Interim Report
First Quarter 2005

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Consolidated key figures

(€ million)

	Q1 2005	Q1 2004	2004
Turnover	713.9	713.4	2 849.6
TF1 core channel advertising revenue	*430.0*	*425.1*	*1 645.5*
Other activities revenue	*283.9*	*288.3*	*1 204.1*
Operating profit	100.2	119.1	383.0
Net profit attributable to the Group	60.9	70.9	224.7
Cash Flow[1]	116.6	158.9	490.0
Shareholders' funds	1,025.4	960.1	975.5
Net financial debt	442.7	440.6	413.7
Earnings per share (€)	0.28	0.33	1.05
Diluted earnings per share (€)	0.28	0.33	1.04

	Q1 2005	Q1 2004	2004
Average number of outstanding shares (in thousands)	214,474	213,915	214,229
Closing share price (end of period) (€)	24.40	25.84	23.95
Average market capitalisation (€ billion)	5.23	5.53	5.13

[1] Cash flow before cost of net debt and income taxes

Q1 2005 Key events

BROADCASTING FRANCE

Broadcasting[2]

Following the terrible **tidal wave** that hit India and South East Asia at the end of December 2004, the TF1 News Division and Technical Division set up a major facility to inform TF1 viewers. On January 2, the 8.0 pm news bulletin gathered 11.7 million viewers (the strongest audience for the period January to April 2005).

On March 10, the first « docu-drama » broadcast by TF1, *Dans la tête du tueur*, is a great success with 10.3 million viewers.

Thematic channels

On February 18, TF1 and AB Group finalised the acquisition of **TMC from** Pathé Group, after obtaining the CSA's approval. TF1 and AB each now own 40% of TMC. The remaining 20% are in the hands of the Principality of Monaco. TMC is a family and generalist oriented channel. It is received by 13 million people through cable, satellite, ADSL and a terrestrial network in Provence Alpes Côte d'Azur (south of France). TMC also has a national licence to operate on the digital terrestrial network (Channel n°10).

On March 8, Médiametrie released the eighth results of **Mediacabsat**, measuring audiences of thematic channels for the period from August 30, 2004, to February 13, 2005. All the thematic channels of the TF1 Group recorded brilliant figures, and six of them are ranked within the top 12.

On March 14, **Ushuaïa TV** (100% owned by TF1), the first channel dedicated to sustainable development, is launched exclusively on TPS.

On March 31, **Digital Terrestrial Television** is launched in France with coverage of 35% of the French population (Paris, Lille, Lyons, Bordeaux and Rennes). On this new network, TF1 Group owns six licences: two for the "free" part (TF1 and TMC), and four for the "paying" part (LCI, Eurosport, TF6 and TPS Star).

PROGRAMME AND SERVICE DISTRIBUTION

On February 18, **TPS** and **Neuf Telecom** signed an agreement for the distribution of the TPS offer in digital quality to **Neuf Telecom's** ADSL subscribers equipped with the Neuf TV set top box. With TPS on Neuf TV, subscribers will have access to more than a hundred channels and interactive services.

INTERNATIONAL BROADCASTING

On January 10, Eurosport Group launched its new channel **Eurosport 2**. Broadcast in 35 European countries in four languages (English, Polish, Turkish and Greek), Eurosport 2 is a mix of live sports, magazines and news.

BROADCASTING RIGHTS

TFM was the No. 1 distributor of movies in French theatres over the first four months of 2005, with more than 9 million spectators at the end of April. *Brice de Nice*, with more than 3 million entries, contributed to the success of TFM.

[2] Source: Médiamétrie

Review of operations[3]

Boulogne, May 27, 2005

In first quarter 2005, TF1 Group operating revenue remained stable (+ 0.1%) at €713.9 M. TF1 channel recorded growth of 1.2% in its net advertising revenue, while other activities revenue declined by 1.5% to €283.9 M.

For the first four months of the year, the TF1 channel's audience share slightly decreased by 0.2 points for women aged under 50 (to 35.5%), as well as for individuals aged 4 years and over (to 32.1%).

In a volatile market with low visibility, Services (+28.0%), Telecommunications (+22.6%) and Automotive (+12.5%) sectors supported TF1's advertising revenue over the first four months of 2005. Food and Cosmetics, the main sectors investing on TF1, have adopted a wait-and-see attitude (in a context of renegotiation of the *Galland* Law), and reduced their investments by respectively 5.5% and 0.6%.

Despite these tough market conditions, TF1 improved its advertising market share by 0.2 points compared to the same period in 2004, to 53.9%.

By way of contrast, the advertising revenue of TF1 Group's thematic channels has increased significantly, with an average growth of 22% in the first quarter of 2005.

The slight (1.5%) drop of revenue for other activities is the result of:

- the success:
    - of TPS, the contribution of which to consolidated revenue increased by 3.7%, thanks to the steady development of its subscriber base;
    - of all the French thematic channels, that benefited from a particularly healthy complementary advertising market;
    - of TF1 International which, with the success in theatres of movies like *Iznogoud* and *Aviator*, improved its contribution by more than 113% in Q1 2005;
    - of TF1 Interactif (+13.9%) which enjoyed the popular success of the TV games *À prendre ou à laisser* and *Attention à la marche;*

- offset by the performance:
    - of TF1 Entreprises (-32.9%), suffering from the erosion of the *Star Academy* brand;
    - of TF1 Vidéo (-5.6%), which saw its « rental » and « kiosk » businesses slowing down, in line with market trends;
    - and of Eurosport International (-2.8%), having to deal with a weak pan-European advertising market.

The Group's operating profit is down by 16.9%, following a 13% increase of TF1's programming costs (linked to the cost inflation of TV dramas). For the full year 2005, however, the Group confirms its tight control of programming costs, with a growth of 3% maximum (a downward revision of the previous target of +3.9%). The operating margin is 14% for Q1 2005.

Consolidated net profit (attributable to the Group) is down 14.1% to €60.9 M, i.e. a net margin on operating revenue of 8.5%.

At March 31, 2005, shareholders' funds totalled €1,025.4 M on a balance sheet total of €3,316.2 M. Fiancial net debt stood at €442.7M, or 43.2% of shareholders' funds.

Outlook

In view of the advertising environment, the change in TF1 channel's net advertising revenue for first half 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 for 2005.

[3] All financial data presented in accordance with IFRS

The Combined Annual General Meeting of April 12, 2005 approved the distribution of a dividend of €0.65 per share as of May 2, 2005. It adopted all the resolutions proposed by the Board of Directors.

The meeting of the Board of Directors on May 27, 2005 noted the issue of 662,400 TF1 shares following the exercise of stock options and decided to cancel 670,000 treasury shares. TF1's capital. As from that date, the share capital of TF1 was €42,810,425.80.

On May 25, 2005, TF1 and AMP signed an agreement by which TF1 sold 100% of the production company Studios 107 to AMP. Since 1992, Studios 107 has been operating five studios located in the Paris region.

A.) Broadcasting (source: Médiamétrie)

In the first four months of 2005, television consumption reached a new record with 3 hours 39 minutes on average per day for individuals aged 4 years and over, i.e. an increase of three minutes compared to the first four months of 2004.

For the first four months of the year, the TF1 channel's audience share reached 35.5% for women under 50 (down by 0.2 points compared to the same period 2004) and 32.1% for individuals aged 4 years and over (-0.2 points).

TF1 strengthened its leadership position by obtaining 47 of the 50 best audiences between January and April 2005. This ranking includes nine programmes exceeding 10 million viewers. The news bulletin of 8.0 pm on January 2, with an audience of 11.7 million viewers, was the most successful programme of the period.

B.) Advertising (source: Secodip)

For the period January-April 2005, TF1's gross advertising revenue increased 0.5%, with a 0.2 point market share increase to 53.9%.

Among the growth sectors during the period were:

⇨ Services (+ 28.0%), driven by sub-sectors “Insurance” (+ 28.2%) and “Credit companies” (+40.1%). The number of clients from this sector has increased 19%;

⇨ Telecommunications, up 22.6% (strong advertising investments by high speed Internet providers and mobile operators);

⇨ Automotive, up 12.5%, with an increasing market share for TF1 (+1.4 points).

However, over the four first months of the year, some sectors declined:

⇨ Food, the leading sector advertising on TF1, has reduced its investments by 5.5% (but TF1 improved its market share by 1 point, to 58.3%) ; this decline could be attributable to government measures against obesity, as well as the renegotiation of the *Galland* law between retailers and producers.

⇨ Cosmetics, slightly down by 0.6%, but for which TF1 improved its market share by 1.1 points ;

⇨ News & Media, down 16.6%, mainly due to a tough basis of comparison: in 2004, after being authorised to advertise on TV as of January 1, the Press and Magazine sector spent significantly on TF1.'

The complementary nature of national free-to-air TV and the thematic channels is becoming more accentuated: at the end of March 2005, 78% of advertisers on national television also communicated via the thematic channels (vs. 73% in the first quarter 2004).

In the first quarter 2005, the cable and satellite offering represented close to 8% of the gross revenues of the TV market, up 8% over the first quarter 2004.

C.) The TF1 Group

In first quarter 2005, the operating revenue generated by TF1 Group's other activities fell slightly (- 1.5%) to €283.9 M.

N.B.: the activity of the TF1 subsidiaries is analysed below on the basis of their contribution to consolidated financial figures.

I) Broadcasting France

Thematic channels

Strengthened by a favourable Mediacabsat* survey, TF1 Group thematic channels attracted advertisers and recorded in Q1 2005 a 22% average growth of advertising revenue vs Q1 2004.

Eurosport France, the second cable and satellite channel in terms of audience (with 1.5% of audience share* on the population receiving a multichannel offer), recorded a 10.0% decrease of its contribution to consolidated revenue at €13.5 M, due to the fall of fees per subscriber paid by Canalsatellite. Eurosport France's contribution to the operating profit is negative at €(1.6) M.

LCI increased its contribution to consolidated revenue by 4.3% to €9.7 M, with a 10% increase of advertising revenue offset by the reduction of subscriber fees. The Q1 2005 operating charges were up vs Q1 2004, due to a new set and a new design. Thus, the operating result is negative at €(3.2) M against €(2.8) M on Q1 2004.

TF6 (figures at 50%), with revenue amounting to €2.5 M, of which €1.5 M of advertising revenue, and with an operating profit doubled at €0.4 M, confirmed its success in terms of audience and of positioning within the thematic channels market.

TV Breizh, thanks to promising audience ratings*, going from the 9th place to 4th of the top thematic channels (and a 1.1% audience share on the population receiving a multichannel offer), saw its revenue increase by 71% in Q1 2005 to €2.4 M, and its operating losses decrease by 20% to €(1.5) M.

Série Club (figures at 50%), stabilised its contribution to consolidated revenue at €1.0 M, but improved its profitability with a contribution to the operating profit doubled at €0.2 M.

Odyssée continued to control its costs, especially its programming costs, without detriment to its audience figures, which enabled it to record an operating profit, at €0.2 M, vs a €0.1 M loss in Q1 2004.

Other companies

Téléshopping recorded a 2.1% increase of its revenue at €24.3 M, thanks to its efforts to improve the level of customer service and to the dynamism of its supports, especially the websites. The Q1 2005 operating profit reached €2.7 M.

TF1 Entreprises contribution to consolidated revenue was down 32.9%, due to the erosion of the *Star Academy* brand and the difficulties of the music market. In Q1 2005, TF1 Entreprises contributed at €0.5 M to the consolidated operating profit.

Revenue of the Interactive division (e-TF1) were up 13.9% at €18.8 M, thanks to the success of the *A Prendre ou à laisser* and *Attention à la Marche* programmes. The operating profit reached €2.2 M (+10%).

II) Distribution of programmes and services

At the end of first quarter 2005, the TPS offering reached a total of 1.369 million subscribers through direct satellite reception and ADSL lines. The TPS market share for new subscribers has significantly improved in comparison to Q1 2004.

During the first quarter 2005, TPS continued to expand its programme offering, with in particular the exclusive distribution of Ushuaïa TV, and the signature of an exclusive agreement with Don King, to broadcast the totality of boxing matches organised by him until 2006.

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* Source : eighth measure by MediaCabSat, for the period from August 30, 2004 to February 13, 2005

TPS also announced its partnership with Neuf Telecom, for the distribution of the TPS offer on the ADSL network of that operator, which had at the end of 2004 about 440,000 subscribers. End 2005, 10 million households will be able to receive TPS offer on their phone line.

For first quarter 2005, the TPS contribution to operating revenue (figures at 66%) amounted to €95.6m, up 3.7% compared to first quarter 2004. TPS made an operating loss of €(4.1) M, vs a profit of €1.7 M in Q1 2004.

III) Audiovisual rights

TF1 Vidéo (including RCV and CIC) recorded a 5.6% decrease of its contribution to operating revenue, to €41.1 M, owing to the slowdown of its « rental » and « kiosk » businesses, in line with market trends. Its operating profit for Q1 2005 is €4.6 M.

Capitalising on the success in theatres of *Iznogoud*, *Le Dernier Trappeur* and *Aviator*, TF1 International increased its contribution to consolidated operating revenue by 113.4%, to €17.3 M. Its operating result for Q1 2005 was €(0.5) M.

IV) International broadcasting

- Eurosport International

Present in 54 countries and broadcast in 19 languages, the Eurosport channel was received by around 102 million households at March 31, 2005, including 53.2 million paying households (+7.9% compared to end-March 2004).

Launched on January 10, 2005, Eurosport 2 is broadcast in four languages (English, Polish, Turkish and Greek) to 13.3 million households.

The sports information channel, Eurosportnews, now reaches 4.4 million households in Europe, of whom 98% are paying households.

Eurosport International's contribution to group turnover stood at €56.1 M, slightly decreasing by 2.8%, resulting from a pan-European advertising market which was less dynamic than in Q1 2004.

Operating income was €6.9 M (-32.4% compared with March 31, 2004), due to the broadcast of the World Alpine Skiing Championship and the launch of Eurosport 2 in Q1 2005.

The contribution of Eurosport International to the group's net income at end March 2005 stood at €1.5 M

D.) Human resources

The TF1 Group workforce increased slightly, both at TF1 SA and its subsidiaries, in first quarter 2005 (3,925 people) compared to December 31, 2004 (3,867 people).

E.) Share price

On April 29, 2005, TF1 shares closed at €21.90, down 8.6% since January 1, compared with a rise of 2.4% of the CAC 40 stock market index and of 0.1% of the SBF 120 index. The market capitalisation of the TF1 Group at April 29, 2005 was €4.7 billion.

CONSOLIDATED PROFIT AND LOSS ACCOUNT OPERATIONAL BREAKDOWN

(€ million)	Q1 05	Q1 04	2004
TF1 Channel			
Advertising revenue	430.0	425.1	1,645.5
Advertising agency fees	(22.5)	(22.7)	(86.3)
NET REVENUE FROM BROADCASTING	407.5	402.4	1,559.2
Royalties and contributions			
- Authors	(16.0)	(16.5)	(63.9)
- CNC	(21.3)	(20.9)	(81.5)
Transmission costs			
- TDF, Satellites, Transmissions	(13.1)	(14.0)	(56.5)
Programming costs	(229.6)	(203.3)	(893.2)
GROSS MARGIN	127.5	147.7	464.1
Diversification revenue and other revenue	278.7	286.0	1,201.2
Other operating expenses	(275.6)	(263.8)	(1,138.4)
Depreciation, amortisation and provisions (net)	(30.4)	(50.8)	(143.9)
CURRENT OPERATING PROFIT	100.2	119.1	383.0
Cost of net debt	(3.7)	(6.2)	(20.6)
Other financial income and expenses	2.0	1.2	2.0
Income tax expense	(37.2)	(43.4)	(136.2)
Share of profits/losses of associates	(1.9)	(0.6)	(5.0)
NET PROFIT FROM CONTINUING OPERATIONS	59.4	70.1	223.2
Net profit of discontinued and held-for-sale operations	0	0	0
NET PROFIT	59.4	70.1	223.2
Minority interests	1.5	0.8	1.5
NET PROFIT ATTRIBUTABLE TO THE GROUP	60.9	70.9	224.7

CONSOLIDATED FINANCIAL STATEMENTS [4]

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(€ million)	Q1 05	Q1 04	2004
Turnover	713.9	713.4	2,849.6
Net advertising revenue	459.1	452.3	1 781.1
TF1	430.0	425.1	1 645.5
OTHERS	29.1	27.2	135.6
Diversification revenue	250.3	256.4	1,048.3
Technical services revenue	4.5	4.7	20.2
Other operating revenue	0.1	0.4	3.2
External production costs	(179.3)	(155.9)	(644.6)
Other purchases and changes in inventory	(116.4)	(108.5)	(516.0)
Staff costs	(94.6)	(94.8)	(383.1)
External expenses	(150.2)	(136.9)	(611.6)
Taxes other than income taxes	(34.7)	(33.2)	(130.2)
Depreciation and amortisation, net	(26.1)	(30.0)	(100.6)
Provisions, net	(4.3)	(20.8)	(43.3)
Other operating income and expenses	(8.2)	(14.6)	(40.4)
CURRENT OPERATING PROFIT	100.2	119.1	383.0
Other non-current operating income and expenses	0	0	0
OPERATING PROFIT	100.2	119.1	383.0
Cost of debt	(4.8)	(7.1)	(22.6)
Income from cash and cash equivalents	1.1	0.9	2.0
COST OF NET DEBT	(3.7)	(6.2)	(20.6)
OTHER FINANCIAL INCOME AND EXPENSES	2.0	1.2	2.0
Income tax expense	(37.2)	(43.4)	(136.2)
Share of profits/losses of associates	(1.9)	(0.6)	(5.0)
NET PROFIT FROM CONTINUING OPERATIONS	59.4	70.1	223.2
Net profit of discontinued and held-for-sale operations	0	0	0
NET PROFIT	59.4	70.1	223.2
Minority interests	1.5	0.8	1.5
NET PROFIT ATTRIBUTABLE TO THE GROUP	60.9	70.9	224.7
Average number of outstanding shares (in thousands)	214,474	213,915	214,229
Earnings per share (€)	0.28	0.33	1.05
Diluted earnings per share (€)	0.28	0.33	1.04

[4] These consolidated financial statements at March 31, 2005 have been subject to a limited review by our statutory auditors

CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	31.03.05 Net	31.12.04 Net	31.03.04 Net
Intangible fixed assets	130.1	125.1	119.1
Audiovisual rights	98.3	92.8	87.9
Other intangible fixed assets	31.8	32.3	31.2
Goodwill	889.7	889.0	876.5
Tangible fixed assets	205.0	208.2	221.7
Investments in associates	43.2	45.1	11.4
Other financial assets	11.0	10.7	47.3
Tax assets	45.4	52.4	44.0
NON-CURRENT ASSETS	1,324.4	1,330.5	1,320.0
Inventories	577.2	551.4	541.8
Programmes and broadcasting rights	559.7	535.4	531.1
Raw materials and supplies	17.5	16.0	10.7
Trade and other debtors	1,281.0	1,218.6	1,247.2
Foreign exchange derivative instruments	0.8	0.9	1.1
Interest rate derivative instruments	15.3	11.3	11.1
Cash and cash equivalents	117.5	158.9	118.0
CURRENT ASSETS	1,991.8	1,941.1	1,919.2
Held-for-sale assets	0	0	0
TOTAL ASSETS	3,316.2	3,271.6	3,239.2

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	31.03.05	31.12.04	31.03.04
Share capital	42.9	43.0	43.0
Share premium and reserves	922.2	707.0	844.2
Net profit attributable to the group	60.9	224.7	70.9
Shareholders' funds (attributable to the Group)	1,026.0	974.7	958.1
Minority interests	(0.6)	0.8	2.0
SHAREHOLDERS' FUNDS	1,025.4	975.5	960.1
Long-term debt	523.9	524.3	517.1
Non-current provisions	30.6	30.1	22.6
Non-current tax liabilities	57.4	62.6	71.4
NON-CURRENT LIABILITIES	611.9	617.0	611.1
Short-term debt (1)	50.2	57.1	46.4
Foreign exchange derivative instruments	1.7	4.1	0.3
Interest rate derivative instruments	1.4	2.5	6.2
Trade and other creditors	1,569.7	1,557.3	1,546.0
Current provisions	55.9	58.1	69.1
CURRENT LIABILITIES	1,678.9	1,679.1	1,668.0
Liabilities relating to held-for-sale assets	0	0	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,316.2	3,271.6	3,239.2
(1) Including current bank overdrafts	1.5	16.6	1.3

CONSOLIDATED SHAREHOLDERS' FUNDS

(€ million)		Share capital	Retained earnings	Shareholders' funds
Shareholders' funds at 31 Dec. 03		43.0	843.1	886.1
Capital increase	(1)	0.1	3.6	3.7
Dividends			(139.1)	(139.1)
Exchange and other differences			(0.2)	(0.2)
Operations on treasury shares		(0.1)	1.2	1.1
Instruments relating to treasury shares			(4.5)	(4.5)
Share-based payments			3.8	3.8
Profit recognised directly in equity	(2)		(0.9)	(0.9)
2004 net profit			224.7	224.7
Shareholders' funds at 31 Dec. 04		43.0	931.7	974.7
Capital increase	(1)	0.1	6.4	6.5
Operations on treasury shares		(0.2)	(17.3)	(17.5)
Share-based payments			1.2	1.2
Profit recognised directly in equity	(2)		0.2	0.2
Net profit at March 31, 2005			60.9	60.9
Shareholders' funds at 31 March 05	(3)	42.9	983.1	1 026.0

(1) Stock options exercised

(2) Financial instruments: fair value variation and transfer to profit

(3) Share capital is divided into 214,722,129 ordinary shares with a nominal value of €0.20 per share, fully subscribed.

CASH FLOW STATEMENT

(€ million)	Q1 05	Q1 04	2004
Net profit	59.4	70.1	223.2
Depreciation, amortisation and provisions	*23.4*	*31.1*	*97.5*
- Intangible fixed assets	13.1	15.6	48.8
-Tangible fixed assets	12.0	12.4	48.4
- Financial assets	0	(7.3)	(6.6)
- Expenses to amortise	0	0	0
- Goodwill	0	10.7	10.8
- Provisions for liabilities and charges	(1.7)	(0.3)	(3.9)
Investment grants released to revenue	(4.2)	(1.5)	(7.7)
Unrealised gains/losses on fair value revaluation	(7.3)	0.2	(0.3)
Non-cash expense/income related to share-based payment	1.2	1.0	3.8
Gains on asset disposals	0.1	7.5	8.1
Share of profit/loss of associates	1.9	0.6	5.0
Dividend income from non-consolidated companies	0	0	(1.7)
Operating cash flow after cost of net debt and income taxes	74.5	109.0	327.9
Cost of net debt	4.9	6.5	25.9
Income tax expense (including deferred taxes)	37.2	43.4	136.2
Operating cash flow before cost of net debt and income taxes	116.6	158.9	490.0
Income taxes paid	(36.4)	(33.3)	(148.3)
Change in operating working capital needs	(76.9)	(50.0)	(10.0)
NET CASH INFLOW FROM OPERATING ACTIVITIES	3.3	75.5	331.6
Cash outflows on acquisitions of property, plant and equipment and intangible assets	(21.2)	(15.2)	(70.4)
Cash inflows from disposals of property, plant and equipment and intangible assets	0.4	(0.9)	4.4
Cash outflows on acquisition of financial assets		(34.9)	(3.3)
Cash inflows from disposals of financial assets	0	0	2.2
Effect of changes in scope of consolidation	(0.6)	(9.3)	(54.4)
Dividends received	0	0	1.7
Change in loans and advances receivable	(0.2)	(0.1)	0.2
NET CASH USED IN INVESTING ACTIVITIES	(21.6)	(60.3)	(119.5)
Cash received from shareholders in connection with share issues	0	0	0
Cash received on exercise of stock options	6.6	0.6	3.7
Purchases and sales of treasury shares	(17.5)	0	1.3
Subscriptions to share capital of associates	0	0	(3.3)
Dividends paid during the year	0	0.2	(139.4)
Cash inflows from new debt contracted	8.4	6.0	15.0
Repayment of debt (including finance leases)	(6.0)	(83.9)	(104.2)
Net interest paid (including finance leases)	0.5	(0.4)	(25.2)
NET CASH USED IN FINANCING ACTIVITIES	(8.0)	(77.5)	(252.1)
Effect of changes in exchange rates	0	0	0
Effect of changes in accounting policies	0.1	(5.2)	(1.9)
Effect of changes in fair value	0	0	0
TOTAL CHANGE IN CASH POSITION	(26.2)	(67.5)	(41.9)
Cash position at beginning of period	142.3	184.2	184.2
Cash position at end of period	116.1	116.7	142.3

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF ACCOUNTING

The consolidated quarterly financial statements of the TF1 Group at March 31, 2005 have been prepared in accordance with IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board), in application of European Regulation 1606/2002 of July 19, 2002.

The preparation of the IFRS financial statements as at March 31, 2005 is based on the standards and interpretations released at that date and adopted by the European Union and on elections made by the TF1 Group. Comparative information as at March 31 and December 31, 2004, has been prepared under the same rules. As the comparative information for 2004, forming part of the 2005 consolidated accounts, must be drawn up on the basis of rules applicable on December 31, 2005, it is possible that TF1 Group will, if necessary, modify that information to take account of potential changes of IFRS and their adoption by the European Union.

2. CHANGES IN SCOPE OF CONSOLIDATION

The changes in the scope of consolidation between December 31, 2004 and March 31, 2005 result from:

- The additional stake in TV Breizh, which increased TF1 Group's interest in this subsidiary from 71.1% to 73.4%;
- The liquidation in the first quarter of Comique Compagnie, which was excluded from the scope of consolidation with an effective date of January 1, 2005.

The principal changes in the scope of consolidation between March 31, 2004 and March 31, 2005 are as follows:

- In the course of 2004 but subsequent to March 31, Kigema Sport Organisation, Super Racing Week-end Events and Histoire (acquired companies) have been fully consolidated for the first time as well as Yagan Productions (newly formed company).
- Italian companies Prima TV (49% owned) and Europa TV (29% owned) have been consolidated under the equity method on June 30, 2004, with an effective date of January 1st, 2004.
- Cabale and Mikado, previously fully consolidated, have been eliminated from the scope of consolidation on December 31, 2004.
- The interest of TF1 Group in TV Breizh was 40.5% at March 31, 2004.

Moreover, TF1 and AB Group have finalised the acquisition from Pathé Group of TMC, after the CSA's approval on February 18, 2005. Through a jointly-owned company (Monte Carlo Participations) TF1 and AB now each own 40% of TMC,. The remaining 20% are in the hands of the Principality of Monaco. TMC itself owns 100% of Monégasque des Ondes, the commercial operator of the licence. These three companies will be consolidated in the next half year financial statements.

3. SUBSEQUENT EVENTS

On May 25, 2005, TF1 entered into an agreement relating to the sale of 100% of the shares in Studios 107 to Atlantic Media. Studios 107 will be eliminated from the scope of consolidation with an effective date of April 1, 2005.

No other significant event has occurred since the end of the first quarter 2005.

4. FINANCIAL CREDITORS AND BORROWINGS

Long-term financial creditors and borrowings were €523.9 M at March 31, 2005, and mainly consist in:

- The bond issue, with a fair value, after deducting related issue costs, amounting to €509.7 M on March 31, 2005;
- The long-term element of the financial debt linked to finance leases and amounting to €14.3 M;

Short-term financial creditors and borrowings were €50.2 M at March 31, 2005, and mainly consist in:

- Bilateral lines of banking credit amounting to €18.0 M;
- Current bank overdrafts for €10.8 M.
- The short-term element of the financial debt linked to finance leases and amounting to €8.2 M;
- Interest related to the bond issue for €8.3 M.

5. BUSINESS SEGMENT INFORMATION FIRST QUARTER 2005

(Contributions in € million)	Turnover			Operating profit		
	Q1 2005	Q1 2004	2004	Q1 2005	Q1 2004	2004
Broadcasting France	521.0	519.5	2,015.0	98.0	104.4	341.3
Distribution	95.6	92.2	379.6	(4.1)	1.7	2.0
Audiovisual rights	58.9	54.5	236.0	4.5	4.2	13.9
International broadcasting	56.1	57.7	253.7	6.9	10.2	26.7
Other activities	(5.1)	1.9	19.6	(5.1)	(1.4)	(0.9)
Inter-segment eliminations	(12.6)	(12.4)	(54.3)	-	-	-
Total	713.9	713.4	2,849.6	100.2	119.1	383.0

6. IFRS INFORMATION FOR COMPARATIVE PERIODS

Financial statements as at December 31, 2004, prepared under IFRS are presented and detailed in a separate document entitled « Transition to IFRS ».

The main impacts of IFRS on financial statements for 2004 first quarter are listed below.

6.1. Changes in consolidated shareholders' equity as at March 31, 2004

(€ million)	1 January 2004	Exercise of stock options	Dividend distributed	Currency movements	Other movements	Q1 2004 net profit	31 March 2004
French GAAP shareholders' equity	866.1	0.6	0.0	0.0	1.4	69.1	937.2
Restatement of head office	30.9						30.9
Financial instruments	(2.8)				(0.2)	0.0	(3.0)
Instruments relating to treasury shares	2.1						2.1
Share-based payment					0.9	(0.9)	0.0
Goodwill						1.9	1.9
Other adjustments	(0.2)				(0.2)		(0.4)
Deferred tax	(8.6)						(8.6)
IFRS shareholders' equity	887.5	0.6	0.0	0.0	1.9	70.1	960.1
comprising:							
Minority interests	1.4		0.0		1.4	(0.8)	2.0
Attributable to the Group	886.1	0.6	0.0	0.0	0.5	70.9	958.1

6.2. Consolidated Profit and Loss Account on March 31, 2004

(€ million)	03/2004 French GAAP	IFRS restatements	IFRS reclassifications	03/2004 IFRS	
Turnover	699.2		14.2	713.4	Turnover
Other revenue	2.8		(2.4)	0.4	Other operating revenue
Total operating revenue	*702.0*				
External production costs	(155.9)			(155.9)	External production costs
			(108.5)	(108.5)	Other purchases and changes in inventory
Staff costs	(93.8)	(0.9)		(94.7)	Staff costs
		0.1	(137.0)	(136.9)	External expenses
			(33.2)	(33.2)	Taxes other than income taxes
Other operating expenses	(293.3)		293.3		
Depreciation and amortisation, net	(30.0)			(30.0)	Depreciation and amortisation, net
Provisions, net	2.6	(10.7)	(12.7)	(20.8)	Provisions, net
			(14.6)	(14.6)	Other operating income and expenses
Total operating expenses	*(570.4)*				
Operating profit	131.6			119.2	Operating profit
Financial revenue	7.3		(7.3)		
Financial expenses	(12.6)	0.1	12.5		
Financial loss	(5.3)				
		(0.5)	(6.6)	(7.1)	Cost of debt
			0.9	0.9	Income from cash and cash equivalents
				(6.2)	Cost of net debt
		0.3	0.9	1.2	Other financial income and expenses
Profit before tax and exceptional items	126.3				
Exceptional items	(0.5)		0.5		
Goodwill amortisation	(12.6)	12.6			
Corporate income tax	(43.4)			(43.4)	Income tax expense
Share in net earnings of companies consolidated under the equity method	(0.6)			(0.6)	Share of profits/losses of associates
Net profit before minority interests	69.2			70.2	Net profit from continuing operations
Minority interests	0.7			0.7	Minority interests
Net profit	69.9	1.0	0.0	70.9	Net profit

The main effects of the adoption of IFRS on the Profit and Loss Account at March 31, 2004 are the following:

- Recognition of a staff expense of €0.9 M corresponding to stock options granted to employees.
- Elimination of goodwill amortisation of €12.6 M, partly offset by the impairment losses of €10.7 M on goodwill as a result of impairment tests, i.e. a net impact of €1.9M.

Reclassifications impacting on the IFRS Profit and Loss Account at March 31, 2004 are almost entirely linked to the application of Recommendation 2004-R.02 issued by the French National Accounting Council (the CNC), which proposes a P&L presentation within an international accounting framework.

Télévision Française 1

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