

Interim Report  
First Half 2000



# Contents

1. CONSOLIDATED KEY FIGURES	p.	1
2. REVIEW OF 2000 FIRST HALF OPERATIONS	p.	2
3. INTERIM CONSOLIDATED ACCOUNTS		
• Auditors' report	p.	6
• Consolidated P/L Account (€)	p.	7
• Consolidated Balance Sheet (€)	p.	8
• Consolidated Cash Flow Statement (€)	p.	10
• Notes to the accounts	p.	11
• Consolidated P/L Account (FRF)	p.	13
• Consolidated Balance Sheet (FRF)	p.	14
• Consolidated Cash Flow Statement (FRF)	p.	16

# Consolidated key figures

(In million)	1 <sup>st</sup> half 2000		1 <sup>st</sup> half 1999 pro forma		1999 full year pro forma	
	€	FRF	€	FRF	€	FRF
Total Turnover	1,145.8	7,516	928.6	6,092	1,854.6	12,165
<i>TF1 Channel Ad. revenue</i>	832.3	5,459	703.0	4,612	1,351.3	8,864
<i>Diversification revenue &amp; others</i>	313.5	2,057	225.6	1,480	503.3	3,301
EBITDA	348.1	2,283	229.2	1,503	389.3	2,554
EBIT	271.7	1,782	190.3	1,248	292.3	1,918
Net profit attributable to the Group	168.0	1,102	109.5	718	158.4	1,039
Shareholder's funds	602.4	3,951	530.4	3,480	483.0	3,168
Number of shares in circulation (in thousands)	210,189		210,000		210,032	
	€	FRF	€	FRF	€	FRF
Earnings Per Share (EPS)	0.80	5.25	0.52	3.41	0.75	4.92
Diluted Earnings Per Share	0.78	5.12	0.51	3.35	0.74	4.85
Closing share price	73.0	478.8	22.6	148.2	52.0	341.1
Market capitalisation (in billions)	15.4	101.1	4.8	31.3	11.0	72.0

# Review of operations

Boulogne, 13 September 2000

As of 30 June 2000, the TF1 Group reported operating revenue of €1,145.8 M, an increase of 23.4% on the first half of 1999.

Two main factors explain this progress. Firstly, TF1 core channel advertising income grew by 18.4%. Secondly, income from diversified activities grew by 39.0% to €313.5 M, and now accounts for 27.4% of the Group's revenue.

This strong growth has occurred in a favourable economic environment, characterised by reduced unemployment — which has now fallen below the level of 10% of the working population (9.6% as of 30/06/00)<sup>(1)</sup> — an

improvement in the household confidence indicators, and a 6.2%<sup>(2)</sup> increase in household consumption of manufactured goods at the end of June 2000.

Cost of programmes grew by 2.7% in the first half of 2000, and is expected to be around 2% for the whole of the year 2000. This cost control enables the Group to improve its operating results (€271.7 M), up by 42.8%<sup>(3)</sup> on the first half of 1999.

The Group's net profit of €168 M is up by nearly 53.4%<sup>(3)</sup>. The net margin recorded by the TF1 Group accounted for 14.7% of operating revenue, compared with 11.8%<sup>(3)</sup> in 1999.

The financial structure of the TF1 Group has been reinforced during this period. As of 30 June 2000, the Group had €602.4 M in equity and €213.0 M in cash and liquidity, following the financing of TF1's increased participation in Eurosport. Loans and financial debts remained low at €16.8 M.

1. Source: Insee.  
2. Ibid.  
3. Pro forma 1999.

## A.) CORE CHANNEL

Viewing time remained globally stable over the first half, at 195 minutes per day for individuals aged four and above. For women under 50, however, it was up by six minutes at 198 minutes.<sup>(4)</sup>

The growth is explained by the extension of the *Médiamétrie* audience panel, which took place in February 2000. Households that have access to a cable or satellite offer, which are more strongly represented in this new panel, watch more television. The consumption profile for these households, therefore, had a mechanical impact which reduced the global audience share of the generalist terrestrial channels.

TF1 still leads viewing figures in France for individuals aged four and above and women under 50, with audience shares of 33.7% and 36.0%, respectively<sup>(5)</sup>. Furthermore, TF1 recently confirmed its domination with 47 of the 50 highest rated programmes for these groups.

By adhering to the key principles underlying its editorial line — exclusiveness, originality, event coverage, and live action — TF1 has been able to reinforce its identity in the face of new offerings on cable, satellite and the Internet. The success of this strategy, renewed over the last 13 years, has given the Channel an outstanding platform for the future.

## B.) ADVERTISING

Net advertising income generated by the TF1 channel rose by 18.4% in the first half of 2000 (compared with 8.5% for the first half of 1999). This increase met revenue targets and can be explained by:

- strong economic growth supporting advertising investments;
- the emergence of new advertising sectors, notably telecom and Internet, which are now making a significant contribution to advertising revenue (38.9% of TF1's gross advertising growth as measured by Sécodip);
- the impact of airtime optimisation.

4. Source: Médiamétrie, average as of 30 June 2000.  
5. Ibid.



Mission Impossible



## C.) TF1 GROUP

*N.B.: the activity of TF1's subsidiaries is analysed below on the basis of each subsidiary's individual turnover and net income, not in terms of contribution to the Group's consolidated statements.*

In the first half of 2000, the Group's diversification activities generated operating revenue of €313.5 M, an increase of 39.0%.

### I) Publishing and distribution

#### • TF1 ENTREPRISES

TF1 Entreprises reported turnover of €10.4 M as opposed to €8.2 M for the first half of 1999. This is a year-on-year increase of 27%. The net profit of €11.4 M (FRF74.9 M), showed an increase of 104% compared to the first half of 1999.

Merchandising has gained from the popularity of Pokemon products for children, and the phone-based activity has benefited from the summer broadcast of the "Who wants to be a millionaire" game show.

#### • TF1 VIDÉO

TF1 Vidéo recorded a sharp rise in first-half revenue (+49%) at €74.2 M. This performance was mainly due to the success of Pokemon cassettes and the growth of the "Kiosque" activity. Rental activity sales were also up by 38% during the period.

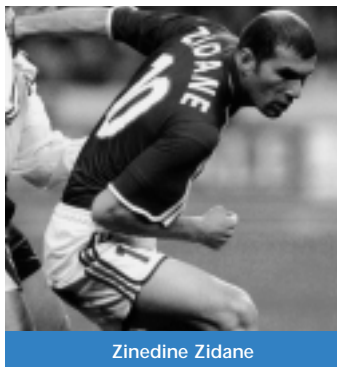
TF1 Vidéo recorded a net profit of €4.7 M.

#### • UNE MUSIQUE

In a sluggish music market, Une Musique returned income of €4.4 M for a net profit of €0.5 M. Since March 2000, Une Musique has focused its activity on in-house production.

#### • TÉLÉSHOPPING

In a slowly growing mail-order market (+0.9%), Téléshopping recorded revenue of €40.4 M, down by 5%, and a net profit of €2.8 M (+9%). The "Téléshopping" activity was particularly affected by postal strikes.



## II) Thematic channels

In the first half of 2000, to take full advantage of the potential synergies between the Group's channels, TF1 created TF1 Digital. This organisation now consolidates the various thematic channels controlled by TF1 (except for Eurosport). The purpose of TF1 Digital is to provide commercial, legal and financial support to the Group's channels while helping them develop new projects.

#### • EUROSPORT

In May 2000, TF1 and Canal + acquired equal numbers of shares, for a total amount of \$155 M, in Eurosport France and Eurosport International, owned by ESPN. As a result of this transaction, TF1 now holds 50.5% and 36.0% interests in Eurosport International and Eurosport France, respectively.



Eurosport recorded a turnover of €114.7 M for the first half of 2000, up by 29%. This resulted in a pre-tax profit of €19.1 M.

At the end of June 2000, Eurosport was received by 90 million households in 47 European countries (84 million at the end of June 1999). This represents a rise of six million households.

Eurosport.com is the leading pan-European sports website, with 25 million pages viewed in June 2000 alone.

#### • LCI, LA CHAÎNE INFO

At the end of June 2000, "La Chaîne Info", the round the clock news channel, was received by 3.4 million households, representing a year-on-year increase of 17.6%.

In the first half of 2000, with the consolidation of its distribution alongside widely recognized advertiser credibility, LCI recorded turnover of €24.4 M, displaying a remarkable 10% growth rate. The pre-tax profit was €2.2 M.

#### • **ODYSSÉE**

In the first half of 2000, Odysée acquired over 200,000 new subscribers and, at the end of June, had over 1.5 million subscribing households. Its turnover of €3.6 M represented a growth of 33%. The net result was positive at €0.3 M.

### III) PRODUCTION AND AUDIO-VISUAL RIGHTS

#### • **TF1 INTERNATIONAL**

Turnover for the first half of 2000 was down by 3% compared to the same period in 1999. The net profit was €0.7 M.



Julie Lescaut

In the first half of 2000, the activity of TF1 International was negatively impacted by delays in the delivery of full-length features. This was partially offset by the strong sales performance of French TV fiction and

catalogue films.

In April 2000, TF1 International acquired a 49% stake in the company Téléma. Directed by Charles Gassot, Téléma produces full-length feature films ("La vie est un long fleuve tranquille", "Tatie Danielle", "Le bonheur est dans le pré", "Beaumarchais", "Le goût des autres"... ) and advertising spots. This reinforces the position of TF1 International in the fields of production and in the trading of film rights.

Turnover from Films Ariane was €3.5 M in the first half of 2000. The corresponding rights were sold in France, Spain, Japan and Latin America.

CIBY DA recorded a turnover of €1.6 M.

#### • **TF1 FILMS PRODUCTION**

In the first half of 2000, the operating revenue from TF1 Films Production reached €26.3 M, up by 16%.

During this period, TF1 Films Production co-produced and purchased broadcasting rights for 14 full-length features for a total of €27.6 M.

Five out of the eight French films topping 800,000 box office entries for the first half of

2000 were co-produced by TF1 Films Production. These were "Taxi 2", "La Bûche", "La neuvième porte", "Jet Set" and "Meilleur espoir féminin".

#### • **GLEM**

The GLEM Group recorded operating income of €26.2 M for the first half of 2000, up by 26%. Net attributable profit was up sharply at €1.2 M.

This increase was due essentially to the successful sales of the "Roméo et Juliette" soundtrack and Glem's Live Entertainment activity. As a subsidiary specialised in entertainment content, Glem is pursuing its vocation of offering the public the opportunity to discover new artistic talents.

### IV) STUDIOS 107

Studios 107 recorded half-year revenue of €9.6 M, an increase of 41%, from the supply of technical services and the executive production of entertainment programmes.

### V) DIGITAL BROADCASTING

#### • **TÉLÉVISION PAR SATELLITE – TPS**

At the end of June 2000, with its offering of satellite broadcast programmes and services, TPS reached 1,025,000 active subscribers: 900,000 DTH (Direct To Home) and 125,000 with the TPS Cinéma channels via cable network connections.

In May 2000, TPS restructured its offering, incorporating the broadcast of French football's Premier League in its "Tout TPS" package, renamed "TPS Optima", to highlight the change.

The first half of 2000 was also marked by the increasing importance of interactive services, spearheaded by the launch at the end of March of TV Mail, a service that enables each TPS subscriber to send and receive e-mail to and from other TPS customers, using either the TPS electronic courier or any device connecting to the Internet (PCs or mobile phones, for example). Other launches were Domi TV, the home banking service run by the French Caisses d'Épargne savings banks, and LastMinute.com, the first website available for interactive TV access.

TPS generated first-half turnover of €183.4 M, up by 38%.



## VI) INTERNET ACTIVITY

For the first half of 2000, e-TF1 generated turnover of €1.5 M, including €1.2 M from advertising.

In June 2000, the www.tf1.fr website ranked ninth among France's most visited sites, and was the number one French media site (source: Cybermétrie).

This performance underlines the growth of the site's audience, which has recorded a two-fold increase in the number of visits, from 1.9 to 3.7 million, and a three-fold increase in the number of pages viewed, from 12.4 to 34.6 million, during the first half of the year 2000.

The growth of www.f1.fr can be explained not only by the development of the content offered, but also by the launching of several new sites: tfou (February 2000), plurielles (May 2000) and les sports (June 2000). Developed as an extension of the Channel and the Group's thematic channels, these new sites are establishing TF1 as a legitimate content provider in this new medium. Content specialisation and audience-targeting have in turn enabled the development of a qualified advertising offering, as well as a context-sensitive e-commerce capability for business partner relationships.

## D.) HUMAN RESOURCES

The TF1 Group had a workforce of 2,380 on 30 June 2000 compared with 2,249 on 31 December 1999. This growth is mainly due to the development of e-TF1 and Eurosport International.

## E.) CAPITAL

The 20 September 1999 decision by the Board of Directors to convert the Group's capital into euros, as authorised by the 7 May 1999 AGM, took effect on 1 January 2000.

The conversion was accompanied by a prior capital increase of €10,041,966.80 taken from the "revaluation reserve" and "other reserves" items.

## • THE TF1 SHARE

Over the period from 1 January to 30 June 2000, the TF1 share price rose by 40.4%. This contrasts with the French SBF 120 stock exchange index which rose by 7.4%.

On 6 March 2000, the TF1 share price reached an all-time high at €94.2.

On 10 May 2000 TF1 entered the Paris Stock Exchange CAC 40 index.

On 21 June 2000, to increase liquidity, TF1 divided its nominal share value by 10.

## • SHAREHOLDERS

To the best knowledge of the Board of Directors, the Group's shareholding on 30 June 2000 breaks down as follows:

	Capital %	Voting rights %
Bouygues	39.9	40.1
Société Générale	1.4	1.4
<b>Total core shareholders</b>	<b>41.3</b>	<b>41.5</b>
Others France <sup>(1) (2)</sup>	29.6	29.7
<b>Including employees</b>	<b>3.4</b>	<b>3.4</b>
Treasury shares	0.5	0
Europe <sup>(2)</sup> (excluding France)	21.1	21.2
Other <sup>(2)</sup>	7.5	7.6
<b>Total</b>	<b>100</b>	<b>100</b>

1. Including unidentified holders.

2. Estimations by SICOVAM on 30 June 2000.

## F.) DEVELOPMENT

Through its partnership with Perfect Technologie and its 22.5% stake in Visiowave, TF1 pursues its development in new media and accelerates its migration to broadband.

# Statutory auditors report

*ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS*

## SIX MONTHS ENDED 30 JUNE 2000

In our capacity as Statutory Auditors, and in accordance with Articles 341-1 of the Act of 24 July 1966, and 297-1 of the Decree of 23 March 1967, we hereby report to you:

- the limited review of the attached consolidated interim financial statements of TF1, for the six months ended 30 June 2000, presented in euros;
- 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. 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 also 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, 14 September 2000

The Statutory Auditors

Jacques Villary

RSM SALUSTRO REYDEL

Edouard Salustro

Xavier Paper



# Consolidated financial statements



## CONSOLIDATED PROFIT AND LOSS ACCOUNT (€ THOUSANDS)

	1st half '00	1st half '99 Net Pro forma	'00 full year Net Pro forma
<b>TURNOVER</b>	<b>1,145,851</b>	<b>928,659</b>	<b>1,854,600</b>
Net Advertising revenue	871,047	719,596	1,388,226
Including			
TF1	832,255	703,042	1,351,310
EUROSPORT	25,199	10,123	23,034
OTHERS	13,593	6,431	13,882
Diversification revenue	234,377	181,219	387,505
Technical services revenue	12,025	15,465	36,950
Other revenue	28,402	12,379	41,919
<b>Operating expenses</b>	<b>(874,141)</b>	<b>(738,378)</b>	<b>(1,562,257)</b>
External production costs	(203,389)	(198,653)	(408,964)
Change in stocks of in-house production	254	(377)	(5,255)
Staff costs (includ. participation)	(118,108)	(109,049)	(230,193)
Other operating expenses	(476,512)	(391,482)	(820,847)
Depreciation, amortisation and provisions (net)			
- Depreciation	(47,834)	(38,064)	(88,252)
- Provisions	(28,552)	(753)	(8,746)
<b>OPERATING PROFIT</b>	<b>271,710</b>	<b>190,281</b>	<b>292,343</b>
Financial revenue	25,324	13,684	13,722
Financial expense	(8,678)	(7,144)	(11,994)
<b>FINANCIAL PROFIT</b>	<b>16,646</b>	<b>6,540</b>	<b>1,728</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>288,356</b>	<b>196,821</b>	<b>294,071</b>
Net exceptional income/expenses	(278)	146	4,258
Goodwill amortisation	(599)	(1,887)	(3,451)
Income tax	(102,628)	(70,948)	(98,069)
Share in net earnings of companies consolidated under the equity method	(16,603)	(14,557)	(37,926)
<b>NET PROFIT BEFORE MINORITY INTEREST</b>	<b>168,248</b>	<b>109,575</b>	<b>158,883</b>
Minority interest	(196)	(91)	(528)
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>168,052</b>	<b>109,484</b>	<b>158,355</b>
Number of outstanding shares (in thousands)	210,189	210,000	210,032
Earnings per share (in euros)	0.80	0.52	0.75
Diluted earnings per share (in euros)	0.78	0.51	0.74

# Consolidated balance sheet



## ASSETS (€ THOUSANDS)

	30.06.00 Net	31.12.99 Net Pro forma	30.06.99 Net Pro forma
<b>Intangible fixed assets</b>	<b>185,476</b>	<b>118,770</b>	<b>103,283</b>
Audiovisual rights	95,188	118,141	102,729
Other intangible fixed assets	90,288	629	554
<b>Goodwill</b>	<b>1,126</b>	<b>1,769</b>	<b>3,655</b>
<b>Tangible fixed assets</b>	<b>171,429</b>	<b>163,011</b>	<b>162,758</b>
Land	45,740	45,740	45,740
Freehold buildings	43,233	44,453	45,673
Other tangible fixed assets	82,456	72,818	71,345
<b>Financial assets</b>	<b>19,051</b>	<b>9,486</b>	<b>2,995</b>
Investments consolidated under the equity method	1,933	31	13
Investments and loans to associated undertakings	2,357	8,303	1,055
Other financial assets	14,761	1,152	1,927
<b>FIXED ASSETS</b>	<b>377,082</b>	<b>293,036</b>	<b>272,691</b>
Programmes and film rights	479,609	461,998	478,861
Raw materials and supplies	6,071	4,879	5,232
Trade debtors	473,935	406,587	362,469
Other debtors	293,583	236,690	219,166
Marketable securities and cash at bank and in hand	213,011	288,396	187,144
<b>CURRENT ASSETS</b>	<b>1,466,209</b>	<b>1,398,550</b>	<b>1,252,872</b>
Adjustment accounts	41,005	37,101	53,329
Deferred taxation	31,939	36,485	31,253
<b>TOTAL ASSETS</b>	<b>1,916,235</b>	<b>1,765,172</b>	<b>1,610,145</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES (€ THOUSANDS)



	30.06.00	31.12.99 Pro forma	30.06.99 Pro forma
Share capital	42,237	32,195	32,014
Share premium	17,482	17,482	0
Revaluation reserve	0	4,681	4,681
Other reserves	374,596	317,640	336,815
Profit attributable to the Group	168,052	158,355	109,484
<b>SHAREHOLDERS' FUNDS</b>	<b>602,367</b>	<b>530,353</b>	<b>482,994</b>
Minority interest	(1,090)	280	(141)
Government grants for investment	6,448	7,817	6,410
Provisions for liabilities and charges	130,446	117,939	82,950
Deferred taxation	55,739	50,628	52,320
<b>LONG-TERM CAPITAL</b>	<b>793,910</b>	<b>707,017</b>	<b>624,533</b>
Financial creditors and borrowings <sup>(1)</sup>	16,769	85,938	91,629
Trade creditors	554,412	499,908	457,986
Other creditors	523,651	455,464	426,615
<b>CREDITORS</b>	<b>1,094,832</b>	<b>1,041,310</b>	<b>976,230</b>
Adjustment accounts	27,493	16,845	9,382
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>	<b>1,916,235</b>	<b>1,765,172</b>	<b>1,610,145</b>
<i>1. Including current bank overdrafts</i>	<i>93</i>	<i>67</i>	<i>166</i>

# Consolidated cash flow statement



(€ Thousands)	1st half '00	1st half '99 pro forma	'99 full year pro forma
<b>1. OPERATING ACTIVITIES</b>			
Net profit	168,248	158,883	109,575
<b>Depreciation, amortisation and provisions</b>	<b>48,438</b>	<b>91,075</b>	<b>35,889</b>
- Intangible fixed assets	33,767	63,635	21,474
- Tangible fixed assets	11,842	23,421	12,548
- Financial assets	1,784	(40)	0
- Expenses to amortise	90	624	5,314
- Goodwill	599	3,451	1,887
- Provisions for liabilities and charges	356	(16)	(5,334)
Investment grants released to revenue	(5,495)	(8,515)	(1,805)
Expenses to amortise	(619)	(63)	(5,936)
Capital gains (losses) on disposal of fixed assets	(179)	(295)	(644)
Change in deferred taxation	9,658	(3,316)	4,411
Share of investment consolidated under the equity method	16,603	37,926	14,557
<b>Cash flow</b>	<b>236,654</b>	<b>275,695</b>	<b>156,047</b>
Stocks	(14,924)	(5,201)	(22,417)
Trade debtors	(110,027)	(15,738)	18,465
Trade creditors	105,097	90,861	21,724
Net advances from third parties	4,319	(2,542)	(120)
Increase (decrease) in working capital needs	(15,535)	67,380	17,652
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>221,119</b>	<b>343,075</b>	<b>173,699</b>
<b>2. INVESTING ACTIVITIES</b>			
Purchase of intangible fixed assets	(24,175)	(77,498)	(35,495)
Purchase of tangible fixed assets	(20,022)	(17,695)	(6,329)
Disposal of fixed assets	1,670	1,529	1,059
Purchase of financial asset investments	(91,048)	(16,415)	(900)
Increase (decrease) in other financial assets	(13,602)	13,538	31,306
Increase (decrease) in fixed assets creditors	4,709	3,769	2,477
	<b>(142,468)</b>	<b>(92,772)</b>	<b>(7,882)</b>
Consolidation adjustments	3,649	59,589	59,221
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(138,819)</b>	<b>(33,183)</b>	<b>51,339</b>
<b>3. FINANCING ACTIVITIES</b>			
Increase in shareholders' funds	4,127	24,538	2,479
Increase (decrease) in loans	(61,821)	(145,038)	(139,511)
Dividends paid	(99,433)	(71,194)	(71,156)
<b>NET CASH OUTFLOW FROM FINANCING</b>	<b>(157,127)</b>	<b>(191,694)</b>	<b>(208,188)</b>
<b>TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(74,827)</b>	<b>118,198</b>	<b>16,850</b>
Cash at beginning of period	288,329	170,131	170,131
Net inflow (outflow)	(74,827)	118,198	16,850
Cash at end of period	213,502	288,329	186,981



# Notes to the consolidated financial statements

## 1. GROUP ACCOUNTING POLICIES

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, acted by the governmental order dated 22 June 1999, and the recommendation of the Accounting National Counsel on the interim accounts.

The 2000 interim consolidated financial statements are comparable to the 1999 interim and full-year consolidated financial statements, except for the statements modified by the new consolidation norms defined by the 99/02 rules of the Accounting Regulations Committee, in particular the first consolidation of GIE Aphélie (ad hoc entity according to the 10-052 article of the Regulations above mentioned). In 1994, TF1 leased to GIE Aphélie the office building, 1, quai du Point du Jour in Boulogne Billancourt (92), it had been occupying since 1992.

## 2. SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation between the first halves of 1999 and 2000 result from:

- the full consolidation of GIE Aphélie (95% owned by TF1);
- the increase of TF1's stake in Eurosport group.

### CHANGE OF TF1'S STAKE IN EUROSPORT

	30.06.00	31.12.99 & 30.06.99
ESO and other entities	50.50%	34.00%
SAGAS	50.44%	33.92%
TV SPORT	36.00%	31.00%

## 3. ACCOUNTING COMPARISON

Due to the first consolidation of GIE Aphélie and in order to ensure comparability, the 1999 half and full-year statements have been restated on a pro forma basis.

The impact of the increase of TF1's stake in Eurosport does not have any significant impact on the group financial statements, excepted the €86.6 M valuing Eurosport's market shares, accounted under "Other intangibles fixed assets".

The table below summarised the main variation resulting from the changes of the scope of consolidation

(€ Million)	ASSETS	(€ Million)	SHAREHOLDERS' EQUITY & LIABILITIES
<b>Fixed Assets</b>	<b>83.0</b>	Shareholder'funds	(21.5)
Land	45.7	Others reserves	(21.5)
Freehold buildings	44.4	Minority interest	(1.7)
Other tangible fixed assets	27.3	Deferred taxation	(10.5)
Other financial assets	(34.4)	Financial creditors & borrowings	66.0
<b>Current assets</b>	<b>(50.1)</b>	Other creditors	0.6
Other debtors	(50.1)		
<b>Total</b>	<b>32.9</b>	<b>Total</b>	<b>32.9</b>

The profit and loss account is not significantly impacted by the new consolidation norms.

#### 4. SUBSEQUENT EVENTS

There are no significant subsequent events.

#### 5. SHAREHOLDERS' FUNDS

(€ Million)	Share capital	Share Premium	Revaluation reserves	Retained earnings	Shareholders' funds
<b>Shareholders' funds at 31 Dec. '97</b>	<b>32.0</b>	-	<b>4.7</b>	<b>369.5</b>	<b>406.2</b>
Change in accounting policy	-	-	-	(2.1)	(2.1)
Dividends	-	-	-	(50.9)	(50.9)
1998 full-year net profit	-	-	-	109.2	109.2
<b>Shareholders' funds at 31 Dec. '98</b>	<b>32.0</b>	-	<b>4.7</b>	<b>425.7</b>	<b>462.4</b>
Capital Increase	0.2	17.5	-	-	17.7
Dividends	-	-	-	(70.0)	(70.0)
Purchase of TF1 shares	-	-	-	(18.6)	(18.6)
1999 full-year net profit	-	-	-	160.4	160.4
<b>Shareholders' funds at 31 Dec. '99</b>	<b>32.2</b>	<b>17.5</b>	<b>4.7</b>	<b>497.5</b>	<b>551.9</b>
Change in accounting policy <sup>(1)</sup>	-	-	-	(21.3)	(21.3)
Capital Increase	10.0	-	(4.7)	(5.3)	-
Dividends	-	-	-	(96.3)	(96.3)
2000 first half net profit	-	-	-	168.1	168.1
<b>Shareholders' funds at 30 June '00</b>	<b>42.2</b>	<b>17.5</b>	<b>0</b>	<b>542.7</b>	<b>602.4</b>

NB: Share capital is divided into 211,183,160 ordinary shares with a nominal value of €0.2 per share. Share capital is fully subscribed.

1. Mainly first consolidation of GIE Aphélie.

#### 6. MINORITY INTEREST

Following the changes in the consolidation method, minority interest were impacted by GIE Aphélie's negative net equity €(1.8) M. As the net equity of this entity is to become positive, no provision has been made to cover this amount.

#### 7. BUSINESSES INFORMATION FIRST HALF 2000

(€ Million)	Turnover	Operating profit
TF1 core channel	837.5	255.3
Publishing – Distribution	125.9	15.1
Eurosport	84.4	8.8
Other theme channels	29.0	1.3
Internet	1.9	(7.1)
Production	23.3	2.5
Audiovisual rights	11.6	(4.8)
TPS <sup>(1)</sup>	-	-
Others	3.9	0.6
<b>Total</b>	<b>1,117.5</b>	<b>271.7</b>

1. Consolidated under equity method.

#### 8. COMPANY FINANCIAL STATEMENTS

(€ Million)	'00 1st half	'99 1st half	'99 Full year
Turnover	781.2	666.7	1,286.0
Operating profit	251.0	180.6	287.3
Net profit	170.1	117.1	178.7

# Consolidated profit and loss account



(FRF Thousands)	1st half '00	1st half '99 Net pro forma	'99 full year Net pro forma
<b>TURNOVER</b>	<b>7,516,291</b>	<b>6,091,613</b>	<b>12,165,376</b>
Net advertising revenue	5,713,695	4,720,247	9,106,168
Including:			
TF1	5,459,235	4,611,656	8,864,015
EUROSPORT	165,295	66,404	151,093
OTHERS	89,165	42,187	91,060
Diversification revenue	1,537,412	1,188,717	2,541,863
Technical services revenue	78,879	101,445	242,375
Other revenue	186,305	81,204	274,970
<b>Operating expenses</b>	<b>(5,733,989)</b>	<b>(4,843,445)</b>	<b>(10,247,739)</b>
External production costs	(1,334,144)	(1,303,084)	(2,682,628)
Change in stocks of in-house production	1,666	(2,474)	(34,473)
Staff costs (incl. participation)	(774,738)	(715,315)	(1,509,963)
Other operating expense	(3,125,714)	(2,567,950)	(5,384,409)
Depreciation, amortisation and provisions (net)			
- Depreciation	(313,770)	(249,682)	(578,897)
- Provisions	(187,289)	(4,940)	(57,369)
<b>OPERATING PROFIT</b>	<b>1,782,302</b>	<b>1,248,168</b>	<b>1,917,637</b>
Financial revenue	166,115	89,758	90,013
Financial expense	(56,924)	(46,863)	(78,677)
<b>FINANCIAL PROFIT</b>	<b>109,191</b>	<b>42,895</b>	<b>11,336</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>1,891,493</b>	<b>1,291,063</b>	<b>1,928,973</b>
Net exceptional income/expense	(1,824)	956	27,932
Goodwill amortisation	(3,929)	(12,377)	(22,638)
Income tax	(673,196)	(465,388)	(643,292)
Share in net net earnings of companies consolidated under the equity method	(108,909)	(95,485)	(248,776)
<b>NET PROFIT BEFORE MINORITY INTEREST</b>	<b>1,103,635</b>	<b>718,769</b>	<b>1,042,199</b>
Minority interest	(1,286)	(600)	(3,461)
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>1,102,349</b>	<b>718,169</b>	<b>1,038,738</b>
Number of outstanding shares (in thousands)	210,189	210,000	210,032
Earnings per share (in FRF)	5.25	3.41	4.92
Diluted earnings per share (in FRF)	5.12	3.35	4.85

# Consolidated balance sheet

## ASSETS (FRF THOUSANDS)

	30.06.00 Net value	31.12.99 Net Pro forma	30.06.99 Net Pro forma
<b>Intangible fixed assets</b>	<b>1,216,642</b>	<b>779,083</b>	<b>677,492</b>
Audiovisual rights	624,392	774,957	673,855
Other intangible fixed assets	592,250	4,126	3,637
<b>Goodwill</b>	<b>7,386</b>	<b>11,604</b>	<b>23,979</b>
<b>Tangible fixed assets</b>	<b>1,124,503</b>	<b>1,069,288</b>	<b>1,067,622</b>
Land	300,037	300,037	300,037
Freehold buildings	283,590	291,594	299,596
Other tangible fixed assets	540,876	477,657	467,989
<b>Financial assets</b>	<b>124,967</b>	<b>62,224</b>	<b>19,647</b>
Investments consolidated under the equity method	12,680	203	85
Investments and loans to associated undertakings	15,461	54,463	6,921
Other financial assets	96,826	7,558	12,641
<b>FIXED ASSETS</b>	<b>2,473,498</b>	<b>1,922,199</b>	<b>1,788,740</b>
Programmes and film rights	3,146,029	3,030,512	3,141,120
Raw materials and supplies	39,823	32,001	34,320
Trade debtors	3,108,810	2,667,036	2,377,641
Other debtors	1,925,778	1,552,582	1,437,635
Marketable securities and cash at bank and in hand	1,397,261	1,891,755	1,227,583
<b>CURRENT ASSETS</b>	<b>9,617,701</b>	<b>9,173,886</b>	<b>8,218,299</b>
<b>Adjustment accounts</b>	<b>268,975</b>	<b>243,360</b>	<b>349,818</b>
<b>Deferred taxation</b>	<b>209,506</b>	<b>239,324</b>	<b>205,009</b>
<b>TOTAL ASSETS</b>	<b>12,569,680</b>	<b>11,578,769</b>	<b>10,561,866</b>



## SHAREHOLDERS' EQUITY AND LIABILITIES (FRF THOUSANDS)



	30.06.00	31.12.99 Pro forma	30.06.99 Pro forma
Share capital	277,057	211,183	210,000
Share premium	114,674	114,673	0
Revaluation reserve	0	30,705	30,705
Other reserves	2,457,189	2,083,582	2,209,364
Profit attributable to the Group	1,102,349	1,038,738	718,169
<b>SHAREHOLDERS' FUNDS</b>	<b>3,951,269</b>	<b>3,478,881</b>	<b>3,168,238</b>
Minority interest	(7,150)	1,837	(922)
Government grants for investment	42,296	51,277	42,050
Provisions for liabilities and charges	855,670	773,632	544,114
Deferred taxation	365,624	332,102	343,196
<b>LONG-TERM CAPITAL</b>	<b>5,207,709</b>	<b>4,637,729</b>	<b>4,096,676</b>
Financial creditors and borrowings <sup>(1)</sup>	109,997	563,716	601,046
Trade creditors	3,636,704	3,279,182	3,004,193
Other creditors	3,434,928	2,987,649	2,798,410
<b>CREDITORS</b>	<b>7,181,629</b>	<b>6,830,547</b>	<b>6,403,649</b>
Adjustment accounts	180,342	110,493	61,541
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>	<b>12,569,680</b>	<b>11,578,769</b>	<b>10,561,866</b>
<i>1. Including current bank overdrafts</i>	<i>610</i>	<i>438</i>	<i>1,091</i>

# Consolidated cash flow statement



(FRF Thousands)	1st half '00	'99 full year pro forma	1 <sup>st</sup> half '99 pro forma
<b>1. Operating activities</b>			
Net profit	1,103,635	1,042,199	718,769
<b>Depreciation, amortisation and provisions</b>	<b>317,731</b>	<b>597,415</b>	<b>235,406</b>
- Intangible fixed assets	221,497	417,421	140,858
- Tangible fixed assets	77,678	153,628	82,306
- Financial assets	11,702	(261)	0
- Expenses to amortise	590	4,096	34,855
- Goodwill	3,929	22,638	12,377
- Provisions for liabilities and charges	2,335	(107)	(34,990)
Investment grants released to revenue	(36,045)	(55,857)	(11,838)
Expenses to amortise	(4,060)	(416)	(38,940)
Capital gains (losses) on disposal of fixed assets	(1,174)	(1,935)	(4,223)
Change in deferred taxation	63,352	(21,745)	28,930
Investments consolidated under the equity method	108,909	248,776	95,485
<b>Cash flow</b>	<b>1,552,348</b>	<b>1,808,437</b>	<b>1,023,589</b>
Stocks	(97,895)	(34,119)	(147,047)
Trade debtors	(721,730)	(103,234)	121,125
Trade creditors	689,391	596,008	142,499
Net advances from third parties	28,331	(16,673)	(789)
<b>Increase (decrease) in working capital needs</b>	<b>(101,903)</b>	<b>441,982</b>	<b>115,788</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,450,445</b>	<b>2,250,419</b>	<b>1,139,377</b>
<b>2. INVESTING ACTIVITIES</b>			
Purchase of intangible fixed assets	(158,578)	(508,351)	(232,833)
Purchase of tangible fixed assets	(131,336)	(116,072)	(41,516)
Disposal of fixed assets	10,954	10,029	6,944
Purchase of financial asset investments	(597,236)	(107,677)	(5,904)
Increase (decrease) in other financial assets	(89,223)	88,807	205,356
Increase (decrease) in fixed assets creditors	30,889	24,723	16,246
	<b>(934,530)</b>	<b>(608,541)</b>	<b>(51,707)</b>
Consolidation adjustments	23,936	390,884	388,469
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(910,594)</b>	<b>(217,657)</b>	<b>336,762</b>
<b>3. FINANCING ACTIVITIES</b>			
Increase in shareholders' funds	27,071	160,960	16,258
Increase (decrease) in loans	(405,519)	(951,383)	(915,135)
Dividends paid	(652,238)	(467,005)	(466,753)
<b>NET CASH OUTFLOW FROM FINANCING</b>	<b>(1,030,686)</b>	<b>(1,257,428)</b>	<b>(1,365,630)</b>
<b>TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(490,835)</b>	<b>775,334</b>	<b>110,509</b>
Cash at beginning of period	1,891,317	1,115,983	1,115,983
Net inflow (outflow)	(490,835)	775,334	110,509
Cash at end of period	1,400,482	1,891,317	1,226,492

Credit: all rights reserved, Gaumont, Paramount, © 1997, 1998 Nintendo CREATURES,  
J.C. Roca, E. Chognard, F. Pignet.

---

TŹiŹvision Fran•aise 1  
A public limited company  
("Soci•t• Anonyme") with  
a share capital of  
42,236,632  
R.C.S. Paris B 326 300 159  
Mailing address: TF1  
1, quai du Point du Jour  
92656 Boulogne Cedex  
France  
Tel: 33.(0)1.41.41.12.34  
Registered Head Office:  
1, quai du Point du Jour  
92656 Boulogne Cedex  
France

---

Contacts:  
Financing and Investor  
Relations Department  
33.(0)1.41.41.27.32.  
Internet: <http://www.tf1.fr>  
E-mail: [comfi@tf1.fr](mailto:comfi@tf1.fr)