry Potter and the Chamber of Secrets,* etc).
TPS also signed a contract with **The Walt Disney Company** for first broadcasting of such films as *25th Hour* and *Signs*.

March
Since March 21, all **TPS** subscribers have been able to order the "**Platinium"**, digital terminal for receiving and recording the platform's programmes. This combination of set-top box and integrated hard disk opens up new prospects – recording without video recorder or cassette, complete time management with the possibility of interrupting a live programme to watch it later, plus a personal digital video library.

April
On April 23 **TPS** launched **three new youth channels**: Eurêka!, Boomerang and TFOU. **Eurêka!** is a discovery, adventure and knowledge-based channel for 7-14 year olds. **Boomerang** shows the comics from the Warner and Hanna Barbera catalogue, and **TFOU** is a new interactive channel for 4-10 year olds based on TF! programmes.

TPS has renewed for an additional year its **French Football League 1** broadcasting contract with the National Football League. As a result, in 2004/2005, TPS will offer its subscribers an exclusive match of the First League competition, as well as pay-per-view matches (rights shared with CanalSatellite).

May
For the next three seasons (2003/2006), **TPS Star** announces that it will be the exclusive broadcaster of the French men and women basketball championships as well as the national Cup matches and the friendlies and qualifying matches of the French national team.

Production and Broadcasting rights

March
Chicago**, **Frida and ***The Hours***, distributed in theatres by **TFM distribution**, obtained respectively six, two and one Oscars, including best film for *Chicago*, and best actress for Nicole Kidman in *The Hours*.

April
Release of ***Moi César, 10 ans 1/2, 1,39 m*** directed by Richard Berry and co-produced by TF1 Films Production.
Release of ***Bienvenue chez les Rozes*** produced by Téléma and co-produced by TF1 Films Production and TPS Cinéma.

May
Release of ***Fanfan La Tulipe***, with Vincent Perez and Penelope Cruz, and co-produced by TF1 Films Productions, that recorded 1million entries after only two months in theatres.

June
Release of ***7 ans de* Mariage** (co-produced by TF1 Films Production) which realised more than 1.4 million box office entries during its operating life cycle.

Thematic channels

May
The CSA has acknowledged the signature by each of the producers selected for Digital Terrestrial Television of their convention relating to the broadcasting of the free-to-air digital terrestrial television service. There are 23 such conventions (20 new conventions and three amendments to existing TF1, M6 and Canal+ conventions).

June
The 5th edition of **Médiacabsat[1]** is favourable to TF1 Group's thematic channels : **LCI** ranks **3rd** among cable and satellite channels with a 1.3% audience share, **TF6** confirms its **5th** position with a 1.0% audience share. Finally, **TPS Star** is still the 1st cinema channel.

Eurosportnews signed a partnership with the Russian national sport channel, named "Sport", enabling its programmes to be broadcast in a local version. The sport information channel is thus broadcast in 7 languages, 70 countries, on 4 continents.

Publishing and Distribution

April
Casino, the film directed by Martin Scorsese, was issued as a prestige triple-DVD pack.

***Star AC Mag n°* 16** hit the news stands. This magazine has joined the top ten French sales of monthlies of all categories. It has a monthly circulation of 300,000 and is ranked No. 2 in the "adolescent" press class.

June
TF1 Games launched ***Squad Seven***, a new action and reflexes game, available commercially in France in July.

Chihuahua, co-edited by TF1 Music, became number 1 in the top 50 in June, with nearly 500,000 singles sold - and recorded 1.3 million by the end of August.

www.tf1.fr website achieved a traffic record with 1.8 million unique visits in June (up 400,000 visits in one year) and nearly 1.2 billion pages viewed over the last six months.

1

[1] Mediacabsat – January-June 2003, audience share individuals aged 4 and above

Review of operations

Boulogne, September 8th, 2003

NB: TPS was consolidated at 50% for first half 2002 and at 66% starting July 1st, 2002

In first half 2003, TF1 Group consolidated operating revenue increased by 4.0% to €1,419.3 M, thanks to a combination of growing net advertising revenue for the TF1 channel (+ 2.2%) and revenues from diversified activities (+ 6.6%).

The growth in the core channel's net advertising revenue is attributable both to the increase of first quarter revenue (+ 0.6%) and a 3.7% hike in the second quarter, underpinned by all the traditional sectors. The TF1 advertising market share stood at 53.9%[1] for the half year (+ 0.4 point compared to first half 2002).

Operating revenue from diversified activities amounted to €584.1M, that is, an increase of 6.6% and representing 41.2% of total TF1 Group consolidated operating revenue. This result came from differing trends in the Group's various of diversification businesses:

- the effect of the change in scope from the 66% consolidation of TPS (vs. 50% in first half 2002), whose contribution to consolidated operating revenue was €172.7 M, up 38.6%;
- 2.2% growth of operating revenue of the Publishing/Distribution division; this is primarily due to the solid results of TF1 Entreprises and TF1 Vidéo (incl.CIC and RCV), whose contributions were up by 24.1% and 9.4% respectively, thanks, in the first case, to the sales of music CDs based on programmes developed for the channel (such as *Star Academy 2)*, and in the second, to the good performance of the new issues *(Blade 2, Resident Evil);*
- the good results of e-TF1 (+ 51.0%), whose website www.tf1.fr audience increased by 34.8% in the first half with close to 1.2 billion pages viewed[2];
- an unfavourable comparison base for Eurosport (because of the Winter Olympics and 2002 Football World Cup), which penalised its first half activity with operating revenue falling by 11.7% (its operating income nevertheless improved);
- 1.7% growth of the thematic channels division (except Eurosport), which benefited from the TF6 and Série Club advertising performance;
- contrasting trends in production (- 29.6%) with the discontinuation of the musical *Roméo et Juliette* in December 2002, and management of broadcasting rights (+ 64.3%) with the consolidation of TCM at 50% starting July 1, 2002.

Programming costs fell by 6.6% to €426.7 M, mainly due to the broadcast of the Football World Cup in June 2002.

Group operating income came to €232.8 M, up by 15.2%, resulting in an operating margin on operating revenue of 16.4%, a 1.6 point improvement.

The financial result was €(11.2) M.

Net profit attributable to the Group was up by 23.1% to €137.7 M, i.e. a net margin on operating revenue of 9.7%, up by 1.5 points.

At June 30, 2003, shareholders' funds totalled €809.6 M on a balance sheet total of €3,139.9 M. Consolidated net debt stood at €519.1 M, or 64.1% of shareholders' funds.

Outlook
In conclusion, assuming that current trends continue through the second half, TF1 Group should meet its roughly 4% growth objective for 2003 consolidated revenues and substantially increase its 2003 consolidated net income compared to financial year 2002.

1 Source: Secodip
2 Source: Cybermétie, January-June 2003

A. Broadcasting (source: Médiamétrie)

In first half 2003, television consumption stood at a daily average of 3 hours 24 minutes for individuals aged 4 years and over, a level that remains stable compared to the same period of the previous year (3 hours 26 minutes) – bearing in mind the particularly strong programming in the first half 2002 with the Salt Lake City Winter Olympics, presidential and general elections, and the Football World Cup).

With an audience share of 34.0% of women under 50 and 31.4% of individuals aged 4 years and over, TF1, like all the free-to-air channels, registered a slight fall in its audience share (1.0 and 1.1 point, respectively) to the advantage of cable and satellite channels.

Nevertheless, TF1 continued to win market share with the younger target, "individuals aged between 15 and 24 years", with an audience share increase of 0.6 point between January and June 2003, to 32.2%.

The TF1 channel achieved 48 of the top 50 audiences

B. Advertising (source: Secodip)

In a context where television is increasing its advertising market share (+ 0.7 point to 33.9%), TF1 has consolidated its leadership position with a market share gain of 0.4 point to 53.9%.

Advertising investments of most of the sectors advertising on TF1 were on the increase during the half year:
- the "traditional" sectors: Food grew by 20.7%, buoyed by the big increase in advertising investment in dairy products; TF1's market share in this sector is 57.2%; Toiletries and Cosmetic products has been growing since the beginning of the year with an increase in investment of 12.7% on TF1; advertisers in the House Cleaning sector continue to invest massively on TF1, which reached a 60.4% market share for an investment sum up by 4.0% for first half 2003.
- The "sectors constituting sources of growth": Telecommunications, down 3.8% on television, grew on TF1 (+ 6.2%) with a market share gain of 5.2 points to 55.0%; the Culture & Leisure sector increased by 8.3%, helped mainly by the games and events segment (Française des Jeux, shows, salons, fairs, etc...).

However, two sectors are sluggish:
- Automotive, down 1.8% for the first half TF1's market share still held firm at 53.0%;
- Travel & Tourism declined across all channels, mainly due to the war in Iraq; the decrease on TF1 was 14.2%.

The Publishing sector, which benefits from specific sales conditions, continued its decline, that began in April, to amount to a total drop of 6.2% on TF1 over the first half.

C. The TF1 Group

N.B.: the activity of the TF1 subsidiaries is analysed below on the basis of company revenue and not on their contribution to consolidated revenue.

I) Publishing and Distribution

➢ TF1 Entreprises

TF1 Entreprises revenue amounted to €34.7 M, representing an increase of 28%. The prime contributors to this growth were TF1 Musique, which benefited mainly from sales around *Star Academy 2* (more than five million albums and singles sold between January and June 2003) and TF1 Licences, thanks to the growth of promotion licenses (notably under the *Star Academy* brand) and to tour "merchandising" management (*Star Academy, Priscilla, Jenifer, etc…*).

The other two departments of TF1 Entreprises saw their activity decline: in first half 2002, TF1 Interactif benefited from the end phases of the *Star Academy 1* programme (the final of *Star Academy 2* was in December 2002), while TF1 Games suffered from the weak games offering after the Christmas period.

Net profit amounted to €15.6 M, up by 27% compared to the previous year.

➢ Une Musique

Since January 2003, the business scope of Une Musique has evolved, with a focus on music publishing and on producing its artists.

At end June, Une Musique posted revenue of €2.9 M for net profit of €0.6 M.

- Groupe TF1 Vidéo (incl. CIC and RCV)

End June 2003, the French video market totalled revenue of €544 M[1], up 21%, and volume of units sold of 44 million, up 31%. DVDs now represent 73% of the market by volume, that is, 12% more than in the same period last year.

In first half 2003, TF1 Vidéo's revenue amounted to €85.6 M vs.€78.8 M for first half 2002 (+ 9%). The increase is linked principally to the strong sales results in traditional networks, thanks notably to the new issues (*Resident Evil, Blade 2, Star Academy 2, Jean-Yves Lafesse*) and to the catalogue base (Ciné collection), and despite the absence of a "blockbuster" like *Le fabuleux destin d'Amélie Poulain,* which came out in first half 2002.

By volume, overall sales reached 5.7 million VHS/DVDs between January and June 2003, vs. 5.6 million at the end of June 2002. At the end of the half-year, TF1 Vidéo obtained the exclusive distribution rights in France of the film *Lord of the Rings – The Two Towers*, which came out in DVD and VHS at the end of August 2003.

Net profit stood at €3.7 M, a fall of 29% due mainly to the change in publishing/distribution mix. Indeed, in first half 2002, TF1 Vidéo benefited from a bigger share of publishing contracts for certain titles, which generated bigger margins.

- Téléshopping

The Téléshopping revenue was stable at €37.9 M (vs. €38.1 M in first half 2002). The favourable comparison base relative to the Football World Cup broadcast in June 2002 during programming hours compensated for the fall in activity as a result of the war in Iraq (four programmes cancelled) and the strikes of May and June.

The www.teleshopping.fr site continued its growth with revenue of €3.6 M vs. €2.1 M in 2002.

Operating income went from €0.4 M in first half 2002 to €2.5 M in first half 2003, thanks to the improvement in sales margin and a reduction of other costs.

The net result is positive again at €1.9M (vs. a loss of €(0,1) M for the same period in the previous year).

II) Internet

The www.tf1.fr site had a record number of visitors in the first half, with 1.8 million visitors in June 2003 (+ 400,000 visitors in a year) and close to 1.2 billion pages viewed (less than 900 million in first half 2002). The most visited sections were *Nice People* and *Les News,* which benefited from an editorial face-lift and important international news.

In first half 2003, e-TF1 revenue was up 59% to €8.1 M. This growth is linked to content sales, to the increasing proportion of fee content and services (sales of live video streams, success of the game *Qui veut gagner des millions?*), to the growth of mobile revenues (i-mode), and to an increase in advertising revenue.

e-TF1's pre-tax loss was reduced to €(2.3) M vs. €(4.3) M in first half 2002, under the combined effect of increased revenue and controlled operating expenses.

The TFOU channel, launched on April 23, is broadcast seven days a week from 8.30 am to 7.00 pm on TPS, with round the clock access to interactive services. It came in with revenue of €0.2 M for first half 2003.

III) Thematic channels

- Eurosport

The Eurosport distribution network continued to grow, reaching 97.3 M households at end June 2003 (+ 2.0 M compared to June 30, 2002), of which 47.0 M are fee paying households (vs. 44.4 M). Broadcasting the Eurosport programme in 18 languages enables 91% of its households to receive it in their mother tongue. Eurosportnews reaches 15.4 M households in over 70 countries; 3.8 M of them are fee paying.

During the first half, the programme grid was redefined, thanks notably to the acquisition of new rights (F1 for France, Confederation Cup and international combat sports) and to a more extensive localisation of the German programme. These measures enabled the channel to increase its audience share[2] by 0.1 point to 1.3% in France and to grow its average European audience by 3% compared to the same period in 2002, with 587,000 viewers per average quarter hour.

1 Source: SEV

2 Source: Mediacabsat January/June 2003, individuals aged 4 years and above

First half revenue stood at €143.9 M, down 11% compared to 2002. This decrease is primarily due to a fall in advertising activity (absence of major sporting events such as the Olympic Games and the Football World Cup) and to a negative exchange rate effect on the cable and satellite license fees (significant depreciation of the Pound Sterling and the Dollar).

Operating profit amounted to €16.8 M, that is, operating profitability of 11.7% - up 1 point thanks especially to a decline in programming costs and stringent expense control. The control of grid costs is linked both with the absence of Olympic Games in 2003 and with the policy initiated in 2002 to control the costs of programming rights. The latter has, however, not deprived Eurosport of the acquisition of new sports competitions. The exchange rate fluctuations had a neutral effect on operating profit, with a negative impact on revenue and a positive impact on operating expenses related to rights acquisitions.

Net profit end June 2003 increased to €4.6 M (+ 7%).

- <u>LCI, La Chaîne Info</u>

At June 30, 2003, LCI reached 4.7 million subscriber households. The channel has secured, under less favourable terms, its broadcast via CanalSatellite through the signature of a contract in the course of the first half of the year.

According to the latest Médiacabsat survey in July 2003, LCI's audience share progressed from 1.0% to 1.3%, enabling the channel to move into 3rd place among cable and satellite channels.

LCI produced a net loss of €(4.3) M for first half 2003. This is due to a slight fall of 2% in revenue (€19.6 M vs. €19.9 M in first half 2002) and to an increase in costs relative to international news.

- <u>Odyssée</u>

At end June 2003, Odyssée had 1.7 million subscriber households.

Odyssée's operating revenue fell by 15% during the half year to €2.2 M. However, the net loss is quite stable to €(0.3) M, thanks to control of grid costs and operating expenses.

- <u>Série Club (figures at 100%)</u>

At June 30, 2003, Série Club totalled 2.1 million subscriber households.

According to the Médiacabsat survey of July 2003, the channel achieved a 47% audience growth (average quarter hour) among individuals aged 4 and above, becoming the 8th cable and satellite channel in audience share.

For the first half, the channel's revenue amounted to €4.0 M, down by 15% compared to the same period of the previous year. Advertising revenue represented 37% of total revenue.

Nevertheless, net profit remained stable at €0.4 M, thanks to economies achieved on the grid and communications outlays.

- <u>TF6 (figures at 100%)</u>

At June 30, 2003, TF6 had 2.2 million subscriber households.

TF6 had a good July 2003 Médiacabsat, since it confirmed its fifth place among cable and satellite channels for individuals aged 4 years and above with an audience share of 1.0%. It also recorded a 26% audience share growth in one year (average quarter hour) on its core target of 15 – 34 year olds.

For the first half, TF6's revenue amounted to €7.7 M (+ 48% vs. first half 2002), of which 53% came from advertising revenue. Net income was positive for the first time at €0.4 M.

<u>IV) Production and management of broadcasting rights</u>

- <u>TF1 International</u>

TF1 International's revenue amounted to €12.7 M, a decline of 4% compared to first half 2002. Net profit was €0.4 M.

TF1 International Pictures, which produces international feature films distributed by TF1 International, achieved revenue of €0.3 M for first half 2003.

- TF1 Films Production

At end June 2003, TF1 Films Production had co-produced 13 films that have already been released, such as *Taxi 3, 18 ans après, Moi César, Fanfan la Tulipe,* or *7 ans de mariage* and *Qui a tué Paméla Rose?.* It has also committed funds for 12 feature films, for a total of €24.4 M.

5 of the 13 films co-produced by TF1 Films Production achieved in excess of one million admissions over their total operating life cycle.

For first half 2003, total operating revenue was €14.9 M, vs. €24.4 M in 2002. This 39% decline is mainly due to that of TV rights disposals and CNC operating grants, caused by the smaller number of films receiving their production authorisation this half-year.

Net profit at June 30, 2003 was €0.4 M vs. €1.0 M in 2002.

- Groupe Glem (figures at 100%)

Group Glem consolidated operating revenue amounted to €47.7 M, a fall of 4% compared to 2002. This slight decline is mainly due to the closing of the musical *Roméo et Juliette* in December 2002, which was not compensated for by the increase in revenue for the Television activity and the tour of *Star Academy 2*.

Despite a clear improvement in profitability of the Television department for first half 2003, net profit / (loss) attributable to the Group came in at €(0.3) M at end June 2003, vs. €0.6 M for the same period in 2002.

V) Digital distribution

- Télévision par Satellite – TPS (figures at 100%)

At end June 2003, the TPS offering reached a total of 1.192 million subscribers direct by satellite. That is a net increase of close to 20,000 subscribers compared to December 31, 2002. The TPS market share for newly signed-up subscribers is estimated at 38% for the period.

TPS's consolidated revenue amounted to €261.8 M for first half 2003, that is, an increase of 5% compared to first half 2002. Consolidated net profit was positive at €7.7 M. However, in view of the cyclical nature of its activity, TPS will post a net loss for full year 2003.

VI) Miscellaneous

- Studios 107

In the first half of 2003, operating revenue amounted to €12.1 M vs. €9.5 M for the same period 2002. That is an increase of 27%. The Studios 107 activity was boosted at the beginning of the year by the services provided to its customer Khalifa Télévision (KTV). However, the latter's bankruptcy led to the need to record a provision for unpaid accounts receivable, impacting net profit. The unit posted a loss of €(1.5) M.

D. Human resources update

At end June 2003, the total TF1Group workforce was stable compared to December 31, 2002, both for TF1 SA and its subsidiaries (3,469 people vs. 3,480).

E. The stock

At September 1, 2003, the TF1 share closed at €28.3, that is, an increase of 11.1% since the beginning of the year. This is to be compared with a 9.6% increase of the CAC 40 stock market index and a 10.7% growth for the SBF 120 index.

Over the first half 2003, an average of one million TF1 shares were traded daily. This is stable compared to the daily share trading in the same period 2002.

At September 1, 2003, the Group TF1 market value stood at €6.1 billion.

F. Shareholders

To the best knowledge of the Board of Directors, the shareholder breakdown at June 30, 2003 is the following:

	Capital holdings at June 30, 2003	**Voting rights at June 30, 2003**	**Capital holdings at December 31, 2002**
Bouygues	41.2%	41.4%	41.3%
Société Générale	1.5%	1.5%	1.5%
Total core shareholders *	42.7%	42.9%	42.8%
Others France (1) (2)	29.8%	30.0%	25.1%
of which employees	**3.7%**	**3.8%**	**3.5%**
Treasury shares	0.6%	0.0%	0.6%
Europe (excluding France)	20.1%	20.2%	22.5%
Others	6.8%	6.9%	9.0%
Total	**100.0%**	**100.0%**	**100.0%**

* Core as declared to Euronext on February 23, 1994 (Euronext announcement N°94-600)
(1) Including non-identified holders
(2) Estimates by EUROCLEAR at June 30, 2003

Consolidated Profit and Loss Account / Operational Breakdown

(€ million)	1st half 2003	1st half 2002	2002
TF1 Channel			
Advertising revenue	835.2	817.2	1,507.3
Advertising agency fees	(46.1)	(45.1)	(83.1)
NET REVENUE FROM BROADCASTING	**789.1**	**772.1**	**1,424.2**
Royalties and contributions			
- Authors	(32.3)	(31.5)	(58.2)
- CNC	(41.5)	(40.2)	(74.7)
Transmission costs			
- TDF, Satellites, Transmission	(27.4)	(26.9)	(56.0)
Programming costs	(426.7)	(456.8)	(881.6)
GROSS MARGIN	**261.2**	**216.7**	**353.7**
Diversification revenue and other revenue	579.8	544.8	1,143.5
Other operating expenses	(528.3)	(498.2)	(1,069.4)
Depreciation, amortisation and provisions (net)	(79.9)	(61.3)	(134.3)
OPERATING PROFIT	**232.8**	**202.0**	**293.5**
FINANCIAL LOSS	**(11.2)**	**(17.7)**	**(29.7)**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	**221.6**	**184.3**	**263.8**
Exceptional expenses	(0.2)	(3.0)	(4.4)
Goodwill amortisation	(3.8)	(4.4)	(8.9)
Corporate income tax	(79.8)	(63.9)	(94.2)
Share in net earnings of companies consolidated under the equity method	(0.6)	(0.5)	(1.2)
NET PROFIT OF CONSOLIDATED COMPANIES	**137.2**	**112.5**	**155.1**
Minority interest	0.5	(0.6)	0.1
NET PROFIT ATTRIBUABLE TO THE GROUP	**137.7**	**111.9**	**155.2**

TPS was consolidated under the proportionate method at 50% in the first half 2002 and at 66% since July 1, 2002.

Statutory Auditor’s report

LIMITED REVIEW ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Six months ended June 30, 2003

In our capacity as Statutory Auditors, and in accordance with Article L 232-7 of the commercial law, we conducted:

- the limited review of the attached consolidated interim financial statements of TF1, for the six months ended June 30, 2003,
- the verification of the information given in the interim management report.

These interim financial statements are the responsibility of, and have been approved by, the Board of Directors. It is our responsibility, on the basis of our review, to present our opinion on these statements.

We conducted our review in accordance with French professional standards, which require us to carry out procedures to obtain reasonable assurance that the financial statements are free from material misstatement. Such procedures principally consist of an analytical review and making enquiries of management and other persons. A review is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in France.

We have checked, in accordance with French professional standards, the information contained in the management report, commenting on the consolidated interim financial statements which we have reviewed.

We have nothing to report with respect to the fairness of such information and its conformity with the financial statements.

Paris, September 9, 2003

The Statutory Auditors

MAZARS & GUERARD — RSM SALUSTRO REYDEL

Michel ROSSE — Edouard SALUSTRO — Xavier PAPER

Consolidated financial statements

BALANCE SHEET

ASSETS (€ million)	30.06.03 Net	31.12.02 Net	30.06.02 Net
Intangible fixed assets	**889.5**	**892.1**	**712.0**
Audiovisual rights	94.8	97.4	79.3
Other intangible fixed assets	794.7	794.7	632.7
Goodwill	***107.7***	***111.5***	***116.0***
Tangible fixed assets	**206.7**	**217.6**	**218.5**
Land	45.7	45.7	45.7
Freehold buildings	35.9	37.1	38.3
Other tangible fixed assets	125.1	134.8	134.5
Financial fixed assets	**10.2**	**9.8**	**19.7**
Investments consolidated under the equity method	0.0	0.0	1.9
Investments and loans to associated undertakings	6.5	6.1	5.3
Other financial assets	3.7	3.7	12.5
FIXED ASSETS	**1,214.1**	**1,231.0**	**1,066.2**
Programmes and film rights	695.7	666.6	689.6
Raw materials and supplies	12.9	8.7	11.9
Trade debtors	637.1	671.7	615.6
Other debtors and adjustment accounts	529.7	503.5	470.1
Marketable securities and cash at bank and in hand	50.4	55.0	44.8
CURRENT ASSETS	**1,925.8**	**1,905.5**	**1,832.0**
TOTAL ASSETS	**3,139.9**	**3,136.5**	**2,898.2**

TPS was consolidated under the proportionate method at 50% in the first half 2002 and at 66% since July 1, 2002.

SHAREHOLDERS' EQUITY AND LIABILITES (€ million)	**30.06.03**	**31.12.02**	**30.06.02**
Share capital	42.9	42.8	42.7
Share premium	57.7	53.4	48.6
Retained earnings	571.3	554.8	554.7
Profit attributable to the group	137.7	155.2	111.9
SHAREHOLDERS' FUNDS	**809.6**	**806.2**	**757.9**
Minority interest	0.0	0.6	0.1
Government grants for investment	6.0	6.3	2.7
Provisions for liabilities and charges	83.1	71.4	65.4
Deferred taxation	65.5	68.4	65.9
Financial creditors and borrowings (1) (2)	569.5	547.6	569.9
Trade creditors	887.3	952.7	901.0
Other creditors and adjustment accounts	718.9	683.3	535.3
CREDITORS	**2,175.7**	**2,183.6**	**2,006.2**
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES	**3,139.9**	**3,136.5**	**2,898.2**
(1) including current bank overdrafts	1.4	18.6	10.5
(2) including less than one year	553.8	532.2	488.7

TPS was consolidated under the proportionate method at 50% in the first half 2002 and at 66% since July 1, 2002.

PROFIT AND LOSS ACCOUNT

(€ million)	H1 2003	H1 2002	2002
Turnover	***1,419.3***	***1,365.1***	***2,655.3***
Net advertising revenue	891.0	888.7	1,628.5
TF1	*835.2*	*817.2*	*1,507.3*
OTHERS	*55.8*	*71.5*	*121.2*
Diversification revenue	503.6	450.5	968.8
Technical service revenue	14.4	13.2	27.3
Other revenue	10.3	12.7	30.7
Operating expenses	***(1,186.5)***	***(1,163.1)***	***(2,361.8)***
External production costs	(281.5)	(244.7)	(538.4)
Staff costs	(176.9)	(163.2)	(337.3)
Other operating expenses	(648.2)	(693.9)	(1,351.8)
Depreciation, amortisation and provisions (net)			
- depreciation	(56.0)	(53.8)	(111.7)
- provisions	(23.9)	(7.5)	(22.6)
OPERATING PROFIT	**(232.8)**	**202.0**	**293.5**
Financial revenue	4.0	7.0	11.2
Financial expenses	(15.2)	(24.7)	(40.9)
FINANCIAL LOSS	**(11.2)**	**(17.7)**	**(29.7)**
PROFIT BEFORE TAX AND EXCEPTIONNAL ITEMS	**221.6**	**184.3**	**263.8**
Exceptional expenses	(0.2)	(3.0)	(4.4)
Goodwill amortisation	(3.8)	(4.4)	(8.9)
Corporate income tax	(79.8)	(63.9)	(94.2)
Share in net earnings of companies consolidated under the equity method	(0.6)	(0.5)	(1.2)
NET PROFIT	**137.2**	**112.5**	**155.1**
Minority interest	0.5	(0.6)	0.1
NET PROFIT ATTRIBUABLE TO THE GROUP	**137.7**	**111.9**	**155.2**
Average number of outstanding shares (in thousands)	212,991	211,470	211,970
Earnings per share (€)	0.65	0.53	0.73
Diluted earnings per share (€)	0.64	0.52	0.73

TPS was consolidated under the proportionate method at 50% in the first half 2002 and at 66% since July 1, 2002.

CASH FLOW STATEMENT

(€ million)	30.06.03	31.12.02	30.06.02
1 – Operating activities			
• Net profit	137.2	155.1	112.5
• Depreciation, amortisation and provision	***69.8***	***129.3***	***58.7***
- Intangible fixed assets	24.1	55.0	20.1
- Tangible fixed assets	29.8	65.1	32.4
- Financial fixed assets	0.1	0.0	0.0
- Expenses to amortise	1.2	0.1	0.1
- Goodwill	3.8	8.9	4.4
- Provisions for liabilities and charges	10.8	0.2	1.7
• Investment grants released to revenue	(4.6)	(7.8)	(6.8)
• Expenses to amortise	(0.4)	(11.0)	(0.4)
• Capital gains / (losses) on disposal of fixed assets	(0.1)	2.0	0.8
• Changes in deferred tax	0.6	1.4	8.4
• Share of investments consolidated under the equity method	0.6	1.2	0.5
Cash flow	***203.1***	***270.2***	***173.7***
• Stocks	(28.2)	(20.7)	(58.6)
• Trade debtors	33.3	95.6	80.7
• Trade creditors	(61.9)	(21.1)	(43.8)
• Net advance from third parties	12.1	10.1	7.6
Increase / (decrease) in working capital needs	***(44.7)***	***63.9***	***(14.1)***
NET CASH INFLOW FROM OPERATING ACTIVITIES	**158,4**	**334.1**	**159.6**
2 – Investing activities	**(44,5)**	**(327.6)**	**(227.8)**
• Purchase of intangible fixed assets	(19.0)	(51.0)	(24.1)
• Purchase of tangible fixed assets	(17.8)	(31.7)	(17.6)
• Disposal of tangible, intangible and financial fixed assets	1.8	61.1	2.7
• Purchase of financial asset investments	(4.9)	(372.8)	(200.2)
• Change in liabilities on purchase of financial asset investments	0.0	50.2	0.0
• Increase / (decrease) in other financial assets	(0.1)	8.6	7.6
• Increase / (decrease) in fixed assets creditors	(4.5)	8.0	3.8
Consolidation adjustments	(1.4)	9.0	0.1
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(45.9)**	**(318.6)**	**(227.7)**
3 – Financing activities			
• Increase in shareholders' funds	7.7	24.7	15.5
• Net change in loans	30.9	122.5	212.9
• Dividends paid	(138.3)	(138.7)	(138.1)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	**(99.7)**	**8.5**	**90.3**
TOTAL INCREASE IN CASH AND CASH EQUIVALENTS	**12.8**	**24.0**	**22.2**
Cash at beginning of period	36.3	12.3	12.1
Net inflow	12.8	24.0	22.2
Cash at end of period	49.1	36.3	34.3

NOTES TO THE FINANCIAL STATEMENTS

1. GROUP ACCOUNTING POLICIES

The consolidated half-yearly 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, confirmed by the governmental order dated June 22, 1999, and the recommendations of the National Accounting Council on interim accounts.

The accounting policies adopted for the 2003 first half consolidated financial statements are comparable to those for the previous years' consolidated financial statements.

2. SCOPE OF CONSOLIDATION

The changes in the scope of consolidation between the first halves of 2002 and 2003 result from:
- the increase from 50% to 66% of the TF1 Group's stake in TPS during second half 2002 (see below - Accounts comparison);
- the increase from 34% to 50% of the TF1 Group's stake in TCM DA during second half of 2002, and the consequent change in the method of consolidation of this company from equity method to proportionate method ;
- the additional interest taken in Visiowave during the 2nd half 2002, and the full consolidation of this company;
- the interests taken in Ciby 2000 and Cabale during the 1st half 2003, and the full consolidation of these companies.

3. ACCOUNTS COMPARISON

In 2002, the increase of TF1's stake in TPS was made in two steps:
- during the first half of 2002, the purchase of the 25% stake jointly owned by France Télévision and France Telecom, which increased the Group's stake in TPS to 50% ;
- during the second half of 2002, the purchase of the 25% stake of Suez, and the immediate sale of a 9% stake in TPS to M6, which increased, as from July 1, 2002, the Group's stake in TPS to 66%.

TF1 Group's consolidated financial statements presented for first half 2002 - took into account the proportionate consolidation of TPS at 50%. The following table shows the effect an additional 16% interest would have had on the consolidated profit and loss account, if it had been taken into account in first half 2002.

June 30 , 2002 (€ million)	**TPS 100%**	**TPS 16% (1)**
Turnover	249.8	40.0
Other operating revenue	0.2	0.0
Total operating revenue	250.0	40.0
External production costs	(39.5)	(6.3)
Staff costs	(25.0)	(4.0)
Other operating expenses	(155.7)	(24.9)
Depreciation, amortisation and provisions (net) :		
Depreciation	*(34.2)*	*(5.5)*
Provisions	*(5.2)*	*(0.8)*
Operating profit	**(9.6)**	**(1.5)**
Financial revenue	0.4	0.1
Financial expenses	(7.6)	(1.2)
Financial loss	**(7.2)**	**(1.1)**
Net exceptional income	**0.9**	**0.1**
Net profit attributable to the Group	**(15.9)**	**(2.5)**

(1) Before elimination of inter-company transactions at the TF1 level

4. SUBSEQUENT EVENTS

No significant event has occurred since the end of the first half 2003, which would impact these financial statements.

5. SHAREHOLDERS' FUNDS

(€ million)		Share Capital	Retained earnings	Shareholders' funds
Shareholders' funds at Dec. 31, 2000		**42.2**	**642.7**	**684.9**
Capital increase	(1)	0.2	18.9	19.1
Purchase of TF1 shares			(7.4)	(7.4)
Dividends			(136.5)	(136.5)
Net profit at 31 Dec. 2001			210.3	210.3
Shareholders' funds at Dec. 31, 2001		**42.4**	**728.0**	**770.4**
Capital increase	(2)	0.4	17.1	17.5
Dividends			(136.9)	(136.9)
Net profit at 31 Dec. 2002			155.2	155.2
Shareholders' funds at Dec. 31, 2002		**42.8**	**763.4**	**806.2**
Capital increase	(2)	0.1	4.3	4.4
Dividends			(138.4)	(138.4)
Currency loss			(0.3)	(0.3)
Net profit at June 30, 2003			137.7	137.7
Shareholders' funds at June 30, 2003	**(3)**	**42.9**	**766.7**	**809.6**

(1) Capital increase reserved for employees.
(2) Stock options exercised.
(3) Share capital is divided into 214, 517, 079 ordinary shares with a nominal value of €0.2. Share capital is fully subscribed.

6. FINANCIAL CREDITORS AND BORROWINGS

Financial creditors and borrowings were €569.5 M at June 30, 2003, and mainly consist in :
- a €382.0 M current account with Bouygues Group,
- the share in TPS' bank debt amounting to €154.8 M.

In addition, TF1 has subscribed two syndicated loans amounting to €731.0M, which have not yet been used.

7. BUSINESS LINE INFORMATION – FIRST HALF 2003

(€ million)	Turnover			Operating profit		
	06.2003	06.2002	12.2002	06.2003	06.2002	12.2002
TF1 core channel	853.3	832.5	1,538.7	205.0	182.3	274.4
Publishing and Distribution	157.4	152.8	338.0	15.7	14.8	30.6
TPS	172.3	123.9	289.6	8.8	(3.2)	(13.8)
Eurosport	140.1	159.0	293.9	16.8	17.2	25.9
Thematic channels	24.1	23.7	47.2	(4.5)	(5.7)	(10.9)
Internet	7.4	4.9	11.0	(2.3)	(4.7)	(8.9)
Production	28.4	42.8	56.8	(2.4)	3.6	3.6
Audiovisual rights	23.1	12.8	46.8	(1.9)	(2.3)	(7.5)
Miscellaneous	2.9	-	2.7	(2.4)	-	0.1
Total	**1,409.0**	**1,352.4**	**2,624.7**	**232.8**	**202.0**	**293.5**

(1) *TPS was consolidated under the proportionate method at 50% until June 30, 2002 and at 66% since July 1, 2003*

8. TF1 COMPANY FINANCIAL STATEMENTS

(€ million)	H1 2003	H1 2002	Full year 2002
Turnover	797.9	777.9	1435.2
Operating profit	213.4	180.7	280.3
Net profit	72.2	147.5	198.0

TF1 SA net profit as of June 30, 2003 includes a provision of €83.8 M to write down the value of its shareholding in TF1 Digital, issued in 2000, in consideration for the contribution made by TF1 SA to this thematic channel company.

Télévision Française 1

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