Q1 2005 consolidated accounts and transition to IFRS

Boulogne, May 30, 2005

TF1's Board of Directors met on May 27, 2005, under the chairmanship of Patrick Le Lay, and examined the following Q1 2005 accounts:

IFRS CONSOLIDATED FIGURES (€M)	Q1 2005	Q1 2004	FY 2004	Change 05/ 04
Turnover	**713 .9**	**713.4**	**2,849.6**	**+ 0.1%**
Incl. TF1 channel advertising revenue	*430.0*	*425.1*	*1,645.5*	*+ 1.2%*
Other activities	*283.9*	*288.3*	*1,204.1*	*- 1.5%*
Operating profit	100.2	119.1	383.0	- 15.9%
Cost of net debt	(3.7)	(6.2)	(20.6)	- 40.3%
Net profit (attributable to the Group)	**60.9**	**70.9**	**224.7**	**- 14.1%**

In Q1 2005, TF1 Group turnover was flat at €713.9 M (+0.1%).

During the first 4 months 2005, the advertising market was characterized by a wait-and-see attitude from advertisers, especially in TF1's "traditional" sectors: food and cosmetics, which recorded respectively a 5.5% and 0.6% decrease of their gross investments. In this environment, TF1 core channel net advertising revenue were up 1.2%.

Despite those difficult conditions, TF1 advertising market share improved by 0.2 pt at 53.9% (at the end of April 2005) vs the same period in 2004.

TF1 Group's theme channels advertising revenue were strongly up: + 22%. This growth comes from: the increase of the subscribers base of those channels, the improvement of their audience share and their strong exposure to "growth" sectors: Services, Telecommunication and Automotive.

Q1 2005 net profit was down 14.1% due to the **non-recurrent 13% increase** of TF1 core channel programming costs, which is **not representative of the annual programming costs figure. Nevertheless, taking into account a soft advertising market, TF1 took some measures that, without modifying the quality of its programmes, will bring the annual programming costs increase back to 3% maximum**, i.e. below the previous guidance of 3.9%.

The net margin reached 8.5%.

As of March 31, 2005, TF1 Group shareholders' funds stood at €1,025.4 M, for a total balance sheet of €3,316.2 M. The consolidated financial net debt was €442.7 M, i.e. a 43.2% gearing.

IFRS

The transition to IFRS has a limited impact on TF1 Group accounts:

- + €4.6 M on the 2004 net result (attributable to the Group), mainly linked to the cancellation of the goodwill amortisation and the impact of stock-option plans on staff expenses;
- + €44 M on the total balance sheet mainly linked to the restatement of the head office property (impact on shareholders' funds) and the impact from IAS 39.

Outlook

Taking into account the advertising environment, TF1 core channel net advertising revenue in H1 2005 should be slightly negative.
TF1 Group will confirm at the end of August its full-year guidance taking into account the review of French GDP.

The Board of Directors noted the issue of 662,400 TF1 shares following the exercise of stock options and decided to cancel 670,000 treasury shares. On May 27, 2005, the capital of TF1 was of €42,810,425.80.

NB: Forecasts included in this press release reflect elements currently known by TF1. They depend on economics fluctuations of the coming months.

REMINDER:
The full TF1's 3 months report and the document dealing with the transition to IFRS are available under the following address:
http://www.tf1finance.fr

H1 turnover will be released on July 28, after the market closure.

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