Financial report

Annual report 2003

The present Reference Document has been filed with the French Autorité des Marchés Financiers (AMF) on 14 April 2004, pursuant to COB Regulation N° 98-01. It may be used for the purposes of financial operations if it is accompanied by an 'Opération Note' prescribed by the AMF.

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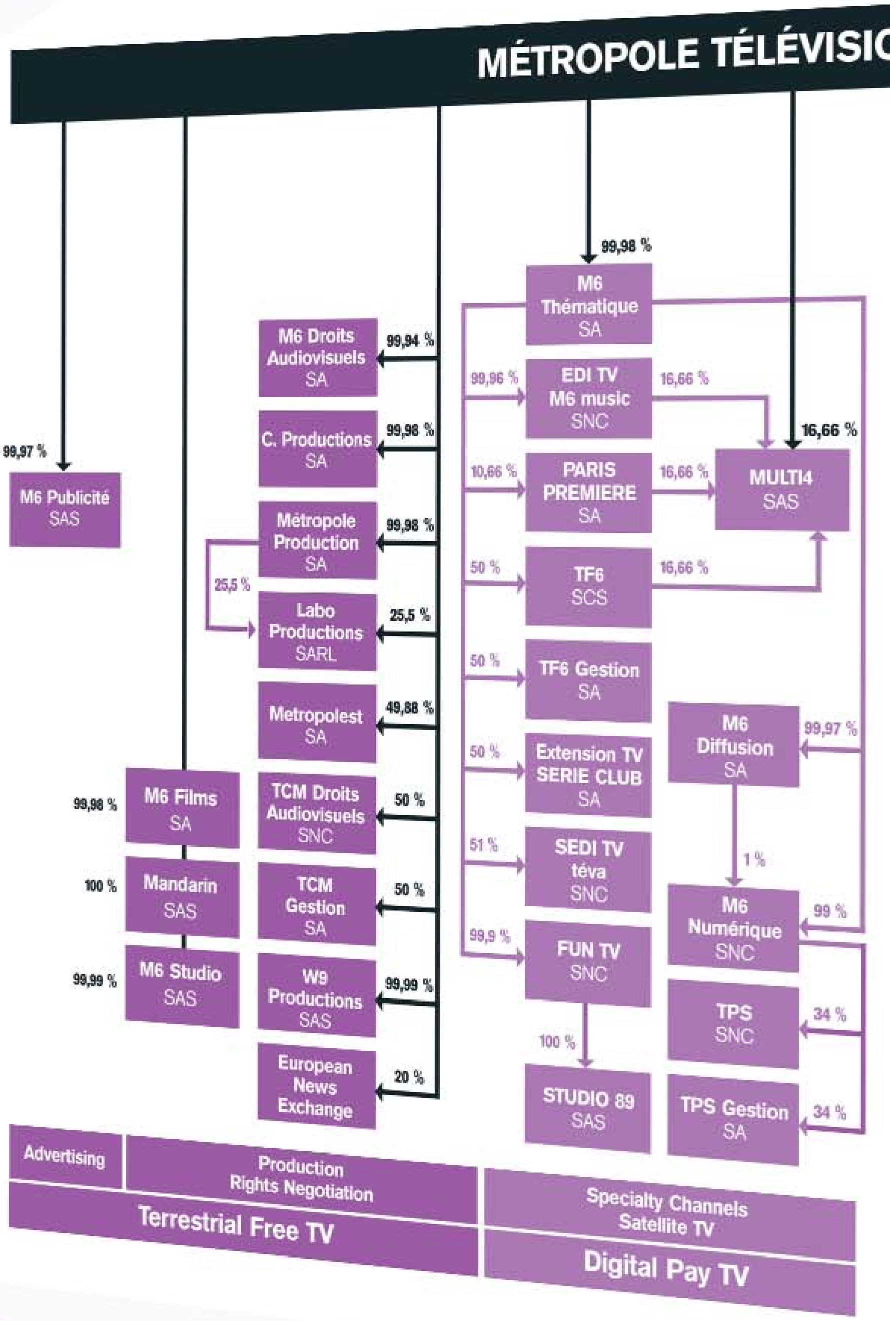
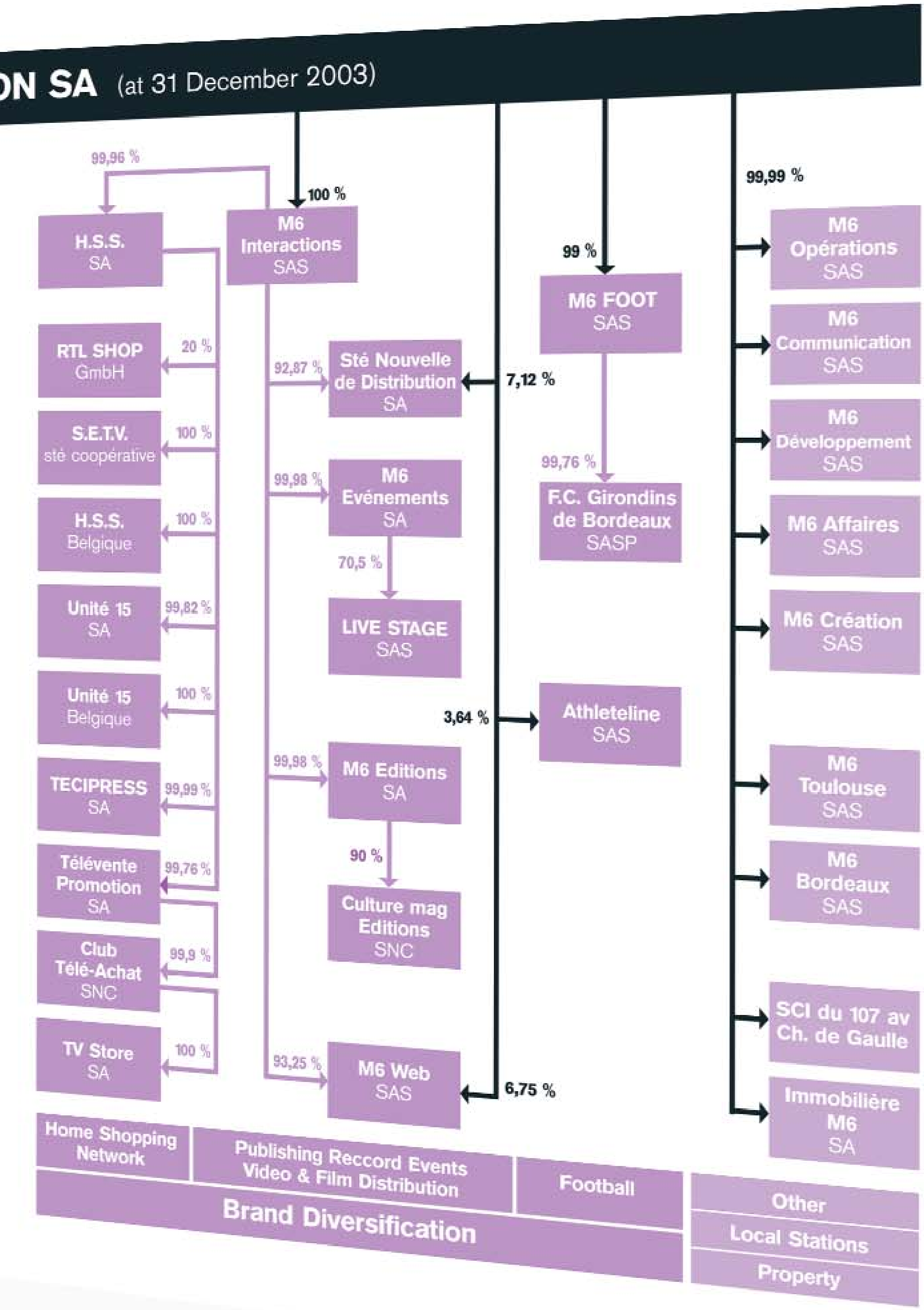
Group structure chart





ON SA (at 31 December 2003)
99,96 %
100 %
H.S.S. SA
M6 Interactions SAS
RTL SHOP GmbH
20 %
S.E.T.V. sté coopérative
100 %
H.S.S. Belgique
100 %
Unité 15 SA
99,82 %
Unité 15 Belgique
100 %
TECIPRESS SA
99,99 %
Télévente Promotion SA
99,76 %
Club Télé-Achat SNC
99,9 %
TV Store SA
100 %
92,87 %
Sté Nouvelle de Distribution SA
7,12 %
99,98 %
M6 Evénements SA
70,5 %
LIVE STAGE SAS
99,98 %
M6 Editions SA
90 %
Culture mag Editions SNC
93,25 %
M6 Web SAS
6,75 %
3,64 %
Athleteline SAS
99 %
M6 FOOT SAS
99,76 %
F.C. Girondins de Bordeaux SASP
99,99 %
M6 Opérations SAS
M6 Communication SAS
M6 Développement SAS
M6 Affaires SAS
M6 Création SAS
M6 Toulouse SAS
M6 Bordeaux SAS
SCI du 107 av Ch. de Gaulle
Immobilière M6 SA
Home Shopping Network
Publishing Reccord Events Video & Film Distribution
Football
Brand Diversification
Other
Local Stations
Property

Group structure chart

MANAGEMENT BOARD

Nicolas de TAVERNOST
Chairman

Thomas VALENTIN
Vice-Chairman and Programming Executive Director

Eric d'HOTELANS
Vice-Chairman and Operations Executive Director

Catherine LENOBLE
Advertising Executive Director

Jean d'ARTHUYS
Digital TV and Business Development Executive Director

SUPERVISORY BOARD

Albert FRERE
Chairman

Gérard WORMS
Vice-Chairman

Bernard ARNAULT
Vincent de DORLODOT
Axel GANZ
Jean-Charles de KEYSER
Jean LAURENT
Guy de PANAFIEU
Thomas RABE
Remy SAUTTER
Yves-Thibault de SILGUY
Gerhard ZEILER

Audit commitee

Guy de PANAFIEU
Chairman

Thomas RABE
Remy SAUTTER

Remuneration and nominations commitee

Gérard WORMS
Chairman

Gerhard ZEILER

EXECUTIVE COMMITTEE

Nicolas de TAVERNOST
Thomas VALENTIN
Eric d'HOTELANS
Catherine LENOBLE
Jean d'ARTHUYS

Delphine CAZAUX
Human Ressources Director

Nicolas COPPERMANN
Productions Director

Sylvie COURBARIEN
Legal Director

Jérôme DILLARD
HSS Managing Director

Michelle GARRIGUES-FREDET
Information Systems Director

Jean GOLVAN
Marketing and Market Research Director

Jérôme LEFEBURE
Chief Financial Officer

Nicolas METRO
M6 Interactions Managing Director

Régis RAVANAS
Deputy Programming Director

Michel REY
Executive Vice-President - General Secretary

Marc ROUSSEL
Logistics and Technical Director

SUBSIDIARIES' MANAGING DIRECTOR

Catherine LENOBLE
M6 Publicité

Brand Diversifications

Nicolas METRO
M6 Interactions

Xavier SPENDER
M6 Web

François VINCENT
M6 Evénements - Live stage

Thierry DESMICHELLE
Société Nouvelle de Distribution

Jérôme DILLARD
Home Shopping Service

Jean-Louis TRIAUD
Alain DEVESELEER
F.C. Girondins de Bordeaux

TV Magazines

Nicolas COPPERMANN
Métropole Production - M6 Films

Thierry DESMICHELLE
M6 Droits Audiovisuels

Alexis de GEMINI
W9 Productions

Natalie ALTMAN
M6 Studio

Philippe LABI
C. Productions

Digital Pay TV

Jean d'ARTHUYS
M6 Thématique

Fabrice BAILLY
Frédéric de VINCELLES
TF6 - Série Club

Jérôme FOUQUERAY
Florence DUHAYOT
Pierre ROBERT
Nicolas GICQUEL
Téva - Studio 89 Productions
Fun TV - M6 Music

Other Senior Manager

Michèle LOURDELLE
Communications Director

Alain CHARTIEZ
M6 TV Network Director

Arnaud BOUCHER
Programmes Director

Jean-François RICHARD
News Services Director

Bernard MAJANI
Acquisitions Director

Ariane GAUTIER
Artistic Director

Management report

A YEAR OF GROWTH FOR THE GROUP

In 2003, M6 (Métropole Télévision) Group pursued its policy of developing both its Terrestrial Free TV operations, where M6 once again demonstrated its creativity, as well as its Brand Diversification operations (excluding advertising), whose sales now account for 51.1% of Group sales.

M6 GROUP'S TERRESTRIAL FREE TV OPERATIONS consolidated its share of the French advertising market at 22.4%. M6 TV Network saw its advertising revenues increase by 3.3% to € 575.2 million from € 556.6 million in 2002, reflecting an increase in advertising expenditures in its two main sectors: Food and Health/Beauty.

M6 GROUP'S BRAND DIVERSIFICATION OPERATIONS, which is primarily comprised of its Interactivity and Home Shopping activities, continued to post strong growth since 2001, with sales of € 367.8 million and net profit of € 8.3 million for 2003.

M6 GROUP'S DIGITAL PAY TV OPERATIONS continued to improve their impact on Group results, thanks notably to the reduction in TPS' net loss from € 36.8 million in 2002 to € 9.3 million in 2003. Specialty channels posted a combined operating profit for the first time in the Group's history.

M6 Group realised 2003 consolidated sales of € 1,176.9 million, up 24.1% (9.9% on a constant Group structure basis) [1], on 2002, with net profit improving by 17.7% to € 131.6 million during this time.

Pro-forma[1] operating profit and net profit improved by 11.9% and 18.5%, respectively, from 2002 to 2003.

[1] TPS 34% proportionally consolidated from 1 January

A YEAR OF SUCCESSFUL PROGRAMMES

TV VIEWING AUDIENCE: CONFIRMATION OF SUCCESS

For the third consecutive year, M6 is the 2nd most watched television network by under 50s households in France, with an 18.5% share of this market. M6 is also the only major national TV network to improve its share in this viewing audience at Prime Time (8:50 pm to 10:40 pm), rising to 19.7% from 19% for 2002.

While other national TV networks are experiencing a drop in viewing audiences, M6, with a 12.6% share of the 4+ years old individuals and a 18.5% share of the under 50s households, dropping only 0.6 basis points in these two target markets.
M6 posted a 0.4 basis point increase in its share of the under 50s households market relative to 2002 for all quarters, excluding the period of time when Loft Story was broadcast (- 3.6 basis points).

PROGRAMMES: A YEAR OF NEW OF RELEASES

With increasing creativity, M6 launched 35 new programmes and TV series in 2003, up from 27 for 2002. The year was also marked by new reality TV shows including *Jumeaux: l'expérience inédite, A la Recherche de la nouvelle Star, Le Grand classement, Bachelor, la Saga des Gadins* and the new programmes such as *J'ai décidé..., Affaires de Famille, Stars Intimes.*

Success for new programmes

The *A la Recherche de la nouvelle star* programme was particularly attractive for the less than 35 years old TV viewing audience, with an average share of 30.6%, amounting to 3.1 million viewers.
The first 8 episodes of the first season of *Bachelor, Le Gentleman célibataire* broadcast in 2003 were watched on average by 3.5 million viewers, accounting for a 27.7% market share for the under 50s households.
The first edition of the *J'ai décidé de..., J'ai décidé de maigrir,* formats enjoyed a 23% market share with the under 50s household market.
With each broadcast of the *Affaires de Famille* magazine, M6 consolidates its position as the TV network most watched by the under 50s women market.

Success for new seasons of reality TV shows

Popstars 3, Popstars Le Duel, posted lower but nevertheless high viewing audiences for M6, whose average remains higher than the Prime Time average (excluding Thursdays).
The programme attracted a viewing audience of 3.2 million, capturing a 29.8% share of the under 35s viewing audience.
Les Grands Tests, launched by M6 last year, attracts an average 4.1 million viewers during its 3 hours broadcast.

Confirmation of success of programmes, the network's brand image

On-going programmes including *Capital, Zone Interdite, Secrets d'actualité,* and *Charmed* continued to progress.
Caméra Café, the short programme televised at the beginning of prime time attracted a viewing audience of 4 million, 200,000 more than for 2002.
In 2004, M6 will pursue the development of successful programmes, notably produced by its W9 production subsidiary, for broadcast on the M6 TV Network.

1. M6 GROUP PRESENTATION

1.1 M6 GROUP STRUCTURE CHANGES

The structure of M6 Group evolved as follows during 2003:

• the disposal by HSS in March 2003 of its 50% shareholding in HSS Canada, in order to refocus on its European home shopping activities;

• the transfer by Fun TV to Studio 89 Productions of programme production activities that it realised on behalf of third parties;

• the partial asset contribution of the complete branch of the management and distribution of audiovisual works exploitation rights, excluding the NMPP network, to the SND company by M6 Interactions, in order to simplify and optimise the administrative management of the Group to regroup the aforementioned activity within a single legal entity;

• the creation, with all the R4 Network Services Providers, of Multi4, a 'société par actions simplifiée' whose object is to accomplish its mission defined by law, to ensure the realisation of the technical operations necessary for the transmission and broadcast to the general public, of R4 Network Services Providers programmes, in digital terrestrial format on the Multiplex R4;

• the creation of GIE Fréquences with the analogue terrestrial TV networks, in application of 2003-620 of 4 July 2003, whose object is to coordinate the completion of redeployment works concerning frequencies necessary to the broadcast of digital terrestrial free television services, pursuant to the holding of radioelectric resource utilisation right by virtue of Article 30-1of Law N° 86-1067 of 30 September 1986, or of an utilisation right by virtue of Article 26 of the same Law, which concerns providers on analogue terrestrial free television services;

• the merger/absorption of M6 Publicité Interactive into M6 Publicité.

1.2 PRESENTATION OF M6 OPERATIONS

Sales and profitability figures appearing in sections 1.2.1 to 1.2.4 relate to individual company sales and profit before tax and employee profit sharing plan contributions, unless otherwise indicated. The contribution of subsidiaries to Group sales and profitability is presented in section 2.

1.2.1 TERRESTRIAL FREE TV OPERATIONS

■ Advertising sales

M6 PUBLICITE (SAS)

The M6 Publicité advertising sales agency sources, produces and sells advertisements and sponsorships broadcast over the network on behalf of the M6 Group and other external media.

M6 manages the advertising activity of the Group's 18 specialty channels.

M6 Group net advertising revenues increased by 3.3% to € 575.2 million from € 556.6 million for 2002, primarily as a result of increased advertising expenditures in the most dynamic sectors, Food and Health/Beauty.

M6 is growing on these two sectors at faster rate than that of the market: Food, up 17%, remains M6's leading source of advertising revenues, while Health/Beauty is up 18%. M6 has the distinction of being the second preferred network for France's 9 of 10 leading TV advertisers

The advertising TV market expanded by 4.1% in 2003, with M6 holding a 22.4% share in this market.

The key event in 2003 concerning the sale of TV advertising time was the very high inflation in TV GRP costs. The sale of TV advertisement on satellite/cable TV remains difficult, with the fragmentation of audiences remaining an obstacle to their commercial development.

M6 Publicité realised a profit of € 33.3 million for 2003, compared to € 31.3 million for 2002.

■ Broadcast rights

M6 DROITS AUDIOVISUELS (SA)

M6 Droits Audiovisuels markets and sells, internationally, a portfolio of broadcast rights complemented by audiovisual programming co-produced by the M6 TV Network, for which it has secured the distribution mandate.

It realised 2003 sales of € 13 million, compared with € 15.1 million in sales for 2002.

M6 Droits Audiovisuels actively pursued its exploitation of televi-

sion programmes thanks to new made-for-TV movies *(Thrillers collection)*, a new TV series *(Même âge même adresse*, and a new documentary (*Titanic, au-delà d'une malédiction*). In the area of movie theatres, it realised many international pre-sales including *Astérix et les Vikings,* planned for release in 2006, and continues to sell other films from its catalogue.
This company posted a € 4.4 million loss in 2003, compared to a € 4.5 million loss in 2002, with both these figures incorporating rights sales to M6 Group.

M6 FILMS (SA)
M6 Films is a co-producer of French and European films, for which it also manages the pre-purchasing of rights enabling their broadcast on the M6 TV network. Its activities reflect M6 TV Network's investment obligations regarding the production of French and European films.
It realised 2003 sales of € 3.1 million, compared with € 2.4 million in sales for 2002.
In a contracting global market, M6 Films co-produced films held their own with a total box office attendance of 9.5 million for 2003. 5 films achieved box office attendance figures in excess of one million: (*La Beuze, Rire et Châtiment, Le Coût de la Vie, Jeux d'Enfants* et *Mauvais Esprit*), and 7 were ranked among the TOP 30 French films of the year.
18 films co-produced or pre-purchased films were broadcast on the M6 TV Network, including 6 in Prime Time.
M6 Films participated in the financing of ambitious French films, including *Double Zéro!* and *Arsène Lupin,* as well as pursuing its policy of supporting new talent and first releases, including *Podium, Les 11 Commandements* and *Narco.*
The company posted a € 0.4 million loss in 2003.

TCM DROITS AUDIOVISUELS (SNC)
TCM Droits Audiovisuels (TCM DA), which is jointly owned by M6 and TF1 (TF1 SA: 34%, TF1 Satellite: 16%), has as its mission the acquisition and distribution of exploitation rights of all audiovisual and film works.
TCM DA realised sales of € 20.9 million in 2003, its best year ever, up 31% from the € 16 million it posted in 2002.
Its commercial activity is in growing strongly, notably with regard to sales made to M6 *(Indiana Jones),* as well as its continuing development of satellite/cable TV sales, which represent 12% of its total (TPS excluded).
The company posted a € 4.5 million profit in 2003, compared to a € 0.1 million profit in 2002.

▪ Production

METROPOLE PRODUCTION (SA)
This company is responsible for the production of French language music and other audiovisual programmes, shows and magazines for the M6 TV network.
It realised sales of € 24.7 million in 2003, compared to € 22.3 million in 2002, chiefly to M6 Group companies..
The company's major productions in 2003 were *Zone Interdite, Turbo, Fan de, Grand écran* and *M6 Kid*. It is also responsible for operating M6 Group's technical production resources.
The company broke even in 2003.

LABO PRODUCTIONS (SARL)
Labo Productions is responsible for the production of the Fréquenstar show.
It realised sales of € 0.2 million in 2003, compared with sales of € 0.1 million in 2002.
The company broke even in 2003.

C. PRODUCTIONS (SA)
In 2003, C. Productions continued its regular production of successful magazines for major customers, M6 and the Group's specialty channels.
It realised sales of € 13.6 million in 2003, compared with sales of € 13.8 million in 2002.
Its major productions are *Capital* and *Secrets d'actualité*.
The company posted a € 1 million profit in 2003.

MANDARIN (SAS)
Mandarin, which was acquired at the end of November 2002, specialises in the management of feature films production and catalogue management. In 2003, it realised sales of € 6.7 million
The company posted a loss of € 0.2 million.

M6 STUDIO (SAS)
M6 Studio specialises in the production of animated feature films. It is responsible for producing the feature film - *Astérix et les Vikings*.

STUDIO 89 PRODUCTIONS (SAS)
Studio 89 Productions produces entertainment and games programmes, documentaries and magazines for the M6 TV Network and the Group's specialty channels.
It realised sales of € 7.6 million in 2003.
Studio 89 produces 4 daily programmes for M6 (*Le Morning Live / C'est Pas Trop Tôt, 80 à l'heure/ Génération Hit, Tubissimo* and *Weather Report*) , and two daily programmes for the specialty channels (*hit TF6* for TF6 and *Pur Doc for M6 Music*). The Company discovered Virginie Efira as well as Max, Nicolas Beuglet and Valentine Arnaud.
The company posted a profit of € 0.9 million in 2003.

W9 PRODUCTIONS (SAS)
W9 Productions, which commenced operating on 1 February 2003, proposes and produces new entertainment, variety and reality TV programmes for the M6 TV Network and the Group's specialty channels.

It realised 2003 sales of € 8.5 million, all with Group companies. W9 has produced 50 hours of Prime Time programmes, and notably five innovative formats in 4 different genres: reality TV with *Bachelor, le Gentleman Célibataire* , variety shows with *Le Grand Classement* and *100 % Johnny*, magazines with *Jumeaux, l'Expérience inédite,* and entertainment programmes with *Le Grand Zap*. W9 productions broadcast in Prime Time have achieved average audience viewing shares of 17.1% for 4+ years old and 26% for under 50s households.

The company posted a 2003 profit of € 0.8 million.

▪ Real estate

IMMOBILIERE M6 (SA)

The Immobilière M6 company owns the M6 television centre, occupying a surface area of 10,000 m^2, whose space it leases to the various companies of the M6 Group. All space leasing and sub-leasing agreements provide for transparent billings, under normal conditions, to each tenant, of rent and related charges, based on their allocated area of space.

The company realised a net profit of € 1.3 million in 2003.

SCI DU 107 AVENUE CHARLES DE GAULLE

This M6 subsidiary owns two buildings acquired in January 1999, occupying a total surface area of 2,650 m^2, which it leases to the Group's subsidiaries. All space leasing and sub-leasing agreements provide for transparent billings, under normal conditions, to each tenant, of rent and related charges, based on their allocated area of space.

The company broke even in 2003.

1.2.2 DIVERSIFICATIONS

M6 INTERACTIONS (SAS)

M6 Interactions financial results were impacted by the difficult economic environment in 2003 for its records market.

Sales increased by 9.9% on a constant Group structure basis (excluding the partial asset contribution to SND), to € 135.6 million from € 123.4 million.

Composite publications and records constitute the company's two major operations.

Publications

Composite publications, which represent the company's primary source of revenues and profits, posted 2003 sales of € 90.5 million, up 31.9% over 2002's € 68.6 million.

Sales growth was driven by the strong development of DVD store sales (more than 1.3 million copies sold), the confirmed success of music collections (6.5 million units sold), and the consolidation of video games store sales, where M6 Interactions is now the only player.

Records

Despite the crisis affecting the Records market in 2003, M6 Interactions posted sales of € 41.6 million, enabling it to become the leading independent singles and compilations record company in France.

The company was rewarded with success for its artists, reaching number 1 of the Top Airplay for the first time with *Leslie & Magic System*; and *five times* Top of the Sales with *Alphonse Brown, Chimène Badi, Lorie* and *Linkup* and the *Linkup album*.

2004 looks to being a watershed year for the development of music DVD and videocassettes.

M6 Interactions posted a € 10.4 million profit for 2003, compared with € 14.7 million for 2002.

SOCIETE NOUVELLE DE DISTRIBUTION (SA)

SND's main activity is the management and distribution of exploitation rights of audiovisual works. The company benefited in 2003 from the partial transfer of M6 Interactions assets, which explained the jump in sales to € 54.3 million from € 15 million. Videos sales reflected box office sales growth with a very strong growth in sales volume.

Cumulative box office attendance totalled 4.4 million, up to 41% on 2002, thanks notably to "*Gangs of New York*", which was seen by 2.2 million movie goers.

SND will continue to pursue its big budget film distribution strategy, notably with the release of Arsène Lupin in 2004.

The company posted a profit of € 3.9 million in 2003.

M6 EDITIONS (SA)

M6 Editions, the Group's specialised publications subsidiary, pursued its development, realising sales of € 10.9 million in 2003, up 32.9% on 2002's € 8.2 million.

Book publications activities, which were launched at the beginning of the year, achieved success particularly with the release of "*Caméra Café – Le guide du bonheur en entreprise*", and the children's book "*Minuit sonne pour Charlie Bone*".

Magazine activities confirmed its performances, thanks to *Fan 2 magazine sales*, whose circulation sales now exceed 300,000 copies per issue, and the successful launch of the complementary magazine "*Hit Machine Girl*", the only bi-monthly youth magazine on the market.

This diversification strategy will be pursued in 2004 on the adult publications market with the publication of the "*Belle & Zen*" magazine.

The company posted a profit of € 1.5 million for 2003, compared with € 1.7 million for 2002.

M6 EVENEMENTS (SA) - LIVE STAGE (SAS)

M6 Evénements, the Group's subsidiary specialising in the staging of shows and in events communications, continued to grow in 2003.
Sales increased by 7.8% to € 5.5 million from € 5.1 million for 2002.
The company pursued its corporate events organisation for major Groups (*Orangina-Schweppes, SAP* ...) and shows promotion (*Carmina Burana, Elvis Story, Disney sur Glace...*).
M6 Evénements realised a profit of € 0.5 million in 2003, compared with € 0.9 million in 2002.

M6 Evénements, through its Live Stage subsidiary, launched itself this year into the production of comedy musicals, beginning with its production of '*Gone with the Wind*', inspired from Margaret Mitchell's internationally acclaimed novel. This production was seen by more than 320,000 spectators at its Paris showings in 2003, which will now tour across France and internationally.
Live Stage achieved sales of € 11.4 million
The company posted a loss of € 0.3 million in 2003.

HOME SHOPPING SERVICE (SA) - TELEACHAT

Home Shopping Service (HSS), the Group's home shopping subsidiary, pursued its development in 2003 with the launch of new activities including catalogues and infomercials.
HSS Group (consisting of HSS and its subsidiaries, the most significant being Club Téléachat and HSS Netherlands), realised sales of € 92.5 million, up 3.1% over 2002.
2003 was marked by stable home shopping activities for broadcasters, the successful launch of home shopping activities in the Netherlands, and the implementation of a new collection point delivery service.

HSS Group saw its net profit rise 32.6%, thanks to a net improvement in its profit margin, a control of logistics costs and a net decrease in broadcasting cost for Club Téléachat. The impact of the sale of HSS' stake in its Canadian and RTL9 activities was offset by the launch of its Dutch home shopping activities.
RTL Shop, which is 20% owned by HSS, significantly underachieved its objectives, posting a 2003 annual loss of € 10.8 million, compared with a € 15.6 million annual loss for 2002.
HSS Group posted a 2003 profit of € 6.1 million, compared with a € 4.6 million profit in 2002.

CLUB TELEACHAT (SNC)

Club Téléachat, an HSS Group subsidiary, produced the 24-7 home shopping channel broadcast on TPS, Canal Satellite, cable TV and live on the internet.
2003 sales amounted to € 9.7 million, down 16.5% on 2002.
The company's net loss improved to € 1.2 million from € 2.3 million for 2002.

M6 WEB (SAS)

M6 Web, the Group's interactivity subsidiary, significantly developed its three operating activities (Internet, telematics, mobile telephony: teletext, wap, downloads), as well as realisation of Call TV programmes.
2003 sales doubled to € 31.6 million from € 15.1 million for 2002.
Internet activities are focused on the development of M6 Group site (M6.fr. Turbo.fr, M6music.fr,...) and realisation of sites for third parties. M6.fr is France's third largest media site, with 800,000 individual visitors each month.
Telematics activities enjoyed strong growth with the number of phone calls increasing three-fold within one year, thanks to the Group's interactive resources and the success of Call TV programmes.
Mobile telephony concerns downloadable products and SMS flows management, with M6 Web now one of the leading SMS Premium players, with a market share in excess of 10%.
M6 Web posted a 2003 profit of € 6.7 million, compared with a € 4.0 million loss for 2002.

M6 FOOT (SAS)

M6 Foot, which is 99% owned by the Group, has as its mission the holding and management of its 99.76% stake in the French public limited professional sports company FC Girondins de Bordeaux SASP.
M6 Foot broke even in 2003.

FOOTBALL CLUB DES GIRONDINS DE BORDEAUX (SASP)

The Girondins de Bordeaux football club finished in 4th place in the French Premier League 2002-2003 season, enabling it to qualify for the 2003-2004 UEFA Cup for a 5th consecutive year.
The Club posted an operating profit before transfer fees of € 49.9 million for 2003. It realised an operating loss of € 4.3 million when transfer fees are excluded.
The Club posted a € 6.6 million loss for 2003.

1.2.3 DIGITAL PAY TV OPERATIONS

▪ Specialty channels programmes production and distribution

M6 THEMATIQUE (SA)

M6 Thématique holds, though SNC, M6 Numérique, a 34% ownership interest in TPS. The company's operations also encompass M6 Group's specialty channel production and distribution activities and entertainment programmes production.

It realised a profit of € 0.2 million in 2003.

TF6 (SCS) (50 % M6)

This jointly owned subsidiary with TF1 had 2.36 million subscribers at 31 December 2003, notably due to the resumption on the UPC network in analogue mode and the integration on the base digital offer of NOOS.

TF6 realised sales of € 15.4 million, compared to € 11.0 million for 2002.

TF6, with a 1% viewing audience share, is France's 5th most watched cable and satellite TV channel for all 4 year old plus individuals who are subscribed to an expanded offer. Significant investments were made in order to offer more current programmes, which are both powerful and attractive, in order to bind a large viewing audience to a generalist offer. Drama programming is allocated significant network time, consisting of new Anglo-Saxon and French television series, French made-for-TV movies, as well as the first showings of previously released box office movies.

TF6 broke even in 2003, compared with a 2002 loss of € 5.8 million.

SERIE CLUB - EXTENSION TV (SA) (50 % M6)

This subsidiary, jointly owned with TF1, had 2.12 million subscribers at 31 December 2003 through TPS and major cable TV operators, gaining 57,200 cable and satellite TV household subscribers during the year.

Série Club realised 2003 sales of € 8.6 million, the same as in 2002.

Série Club beat its audience records with a 47% increase in its target 4 year old plus general public target audience, enjoying spectacular increases of 51% for 15 to 49 year olds and 61% for under 50s households. Série Club offers a rich and varied programming with recent new TV series, as well as well-established series, such as *Buffy, X-Files* and *John Doe.*

The company posted a 2003 profit of € 0.8 million, compared to a 2002 profit of € 1.1 million.

TEVA - SEDI TV (SNC)
(51% held by M6)

Téva, the generalist channel for women, had more than 4 million household subscribers at 31 December 2003. The distribution network continued to progress in tandem with the growth in the number of satellite subscribers.

Sales increased to € 9.6 million from € 7.3 million in 2002.

The channel has grown in popularity and has doubled its target market share, that of under 50s households. It is ranked as one of the Top 10 performing cable and satellite TV channel, preceding TMC, Canal Jimmy and Match TV.

The new "Téva: Emotions TV" theme has for its objective to consolidate the generalist positioning of the network while targeting women viewers.

Investments were made in new drama programmes and movies in order to strengthen the line-up, with investments in production focusing on three programmes: *Téva Déco, Face à moi* and the *Les Dossiers de Téva magazine.* The channel also broadcast US versions reality TV programmes (*Bachelor I and II, USA Top Model*), profitable in terms of both image and audience.

The company realised a loss of € 2.9 million, compared with a € 1.3 million loss for 2002.

FUN TV (SNC)

Fun TV, the live entertainment channel for 15 to 24 year olds, structurally evolved with the transfer of its third party programme production business goodwill to Studio 89 Productions, a fully-owned subsidiary of Fun TV. The channel is now watched by more than 1.4 million cable TV and TPS household subscribers.

Fun TV realised sales of € 4.5 million in 2002, compared with € 6.6 million for 2002.

After slightly lower audience levels for March 2003, the channel recovered a satisfactory level in July 2003, with a 28% rise in average audience levels for 15 to 24 year olds..

The channel's programmes have experienced a significant evolution with a reorganisation of the line-up and the enrichment of the offer, with drama programmes, emphasis on synergies with M6 and the pursuit of a policy of creating innovative programmes, notably in the area of interactivity and entertainment.

Profitability improved markedly, thanks to particular initiatives focusing on resource optimisation and cost control.

Net profit for 2003 amounted to € 0.3 million, compared to € 0,4 million for 2002.

M6 MUSIC - EDI TV (SNC)

M6 Music is a powerful and unifying channel serving more than 1.8 million subscribers at 31 December 2003, of which 66% were TPS subscribers.

Company sales decreased to € 5 million from € 5.2 million for 2002.

M6 Music confirms its appeal and registered record audience levels during the latest Médiacabsat survey (5th) with a 69% rise in audience levels for 15 to 34 year olds between the 4th and 5th survey.

Its positioning remains unchanged in relation 2002, with a slight enrichment of its programming consisting primarily of music videos for 15 to 34 year old individuals. M6 Music is TPS 3rd most popular channel.
The company posted a profit of € 1.9 million for 2003, compared with a profit of € 2.4 million for 2002.

PARIS PREMIERE (SA)

Paris Première, which is 10.7% owned by M6, had 5.4 million subscribers at 31 December 2003.
Company sales amounted € 29.5 million, down 15% on 2002.
This company is not consolidated in the Group's financial statements.

■ Satellite television

M6 NUMERIQUE (SNC)

Owned by M6 Thématique, M6 Numérique holds the Group's two digital satellite TV operations investments: TPS (SNC) and TPS Gestion (SA), which manages TPS (SNC) and ensures its development.

TPS (SNC)

TPS is 34% owned by M6 and 66% owned by TF1 since 2 October 2002.
Consolidated sales totalled € 536.8 million, up 7% on 2002.
There were 1,527,000 active subscribers to TPS digital programmes and services, including 1,239,000 satellite subscribers, up 5.7% on 2002.
The market reported net growth of approximately 239,000 new subscribers (net of contract terminations), down about 25% on 2002's growth.

The signing of two new major agreements (Warner Bros and The Walt Disney Company) enabled TPS to restructure its movie offering and to launch new channels in August 2003: *TPS Cinestar, TPS Homecinema, TPS Cinefamily [...].*
In addition, TPS added new specialty channels to its service, including *Euréka, TFOU, Boomerang, Piwi, Beur TV, TéléMélody, CNBC Europe,* and *Alegria.*
TPS pursued its development and launched, in partnership France Télécom, its television phone line service (ADSL) with *MaLigne TV* and *TPSL*, which enables subscribers to simultaneously phone, surf the internet and watch TV directly on their television sets..
TPS saw its loss significantly improved to € 9.3 million from € 36.8 million for 2002.

TPS GESTION (SA)

TPS Gestion is the management company of TPS. As from 2 October 2002, this company is 34% owned by M6 and 66% owned by TF1.

1.3 M6 GROUP STRUCTURE CHANGES SINCE 1 JANUARY 2004

Since 1 January 2004, the Group's operations were impacted by the following three major events:
- the partial disengagement of the Suez Group from the share capital of the company, preceded by the signing of an additional clause to the Agreement between M6 TV Network and the Conseil Supérieur de l'Audiovisuel (CSA);
- exercise of M6's pre-emption right in the bylaws on the 89% Paris Première share capital held by the Suez Group and for which there is a firm purchase offer;
- on 15 March 2004, the Group's HSS subsidiary acquired a 100% of the share capital of Boutiques du Monde SNC, previously known as Canal Club.

Regarding the partial disengagement of the Suez Group, the latter disposed of 29.2% of its ownership in the Company pursuant to a market operation combined with a disposal to institutional investors. Following this operation, the Suez Group retained a 5% equity stake in the Company, which it is committed to keeping for a period of three years, pursuant to CSA stipulations.
In application of provisions prescribed in the amendment to the CSA Agreement signed on 2 February 2004, the Combined General Meeting of 18 March 2004 approved bylaws modifications resulting from the amendment and ratified the new composition of the Supervisory Board.

Regarding the exercise of M6's pre-emption right on the 89% of the share capital of Paris Première, the network strengthened its specialty channels operations with a more extensive content offer to a wider public. In 2004, the Group will focus on the integration of the Paris Première channel into its specialty channel operations.

2. 2003 GROUP FINANCIAL RESULTS

Group sales increased by 24.1% to € 1,176.9 million from € 948.5 million for 2002. On a constant group structure basis (accounting for M6 Group's investment in TPS on a 34% proportional consolidation basis since 1 January 2002), Group sales increased by 9.9%.

Included in Group sales revenues are advertising revenues, which enjoyed a 3.3% increase to € 575.2 million.
Subsidiaries sales amounted to € 601.4 million, accounting for 51.1% of Group sales, compared to 41.0% for 2002.

ANALYSIS OF M6 GROUP SALES BY BUSINESS SEGMENT AND BY COMPANY

(€ millions)	2003	2002	% Change
Métropole Télévision	**575.5**	**559.5**	**2.9%**
M6 Droits Audiovisuels	4.2	4.0	5.0%
M6 Publicité	1.8	3.2	(43.7)%
Métropole Production	2.8	2.8	-
M6 Films	3.0	2.4	25.0%
C. Productions	1.2	0.1	-
W9	0.2	-	-
TCM	5.5	6.1	(9.8)%
Mandarin	6.2	0.0	-
Total Terrestrial Free TV- Subsidiaries	**24.9**	**18.6**	**33.9%**
Total Terrestrial Free TV - Group	**600.4**	**578.1**	**3.9%**
M6 Interactions	131.8	135.2	(2.5)%
HSS	92.5	88.9	4.0%
Girondins de Bordeaux	45.1	47.0	(4.0)%
SND	47.9	5.7	-
M6 Editions	10.8	8.1	33.3%
M6 Evénements	4.7	3.6	30.6%
Culture Mag Editions	0.0	0.1	-
M6 Web	24.3	13.7	77.4%
Live Stage	10.7	-	-
Total Brand Diversification	**367.8**	**302.3**	**21.7%**
Sedi TV – Teva	8.6	6.9	24.6%
Fun TV	3.5	3.9	(10.2)%
Extension TV - Série Club	4.0	4.5	(11.1)%
TF6	5.9	5.2	13.5%
Edi TV - M6 Music	4.1	4.8	(14.6)%
Studio 89	0.1	-	-
TPS	182.5	42.8	-
Total Digital Pay TV	**208.7**	**68.1**	**-**
Total - M6 Subsidiaries	**601.4**	**389.0**	**54.6%**
Total - M6 Parent Company (Métropole Télévision)	**575.5**	**559.5**	**2.9%**
Total - M6 Group	**1,176.9**	**948.5**	**24.1%**

ANALYSIS OF M6 GROUP NET PROFIT BY BUSINESS SEGMENT AND BY COMPANY

(€ millions)	2003	2002	% Change
Métropole Télévision	106.7	108.3	(1.5)%
M6 Publicité	21.1	20.0	-
Subtotal - M6 TV network	**127.8**	**128.3**	**(0.4)%**
M6 Droits Audiovisuels	(2.7)	(7.1)	-
Mandarin	(0.3)	-	-
Métropole Production	(0.3)	(0.2)	-
C. Productions	0.5	(0.2)	-
W9	0.4	-	-
M6 Films	(0.3)	(4.1)	-
TCM	0.6	0.2	-
Immobilière M6	0.8	0.4	-
SCI du 107	-	0.1	-
Goodwill TCM	(0.1)	-	-
Total Terrestrial Free TV- Subsidiaries	**(1.4)**	**(10.9)**	**87.2%**
Total Terrestrial Free TV - Group	**126.4**	**117.4**	**7.7%**
M6 Interactions	3.0	8.0	-
M6 Editions	0.9	1.1	-
M6 Evénements	0.3	0.5	-
Live Stage	(0.1)	-	-
HSS	3.6	3.5	-
SND	4.8	0.0	-
RTL Shop	(1.6)	(2.3)	-
Girondins de Bordeaux	(5.4)	(4.6)	-
M6 Web (1)	4.2	0.2	-
Goodwill HSS/U15/CULTURE MAG/M6 FOOT/SND	(1.4)	(1.2)	-
Total Brand Diversification	**8.3**	**5.2**	**59.6%**
M6 Thématique	-	0.1	-
Extension TV - Série Club	0.2	0.3	-
Sedi TV - Teva à 51 %	(0.5)	(0.5)	-
Edi TV - M6 Music	1.2	1.6	-
Fun TV	(0.1)	(0.4)	-
Studio 89	0.5	-	-
TF6	(0.1)	(1.9)	-
M6 Numérique	(1.7)	(1.6)	-
TPS	(1.8)	(6.4)	-
Goodwill TPS/FUN TV (2)	(0.8)	(2.0)	-
Total Digital Pay TV	**(3.1)**	**(10.8)**	**71.3%**
Total - M6 Subsidiaries	**24.9**	**3.5**	**-**
Total - M6 Parent Company (Métropole Télévision)	**106.7**	**108.3**	**(1.5)%**
Total - M6 Group	**131.6**	**111.8**	**17.7%**

(1) Including 2002 capital gain arising from Ticketnet disposal
(2) TPS acquisition goodwill was allocated to market shares in 2002

ANALYSIS OF M6 GROUP 2003 RESULTS BY TYPE AND BUSINESS SEGMENT

(€ millions)	2003	2002 actual	% change	2002 pro-forma	% change
M6 Group consolidated sales	**1 176.9**	**948.5**	*+24.1%*	**1 071.3**	*+9.9%*
M6 TV Network advertising sales	590.6	569.5		569.5	
M6 Group advertising sales	575.2	556.6	*+3.3%*	556.6	*+3.3*
M6 TV Network control room	-48.5	-47.0		-47.0	
M6 TV Network taxes and royalties	-60.7	-57.4		-57.4	
M6 TV Network transmission and distribution	-34.1	-34.1		-34.1	
M6 TV Network net broadcast income	**447.3**	**431.0**	*+3.8%*	**431.0**	*+3.8%*
M6 TV Network programme scheduling costs	237.3	222.7	*+6.5%*	222.7	+6.5%
M6 TV Network gross profit	**210.0**	**208.3**	*+0.8%*	**208.3**	*+0.8%*
M6 TV Network operating profit	**+162.1**	**+168.2**		**+168.2**	
Terrestrial Free TV other sales	***25.2***	***21.5***	*+17.2%*	***21.5***	*+17.2%*
Terrestrial Free TV other operating profit	**+32.4**	**+19.1**		**+19.1**	
TERRESTRIAL FREE TV OPERATING PROFIT	**+194.5**	**+187.4**	*+3.8%*	**+187.4**	*+3.8%*
Brand Diversification sales	***367.8***	***302.3***	*+21.7%*	***302.3***	*+21.7%*
BRAND DIVERSIFICATION OPERATING PROFIT	***+17.5***	***+13.9***	*+25.9%*	***+13.9***	*+25.9%*
TPS sales	***182.5***	***42.8***	***N/A***	***165.6***	*+10.2%*
Specialty channels sales	***26.2***	***25.3***	*+3.6%*	***25.3***	*+3.6%*
TPS operating profit/(loss)	+1.3	-5.5		-7.8	
Specialty channels operating profit/(loss)	+0.0	-2.8		-2.8	
DIGITAL PAY TV OPERATING PROFIT/(LOSS)	**+1.3**	**-8.3**	***N/A***	**-10.6**	***N/A***
M6 Group operating profit (EBIT)	**+213.3**	**+193.1**	*+10.5%*	**+190.7**	*+11.9%*
M6 Group operating profit margin (% Group sales)	*18.1%*	*20.4%*		*17.8%*	
M6 Group gross operating profit (EBITDA)*	**+341.2**	**+273.9**	*+24.6%*	**+291.0**	*+17.2%*
M6 Group gross operating profit margin (% Group sales)	*29.0%*	*28.9%*		*27.2%*	
Net finance income/(expenses)	+3.6	+1.0		-2.8	
Profit from ordinary activities	**+216.9**	**+194.1**	*+11.7%*	**+187.9**	*+15.4%*
Net exceptional expenses	-9.3	-14.9		-15.0	
Acquisition goodwill amortisation	-2.3	-3.3		-2.1	
Share of associates' results	-1.6	-6.9		-2.3	
Profit before tax	**203.7**	**169.0**	*+20.5%*	**168.4**	*+21.0%*
Pre-tax profit margin (% Group sales)	*17.3%*	*17.8%*		*15.7%*	
Income tax	-73.6	-58.2		-58.3	
GROUP NET PROFIT	**130.1**	**110.8**	*+17.4 %*	**110.1**	*+18.2%*
Group net profit margin	*11.1%*	*11.7%*		*10.3%*	
Minority interest	1.5	1.0		1.0	
NET PROFIT	**+131.6**	**+111.8**	*+17.7%*	**+111.0**	*+18.5%*

* EBITDA = EBIT net of depreciation, amortisation and provision charges

Broadcast net income

This consists of advertising revenues earned by the M6 television network, offset by the costs of services provided by M6 Publicité, mandatory charges levied as a proportion of sales revenue, and broadcasting costs.

Programme scheduling costs

This represents the cost of purchased, produced and co-produced programme broadcasts, and include charges relating to rights that are invalid or unlikely to be broadcast.

Terrestrial Free TV - Operating profit

Comprises operating profits from M6 (calculated from gross profit and adjusted for residual operating expenses not included in programme scheduling costs) and from the C. Productions, M6 Droits Audiovisuels, M6 Films, Immobilière M6, SCI du 107, Métropole Production, W9 Productions, M6 Publicité, M6 Toulouse, M6 Bordeaux, TCM and Mandarin subsidiaries.

Brand Diversification operating profit

Comprises operating profit from the M6 Interactions, M6 Editions, M6 Evénements, live Stage, SND, FC Girondins de Bordeaux, HSS, M6 Web, Culture Mag Editions, Técipress and M6 Foot subsidiaries.

Digital Pay TV operating loss

Includes operating profits/losses from Téva, Série Club, M6 Music, Fun TV, Studio 89 Productions, TF6, TPS, M6 Thématique and M6 Numérique.

Share of associates results

Comprises the Group's share of RTL Shop's net loss.

Group operating profit

Corresponds to the M6 Group Consolidated Income Statement operating profit figure.

Analysis of M6 Group 2003 Results

M6 Group operating revenues increased to € 1,226.1 million from € 989.9 million for 2002.

Operating expenses increased by 27.1% to € 1,012.8 million, including employee profit sharing plan contributions of € 6.1 million.

Operating profit increased to € 213.3 million from € 193.1 million for 2002.

Net financial income increased to € 3.6 million from € 1.0 million for 2002.

Profit before tax from ordinary activities increased to € 216.9 million from € 194.1 for 2002.

Income tax expense increased to € 73.6 million from € 58.2 million for 2002. This comprises an actual tax liability calculated in accordance with the provisions of the tax grouping plan in the amount of € 84.6 million compared to € 53.5 million for 2002, in addition to a deferred tax credit of € 11.0 million arising primarily from non-tax deductible charges to current and exceptional provisions.

Profit, before share of associates results (RTL Shop uniquely in 2003, with TPS results equity accounted for the first three months of 2002) and acquisition goodwill amortisation, increased to € 134 million from € 121 million for 2002.

Group share of equity accounted investments' net results was a loss of € 1.6 million, compared to a loss of € 6.9 million for 2002.

M6 Group net profit increased by 17.7% to € 131.6 million from € 111.8 million, incorporating the minority interest share of € 1.5 million of subsidiary net losses arising primarily from Sedi TV-Téva and Girondins de Bordeaux.

3. CASH FLOW FROM OPERATIONS

On a proforma basis (TPS proportionally consolidated from 1 January 2002), M6 Group generated € 261.4 million in cash flow from operations for 2003, up 10.6% from 2002's € 236.4 million, primarily due to improved profitability.

4. GROUP EQUITY AND MINORITY INTEREST

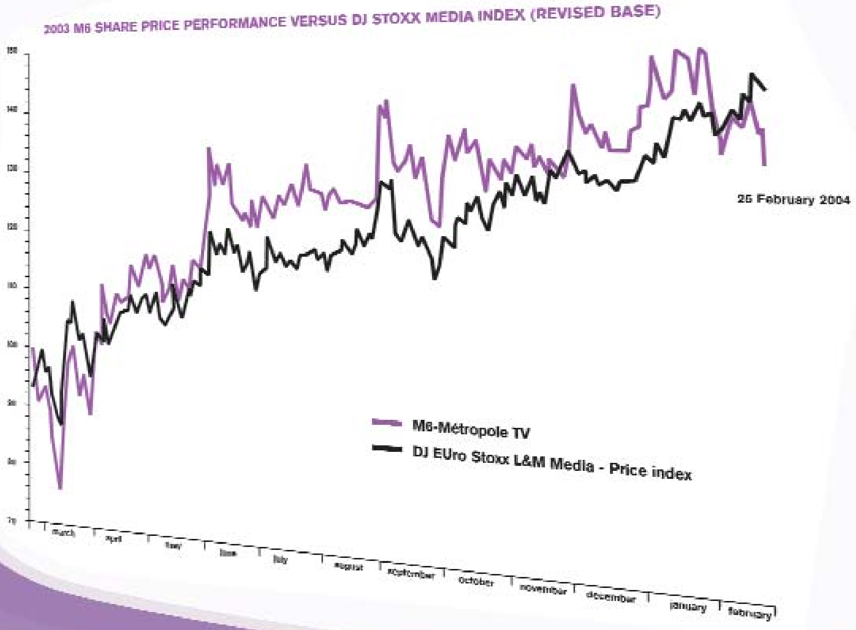
Group equity at 31 December 2003 amounted to € 419.5 million, up 15.9% from the previous year-end.

Minority interest at 31 December 2003 amounted to a loss of € 1.2 million, of which a loss of € 1.5 million related to M6 Group's share of associate companies' losses (Sédi TV-Téva, Culture Mag. Editions, FC Girondins de Bordeaux and Live Stage) .

5. TAX GROUPING PLAN

Métropole Télévision SA has declared itself as the parent company of a tax grouping pursuant to the provisions of Articles 223-A of the French Income Tax Code.

Métropole Télévision is solely liable for amounts due by subsidiaries in the determination of the Group's overall tax liability, pursuant to the provisions of Article 223A of the Income Tax Code.



6. COMPLIANCE WITH GENERAL OBLIGATIONS AND AGREEMENT TERMS

M6 Group met all of its obligations during 2003 regarding its contractual undertakings and regulatory obligations.

It complied with the 40% broadcast quota for original French audiovisual programming and the 60% broadcast quota for original European audiovisual programming throughout the day as well as during prime time hours of 2 pm to 11 pm on Wednesdays and 5 pm to 11 pm on other days.

Expenditure commitments concerning audiovisual productions contracted during 2003 amounted to € 90.2 million, comprising € 82.8 million in original French audiovisual programming and € 7.4 million in other audiovisual programming.

In addition, € 16 million in investments were committed to the production of 9 French and European films.

In total, M6 committed itself to € 106.2 million in audiovisual programming and film production, representing 21.5% of its 2002 financial year net sales, for an obligation quota of 21.2% (18% for audiovisual programming and 3.2% for films).

The CSA will review M6's compliance performance for 2003 towards at the beginning of the second half of 2004.

7. METROPOLE TELEVISION SA SHARE PERFORMANCE AND SHARE CAPITAL

7.1 STOCK MARKET PERFORMANCE

The Company's share price has enjoyed a very significant increase in value since its launch on the Paris Stock Exchange Second Market on 28 September 1994 at € 3.96 (FRF 26), taking into account the 10 for 1 share split on 15 June 2000.

The share price opened the 2003 year on 2 January at € 21.95 and closed the year on 31 December at € 26.02, achieving its highest price of € 27.68 on 5 December and its lowest price of € 14.25 on 12 March.

The company's market capitalisation at 31 December 2003 was € 3.4 billion

7.2 BUYBACK OF COMPANY SHARES

The company did not use in 2003 the authorisation to purchase its own shares that was granted by the Combined General Meeting of 30 April 2003.

During 2002, 259,650 shares worth € 3.9 million were allocated to beneficiaries of the stock option plans.

7.3 TREASURY SHARES

At 31 December 2003, M6 Group held 1,390,352 shares in the Group's parent company, Métropole Télévision SA (1.05% of its issued shares), which were classified on its consolidated Balance Sheet as marketable securities at their acquisition cost of € 64.1 million. A provision for loss on treasury shares disposal was established, amounting to € 39.7 million at 31 December 2003.

7.4 STOCK PURCHASE AND SUBSCRIPTION OPTION PLANS

DIFFERENT STOCK-OPTION PLANS (PURCHASE OR SUBSCRIPTION)

Shareholders' AGM date	5 June 1998		4 June 1999		26 May 2000					Total
Board meeting date	2 Sept.1998	4 Dec.1998	4 June 1999	19 Jan. 2000	30 June 2000	7 June 2001	7 June 2002	25 July 2003	14 Nov. 2003	
Option plan type	Purchase	Purchase	Purchase	Purchase	Purchase	Subscription	Subscription	Subscription	Subscription	
Total number of shares that may be purchased or subscribed to	705,000	745,000	600,000	175,000	338,100	551,800	710,500	743,500	20,000	4,588,900
Board members --	120,000	20,000	80,000	113,000	168,000	150,000	20,000	671,000		
10 highest paid employees	380,000	380,000	295,000	155 ,000	112,400	89,000	139,500	146,000		1,696,900
Date options exercisable from	2/09/01	4/12/01	4/06/04	19/01/03	30/06/04	7/06/05	7/06/06	25/07/07	14/11/07	
Expiry date	1/09/05	3/12/05	4/06/06	18/01/07	29/06/07	6/06/08	7/06/09	25/07/10	14/11/10	
Exercise price €	14.11	13.64	18.76	44.63	58.58	30.8	28.06	22.48	23.82	
Number of shares subscribed to or purchased at 4 March 2004	434,050	390,000	65,000	-	-	-	-	-	-	889,050
Remaining unexercised subscribed to or purchase options	210,950	295,000	450,000	20,000	255,000	445,300	642,000	743,500	20,000	3,081,750
Options cancelled during year	-	-	10,000	30,000	39,300	53,000	56,500	-	-	188,800

The number of stock purchase options exercised to date by employees related to 889,050 shares.

STOCK OPTIONS GRANTED TO MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

Management Board and Supervisory Board Members	Number of options granted / exercised	Exercise price (€)	Expiry date	Stock Option Plan	
				26 June 2000	26 June 2000
Stock purchase and subscription options granted to Board members by the parent company and all other Group companies				Board meeting of:	Board meeting of:
Nicolas de TAVERNOST	40,000	22.48 €	25 July 2010	25 July 2003	
Thomas VALENTIN	30,000	22.48 €	25 July 2010	25 July 2003	
Jean d'ARTHUYS	30,000	22.48 €	25 July 2010	25 July 2003	
Catherine LENOBLE	30,000	22.48 €	25 July 2010	25 July 2003	
Eric d'HOTELANS	20,000	23.82 €	14 Nov. 2010	25 July 2003	
Stock options exercised by Board members :	30,000	13.64 €			4 December 1998

STOCK OPTIONS GRANTED TO 10 HIGHEST PAID EMPLOYEES (EXCLUDING BOARD MEMBERS)

Stock subscription options granted and exercised	Total number of options	Weighted-average price	Management Board meeting date
Options consenties	141,000	22.48	25 July 2003
Options levées	164,650	13.90	2 September 1998 - 4 December 1998

7.5. MANAGEMENT BOARD REMUNERATION

Name	Date appointed	Remuneration €		
		2003 Fixe(1)	2002 variable(2) (paid in 2003)	2003 variable(2) (paid in 2004)
Nicolas de TAVERNOST				
Métropole Télévision				
Chairman	26 May 2000	619,180	576,832	591,700
Thomas VALENTIN				
Métropole Télévision				
Vice-chairman	26 May 2000	448,522	346,308	355,020
Eric d'HOTELANS				
Métropole Télévision				
Vice-chairman	14 Nov. 2003	35,923	-	6,780
Catherine LENOBLE				
M6 Publicité				
Member	26 Jan. 2001	168,114	105,190	132,021
Jean d'ARTHUYS				
Métropole Télévision				
Member	26 May 2000	201,797	70,495	80,501
Laurent AGRECH*				
Métropole Télévision				
Member	26 May 2000	167,762	69,623	55,549

(1) including use of a company car for each member of the Management Board, with no other fringe benefits available
(2) supplementary remuneration determined on profit before tax from ordinary activities, as set by the Management Board and approved by the Supervisory Board.
* Appointment expired on 14 Nov. 2003

Supervisory Board member' sole remuneration consists of attendance fees.
Management Board members benefit from a retirement plan as other Group employees, as disclosed in the Notes to the Consolidated Financial Statements.
No appointment or departure bonuses are paid.

7.6. DIVIDENDS PAID DURING THE PREVIOUS FIVE FINANCIAL YEARS

(€)	2002	2001	2000	1999*	1998
Cash dividend	0.570	0.570	0.510	0.41	3.28
Tax credit	0.285	0.285	0.255	0.21	1.64
Gross dividend	0.855	0.855	0.765	0.62	4.92

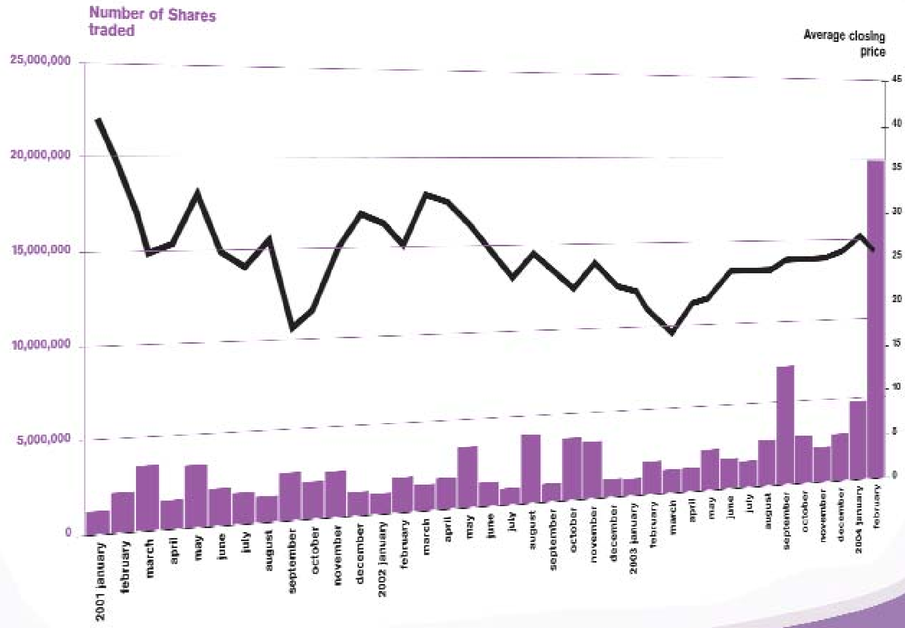
*after 10-for-1 share split

7.7. SHAREHOLDERS AT 31 DECEMBER 2003

RTL Group	48.39%
SUEZ	34.21%
Institutional and individual investors	16.35%
Treasury shares	1.05%

SHARE PRICE PERFORMANCE AND TRADING VOLUMES (SOURCE SBF)

Year	Shares traded (units)	Average closing price (€)	Value of shares traded (€ millions)
2001 January	**1,154,876**	**39.63**	**45.58**
February	2,079,627	33.96	71.52
March	3,479,945	26.83	92.98
April	1,537,583	27.71	43.89
May	3,304,893	32.60	109.03
June	1,899,587	26.69	54.98
July	1,749,190	25.26	42.65
August	1,307,585	27.79	36.71
September	2,614,805	19.11	48.34
October	2,061,246	21.02	45.16
November	2,510,503	26.70	68.39
December	1,271,656	30.25	38.03
2002 January	**1,160,731**	**29.46**	**34.29**
February	2,030,620	27.06	55.23
March	1,448,054	32.27	47.02
April	1,762,019	31.37	55.04
May	3,485,800	29.20	103.68
June	1,335,891	26.54	35.97
July	913,659	23.41	21.29
August	3,936,936	25.97	101.4
September	994,951	24.29	24.38
October	3,627,946	22.40	82.91
November	3,378,698	24.96	86.99
December	1,080,202	22.73	24.29
2003 January	**994,730**	**22.09**	**22.27**
February	1,917,330	18.93	36.54
March	1,298,977	17.30	21.94
April	1,382,235	20.44	28.64
May	2,374,300	21.31	50.64
June	1,750,844	23.84	41.54
July	1,531,524	23.83	36.74
August	2,751,336	23.87	65.58
September	7,315,332	24.96	188.23
October	2,838,208	24.97	71.31
November	2,095,922	25.12	52.52
December	2,784,981	25.85	72.74
2004 January	**4,702,017**	**27.48**	**130.71**
February	20,092,974	25.92	526.56


Number of Shares traded
Average closing price
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
45
40
35
30
25
20
15
10
5
0
2001 january
february
march
april
may
june
july
august
september
october
november
december
2002 january
february
march
april
may
june
july
august
september
october
november
december
2003 january
february
march
april
may
june
july
august
september
october
november
december
2004 january
february

8. RISKS MANAGEMENT

MARKET RISKS

▪ Audiovisual and advertising market structure risks

M6 Group operates in a competitive environment in which four television networks essentially share the advertising revenues market. M6 is not dependeant upon a limited number of advertising customers for its sales or a limited number of suppliers of programmes and productions for its procurements, given their multitude.

The television advertising market primarily appeals to mass-market products and services advertisers. Their significant number, the constant renewal of brands and the strong competitive environment significantly limits the risks of a possible concentration. The advertising market is perfectly transparent, notably since the 1993 Sapin Law. The market is multi-segmented and appeals to advertisers of products and services for the end-consumer. Its evolution is largely correlated to macro-economic trends (GNP, consumption).

▪ Financial risks

Liquidity risk

M6 Group is not exposed to any liquidity risk.

Interest rate risk

M6 Group borrowings that are subject to interest rate risk at 31 December 2003 arise from the Group's proportional consolidation of its 34% stake in TPS. They are as follow

(€ millions)	Within 1 Year	1 to 5 Years	After 5 Years	Total
Fixed rate borrowings [1]	2.9	4.9	-	7.8
Variable rate borrowings [2]	7.8	30.4	-	38.2
Variable rate marketable securities [3]	(1.6)	-	-	(1.6)
Net exposed borrowings before coverage	9.1	35.3	-	44.4
Interest rate coverage	(6.2)	(30.4)	-	(36.6)
Net exposed borrowings after coverage	**2.9**	**4.9**	**-**	**7.8**

[1] Finance leases
[2] Bank debts
[3] Marketable securities and bank deposits

Variable rate borrowings due within the year, which are in theory exposed to a rate hike risk, amounted to € 6.2 million, net of variable rate marketable security holdings. They are covered in full by hedging transactions (implementation of a variable rate to fixed rate swap). This risk will also be offset by the use of the same technique for subsequent transactions.

Fixed rate borrowings due within the year amounted to € 2.9 million. A 1 basis point fall in short-term interest rate would result in an increase in the cost of this debt and in a non-significant loss in interest income of € 0.03 million.

▪ Foreign exchange risk

M6 Group is exposed to foreign exchange risk whenever the network or its subsidiaries transacts in currencies other than their functional currency. These transactions primarily concern the purchase in $US of programmes from international suppliers.

(€ millions)	$US	Other currencies	Total
FOREX assets	6.9	1.2	8.1
FOREX liabilities	(58.2)		(58.2)
Net exposed FOREX position	(51.3)	1.2	(50.1)
Off-Balance Sheet coverage [1]	48.9		48.9
Net exposed FOREX position	**(2.4)**	**1.2**	**(1.2)**

[1] These FOREX term purchase agreements are recorded as purchase of rights off-Balance Sheet commitments in Note 5.3 to the Consolidated Financial Statements.

At 31 December 2003, M6 Group had a net exposed liability position after coverage of € 1.2 million.

An unfavourable movement of € 1 cent against all currencies comprising this position would result in an aggregate foreign exchange loss for all concerned debt of € 0.03 million.

▪ Advertiser liquidity risks

Advertisers on the M6 TV Network and on specialty channels for which M6 Publicité acts as an advertising agency are subject to systematic solvency controls. General Conditions of Sales require the prepayment of advertising campaigns when advertisers do not meet specific solvency criteria.

LEGAL RISKS

▪ Regulatory risks

M6 operates a private terrestrial TV network, whose signals are broadcast unscrambled throughout continental France. It was initially awarded a 10-year broadcasting licence on 1 March 1987, with an expiry date of 28 February 1997, within the framework of Article 30 of the Law of 30 September 1986, which was subsequently modified pursuant to freedom of communication.

Primarily financed by advertising revenues, M6 is bound by the general obligations arising from this legal category and from the particular obligations arising from its licence agreement.

M6's initial licence was renewed in July 1996 and July 2001 for

two successive 5-year terms, from 1 March 1997 and 1 January 2002, respectively.
These renewals were the object of, negotiations with the CSA, in accordance with the provisions of the Law of 30 September 1986.
The agreement of 24 July 2001, which expires on 1 January 2007, may cover a period of 5 additional years in the event M6 wishes to avail itself of its priority right as prescribed by the modified Law of 1986, regarding the offering of a digital terrestrial TV service.
The most serious consequences regarding a possible non-adherence by M6 to its commitments concerns the renewal of its broadcasting licence. Article 28-1-I-2° of the Law of 30 September 1986 prescribes that a broadcasting licence may not be renewed, outside a call for tenders, if a sanction imposed on the broadcaster is of such a nature as to justify this non-renewal, without prejudice to a call for tenders.
M6 Group believes that infractions that could lead to such a renewal refusal would be a repeated non-adherence to the network's different quotas, as well as a lack of control at the network.
In this regard, M6 has put into place a set of control systems that monitors on a daily basis its prescribed production and broadcast quotas. As well, one of these systems is exclusively focused on monitoring the network, ensuring on a daily basis that all programme contents are in accordance with regulations in force.
M6 Group therefore believes that there is only a theoretical risk of non-renewal of its broadcast licence pursuant to Article 28-1-I-2° of the Law of 30 September 1986.
No new regulations have been adopted since the beginning of 2004 that could have a significant impact on Métropole Télévision Group.

■ Intellectual property, freedom of the press and key person risks

M6 Group's broadcast of audiovisual programmes, whether produced in-house or by third parties, are susceptible to claims of various natures concerning the violation of provisions relating to laws on intellectual property rights, press rights and personal privacy rights.
No contractual provision can provide M6 Group with total protection against legal recourse, particularly with regard to legal action matters based on the Law of 29 July 1881 on the freedom of the press.
In addition, M6 Group Brand Diversification activities may generate claims regarding the infringement of the aforementioned rights.
Nevertheless, procedures have been implemented within M6 Group to protect it from this type of risk: contract mechanisms (guarantee clauses) and internal procedures, such as assignment of legal advisors to production in-charges, pre-screening and guidelines, which will enable this risk to be considerably reduced.

MAJOR OPERATING RISKS

M6 Group does all that is possible to ensure the uninterrupted broadcast of programmes on the M6 TV Network and on specialty channels.
Any exceptional event resulting in the inability to access the different buildings of the M6 Group would have a major impact on its activity. For this reason, the Group strengthened this year procedures guaranteeing continuity of service for key processes by locating them at an extremely secure site.

Broadcast of M6 programmes – risk of break in signal transmission

M6 programmes are currently received by French households through the following transmission means:
• electromagnetic beams from 107 main transmission sites and 856 retransmission sites operated by TDF,
• satellite transmission (Atlantic Bird 3 for unscrambled transmission and Hot Bird for TPS transmission),
• cable TV transmission ("must-carry analog" transmission requirement for cable operators).

The TDF company ensures the carrying (feeding broadcast sites with M6 signal) and broadcast of M6 programmes (as well as those of all other national TV networks) in a joint manner through its terrestrial analog and satellite network.

TDF is the sole television signal transmission operator in France, as there does not exist any other alternative offer that could act as a substitute for the TDF network.
M6 is thus dependent on TDF for the transmission of its signal, and may not call upon any other means of transmission in the event that the TDF network fails.

Transmission sites are for the most part secured thanks to their multiplicity.
However, antenna systems are not fully sheltered from mishaps (antennas, guide waive and frequencies multiplexer), and electric supply continuity may be overlooked by TDF (responsibility of EDF).

Breaks in the transmission of our signal have arisen as a result of technical flaws (transmission sites and electricity supply failure) and labour unrests at TDF (strikes notably).

The injury that M6 may be subject in the event of a transmitter failure is of course proportional to the viewing audience size served by the transmitter. This is why M6 has negotiated with TDF very short service times in the event of transmission failure.

INDUSTRIAL AND ENVIRONMENTAL RISKS

M6 Group's operations do not structurally generate any significant environmental impacts, and as a result does not incur any industrial or environmental risks in light of existing regulations.
Nevertheless, M6 Group does take its environmental protection responsibilities seriously, particularly with regard to the recycling of waste produced by its activities, including the recycling of batteries, laser cartridges, neon lights and videocassettes through a recycling unit.

INSURANCE COVERAGE

M6 Group has adopted a prudent risk analysis and prevention policy in order to limit the occurrence and financial impact of such risks. In order to complement these efforts, M6 Group has put into place an insurance policies plan focusing on the coverage of major risks thereby providing for adequate coverage according to risk assessment, its own capabilities and the insurance market conditions.
In October 2003, M6 Group renegotiated and tailored to its needs, within the framework of an invitation to tender, some of its insurance policies, primarily concerning property damage insurance, general public liability insurance and comprehensive property risks insurance.
The major insurance policies subscribed to by the Group are listed below, followed by category of major risks covered (information below is provided purely on an indicative basis and cannot be substituted for a detailed reading of the policies), other than those concerning FC Girondins de Bordeaux, which has its own insurance policies.

▪ Property Damage Insurance

Policy	**Industrial and professional block policy**
Insured Parties:	METROPOLE TELEVISION, its subsidiaries and/or related companies
Coverage:	monetary damages up to a maximum of € 40,000,000 per disaster per year

Policy	**Comprehensive technical and computer equipment**
Insured Parties:	METROPOLE TELEVISION, its subsidiaries and/or related companies
Coverage:	monetary damages arising from all direct material losses and all direct material damages caused to equipment to a maximum of € 20,000,000 per disaster per year

▪ General Public Liability Insurance

Policy	**Professional and civil liability**
Insured Parties:	METROPOLE TELEVISION, its subsidiaries and/or related companies, groups created by or for personnel, legal representatives and servants of the insured
Coverage:	monetary damages arising from personal injury, property damage or moral prejudice caused to third parties by the Group's operations, up to a maximum of € 16,000,000 per disaster for all professional liability type damages and up to a maximum of € 7,000,000 per disaster per year for all civil liability type damages.

▪ Board Members and Senior Management General Liability Insurance

Insured Parties:	METROPOLE TELEVISION, its senior managers [1] (by law or fact) and Board members of Métropole Télévision SA and its subsidiaries
Coverage:	monetary damages arising from Board members and senior management civil liability up to a maximum of € 11,500,000 per insured period.

[1] Senior managers and Directors: individuals, past, present or future, ordinarily invested with company powers pursuant to the laws or bylaws of the parent company and its subsidiaries.

9. HUMAN RESOURCES

9.1 M6 GROUP WORKFORCE

Workforce size / full time and contract hirings / departures and causes / overtime /outsourced work.

M6 Group employed an average full time workforce of 1,074 during 2003, numbering 921 when FC Girondins de Bordeaux's workforce is excluded (898 in 2002). 131 full time employees were hired in 2003.

At 31 December 2003, M6 Group employed 1,098 full time staff, of which 144 were contract employees. Nearly 60% of the Group's workforce is employed in its subsidiaries. 44 were employed with the parent company and 654 at its subsidiaries

Freelance journalists and non-regular performers full-time equivalents increased to 480 from 324 for 2002.

Group employees had an average age of under 34, with the majority (53%), women.

M6 Group primarily outsources to sub-contractors its reception, security, facilities cleaning and maintenance, company restaurant and information systems maintenance projects activities, with M6 Group subcontractors employing 117 persons in the delivery of these services.

Workweek organisation / full time and part time employees distribution / absenteeism and causes

All of the Group's employees benefit from a reduction in their workweek since February 2000, in the form of reduced hours or days according to their categories.

Part-time employees account for less than 5% of the Group's workforce.

The Group's cumulative absenteeism rate for 2003, including paid leave, was 15.1% of hours worked.

The Group's illness and maternity leave absenteeism rate for 2003 was 4.36%.

Remuneration evolution / social security charges / M6 Group Profit Sharing Agreement and M6 Company Savings Plan

The average wage of full time employees (payroll/average workforce size) was € 46,350, compared with € 44,116 for 2002.

Social security charges as a percentage of payroll rose to 48% from 47% for 2002.

Employees at the Group's parent company, Métropole Télévision SA, and its subsidiaries as well as those at its home shopping operations, benefit from a Group Profit Sharing Agreement.

A Company Savings Plan (CSP) was launched in December 2003, with the Group matching employee's contributions on a 2 to 1 basis up to a maximum of € 800 per 12-month period. 65% of the Group's 1,201 employees have subscribed to this plan.

Employee relations and collective agreements

Two agreements were concluded in 2003, regarding mandatory negotiations (notably salaries and 2003 CSP), and night work.

Health and safety conditions

Health and safety conditions are periodically monitored, notably within the framework of the Health and Safety Committee.

Training

M6 Group spent € 346,920 on training in 2003, excluding FC Girondins de Bordeaux.

23 employees benefited from insertion contracts in 2003 (qualification contracts, apprenticeship contracts), excluding FC Girondins de Bordeaux.

Employment of the handicapped

M6 Group has for many years outsourced the performance of repetitive administrative tasks, such as mail sorting, to workshops for the handicapped.

Charitable works contributions

Métropole Télévision SA allocates 0.65% of its employee payroll for charitable works contributions.

9.2 REMUNERATION OF 10 HIGHEST PAID STAFF DURING 2003

Total(1) :	€ 4.3 millions

(1) includes Management Board and Supervisory Board members but excludes Girondins de Bordeaux Football Club players given the atypical nature of this activity within a private television group.

10. INVESTMENT POLICY

M6 Group made investments of € 66.4 million in France in 2003, compared with € 139.8 million for 2002 and € 79 million for 2001, relating primarily to co-productions and financial investments.

Financial investments in 2003 primarily comprised a € 53.8 million acquisition of an increased ownership interest in TPS and a € 2.5 million paid to acquire the Mandarin company, which specialises in the production of box office films.

11. OFF-BALANCE SHEET COMMITMENTS

M6 Group had given Off-Balance Sheet commitments of € 1,073 million at 31 December 2003, primarily consisting of:

– € 412.4 million representing amounts remaining to be paid on contracts for co-production of films and audiovisual programming as well as amounts relating to rights acquisition contracts;

– € 183.1 million relating to the transmission of images and the rental of satellites and transponders;

– € 439.4 million in commitments given regarding partnerships (Sociétés en Nom Collectif) it is involved in

Commitments received amounted to € 456.5 million and relate primarily to commitments received concerning partnerships in which it is involved in (€ 446.2 million).

12. 2004 OUTLOOK

M6 will continue to pursue its programming policy by broadcasting powerful events programming and magazines and dramas that can attract large audiences and increase the network's advertising revenues share.

Brand Diversification operations should benefit from the many synergies developed with terrestrial free TV with regard to its publications, music and interactive activities.

The commercialisation of the Gone with the Wind show will continue with a tour of France and internationally. The Paris Première channel will be integrated into the Group's specialty channels operations.

The Multi4 company, established with the providers of Réseau R4 services, will take the necessary decisions for the installation of the network within the timetable set by the CSA.

GIE Fréquences will monitor the redeployment of frequencies while limiting the brand image loss of its members.

13. EXCEPTIONAL EVENTS AND LITIGATION

■ Paris Première/M6 Publicité :

M6 Publicité concluded on 7 June 2001 an advertising sales agency contract with Paris Première for a period three years, providing for the payment to Paris Première by M6 Publicité of a minimum guarantee amount, subject to the realisation of a condition concerning Paris Première's audience shares.

Although these audience shares were never achieved, Paris Première contested the non-application of the minimum guaranteed amount by M6 Publicité, which is the object of an ongoing litigation since 30 July 2003, the date on which the matter was first heard by the Tribunal of Commerce of Paris, concerning essentially the interpretation of the terms of this agency contract.

■ M6 advertisement breaks in Switzerland

Pursuant to the CSA's decision of 8 October 2001, M6 was authorised to make advertising breaks in Switzerland for programmes it broadcasts there, within the framework of a secondary retransmission, and in application of the provisions of the European Council's Trans-border Television international agreement.

This retransmission was the object of four separate litigations by the Swiss broadcaster SSR, of which only one remains pending:

- two legal proceedings before the Tribunal of Freiberg (initial proceeding and appeal) for a temporary injunction seeking to block the broadcasting in full or part of all M6 programmes including the said advertisement breaks. The Tribunal dismissed both of these proceedings initiated by SSR;
- a legal proceeding before the French Conseil d'Etat en France, which rendered its decision on 21 November 2003, confirming the exclusive application of French Law regarding M6's broadcasts in Switzerland, provided that advertising breaks respect both and French and Swiss law;
- one legal proceeding before the Tribunal of Freiberg, seeking to recognise that M6's broadcast constitutes an infringement of copyrights and acts of unfair competition.

14. IFRS ACCOUNTING STANDARDS

■ Overview of conversion to IFRS accounting standards

M6 will apply IFRS *(International Financial Reporting Standards)* in preparing its consolidated accounts from 1 January 2005, in accordance with European N° 1606/2002 of 19 July 2002, applicable to the consolidated accounts of European companies whose shares are traded on a regulated market. .

In application of this regulation and in accordance with IFRS 1 "First time adoption of International Financial Reporting Standards ", the consolidated accounts of M6 Group for the financial year-ending 31 December 2005 will be prepared in accordance with IFRS standards, and will include 2004 comparative financial statements prepared under the same basis.

In this context, in order to prepare an opening Balance Sheet at 1 January 2004 and to prepare 2005 consolidated accounts based on IFRS standards, M6 has implemented already in 2003 an accounts conversion project.

Project timetable

The first phase of this project has as its objective the diagnosis of the divergences between the new standards and the Group's current practices, and to define the Group's new financial accounting and reporting principles.
This diagnosis phase should be completed in June 2004. Nevertheless, this review will only be deemed complete with the publication by the IASB of the last awaited standards and their approval by the European Union.

The second phase of the project will begin in the summer of 2004 and will have as its objective the quantification of the impact on the 1 January 2004 Balance Sheet, to implement the recurring process of preparing the consolidated accounts using the IFRS basis (including modifications made to the information systems, as necessary), and to ensure the training of the operating and financial teams.
This second phase is scheduled to be completed before 31 December 2004.

Project organisation

The project is directed by the Group Finance Department and has been placed under the responsibility of the project leader, who supervises nine workgroups who in turn are responsible for the implementation of the two phases of the accounting standards conversion project.
These workgroups are comprised of Finance Department personnel and operating managers. Their conclusions and their work will be the subject of a technical review conducted by the Statutory Auditors of M6 Group.

The Finance Department of selected subsidiaries, including FC Girondins de Bordeaux, HSS and TPS, may be asked to deal with matters that concern them directly, in coordination with the head of the corresponding workgroup.

Principal divergences identified

Items identified as requiring detailed review are as follow:
- Segment reporting (IAS 14),
- Employee benefits (IAS 19 (ED 2) and IAS 26),
- Valuation of assets (IAS 2, 16, 17 and 38).

Other standards susceptible to having an impact on the 2005 consolidated accounts and 2004 comparatives are also in the process of being reviewed, and it is not possible at this stage to conclude on these analyses.
The information system environments and potential adaptation of the Group's ERP software are also in the process of being reviewed.

STATUTORY AUDITORS' REMUNERATION FOR 2003

(en K€)	Ernst & Young	KPMG	PERONNET	AMYOT	TOTAL
Financial Audit					
■ Statutory audit planning, execution and reporting work	245	198	32	27	**502**
■ Other audit work	47	32	-	-	**79**
Subtotal	**292**	**230**	**32**	**27**	**581**
Other Services					
■ Tax, legal and administrative	43	-	-	-	**43**
■ Information technologies	-	-	-	-	-
■ Internal audit	-	-	-	-	-
■ Other (> 10% of audit fees)	20	20	-	-	**40**
Subtotal	**63**	**20**	**-**	**-**	**83**
Total	**355**	**250**	**32**	**27**	**664**

Financial statements

CONSOLIDATED BALANCE SHEET / ASSETS (€ millions)

At 31 December		2003			2002	2001
	Notes	Gross	Acc Dep & Amort/Prov	Net	Net	Net
ACQUSITION GOODWILL	**3.1**	**23.3**	**12.6**	**10.7**	**15.1**	**23.9**
Audiovisual rights		198.3	165.2	33.1	39.8	37.4
Business goodwill		91.8	0.2	91.6	91.8	0.8
Other intangible assets		227.6	201.9	25.7	27.7	16.9
Advances on non-current assets		21.8		21.8	22.0	25.6
INTANGIBLE ASSETS	**3.2**	**539.5**	**367.3**	**172.2**	**181.3**	**80.7**
Land		7.8		7.8	7.8	6.0
Buildings		56.1	16.8	39.3	42.0	44.6
Facilities and equipment		34.7	29.2	5.5	6.8	8.1
Other property, facilities and equipment		126.6	91.4	35.2	39.9	7.1
Assets under construction		3.7		3.7	1.5	0.7
PROPERTY, FACILITIES AND EQUIPMENT	**3.2**	**228.9**	**137.4**	**91.5**	**98.0**	**66.5**
Equity investments	3.3	3.4	2.9	0.5	0.8	0.8
Investment receivables	3.4	7.2		7.2	16.7	57.3
Other investments	3.5	1.0	0.0	1.0	1.0	2.0
INVESTMENTS		**11.6**	**2.9**	**8.7**	**18.5**	**60.1**
TOTAL NON-CURRENT ASSETS		**803,3**	**520,2**	**283,1**	**312,9**	**231,2**
Broadcast rights inventory	3.6	286.4	68.1	218.3	218.4	188.3
Commercial inventory	3.6	15.0	7.1	7.9	6.0	6.1
Trade receivables	3.7	280.8	17.2	263.6	258.4	194.0
Other receivables	3.7	157.0	1.6	155.4	160.2	121.4
Cash and marketable securities	3.8	293.3	39.7	253.6	259.5	248.3
TOTAL CURRENT ASSETS		**1,032.5**	**133.7**	**898.8**	**902.5**	**758.1**
Deferred tax assets	3.9	33.9		33.9	23.7	26.8
TOTAL ASSETS		**1,869.7**	**653.9**	**1,215.8**	**1,239.1**	**1,016.1**

CONSOLIDATED BALANCE SHEET / EQUITY AND LIABILITIES (€ millions)

At 31 December	Notes	2003	2002	2001
Share capital		52.8	52.8	52.8
Share premium		24.2	24.2	24.2
Reserves		210.9	173.3	131.8
Financial year net profit		131.6	111.8	116.2
GROUP EQUITY	3.1	**419.5**	**362.1**	**325.0**
Investment grants		0.5	0.6	1.7
OTHER EQUITY		**0.5**	**0.6**	**1.7**
TOTAL EQUITY		**420.0**	**362.7**	**326.7**
MINORITY INTEREST	3.11	**(1.2)**	**(0.4)**	**(0.6)**
PROVISIONS FOR LIABILITIES AND CHARGES	3.12	**67,1**	**90,2**	**178,0**
BORROWINGS	3.13	**46,0**	**90,5**	**0,0**
Trade payables		426.2	433.3	309.4
Income tax and social security liabilities		151.5	114.8	95.3
OPERATING LIABILITIES	3.14	**577.7**	**548.1**	**404.7**
Liabilities relating to non-current assets	3.14	26.9	63.6	52.4
Other liabilities and accruals		72.5	76.8	49.0
OTHER LIABILITIES	3.14	**99.4**	**140.4**	**101.4**
Deferred tax liabilities	3.9	6.8	7.6	5.9
TOTAL EQUITY AND LIABILITIES		**1 215.8**	**1 239.1**	**1 016.1**

CONSOLIDATED INCOME STATEMENT (€ millions)

Financial year ending 31 December	Notes	2003	2002	2001
Sales	4.1	1,176.9	948.5	845.3
Other operating revenues	4.2	49.2	41.3	28.1
OPERATING REVENUES		**1,226.1**	**989.8**	**873.4**
Cost of sales	4.3	595.7	455.9	363.5
Personnel costs (including profit sharing plan contributions)	4.4	155.6	128.9	104.0
Other operating expenses	4.5	76.7	79.9	55.7
Taxes, duties and royalties		56v9	51.2	47.1
Depreciation, amortisation and provision net charges	4.6	127.9	80.8	89.9
OPERATING EXPENSES		**1 012.8**	**796.7**	**660.2**
OPERATING PROFIT	4.7	**213.3**	**193.1**	**213.2**
NET FINANCE INCOME	4.8	**3.6**	**1.0**	**7.2**
PROFIT BEFORE TAX FROM ORDINARY ACTIVITIES		**216.9**	**194.1**	**220.4**
NET EXCEPTIONAL INCOME/(EXPENSES)	4.9	**(9.3)**	**(14.9)**	**0,4**
Income tax	4.1	73.6	58.2	70.4
PROFIT BEFORE SHARE OF ASSOCIATES' RESULTS		**134,0**	**121,0**	**150.3**
SHARE OF ASSOCIATES' RESULTS	4.11	**(1.6)**	**(6.9)**	**(30.0)**
PROFIT BEFORE MINORITY INTEREST AND ACQUISITION GOODWILL AMORTISATION		**132.4**	**114.1**	**120.3**
Acquisition goodwill amortisation		**2.3**	**3.3**	**5.1**
MINORITY INTEREST	3.11	**(1.5)**	**(1.0)**	**(0.9)**
NET PROFIT		**131.6**	**111.8**	**116.2**
Number of shares in circulation(thousands)		131,889	131,889	131,889
Earnings Per Share - Basic (€)		0.998	0.847	0.881
Earnings Per Share - Diluted (€)		0.989	0.848	0.881

CONSOLIDATED CASH FLOW STATEMENT (€ millions)

Financial year ending 31 December	2003	2002	2001
Operating activities			
Financial year net profit	131.6	111.8	116.2
Minority interest's share of subsidiaries' net loss	(1.5)	(1.0)	(0.9)
Share of associates' results	1.6	6.9	30.0
Elimination of items not impacting on operating cash flows			
Depreciation, amortisation and provision charges	140.3	105.2	112.8
Net losses/(gains) from non-current asset disposals	0.6	6.2	(23.3)
Other items	(11.2)	2.9	(2.7)
CASH FLOW FROM OPERATIONS	**261.4**	**232.0**	**232.1**
Movements in working capital requirements			
Inventories	(13.3)	(4.8)	(47.0)
Trade receivables	(23.8)	(23.0)	(1.9)
Operating liabilities	40.7	38.5	78.3
Transfer of expenses to deferred charges	(9.1)	(15.6)	-
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	**(5.4)**	**(5.0)**	**29.4**
NET CASH FROM OPERATING ACTIVITIES	**256.0**	**227.0**	**261.4**
Investing activities			
Intangible asset acquisitions	(46.4)	(56.3)	(53.6)
Property, facilities and equipment acquisitions	(18.4)	(17.9)	(7.0)
Investment acquisitions	(1.7)	(8.9)	(12.3)
Acquisitions related borrowings (1)	(36.7)	10.1	(68.8)
Cash and cash equivalents arising from acquisitions/disposal of subsidiaries	0.1	(55.8)	26.6
Intangible assets and property, facilities and equipment disposals	0.4	0.0	1.4
Investments disposals/writedowns	1.0	0.1	(0.4)
NET CASH USED IN INVESTING ACTIVITIES	**(101.6)**	**(128.6)**	**(114.2)**
Financing activities			
Share capital increases	0.2	0.4	0.9
Borrowings repayments	(44v6)	(14.6)	-
Dividends paid to Parent Company shareholders and minority interest	(73.6)	(73.1)	(65.8)
NET CASH USED IN FINANCING ACTIVITIES	**(118.0)**	**(87.2)**	**(65.0)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**36.4**	**11.2**	**82.3**
Cash and cash equivalents - start of year	259.5	248.3	166.0
Treasury shares provision - start of year (2)	(42.3)		
CASH AND CASH EQUIVALENTS - END OF YEAR	**253.6**	**259.5**	**248.3**
including treasury shares (net book value) (2)	24.4	69.3	70.4

(1) previously accounted for as operating liabilities
(2) accounted for prior to 2003 as a provision for liability

PROFORMA CONSOLIDATED INCOME STATEMENT (€ millions) (Note N°7)

Financial year ending 31 December	2003	2002
Sales	1 176.9	1 071.3
Other operating revenues	49.2	41.8
OPERATING REVENUES	**1 226.1**	**1 113.1**
Cost of sales	595.7	545.0
Personnel costs (including profit sharing plan contributions)	155.6	140.2
Other operating expenses	76.7	83.1
Taxes, duties and royalties	56.9	53.8
Depreciation, amortisation and provision net charges	127.9	100.3
OPERATING EXPENSES	**1 012.8**	**922.4**
OPERATING PROFIT	**213.3**	**190.7**
NET FINANCE INCOME/(EXPENSE)	**3.6**	**(2.8)**
PROFIT BEFORE TAX FROM ORDINARY ACTIVITIES	**216.9**	**187.9**
NET EXCEPTIONAL EXPENSES	**(9.3)**	**(15.0)**
Income tax	73.6	58.3
PROFIT BEFORE SHARE OF ASSOCIATES' RESULTS	**134.0**	**114.5**
SHARE OF ASSOCIATES' RESULTS	**(1.6)**	**(2.3)**
PROFIT BEFORE ACQUISITION GOODWILL AMORTISATION	**132.4**	**112.2**
Acquisition goodwill amortisation	**2.3**	**2.1**
MINORITY INTEREST	**(1.5)**	**(1.0)**
NET PROFIT	**131.6**	**111.0**

PROFORMA CONSOLIDATED CASH FLOW STATEMENT (€ millions)

Financial year ending 31 December	2003	2002
Cash flow from operations		
Financial year net profit	131.6	111.0
Minority interest's share of subsidiaries' net loss	(1.5)	(1.0)
Share of associates' results	1.6	2.3
Elimination of items not impacting on operating cash flows		
Depreciation, amortisation and provision charges	14.3	123.7
Net losses/(gains) from non-current asset disposals	0.6	(2.5)
Other items	(11.2)	2v9
CASH FLOW FROM OPERATIONS	**261.4**	**236.4**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, POLICIES AND METHODS

1.1 CONSOLIDATION PRINCIPLES AND METHODS

M6 (Métropole Télévision) Group consolidated financial statements are prepared in accordance with Regulation 99-02 of the French Accounting Regulatory Committee (CRC).
They conform to the consolidation principles and methods described below. Unless otherwise indicated, all amounts stated in the Notes are in millions of Euros (€).

Financial year-end

All companies have a 31 December financial year-end.

Financial statements comparability

The 31 December 2003 consolidated financial statements were prepared using the same methods as those used to prepare the 31 December 2002 consolidated financial statements.
On 2 October 2002, M6 Group increased its ownership interest in TPS Group from 25% to 34%, resulting in a change in the accounting for its investment in TPS Group to the proportional consolidation method from the equity method as of this date.
In order to provide comparable financial information, the M6 Group consolidated financial statements for the financial year 31 December 2002 have also been presented on a proforma basis, as if the Group had proportionally consolidated a 34% ownership interest in TPS Group from 1 January 2002.
Consolidated balances and results prepared from historical data are discussed and analysed in Note 3 to the Consolidated Balance Sheet and Note 4 to the Consolidated Income Statement.
Proforma accounting results are presented in Note 7 - Proforma Consolidated Financial Statements.

Consolidation scope

Consolidated subsidiaries

Companies exclusively controlled by M6 Group are fully consolidated.
Companies jointly controlled are proportionally consolidated.
Other companies over which M6 Group exercises significant influence are equity accounted.
Dormant companies and companies in which M6 Group exercises no significant influence are accounted for under the cost method

CONSOLIDATION SCOPE

Company	Legal form	Operations	% share capital	% voting rights	Method	Nationality
Métropole Télévision - M6	SA	Parent company	-	-	FC	French
C. Productions	SA	Programme production	99.98%	100.00%	FC	French
Culture Mag Editions	SNC	Print magazine publication	90.00%	90.00%	FC	French
Edi TV - M6 Music	SNC	M6 Music music channel	100.00%	100.00%	FC	French
FC Girondins de Bordeaux	SASP	French Premier League Football Team	98.76%	98.76%	FC	French
Fun TV	SNC	Fun TV music channel	100.00%	100.00%	FC	French
Immobilière M6	SA	Neuilly building	100.00%	100.00%	FC	French
Live Stage	SAS	Staging of shows and events	70.50%	70.50%	FC	French
M6 Bordeaux	SAS	Local TV station	100.00%	100.00%	FC	French
M6 Diffusion	SA	Holding company - digital operations	100.00%	100.00%	FC	French
M6 Droits Audiovisuels	SA	Broadcast rights sale	99.94%	100.00%	FC	French
M6 Editions	SA	Print publications	99.98%	100.00%	FC	French
M6 Evénements	SA	Staging of shows and events	100.00%	100.00%	FC	French
M6 Films	SA	Co-production of films	99.98%	100.00%	FC	French
M6 Foot	SAS	Holding company - sports operations	99.00%	99.00%	FC	French
M6 Interactions	SAS	Secondary rights exploitation	100.00%	100.00%	FC	French
M6 Numérique	SNC	Holding company - digital operations	100.00%	100.00%	FC	French
M6 Publicité	SAS	Advertising sales agency	99.97%	100.00%	FC	French
M6 Studio	SAS	Production of animated feature films	100.00%	100.00%	FC	French
M6 Thématique	SA	Holding company – specialty channels	99.96%	100.00%	FC	French
M6 Toulouse	SAS	Local TV station	100.00%	100.00%	FC	French
M6 Web	SAS	Internet content and access provider	100.00%	100.00%	FC	French
Mandarin	SAS	Production of feature films	100.00%	100.00%	FC	French
Métropole Production	SA	Production of audiovisual programming	99.98%	100.00%	FC	French
SCI du 107	SCI	Neuilly building	100.00%	100.00%	FC	French
Sedi TV - Téva	SNC	Téva specialty channel	51.00%	51.00%	FC	French
Sté Nelle de Distribution	SA	Distribution of films to movie theatres	100.00%	100.00%	FC	French
Studio 89 Productions	SAS	Production of audiovisual programming	100.00%	100.00%	FC	French
W9 Production	SAS	Production of audiovisual programming	100.00%	100.00%	FC	French
ExtensionTV - Série Club	SA	Série Club specialty channel	50.00%	50.00%	PC	French
TCM DA	SNC	Broadcast rights portfolio	50.00%	50.00%	PC	French
TF6	SCS	TF6 specialty channel	50.00%	50.00%	PC	French
TF6 Gestion	SA	TF6 management company	50.00%	50.00%	PC	French
HSS Sub-Group:						
Home Shopping Service	SA	Home shopping broadcasts	99.80%	100.00%	FC	French
Club Téléachat	SNC	24-7 home shopping channel	99.80%	100.00%	FC	French
HSS Belgique	SA	Home shopping broadcasts	99.80%	100.00%	FC	Belgian
HSS Hongrie	SA	Home shopping broadcasts	99.80%	100.00%	FC	Hungarian
SETV Belgique	GIE	Management and promotion of home shopping	99.80%	100.00%	FC	Belgian
Tecipress	SA	Production and completion of audiovisual programmes	99.80%	100.00%	FC	French
Télévente promotion	SA	Home shopping broadcasts	99.80%	100.00%	FC	French
TV Store	SA	Home shopping programmes acquisition and broadcast	100.00%	100.00%	FC	French
Unité 15 Belgique	SA	Customer services	99.80%	100.00%	FC	Belgian
Unité 15 France	SA	Management and promotion of home shopping	99.80%	100.00%	FC	French
Home Travel Services	SARL	Travel sales	50.00%	50.00%	PC	French
RTL Shop	GMBH	Home shopping programmes production and broadcast	20.00%	20.00%	EA	German
TPS Sub-Group:						
TPS	SNC	Broadcaster of digital channels	34.00%	34.00%	PC	French
Multivision	SNC	Pay-per-view specialty channel	34.00%	34.00%	PC	French
TPS Cinéma	SNC	Film specialty channel	34.00%	34.00%	PC	French
TPS Cinéfaz	SNC	A to Z film specialty channel	34.00%	34.00%	PC	French
TPS Cinéstar	SNC	Film specialty channel	34.00%	34.00%	PC	French
TPS Cinétoile	SNC	Film specialty channel	34.00%	34.00%	PC	French
TPS Entreprises	SNC	Communications projects	34.00%	34.00%	PC	French
TPS Foot	SNC	Sports specialty channel	34.00%	34.00%	PC	French
TPS Interactif	SNC	Production and commercialisation of services	34.00%	34.00%	PC	French
TPS Jeunesse	SNC	Youth specialty channel	34.00%	34.00%	PC	French
TPS Motivation	SA	Management of marketable securities	34.00%	34.00%	PC	French
TPS Sport	SNC	Sports specialty channel	34.00%	34.00%	PC	French
TPS Terminaux	SNC	Management of equipment fleet	34.00%	34.00%	PC	French

* FC = Full Consolidation   PC = Proportionate Consolidation   EA = Equity Accounting

The following changes to the Group structure occurred during 2003:
– four companies were consolidated for the first time in 2003: Live Stage, Studio 89 Productions, W9 Production and M6 Studio;
– M6 Publicité Interactive company was absorbed by M6 Publicité;
– within the HSS Sub-Group, the HSS Canada subsidiary was sold and the Group's holding in TV Store was increased to 100% from 50% for 2002;
– within the TPS Sub-Group, the Sent company was liquidated.
There are no Special Purpose companies.

NON-CONSOLIDATED COMPANIES

Company	Legal Form	Operations	% share capital	Nationality
Athleteline	SAS	Production of multimedia sports content	3.64%	French
ENEX	SA	News images exchange company	20.00%	French
Labo Productions	SARL	Programme production	51.00%	French
M6 Affaires	SAS	Dormant company	99.99%	French
M6 Communication	SAS	Dormant company	99.99%	French
M6 Création	SAS	Dormant company	99.99%	French
M6 Développement	SAS	Dormant company	99.99%	French
M6 Opération	SAS	Dormant company	99.99%	French
Metropolest	SA	Local TV station	49.88%	French
Multiplex R4	SAS	Television programmes broadcast	41.67%	French
Paris Première	SA	Television channel	10.66%	French
TCM Gestion	SA	TCM management company	50.00%	French
TPS Gestion	SA	TPS management company	34.00%	French

Intercompany transactions and balances

All significant intercompany transactions and balances between consolidated companies have been eliminated

1.2 VALUATION POLICIES AND METHODS

1.2.1 Acquisition goodwill

At the time of an acquisition, the difference between the acquisition cost and the corresponding share in the net assets at the date of the acquisition, after allocating specific valuation differences (excess fair market values), is classified as an 'Acquisition Goodwill' asset on the Balance Sheet.

M6 Group continues to apply the partial revaluation method, in accordance with the option allowed in section 230 of CRC regulation 99-02.

Acquisition goodwill is ordinarily amortised on a straight-line basis over 10 years, but may be the subject of accelerated amortisation where the financial situation of the subsidiary justifies it.
M6 Group did not opt for an early application of CRC Regulation 2002-10 concerning asset writedown provisions. However, the method applied to realise this comparison did not result in any significant differences with that prescribed by this Regulation.

1.2.2 Intangible assets

Intangible assets primarily comprise:
• advances and payments on account,
• audiovisual rights held for commercialisation by companies with such a mandate
• co-production share of drama and feature film and other costs,
• business goodwill,
• computer software.

Advances and payments on account

Advances and payments on account on intangible assets comprise unused audiovisual rights and co-production rights awaiting receipt of technical acceptance or exploitation visa.

Audiovisual rights

Audiovisual rights, comprising rights to films for movie theatre distribution, as well as television and videographic rights, purchased with or without a minimum guarantee, in view of their commercialisation, are classified as an intangible asset and amortised on a straight-line basis over the life of the contract or the following upper limits, whichever is the lesser:
• 3 years, if the company is a distributor of these rights;
• 5 years, if the company is a dealer in these rights.
An additional provision may be established, on a case-by-case basis, according to the future cash receipts prospects.
This provision appears in the consolidated financial statements as incremental amortisation.

Co-Production costs – films for movie theatre distribution, dramas and other

Co-production costs are also capitalised as non-current assets and are amortised on the basis of their receipts or straight-line over three years where their receipts are insufficient.
These assets may be subject to accelerated amortisation when it appears that the present value of future receipts will be insufficient.

Business goodwill

Business goodwill primarily comprises market shares relating to ownership interests acquisition.

These intangible assets are subject to periodic valuations in order to justify the maintenance of their value, and are written down to their fair market values when these are below net book value.
TPS business goodwill is compared to its net realisable value on an annual basis, or more frequently if necessary.

M6 Group did not opt for an early application of CRC Regulation 2002-10 concerning asset writedown provisions. However, the method applied to realise this comparison did not result in any significant differences with that prescribed by this Regulation.

Net realisable value is the greater of fair market value and value I use. In order to determine its value in use, intangible assets for which no independent cash flows can be directly associated with are grouped together within a Cash Flow Generating Unit (CFGU) to which they belong. The value in use of the CFGU is determined using the Discounted Cash Flow methods, based on the following principles:
- cash flows are derived from medium term business plans set by the entity concerned;
- the discount rate retained corresponds to the Group' weighted average cost of capital;
- the terminal value is calculated by summing to infinity the discounted cash flow determined on the basis of a standardised flow and a perpetual growth rate. This growth rate is in agreement with the development potential of the markets on which the entity operates, as well as its competitive position on these markets.

The net realisable value thus calculated for the CFGU is then compared to the net value of these non-current assets (including acquisition goodwill), as they appear on the consolidated Balance Sheet. A provision for writedown is established if the Balance Sheet value exceeds the CFGU's net realisable value.

Computer software

Computer software purchased is reported at acquisition cost and amortised on a straight-line basis over one to five years.

1.2.3 Property, facilities and equipment

Property, plant and equipment assets are recorded at their acquisition cost, and are depreciated on a straight-line basis over the following useful lives:

Buildings	25 years
General-purpose facilities, office furniture	10 years
Satellite TV boxes	5 years
Computer hardware	4 years
Office and technical equipment	3 to 5 years

Assets acquired through finance leases are, for purposes of consolidation, capitalised as property, facilities and equipment assets on the Balance Sheet together with an offsetting borrowings liability amount.

1.2.4 Investments

Non-consolidated investments are recorded at their acquisition cost.
A writedown provision is established when their value in use is lower than their acquisition cost.

1.2.5 Inventories

Inventories are primarily comprised of broadcast rights and, to a lesser extent, commercial inventories.

Broadcast rights

Broadcast rights are transferred from inventory and charged to cost of sales as the programmes they relate to are broadcast on TV, in accordance with the following rules:
- rights acquired for a single broadcast and various rights (documentaries, concerts etc.): 100% expensed on first broadcast
- rights acquired for multi-broadcasts:
• 1st broadcast: 67%
• 2nd broadcast: 33%.

A provision for writedown is established for broadcast rights relating to programmes that are not likely to be broadcast.

Commercial inventories

These inventories comprise derivative products and home shopping products, relating to the Brand Diversification activities of M6 Group.
Inventory acquisitions are recorded at their purchase cost, net of any trade discounts and rebates earned, but excluding the effect of any possible settlement discounts. Cost of sales is recorded at purchase cost.
A writedown provision is established whenever their value in use is less than the purchase cost.

1.2.6 Receivables and liabilities

Receivables and liabilities are valued at their nominal values.
A provision for receivables writedown is established based on the risks of non-collection.

1.2.7 Translation of foreign exchange denominated transactions

Foreign currency denominated receivables and liabilities are recorded at their Balance Sheet date exchange rate.
Only deferred exchange losses are recognised in the Income Statement.

1.2.8 Marketable securities

Marketable securities are recorded at their gross value.
A provision is established whenever the market value is less than the acquisition cost

1.2.9 Treasury shares

The Métropole Télévision company holds treasury shares for the purpose of distribution to employee beneficiaries who exercise their stock options.
They are recorded at their gross book value as marketable securities. A marketable securities writedown provision is established when their market price or exercise price is less than their acquisition cost. This writedown provision was previously accounted for as a provision for liability.

1.2.10 Deferred tax

Consolidated deferred taxes primarily result from:
- temporary differences between the different financial periods in which revenues and expenses are recognised for tax and accounting purposes;
- elimination from the consolidated accounts of accounting entries that were made solely for tax law purposes.

Deferred tax is calculated using the liability method, without any discounting, as the latter impact is insignificant given that most reversals occur in the short term.
Deferred tax assets are only recorded if the companies have a reasonable assurance of being able to use them in future years.

1.2.11 Provision for liabilities and charges

Provisions are established an individual basis for liabilities and charges whose occurrences are likely to result based on previous events or those in process. Each provision is valued based on their likely future financial impact, estimated on information available at year-end.

1.2.12 Provision for retirement benefits

The provision for retirement benefits was calculated in accordance with IAS 19, using an actuarial method that takes into account the acquired rights of all Group's employees and their most recent salary.

1.2.13 Financial instruments

The Group avails itself of futures contracts to reduce its exposure to foreign exchange and interest rates fluctuations.
Contracts that have not yet been exercised are treated as Off-Balance Sheet commitments at their nominal value.

1.2.14 Revenue recognition

Advertising revenues are recorded net of commercial discounts.
Brand Diversification revenues are recorded at the moment of service/products delivery and are recorded net of returns provisions.

1.2.15 Exceptional income and expenses

Exceptional income and exceptional expenses arise from activities other than those concerning the ordinary activities of the business, as well as those arising from infrequent events that are unusual in their nature or value.

1.2.16 Earnings per share

Earnings per share is calculated in accordance with Standard n° 27 of the French Institute of Public Accountants (Ordre des Experts-Comptables) using two methods:
- basic earnings per share are calculated based on the number of shares in circulation,
- diluted earnings per share is calculated when dilutive instruments exist.

Dilutive instruments exclusively relate to stock subscription options plans.
Diluted earnings per share reflect the impact on earnings, arising from the maximum possible dilution of financial instruments, on an instrument by instrument basis, regardless of their dilution probability.

Funds arising from the resulting creation of new shares are collected on the date these financial instruments are issued and are placed and remunerated at the internal treasury rate of return, which is added before tax to net profit before dilution.
The calculation is effected taking into account the number of new shares created pursuant to the exercise of stock subscription options.

1.2.17 Consolidated cash flow statement

The Consolidated Cash Flow Statement presents the cash and cash equivalents movements that occurred for all the Group's consolidated companies during the financial year.
The impact on cash and cash equivalents of subsidiaries being included or excluded from the Group structure as a result of their recent acquisition or disposal is identified as 'Cash and cash equivalents arising from acquisitions/disposals of subsidiaries'.
Cash and cash equivalents comprise the Group's cash and marketable securities, including treasury shares, net of any write-down provisions.

2. 2003 FINANCIAL YEAR SIGNIFICANT EVENTS

No significant transactions or events occurred in 2003.

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 ACQUISITION GOODWILL

The decrease in acquisition goodwill during 2003 arises from the:
- allocation of the full € 2.1 million Mandarin acquisition goodwill to catalogue rights held by this Company,
- amortisation of acquisition goodwill.

Analysis of acquisition goodwill by company:

(€ millions)	Gross	Acc. amortisation	31 Dec. 2003 Net	31 Dec. 2002 Net
HSS	10.4	6.3	4.1	5.0
Unité 15	0.2	0.2	-	-
TPS Multivision	1.6	1.6	-	-
TCM	0.6	0.3	0.3	0.4
Fun TV	8.4	3.5	4.9	5.8
M6 Foot	0.7	0.1	0.6	0.6
SND	1.1	0.3	0.8	0.9
Culture Mag Editions	0.3	0.3	-	0.3
Mandarin	-	-	-	2.1
TOTAL	**23.3**	**12.6**	**10.7**	**15.1**

3.2 NON-CURRENT ASSETS

3.2.1 Intangible assets

(€ millions)	31 Dec. 2002	Additions/ amortisation	Disposals	31 Dec. 2003
Gross book value				
Audiovisual rights	192.9	12.8	7.4	198.3
Business goodwill	91.8	-	-	91.8
Other intangible assets	194.2	35.1	1.7	227.6
Advances on intangible assets	22.0	19.9	20.1	21.8
Total	**500.9**	**67.8**	**29.2**	**539.5**
Accumulated amortisation				
Audiovisual rights	153.1	19.8	7.7	165.2
Business goodwill	-	0.2	-	0.2
Other intangible assets	166.5	36.9	1.5	201.9
Total	**319.6**	**56.9**	**9.2**	**367.3**
Net book value				
Audiovisual rights	39.8	(7.0)	(0.3)	33.1
Business goodwill	91.8	(0.2)	-	91.6
Other intangible assets	27.7	(1.8)	0.2	25.7
Advances on intangible assets	22.0	19.9	20.1	21.8
Total	**181.3**	**10.9**	**20.0**	**172.2**

Advances on intangible assets comprise unused audiovisual rights and co-production rights awaiting receipt of technical acceptance. They are subsequently reclassified as audiovisual rights and other intangible assets.
Business goodwill essentially relates to intangible assets associated with the TPS Sub-Group.
The review of business goodwill valuations using the methodology described in Note 1.2.2 does not result in a loss of value at 31 December 2003.

3.2.2 Property, facilities and equipment (PFE)

(€ millions)	31 Dec. 2002	Additions/ depreciation	Disposals	31 Dec. 2003
Gross book value				
Land	7.8	-	-	7.8
Buildings	56.2	-	0.1	56.1
Technical facilities and equipment	33.5	2.3	1.1	34.7
Other PFE assets (1)	115.0	14.0	2.4	126.6
Advances on PFE	1.5	3.2	1.0	3.7
Total	**214.0**	**19.5**	**4.6**	**228.9**
Accumulated depreciation				
Buildings	14.2	2.6	-	16.8
Technical facilities and equipment	26.7	3.4	0.9	29.2
Other PFE assets (2)	75.1	18.0	1.7	91.4
Total	**116.0**	**24.0**	**2.6**	**137.4**
Gross book value				
Land	7.8	-	-	7.8
Buildings	42.0	(2.6)	0.1	39.3
Technical facilities and equipment	6.8	(1.1)	0.2	5.5
Other PFE assets (1)	39.9	(4.0)	0.7	35.2
Advances on PFE	1.5	3.2	1.0	3.7
Total	**98.0**	**(4.5)**	**2.0**	**91.5**

(1) including finance lease amount of € 23.6 million
(2) including finance lease amount of € 12.1 million
Other PFE assets at 31 December 2003 comprised € 23.7 million in TPS satellite TV boxes.

3.3 EQUITY INVESTMENTS

(€ millions)	31 Dec. 2002	Acquisitions	Disposals/ Charges	31 Dec. 2003
Investments in non-consolidated companies [1]	0.5	0.1	0.1	0.5
Other equity investments [2]	2.9	-	-	2.9
Total	**3.4**	**0.1**	**0.1**	**3.4**
Other equity investments				
provision for writedowns (2) [2]	(2.6)	(0.3)	-	(2.9)
Total	**0.8**	**(0.2)**	**0.1**	**0.5**

[1] These are investments whose long-term holding is useful for group operating purposes but which are not of significant importance for the Group.
[2] These are investments in which the Group has less than 20% voting rights.

3.4 INVESTMENT RECEIVABLES

(€ millions)	31 Dec. 2002	Increases	Decreases	31 Dec. 2003
TCM DA	4.6	-	4.6	-
TPS	1.5		1.5	-
TF6	4.6		4.6	-
RTL SHOP	6.0	1.2	-	7,2
Total	**16.7**	**1.2**	**10.7**	**7.2**

3.5 OTHER INVESTMENTS

(€ millions)	31 Dec. 2002	Increases	Decreases	31 Dec. 2003
Deposits and sureties	1.0	0.7	0.7	1.0
Other	-	0.1	0.1	-
Total	**1,0**	**0,8**	**0,8**	**1.0**

3.6 BROADCAST RIGHTS AND COMMERCIAL INVENTORIES

(€ millions)	31 Dec. 2002	Increases	Decreases	31 Dec. 2003
Broadcast rights – gross value	276.0	169.7	(159.3)	286.4
Provision for writedown	(57.6)	(26.0)	15.5	(68.1)
Broadcast rights – net value	**218,4**	**143,7**	**(143,8)**	**218,3**
Commercial inventory – gross value	11.4	45.2	(41.6)	15.0
Provision for writedown	(5.4)	(5.2)	3.5	(7.1)
Commercial inventory – net value	**6.0**	**40.0**	**(38.1)**	**7,9**

Increases arise from the purchase of broadcast rights, while decreases relate to the broadcasting of the related programmes or the expiry of the rights.

3.7 TRADE AND OTHER RECEIVABLES

3.7.1 Movements during 2003

(€ millions)	31 Dec. 2002	Net movement	31 Dec. 2003
Trade receivables			
Advances and payments on account	13.2	(0.9)	12.3
Trade receivables	257.4	11.1	268.5
Subtotal – gross value	**270.6**	**10.2**	**280.8**
Provision for writedown	(12.2)	(5.0)	(17.2)
Total	**258.4**	**5.2**	**263.6**
Other receivables			
State receivables	74.3	15.8	90.1
Deferred charges	38.4	(11.4)	27.0
Other	49.0	(9.1)	39.9
Subtotal – gross value	**161.7**	**(4.7)**	**157.0**
Provision for writedown	(1.5)	(0.1)	(1.6)
Total	**160.2**	**(4.8)**	**155.4**

Deferred charges movements relate primarily to Girondins de Bordeaux players transfer costs allocated over the duration of their contracts and prepaid charges concerning TPS sports events retransmissions.

3.7.2 Analysis by maturity

(€ millions)	Total	Within 1 year	After 1 year	After 5 years
Trade receivables				
Advances and payments on account	12.3	12.3	-	-
Trade receivables	268.5	260.3	8.2	-
Subtotal – gross value	**280.8**	**272.6**	**8.2**	**-**
Provision for writedown	(17.2)	(17.2)	-	-
Total	**263.6**	**255.4**	**8.2**	**-**
Other receivables				
State receivables	90.1	90.1	-	-
Deferred charges	27.0	17.0	10.0	-
Other	39.9	14.8	24.3	0.8
Subtotal – gross value	**157.0**	**121.9**	**34.3**	**0.8**
Provision for writedown	(1.6)	(1.6)	-	-
Total	**155.4**	**120.3**	**34.3**	**0.8**

3.8 CASH AND MARKETABLE SECURITIES

(€ millions)	31 Dec. 2003	31 Dec. 2002
Treasury shares	64.1	69.3
Investment funds, SICAV and certificates of deposit	229.2	190.2
Subtotal – gross book value	**293.3**	**259.5**
Writedown provision for treasury shares	**(39.7)**	**-**
Total	**253.6**	**259.5**

The parent company, Métropole Télévision SA, held 1,390,352 of its own shares at 31 December 2003.
Year-end writedown provision amount was € 39.7 million compared to € 42.2 million for the previous year, which was accounted for as a provision for liability.
There were no unrealised holding gains on mutual funds and unit trusts as all had been realised at 31 December 2003.

3.9 DEFERRED TAX ASSETS AND LIABILITIES

(€ millions)	31 Dec. 2003	31 Dec. 2002
Temporary differences	33.8	23.6
Tax credits	-	0.1
Tax loss benefits	0.1	-
Total deferred tax Assets	**33.9**	**23.7**
Temporary differences	6.8	7.6
Total deferred tax liabilities	**6.8**	**7.6**

Deferred tax assets primarily consist of temporarily non-deductible provision charges.

3.10 GROUP EQUITY

	Share Capital	Share Premium	Group Reserves	Group Net Profit	Other	Total
At 31 December 2001	**52.8**	**24.2**	**131.8**	**116.2**	**-**	**325.0**
Group net profit for year				111.8		111.8
Allocation of 2001 net profit to reserves			116.2	(116.2)		
Parent company dividend distribution			(74.2)			(74.2)
Other movements			(0.5)			(0.5)
At 31 December 2002	**52.8**	**24.2**	**173.3**	**111.8**	**-**	**362.1**
Group net profit for year				131.6		131.6
Allocation of 2002 net profit to reserves			111.8	(111.8)		
Parent company dividend distribution			(74.2)			(74.2)
Other movements						
At 31 December 2003	**52.8**	**24.2**	**210.9**	**131.6**	**-**	**419.5**

The Company's share capital at 31 December 2003 amounted to € 52,755,476, consisting of 131,888,690 fully paid-up shares, each with a par value each of € 0.40.

3.11 MINORITY INTEREST

Opening balance – 1 January 2003	(0.4)
Minority interest share of subsidiaries' net losses [1]	(1.5)
Dividends paid to minority interests by subsidiaries	-
Minority interest share of partnerships' net income	0.7
Total	**(1.2)**

[1] Allocation by company	
Sedi TV	(1.4)
Girondins	(0.1)
Total	**(1.5)**

3.12 PROVISIONS FOR LIABILITIES AND CHARGES

(€ millions)	31 Dec. 2002	Charges	Uses	Reversals	Reclass.	31 Dec. 2003
Provisions for litigation [(1)]	10.6	20.1	1.4	0.9		28.4
Provisions for exchange losses	1.7	1.3	1.1	-		1.9
Provisions for associates writedowns	5.6	1.6	-	-		7.2
Other provisions for liabilities [(2)]	55.2	5.0	1.1	3.9	(42.2)	13.0
Provisions for liabilities	**73.1**	**28.0**	**3.6**	**4.8**	**(42.2)**	**50.5**
Provisions for retirement benefits	7.7	0.9	2.7	-		5.9
Other provisions for charges	9.4	2.7	1.4	-		10.7
Provisions for charges	**17.1**	**3.6**	**4.1**	**-**	**-**	**16.6**
Total	**90.2**	**31.6**	**7.7**	**4.8**	**(42.2)**	**67.1**
Impact on profitability						
Operating profitability		(19.1)		4.8		
Net finance income		(2.9)		-		
Net exceptional expense		(9.6)		-		

	(€ millions)
[(1)] Breakdown of provisions for litigation:	
- Provisions for M6 Television Network litigation	9.5
- Provisions for Brand Diversifications litigation	3.7
- Provisions for other Digital Pay TV litigation	8.3
- Provisions for customer accounts litigation	4.2
- Provisions for social litigation	2.7
Total	**28.4**
[(2)] Breakdown of other provisions for liabilities:	
- Provisions for TPS card piracy	3.0
- Provisions for other TPS risks	2.4
- Provisions for Girondins risks	3.3
- Others	4.3
Total	**13.0**

No additional disclosure of individual litigation amounts is provided, as their communication may be prejudicial to M6 Group.

The 1 January 2003 opening balance relating to treasury shares provision writedown (€ 42.2 million), which was reclassified to as a deduction to the gross value of marketable securities.

The following equity accounted investments reported a net deficit at 31 December 2003 and were accordingly classified as provisions for liabilities and charges

	31 December 2002				31 December 2003		
	Reserves	Net Loss	Changes in group structure	Total	Reserves	Net Loss	Total
TPS	(121.8)	(4.6)	126.4	-	-	-	-
TICKETNET	(2.9)	-	2.9	-	-	-	-
RTL Shop	(3.3)	(2.3)	-	(5.6)	(5.6)	(1.6)	(7.2)
Total	**(128.0)**	**(6.9)**	**129.3**	**(5.6)**	**(5.6)**	**(1.6)**	**(7.2)**

3.13 BORROWINGS

M6 Group borrowings result from its 34% share of TPS borrowings.

When all interest rate hedge transactions have been taken into account, TPS's borrowings are comprised of the following types of fixed interest borrowings:

At 31 december 2003 (€ millions)	Variable Rate	Standing Rate
Bank loans	-	38.2
Capital lease related debts	-	7.6
Interest payable	-	0.2
Total	**-**	**46.0**

Analysis by due date

(€ millions)	Total	Within 1 year	After 1 year	After 5 years
Bank loans	38.2	7.8	30.4	-
Capital lease related debts	7.6	2.7	4.9	-
Interest payable	0.2	0.2	-	-
Total	**46.0**	**10.7**	**35.3**	**-**

M6 Group borrowings did not result in any pledges, guarantees or real security.

3.14 OPERATING AND OTHER LIABILITIES

3.14.1 Movements during 2003

(€ millions)	31 Dec. 2002	Net change	31 Dec. 2003
Operating Liabilities			
Advances and payments on account [(1)]	54.1	(7.7)	46.4
Trade liabilities	379.2	0.6	379.8
Tax and social security liabilities [(2)]	114.8	36.7	151.5
Total	**548.1**	**29.6**	**577.7**
Other Liabilities			
Debt relating to non-current assets [(3)]	63.6	(36.7)	26.9
Deferred revenues	34.1	8.1	42.2
Other [(4)]	42.7	(12.4)	30.3
Total	**140.4**	**(41.0)**	**99.4**

(1) Generally comprises the Group's pro-rata share of TPS subscribers' guarantee deposits.

(2) Tax and social security liabilities include € 110.1 million in VAT and income tax liabilities at 31 December 2003.

(3) The decrease in debt relating to non-current assets primarily concerns the repayment of a € 27.2 million final payment arising from the 9% ownership interest acquisition in TPS.

(4) Comprises miscellaneous liabilities and current accounts with related parties.

3.14.2 Analysis by maturity

(€ millions)	Total	Within 1 year	After 1 year	After 5 years
Operating Liabilities				
Advances and payments on account	46.4	46.4	-	-
Trade liabilities	379.8	335.3	44.5	-
Tax and social security liabilities	151.5	151.3	0.2	
Total	**577.7**	**533.0**	**44.7**	**-**
Other Liabilities				
Debt relating to non-current assets	26.9	26.9	-	-
Deferred revenues	42.2	42.2	-	-
Other	30.3	16.0	12.5	1.8
Total	**99.4**	**85.1**	**12.5**	**1.8**

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

4.1 SALES

4.1.1 Analysis by business segment

(€ millions)	2003	2002	% Change
Terrestrial Free TV	600.4	578.1	3.9
Brand Diversification	367.8	302.3	21.7
Digital Pay TV	208.7	68.1	N/A
Total	**1 176.9**	**948.5**	**24.1**

4.1.2 Analysis by geographic region

(€ millions)	2003	2002	% Change
France	1 114.2	917.5	21.4
Europe	56.3	26.2	114.9
Other countries	6.4	4.8	33.3
Total	**1 176.9**	**948.5**	**24.1**

4.2 OTHER OPERATING REVENUES

Other operating revenues primarily comprise Girondins de Bordeaux Club player transfer fees.

4.3 COST OF SALES

Cost of sales is comprised primarily of broadcasting costs and costs relating to the broadcasting of programmes.
The increase in cost of sales arises primarily from the proportional consolidation of TPS and a 6.5% rise in the M6 TV's Network provision of service cost.

4.4 PERSONNEL COSTS

(€ millions)	2003	2002
Wages and social benefits	149.5	123.9
Employee profit sharing	6.1	5.0
Total	**155.6**	**128.9**

The increase in wages and social benefits costs arises from the proportional consolidation of TPS.
The Group's employee profit sharing plan is in accordance with the statute of 21 October 1986, codified in Articles L442-7 to 17 of the Employment Code, for which € 6.1 million has been provided, including € 0.6 million for HSS and Tecipress.

4.5 OTHER OPERATING EXPENSES

Other operating expenses amounted to € 76.7 million and consist primarily of royalty fees paid to performing rights societies.

4.6 DEPRECIATION, AMORTISATION AND PROVISION CHARGES

(€ millions)	2003	2002
Amortisation and provisions - audiovisual rights	19.4	24.0
Amortisation and provisions - co-production costs	8.1	19.2
Amortisation and net provisions for other intangible assets	28.8	11.8
Depreciation - property, facilities and equipment	24.0	12.0
Expensing of broadcast rights inventory	12.3	11.5
Deferred expenses charges	22.0	8.3
Provision for retirement benefits charges	(2.4)	0.9
Other	15.7	(6.9)
Total	**127.9**	**80.8**

Deferred expenses charges relate to the amortisation of Girondins de Bordeaux Club player transfer premiums.

4.7 OPERATING PROFIT ANALYSIS BY BUSINESS SEGMENT

(€ millions)	2003	2002	% Change
Terrestrial Free TV	171.9	167.6	2.6
Brand Diversification	36.1	29.6	22.0
Digital Pay TV	5.3	(4.1)	N/A
Total	**213.3**	**193.1**	**10.5**

4.8 NET FINANCE INCOME

(€ millions)	2003	2002
Investment income	2.2	5.9
Foreign exchange net losses	0.5	(0.7)
Net charges to provisions for liabilities and charges	0.7	(4.6)
Other	0.2	0.4
Total	**3.6**	**1.0**

4.9 NET EXCEPTIONAL EXPENSES

(€ millions)	2003
Capital gains on investment disposals	0.7
Intangible assets exceptional provision charges	(0.5)
Net charges to provisions for liabilities and charges	(7.9)
Impact of changes in Group structure	(0.7)
Other	(0.9)
Total	**(9.3)**
Note:	
Tax on net exceptional items	3.1
Net exceptional expenses after tax	(6.2)

4.10 INCOME TAX

Métropole Télévision SA has declared itself as the parent company of a tax grouping pursuant to the provisions of Articles 223-a and subsequent of the Income Tax Code, as of 1 January 1988.

(€ millions)	2003	2002
Income tax liability per Income Tax Code	84.6	53.5
Deferred income tax	(11.0)	4.7
Total	**73.6**	**58.2**

An income tax rate of 35.43% was used for 2003.
The deferred tax amount recorded on the Income Statement incorporates future tax savings on non-deductible provisions as well as the tax impact of consolidation restatements.
The following schedule reconciles the income tax accounting expense amount with the income tax amount arising from the theoretical tax rate for the financial year ending 31 December 2003:

(€ millions)	
Net profit before income tax	
and acquisition goodwill amortisation	206.0
Income tax expense based on	
a theoretical tax rate of 35.43%	73.0
Impact from permanent differences	0.6
Total	**73.6**

4.11 SHARE OF ASSOCIATES' RESULTS

This comprises the Group's share of losses of RTL Shop.

5. OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 AVERAGE WORKFORCE SIZE

	2003	2002	(%) change
Employees	329	321	2.49
Supervisors	210	204	2.94
Managers	549	564	(2.66)
Reporters/programme hosts	130	137	(5.11)
Total full-time workforce	**1,218**	**1,226**	**(0.65)**
Including proportional consolidation	*150*	*192*	*(21.88)*
Temporary workforce (Full-time equivalents)	**539**	**373**	**44.50**
Including proportional consolidation	*20*	*26*	*(23.08)*

The increase in the employment of temporary employees arises primarily from the establishment of W9 Production, M6 Studio, Studio 89 Productions and Live Stage subsidiaries.

5.2 MANAGEMENT BOARD REMUNERATION

Total Management Board remuneration amounted to € 2.8 million for 2003.

5.3 OFF-BALANCE SHEET COMMITMENTS

	Within 1 year	After 1 year	Total 2003	Total 2002	Terms and conditions of implementation
Commitments given:	**239.9**	**833.1**	**1 073.0**	**960.8**	
Purchase of rights and co-production commitments [1]	187.9	246.7	434.6	207.8	Signed contracts
Images transmission, satellite and transponders [2]	42.6	140.5	183.1	249.4	Signed contracts
Responsibility for partnership liabilities [3]	-	439.4	439.4	467.7	SNC liquidation
Non-cancellable leases [2]	3.0	4.0	7.0	8.0	Leases
Other	6.4	2.5	8.9	27.9	-
Commitments received :	**2.7**	**453.8**	**456.5**	**483.6**	
Responsibility for partnership liabilities [3]	-	446.2	446.2	471.0	SNC liquidation
Sales commitments	1.3	2.6	3.9	6.4	Annual deadlines
Financial support granted by the Centre National de la Cinématographie	1.4	0.6	2.0	1.0	Grant agreement date
Other	-	4.4	4.4	5.2	-

Note: These commitments incorporate potential agreements with existing shareholders.

[1] comprises:
– purchase commitments relating to rights not yet produced or completed,
– contractual commitments relating to co-productions waiting receipt of technical acceptance or exploitation visa, net of payments on account made.
The increase in amount arises from new rights purchase contracts signed in 2003 between M6 and TPS.

[2] These commitments are valued by taking into account each contract's remaining amounts until their expiry date.

[3] the extent that the partners in a Partnership (Société en Nom Collectif - SNC) are liable in full and indefinitely for the liabilities of the partnership, the Group presents in full the liabilities of partnerships in which it is a partner, net of adjustments and partners' current account balances, as an off-Balance Sheet commitment given, and presents as an off-Balance Sheet commitment received the other partners' share of these liabilities.
Accordingly, the Group reports € 415 million both as an off-Balance Sheet commitment given and an off-Balance Sheet commitments received, regarding TPS' share of these commitments.

No significant off-Balance Sheet commitments have been excluded in accordance with accounting standards in place.
None of M6 Group's non-current assets have been pledged or mortgaged.

5.4 CONSOLIDATED CASH FLOW STATEMENT

The Consolidated Cash Flow Statement is prepared in accordance with the model for cash flow statements recommended by the French Public Accounting Institute (Ordre des Experts Comptables).

The principal movements concerned the following accounts:

- amortisation, depreciation and provision charges: the increase in this amount is primarily due to the full year contribution from TPS, compared to a single quarter for 2002,
- transfer of expenses to deferred expenses: Girondins de Bordeaux players' transfer premiums,
- borrowings and other financing repayments: cash flow movements relate to the TPS Group.

6. SUBSEQUENT EVENTS

Since 1 January 2004, the Group's operations were impacted by the following two major events:

- the partial disengagement of the Suez Group from the share capital of the Company, preceded by the signing of an additional clause to the Agreement between M6 TV Network and the French Superior Audiovisual Council (Conseil Supérieur de l'Audiovisuel);
- exercise of a M6's statutory pre-emption right on the 89% Paris Première share capital held by the Suez Group and for which there is a firm purchase offer.

7. PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

Proforma financial statements were prepared in order to ensure the comparability of M6 Group financial statements, following the Group's 9% ownership interest increase in TPS Group that resulted in a change of its accounting from the equity method to the proportional consolidation method for the last quarter of 2002. These proforma financial statements report the Group's balances and transactions as if its 34% holding in TPS Group had been accounted for under the proportional consolidation method from 1 January 2002.

The following significant adjustments were made:

- restatement of TPS acqusition goodwill asset and amortisation amounts,
- elimination of transactions and balances between TPS Group and M6 Group,
- adjustment of M6 Group tax charge in order to take into account the realisation of an additional tax saving.

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92923 Paris-La Défense Cedex

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BARBIER FRINAULT & AUTRES
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Financial year ending 31 december 2003

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Métropole Télévision SA company,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the financial year ended 31 December 2003, on the audit of the accompanying consolidated financial statements of Métropole Télévision Group.
The consolidated financial statements have been prepared by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements, prepared in accordance with generally accepted accounting principles in France, give a true and fair view of the consolidated financial position, assets and liabilities, and net profit of Métropole Télévision SA and its subsidiaries for the financial year then ended.

II. Justification of assessments

Pursuant to the application of the provisions of Article L. 225-235 of the Commercial Code relative to the justification of our assessments, as required by the Financial Security Law of 1 August 2003, and which were applied for the first time this financial year, we

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41, rue Ybry
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SAS with a variable share capital of € 37,000

Statutory Auditors
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Compagnie de Versailles

bring to your attention the following matters:

- Notes 1.2.2 and 1.2.5 disclose the Group's principles and methods for accounting for its audiovisual rights and broadcast rights. Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application.
- Notes 1.1, 1.2.1, 1.2.2 and 7 disclose the accounting methods and rules used concerning the consolidation of TPS: proportional consolidation method, partial revaluation of business goodwill corresponding to market shares, valuation methods for the net realisable value of this business goodwill, and presentation of proforma accounts for 2002. We have assessed the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application.

These assessments were made within the framework of our audit, which focus on the consolidated financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of our report.

III. Specific verifications

We have also performed, in accordance with professional standards, the specific verifications required by law regarding the information in the Management Board Report. We have no comments to make concerning the fairness of the information and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, 8 April 2004
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin
Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

PARENT COMPANY BALANCE SHEET (€ millions)

At 31 December	2003		2002	2001		
	Notes	Gross	Acc Amort& Dep/ Prov	Net		
Broadcast rights, licences and concessions		-	-	-	-	-
Business goodwill		-	-	-	-	-
Other intangible assets	3.1/3.2	97.0	81.9	15.1	23.4	23.8
Advances on intangible assets	3.1	1.5	-	1.5	1.2	6.6
Technical facilities, equipment and tools	3.1/3.2	15.0	13.6	1.4	1.1	1.3
Other property, facilities and equipment	3.1/3.2	12.1	8.1	4.0	3.9	4.0
Assets under construction	3.1	0.2	-	0.2	-	0.1
Equity investments	3.1/3.3	124.5	0.5	124.0	90.5	87.7
Investment receivables		-	-	-	-	-
Other equity investments		-	-	-	-	-
Loans	3.1/3.5	26.0	-	26.0	26.6	29.4
Other investments	3.1/3.5	1.3	-	1.3	1.2	1.2
TOTAL NON-CURRENT ASSETS		**277.6**	**104.1**	**173.5**	**148.0**	**154.1**
Broadcast rights inventory	3.4	248.0	65.2	182.8	181.0	178.9
Advances and payments on account		0.1	-	0.1	-	-
Trade receivables	3.3/3.5	200.7	1.5	199.2	182.9	166.4
Other receivables	3.5	306.7	-	306.7	276.7	207.0
Marketable securities	3.6	276.6	6.1	270.5	260.8	225.6
Cash	3.6	56.5	-	56.5	35.9	19.8
Prepaid expenses		3.5	-	3.5	0.6	1.2
TOTAL CURRENT ASSETS		**1,092.1**	**72.8**	**1,019.3**	**937.7**	**799.0**
Deferred charges		-	-	-	-	-
Bond redemption premium		-	-	-	-	-
Deferred translation gain		-	-	-	0.3	-
TOTAL ASSETS		**1,369.7**	**1,76.9**	**1,192.8**	**1,086.0**	**953.0**

EQUITY AND LIABILITIES (€ millions)

At 31 December	Notes	2003	2002	2001
Share capital		52.8	52.8	52.8
Share premiun		24.2	24.2	24.2
Legal reserve		5.3	5.3	4.0
Regulated reserves		13.1	13.1	-
Retained earnings		399.0	317.5	264.5
Financial year net profit		**105.5**	**155.8**	**141.6**
Interim dividend		-	-	-
Regulated provisions	3.3	1.2	1.0	-
TOTAL EQUITY		**601.1**	**569.6**	**487.1**
Proceeds from participating securities				
OTHER EQUITY		-	-	-
Provisions for liabilities		70.7	50.8	38.4
Provisions for charges		18.1	28.7	28.7
PROVISIONS FOR LIABILITIES AND CHARGES	3.3	**88.8**	**79.5**	**67.1**
Borrowings from financial insitutions [1]	3.5	66.2	49.4	16.2
Other borrowings	3.5	-	-	1.0
Advance payments received	3.5	-	-	-
Trade payables	3.5	222.6	209.0	195.2
Income tax and social security liabilities	3.5	76.0	50.5	48.4
Liabilities on non-current assets	3.5	16.4	27.0	33.3
Other liabilities	3.5	120.2	100.6	104.6
Deferred revenues		-	0.5	0.3
TOTAL LIABILITIES		**501.4**	**437.0**	**398.9**
Deferred translation loss		1.5	-	-
TOTAL EQUITY AND LIABILITIES		**1,192.8**	**1,086.0**	**953.0**
Financial year net profit (€)		105,525,515	155,769,370	141,585,830
Total assets (€)		1,192,826,381	1,086,008,630	953,032,683

[1] short-term bank overdrafts

PARENT COMPANY INCOME STATEMENT (€ millions)

Financial year ending 31 December	Notes	2003	2002	2001
Net sales	4.1	**589.9**	**580.7**	**569.0**
Production capitalised as inventory			0,3	0.1
Production capitalised as non-current assets			-	0.4
Amortisation, depreciation and provision reversals		43.9	40.5	41.0
Other operating revenues		25.6	8.9	5.7
OPERATING REVENUES		**659.4**	**630.5**	**616.2**
Merchandise purchased (including customs duties)		204.8	166.3	197.8
Merchandise inventory movement		(18.6)	(1.0)	(48.9)
Other purchases and external charges	4,6	132.6	123.1	120.9
Taxes duties and royalties		42.1	40.9	41.3
Payroll		30.9	30.3	27.1
Employment benefits		15.6	11.3	10.9
Non-current assets depreciation and amortisation		16.3	17.2	15.3
Non-current asset investment writedowns		13.2	21.8	23.6
Current assets provision charges		24.5	24.1	17.5
Provisions for liabilities and charges		3.6	3.4	0.7
Other operating expenses		33.0	32.1	29.1
OPERATING EXPENSES		**498.0**	**469.7**	**435.5**
OPERATING PROFIT		**161.4**	**160.7**	**180.7**
Allocated profit/transferred loss		-	-	-
Allocated loss/transferred profit		-	-	-
Investments financial income		31.6	35.9	37.3
Marketable securities financial income		-	-	-
Other interest and related financial income		4.9	6.2	6.6
Provision reversals/expense transfers		7.6	20.8	0.1
Foreign exchange gains		0.5	-	-
Marketable securities disposal gains		-	-	-
FINANCE INCOME		**44.6**	**62.8**	**44.0**
Financial amortisation and provision charges		28.5	7.3	2.2
Interest and related expenses		0.6	20.5	1.6
Foreign exchange losses		-	0.4	0.4
Marketable securities disposal losses		-	-	-
FINANCE EXPENSES		**29.1**	**28.3**	**4.2**
NET FINANCE INCOME	4.2	**15.5**	**34.5**	**39.7**
PROFIT BEFORE TAX FROM ORDINARY ACTIVITIES		**176.9**	**195.3**	**220.4**
Exceptional income - operating activities		0.1	0.2	0.2
Exceptional income - investing and financing activities		0.1	0.1	0.7
Provision reversals/expense transfers		2.4	2.0	5.6
EXCEPTIONAL INCOME		**2.6**	**2.2**	**6.6**
Exceptional expenses - operating activities		0.3	1.6	0.1
Exceptional expenses - investing and financing activities		1.4	0.3	5.9
Provision reversals/expense transfers		6.5	2.4	23.2
EXCEPTIONAL EXPENSES		**8.2**	**4.4**	**29.2**
NET EXCEPTIONAL EXPENSES	**4.3**	**(5.6)**	**(2.1)**	**(22.6)**
Employee profit sharing plan contribution		2.9	2.5	2.5
Income tax	4.4	62.9	34.9	53.7
NET PROFIT		**105.5**	**155.8**	**141.6**
Note:				
TOTAL REVENUES, INCOME AND GAINS		**706.6**	**695.5**	**666.7**
TOTAL EXPENSES AND CHARGES		**601.1**	**539.7**	**525.2**

PARENT COMPANY CASH FLOW STATEMENT (€ millions)

Financial year ending 31 December	2003	2002	2001
Financial year net profit	105.5	155.8	141.6
Depreciation, amortisation and provision charges	34.9	18.7	36.9
Gains/losses from non-current asset disposals	-	-	-
Other items not having an impact on operating cash flows	-	-	-
CASH FLOW FROM OPERATIONS	**140.4**	**174.5**	**178.5**
Movements in working capital requirements			
Inventories	(10.9)	(11.8)	(48.9)
Trade receivables	(49.0)	(58.8)	69.6
Operating liabilities	48.9	5.8	17.9
Transfer of expenses to deferred charges	-	-	-
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS	**(11.0)**	**(64.7)**	**38.5**
NET CASH FROM OPERATING ACTIVITIES	**129.4**	**109.8**	**217.0**
INVESTING ACTIVITIES			
Intangible asset acquisitions	(5.8)	(15.0)	(16.3)
Property, facilities and equipment acquisitions	(2.5)	(1.6)	(2.6)
Investment acquisitions	(34.0)	(2.9)	(60.9)
Cash and cash equivalents arising from acquisitions/disposal of subsidiaries	-	-	-
Intangible assets and property, facilities and equipment disposals	-	-	0.6
Investments disposals/writedowns	0.7	2.8	3.2
NET CASH USED IN INVESTING ACTIVITIES	**(41.6)**	**(16.6)**	**(76.2)**
FINANCING ACTIVITIES			
Share capital increase	-	-	-
Other equity increases	-	-	-
New borrowings	-	-	-
Repayment of borrowings	-	(1.0)	-
Dividends paid to Parent Company shareholders	(74.2)	(74v2)	(66.2)
NET CASH USED IN FINANCING ACTIVITIES	**(74.2)**	**(75.2)**	**(66.2)**
Net change in cash and cash equivalents	**13.6**	**18.0**	**74.6**
Cash and cash equivalents - start of year	247.2	229.2	154.6
CASH AND CASH EQUIVALENTS - END OF YEAR	**260.8**	**247.2**	**229.2**

Métropole Télévision, henceforth also referred to as the 'Company', reported a net profit of € 105.5 million and total assets of € 1.19 billion for the 12-month financial year ending on 31 December 2003.

The parent company financial statements were approved by the Supervisory Board on 4 March 2004.

The amounts reported in the notes are expressed in millions of Euros (€ millions), unless otherwise indicated.

NOTE 1 : Financial year highlights

In April 2003, the Company subscribed to a share capital increase in the M6 Interactions company in the amount of € 33.8 million.

NOTE 2 : Summary of significant accounting policies and methods

The 2003 parent company financial statements are comparable to those of the previous financial year.
These financial statements were prepared in accordance with French Generally Accepted Accounting Principles as codified in law and set by regulation.

2.1 INTANGIBLE ASSETS

Intangible assets primarily comprise software and co-production costs.

2.1.1 Computer software

Computer software is amortised on a straight-line basis over one to five years, supplemented by accelerated amortisation where necessary

2.1.2 Co-Production costs – dramas, documentaries, concerts, broadcasts and video-music

Co-production costs arising from contracts are treated as Off-Balance Sheet commitments, until receipt of invoices, which are recorded as advances and payments on account.
Co-production costs are accounted for in Other intangible assets upon receipt of technical acceptance.
Co-production costs are amortised on a straight-line basis over three years.
These costs are fully written off when it appears that the present value of future receipts will be insufficient.

2.2 PROPERTY, FACILITIES AND EQUIPMENT AND INVESTMENTS

2.2.1 Property, facilities and equipment assets are recorded at their acquisition cost, and are depreciated on a straight-line basis over their useful lives, as follows:

Mobile technical equipment	3 years
Other mobile equipment	4 years
Technical equipment	3 or 4 years
Computer hardware - PCs	4 years
Office equipment	5 years
Video equipment	6 years
General facilities	10 years
Office furniture	10 years

2.2.2 Investments are recorded at their acquisition cost. A write-down provision is established when their current market value justifies it.

2.3 BROADCAST RIGHTS INVENTORY

Broadcast rights are considered as intangible consumables and are classified as inventory.
Purchases are recorded at their purchase cost, net of any trade discounts and rebates earned, but excluding the effect of any possible settlement discounts.

Broadcast rights are transferred from inventory and charged to cost of sales as the programmes they relate to are broadcast on TV, in accordance with the following rules:
1. rights acquired for a single broadcast: 100% of the contract value
2. rights acquired for multi-broadcasts:
- 1st broadcast: 67% of the contract value
- 2nd broadcast: 33% of the contract value.

A writedown provision is established for broadcast rights relating to programmes that are not likely to be
broadcast and where their value in use is below their net book value.

Costs arising from pre-purchase music video contracts are recorded on the Balance Sheet as prepaid expenses for the amount stated in the contract, based on a forecast number of broadcasts, which is then written off to expenses each time a broadcast takes place.

2.4 RECEIVABLES AND LIABILITIES

Receivables and liabilities are valued at their nominal values.
A provision for receivables writedown is established based on the risks of non-collection.
Foreign currency denominated receivables and liabilities are recorded at their Balance Sheet data exchange rate. Only deferred exchange losses are recognised in the Income Statement.

2.5 MARKETABLE SECURITIES

Marketable securities are recorded at their gross value. A provision for write-down is established whenever the market value is less than the acquisition cost.

2.6 TREASURY SHARES

The Company holds treasury shares for the purpose of distribution to employee beneficiaries who exercise their stock options.
They are recorded at their gross book value as marketable securities. A provision for writedown is established: when their market price or exercise price is less than their gross book value
- as a Balance Sheet liability when the market price or exercise price is less than their acquisition cost;
- as a Balance Sheet asset when the market price is less than their acquisition cost, in situations when beneficiaries have the left the plan.

2.7 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are determined based on a risk exposure assessment at year-end. Each provision is valued based on their likely future financial impact, estimated on the basis of information available at year end.
Hence, a provision is established equal to the negative equity amount of subsidiaries.

2.8 PROVISION FOR RETIREMENT BENEFITS

The provision for retirement benefits was calculated in accordance with IAS 19, using an actuarial method that takes into account the acquired rights of all Group's employees and their most recent salary.

2.9 ADVERTISING REVENUES

Advertising revenues are recorded net of commercial discounts.

NOTE 3 : Notes to the parent company balance sheet

3.1 NON-CURRENT ASSETS: GROSS BOOK VALUE

(€ millions)	31 Dec. 2002	Additions	Disposals	31 Dec. 2003
Other intangible assets	91.2	5.8	-	97.0
Advances and payments on account	1.2	6.2	5.9	1.5
Total intangible assets	**92.4**	**12**	**5.9**	**98.5**
Technical facilities and equipment	14.7	1.0	0.7	15.0
Other property, facilities and equipment	10.7	1.6	0.2	12.1
Property, facilities and equipment in progress	-	0.2	-	0.2
Total property, facilities and equipement	**25.4**	**2.8**	**0.9**	**27.3**
Investments				
Equity investments	90.6	33.9	-	124.5
Receivables relating to equity investments	26.6	-	0.6	26.0
Loans	1.2	1.7	1.6	1.3
Total	**118.4**	**35.6**	**2.2**	**151.8**
Total non-current assets depreciation and amortisation	**236.2**	**50.4**	**9**	**277.6**

3.2 NON-CURRENT ASSETS: ACCUMULATED DEPRECIATION AND AMORTISATION

(€ millions)	31 Dec. 2002	Charges	Reversals and disposals	31 Dec. 2003
Other intangible assets	67.7	14.2	-	81.9
Total intangible assets	**67.7**	**14.2**	**-**	**81.9**
Technical facilities and equipment	13.6	0.7	0.7	13.6
Other property, facilities and equipment	6.9	1.4	0.2	8.1
Total property, facilities and equipment	**20.5**	**2.1**	**0.9**	**21.7**
Total non-current assets	**88.2**	**16.3**	**0.9**	**103.6**

3.3 PROVISIONS

(€ millions)	31 Dec. 2002	Charges	Reversals (used provisions)	Reprises (unused provisions)	31 Dec. 2003
Supplementary licenses amortisation	1.0	0.3	0.1	-	1.2
Total regulated provisions	**1.0**	**0.3**	**0.1**	**-**	**1.2**
Provision for litigation and share purchases	50.6	8.9	10.3	0.4	48.8
Provision for subsidiary losses	-	21.9	-	-	21.9
Provision for exchange losses	0.3	-	0.3	-	-
Provision for rights write-down	21.8	13.3	21.8	-	13.3
Provision for social security charges	6.8	0.6	2.6	-	4.8
Total provisions for liabilities and charges	**79.5**	**44.7**	**35.0**	**0.4**	**88.8**
Provision for investments	0.1	0.4	-	-	0.5
Provision for other receivables	-	-	-	-	-
Provision for inventories	56.2	24.5	15.5	-	65.2
Provision for trade accounts receivable	1.8	-	0.3	-	1.5
Provision for marketable securities (1)	-	6.1	-	-	6.1
Total provisions for writedowns	**58.1**	**31.0**	**15.8**	**-**	**73.3**
Total provisions	**138.6**	**76.0**	**50.9**	**0.4**	**163.3**
Analysis by nature:					
Operating		41.1	40.9	0.4	
Financial		28.4	7.6		
Exceptional		6.5	2.4		

(1) The provision for treasury shares writedown has been reclassified in the amount of € 6.1 million as a reduction of marketable securities in the Assets section of the Balance Sheet.

3.4 INVENTORY

(€ millions)	31 Dec. 2002	Increases	Decreases	Invalid rights	31 Dec. 2003
Inventory	220.0	126.7	103.3	4.8	238.6
Inventory in process	17.2	36.6	44.4	-	9.4
Total	**237.2**	**163.3**	**147.7**	**4.8**	**248.0**

3.5 RECEIVABLES AND LIABILITIES

3.5.1 Receivables

(€ millions)	Gross Value	Due within 1 year	Due after 1 year
Non-current assets			
Loans	26.0	-	26.0
Other investment receivables	1.3	-	1.3
Total	**27.3**	**-**	**27.3**
Current assets			
Trade receivables	200.7	198.8	1.9
Other receivables	306.7	44.0	262.7
Total	**507.4**	**242.8**	**264.6**
Total receivables	**534.7**	**242.8**	**291.9**

3.5.2 Liabilities

(€ millions)	Gross Value	Due within 1 year	Due between 1 to 5 years	Due after 5 years
Borrowings from financial institutions	66.2	66.2	-	-
Trade payables	222.6	218.6	4.0	-
Income tax and social security liabilities	76.0	76.0	-	-
Liabilities on non-current assets	16.4	16.4	-	-
Other liabilities	120.2	120.2	-	-
Total	**501.4**	**497.4**	**4.0**	**-**
Accrued expenses included in the above:				
- trade suppliers	107.2			
-income tax and social security	11.5			
- non-current assets suppliers	-			

3.6 CASH AND MARKETABLE SECURITIES

(€ millions)	31 Dec. 2003	31 Dec. 2002
Treasury shares	67.1	72.3
Investment funds, SICAV and certificates of deposit	209.5	188.5
Cash	56.5	35.9
Total - gross value	**333.1**	**296.7**
Provision for treasury shares writedown	(6.1)	-
Total - net	**327**	**296.7**

At 31 December 2003, the Company held 1,390,352 of its own shares. During 2003, 259,650 options were exercised.

NOTES 4 : Notes to the parent company statement

4.1 SALES

(€ millions)	2003	2002	% change
Analysis of sales by business segment (€ millions)			
TV advertising revenues	557.3	540.3	3.15
Events sponsorship advertising revenues	30.8	26.4	16.67
Other revenues	1.8	14.1	-
Total	**589.9**	**580.7**	**1.58**
Analysis of sales by geographic region (%)			
France	95.40 %		
Europe	3.10 %		
Other countries	1.50 %		

4.2 NET FINANCE INCOME

(€ millions)	2003	2002
Dividend income from subsidiaries	25.5	27.6
Interest income from loans to subsidiaries	6.1	8.3
Marketable securities income	4.9	6.2
Net charges to provisions for liability and charges (1)	(20.5)	13.4
Net charges to investments writedown provisions	(0.4)	-
Waiver of receivable	-	(19.5)
Foreign exchange gain/(loss)	0.5	(0.4)
Other	(0.6)	(1.1)
Total	**15 .5**	**34.5**
(1) *including net charge for treasury shares*	*1.2*	*(7.1)*

4.3 NET EXCEPTIONAL EXPENSES

(€ millions)	2003	2002
Net provision charges (including accelerated depreciation/amortisation)	(4.1)	(1.7)
Other	(1.5)	(0.4)
Total	**(5.6)**	**(2.1)**

4.4 INCOME TAX

Métropole Télévision SA has declared itself as the parent company of a tax grouping pursuant to Articles 223A and subsequent of the Income Tax Code. The tax grouping agreement adopted by the group is based on non-discriminatory tax treatment.
Each profitable company pays its own income tax charge.
The Company incurred an income tax charge of € 62.9 million for 2003.

4.5 ANALYSIS OF INCOME TAX BY ACTIVITY

(€ millions)	Profit Before Tax	Income Tax
Profit from ordinary activities	176.9	64.0
Net exceptional expense	(5.6)	(1.1)
Profit before tax and employee profit sharing plan charges	171.3	
Company income tax		62.9

4.6 OTHER PURCHASES AND EXTERNAL CHARGES

These primarily relate to TDF services and advertising payments.

NOTE 5 : Other notes to the consolidated statements

5.1 BALANCE SHEET AND INCOME STATEMENT BALANCES AT 31 DECEMBER 2003 ARISING FROM TRANSACTIONS WITH ASSOCIATE COMPANIES

(€ millions)	Related Companies [a]	Connected Companies [b]
Investments	121.5	0.8
Loans	26.0	-
Trade receivables	2.1	-
Other receivables [1]	180.2	9.8
Trade payables	44.7	2.9
Liabilities relating to investments	0.8	-
Finance expenses	0.4	-
Finance income	30.4	0.3
[1] *including current accounts with subsidiaries*	*172.4*	*9,8*

[a] companies with which the Company has a greater than 50% equity ownership relationship.
[b] companies with which the Company has a 10% to 50% equity ownership relationship.

5.2 SHARE CAPITAL COMPOSITION

	Number of shares	Par value (€)
1. At 1 January 2003	131,888,690	0.4
2. Shares issued during the financial year	-	-
3. Reduction in nominal value	-	-
4. At 31 December 2003	131,888,690	0.4

5.3 OFF-BALANCE SHEET COMMITMENTS

(€ millions)	Total	Within 1 year	After 1 year	Terms and conditions of implementation
Commitments given:	**374.6**	**119.5**	**255.1**	
Purchase of broadcasting rights	147.2	73.6	73.6	Contracts signed
Co-production commitments	60.3	12.8	47.5	Contracts signed
Satellite rental contracts (1)	23.1	2.9	20.2	Contracts signed
Broadcasting contracts (1)	118.1	29.5	88.6	Contracts signed
Responsibility for partnership liabilities	19.7	-	19.7	SNC liquidation
Others	6.2	0.7	5.5	Contracts signed
Commitments received:	**23.6**	**1.3**	**22.3**	
Responsibility for partnership liabilities	19.7	-	19.7	SNC liquidation
Sales commitments	3.9	1.3	2.6	Annual due dates

[1] These contracts correspond to services provision. Commitments are valued based on the outstanding amounts due to contract expiry.

The above presentation does exclude significant off-Balance Sheet commitments in accordance with existing accounting standards.

5.4 NET DEFERRED TAX ASSETS AT 31 DECEMBER 2003

(€ millions)	Deferred Tax Assets	Deferred Tax Liabilities	Total
Type of temporary differences			
Regulated provisions			
Tax on non-deductible provisions	23.2	0.4	22.8
Tax on long-term capital gains			

5.5 MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

(€ millions)	2003
Total	2.5

5.6 AVERAGE COMPANY WORKFORCE SIZE

	2003
Total full-time workforce	441
Employees	*72*
Supervisors	*111*
Managers	*174*
Reporters/programme hosts	*84*
Temporary workforce (Full Time Equivalents)	108
Total	**549**

NOTE 6 : Consolidation of company accounts by shareholders

The Company's financial statements are themselves proportionally consolidated in the consolidated financial statements of both RTL GROUP and SUEZ.

NOTE 7 : Subsequent event

Since 1 January 2004, the Group's operations were impacted by the following two major events:

- the partial disengagement of the Suez Group from the share capital of the Company, preceded by the signing of an additional clause to the Agreement between M6 TV Network and the French Superior Audiovisual Council (Conseil Supérieur de l'Audiovisuel);
- exercise of a M6's pre-emption right in the bylaws on the 89% Paris Première share capital held by the Suez Group and for which there is a firm purchase offer from a third party.

Five-year financial summary

For the 12-month financial year ending 31 December	2003	2002	2001	2000	1999
Share capital					
Value (€)	52,755,476	52,755,476	52,755,476	52,755,476	52,755,476
Number of ordinary shares in issue	131,888,690	131,888,690	131,888,690	131,888,690	13,188,869
Financial results (€ millions)					
Sales (ex-VAT)	589.9	580.7	569.0	554.4	451.0
Profit before tax, employee profit sharing, amortisation, depreciation and provision charges	213.9	208.4	239.8	305.2	240.9
Income tax	62.9	34.9	53.7	53.5	35.2
Employee profit sharing plan	2.9	2.4	2.4	2.7	2.0
Net profit	105.5	155.8	141.6	155.1	135.6
Dividends paid	87.5	74.2	74.2	66.2	53.3
Earnings and Dividend per share (€)					
Basic earnings per share - profit after tax, employee profit sharing, before amortisation, depreciation and provision charges	1.12	1.30	1.39	1.89	15.44
Basic earnings per share - net profit	0.80	1.18	1.07	1.18	10.28
Dividend per share	0.67	0.57	0.57	0,51	0.41
Workforce					
Average workforce size	549	534	518	496	453
Payroll*	29.2	26.6	25.8	24.4	22.0
Total employment benefits costs including social security and medicare (€ millions)	15.6	11.3	10.9	9.2	10.5

Notes:
Par value of share was converted to € 4 from FRF 20 at the AGM of 4 June 1999.
Par value of share decreased to € 0.40 from € 4.00 at the AGM of 26 May 2000.
* (in € millions)

(€ thousands)	Siren N°	Share capital	Reserves & retained earnings	Share capital % ownership	Book value of shares owned	
					Gross	Net
Subsidiarie						
M6 PUBLICITE sas 89, Avenue Charles de Gaulle - 92200 Neuilly	34094903100025	50	7	99,97	38	38
M6 FILMS sa 89, Avenue Charles de Gaulle - 92200 Neuilly	38072740400028	60	(2,123)	99.98	166	-
METROPOLE PRODUCTION sa 89, Avenue Charles de Gaulle - 92200 Neuilly	38247713100025	50	(1,096)	99.98	50	-
C. PRODUCTIONS sa 89, Avenue Charles de Gaulle - 92200 Neuilly	40790865600025	50	(1,305)	99.97	38	38
M6 INTERACTIONS sas 89, Avenue Charles de Gaulle - 92200 Neuilly	38890945900041	34,050	7,954	100.00	34,007	34,007
M6 THEMATIQUE sa 89, Avenue Charles de Gaulle - 92200 Neuilly	40310510900025	41	12,809	99.99	56,450	56,450
M6 DROITS AUDIOVISUELS - LOGOLAND sa 89, Avenue Charles de Gaulle - 92200 Neuilly	37991155500033	160	(14,159)	99.94	2	-
IMMOBILIERE M6 sa 89, Avenue Charles de Gaulle - 92200 Neuilly	39947635700021	9,600	854	99.99	9,147	9,147
M6 FOOT sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42313378400011	18,360	(2)	99.00	18,909	18,909
SCI 107 sci 89, Avenue Charles de Gaulle - 92200 Neuilly	42169913300011	2	(270)	99.90	2	2
M6 DEVELOPPEMENT sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42811522400019	40	(6)	99.99	40	40
M6 STUDIO sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42811529900011	45	(6)	99,99	45	45
M6 CREATION sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42881567400018	40	(5)	99.99	40	40
W9 PRODUCTIONS sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42881563300014	50	(5)	99.99	50	50
M6 AFFAIRES sas 89, Avenue Charles de Gaulle - 92200 Neuilly	42881585600011	40	(5)	99.99	40	40
M6 BORDEAUX sas 89, Avenue Charles de Gaulle - 92200 Neuilly	43350336400013	40	(78)	99.99	40	40
M6 TOULOUSE sas 89, Avenue Charles de Gaulle - 92200 Neuilly	43350341400016	40	(48)	99.99	40	40
MANDARIN sas 89, Avenue Charles de Gaulle - 92200 Neuilly	40536317700024	114	69	100.00	2,500	2,500
M6 OPERATIONS sas 89, Avenue Charles de Gaulle - 92200 Neuilly	45140640900016	40	-	99.99	40	40
M6 COMMUNICATION sas 89, Avenue Charles de Gaulle - 92200 Neuilly	45140163200018	40	-	99.99	40	40
Participations						
LABO PRODUCTIONS sarl 89, Avenue Charles de Gaulle - 92200 Neuilly	42369616000013	10	9	25.50	2	2
SOCIETE NOUVELLE DE DISTRIBUTION sa 89, Avenue Charles de Gaulle - 92200 Neuilly	41485722700030	14,692	6,119	7.12	1,650	1,650
M6 WEB sas 89, Avenue Charles de Gaulle - 92200 Neuilly	41454946900016	740	-	6.75	50	50
METROPOLEST sa Rue Théophraste Renaudot - 54180 Houdemont	39473579900014	40	1	49.88	19	19
EUROPEAN NEWS EXCHANGE sa 45 bld Pierre Frieden 1543 Luxembourg-Kirchberg		496	(140)	20.00	100	100
TCM DROITS AUDIOVISUELS snc 3, rue du commandant Rivière -75008 Paris	40952892400031	240	-	50.00	655	655
TCM GESTION sa 145 Quai de Stalingrad 92130 Issy-les-Moulineaux	40952934400031	40	(1)	50.00	20	20
ATHLÉTELINE sas 2, rue du chemin Vert 92110 Clichy	42490517200039	91	758	3.64	305	-
MULTIPLEX R4 (MULTI 4) 89, Avenue Charles de Gaulle - 92200 Neuilly	44975397900011	60		16.67	10	10

Outstanding loans and advances	Value of guarantees and deposits given by the Company	2002 FY sales	2003 FY sales	2002 FY net profit/(loss)	2003 FY net profit/(loss)	Dividends paid to the Company in 2003
-	-	60,479	67,906	19,844	21,139	19,845
8,323	-	2,377	3,054	14,597	(414)	
7,654	-	22,288	24,720	(312)	(399)	
-	-	13,763	13,559	(629)	737	
39,423	-	145,932	135,653	8,455	4,287	5,664
75,690	-	590	709	(714)	81	
30,750	-	15,095	12,974	(4,553)	(4,434)	
-	-	5,947	6,300	415	843	
26	-	-	-	6	4	
8,150	-	1,173	1,242	114	35	
33	-	40	364	(3)	(13)	
512	-	-	-	(4)	(13)	
-	-	-	-	(2)	(2)	
578	-	-	8,488	(2)	385	
30	-	139	137	(3)	(16)	
937	-	1,048	930	84	13	
1,137	-	1,020	950	74	-	
5,557	-	1,052	6,735	(3)	(39)	
-	-	-	-	-	(4)	
-	-	-	-	-	(4)	
84	-	98	183	2	-	-
1,083	-	15,037	54,311	26	3,309	
-	-	15,147	31,589	(4,249)	6,506	
158	-	846	852	34	4	
-	-	4,158	4,604	57	32	
9,598	-	16,034	20,940	63	4,541	
-	-	52	3	-	-	
-	-	103	NC	564	NC	
-	-	-	13	-	-	

KPMG AUDIT
Division of KPMG S.A.
Immeuble KPMG – 1, cours Valmy
92923 Paris-La Défense Cedex

Statutory Auditors
Member of the
Compagnie de Versailles

BARBIER FRINAULT & AUTRES
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Financial year ending 31 december 2003

REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS

To the shareholders of Métropole Télévision company SA,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the financial year ended 31 December 2003, on:

- the audit of the accompanying parent company financial statements of the Métropole Télévision SA company,
- justification of our assessments,
- the specific verifications and information required by law.

The parent company financial statements have been prepared by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the parent company financial statements

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

In our opinion, the parent company financial statements give a true and fair view of the financial position, assets and liabilities, and net profit of the Métropole Télévision SA company for the financial year then ended.

II. Justification of assessments

Pursuant to the application of the provisions of Article L. 225-235 of the Commercial Code relative to the justification of our assessments, as required by the Financial Security Law of 1 August 2003, and which were applied for the first time this fiscal year, we bring to your attention the following matters:

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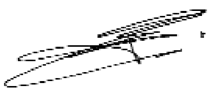
- Notes 1.2.2 and 1.2.5 disclose the Group's principles and methods for accounting for its co-productions and broadcast rights. Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application
These assessments were made within the framework of our audit, which focus on the parent company financial statements financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of our report.

III. Specific verifications

We have also performed, in accordance with professional standards, the specific verifications required by law regarding the information in the Management Board Report. We have no comments to make concerning the fairness of the information and its consistency with the parent company financial statements.

Neuilly-sur-Seine and Paris-La-Défense, 8 April 2004
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin
Grégoire Menou



BARBIER FRINAULT & AUTRES
Bruno Bizet

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SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Financial year ending 31 december 2003

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003

To the shareholders of Métropole Télévision SA company,

As Statutory Auditors to your Company, we hereby present to you our report on the regulated agreements that we have been made aware. It is not within our mandate to conduct a search in order to determine the potential existence of such agreements.

We inform you that we have not been made aware of any agreements prescribed in Article L. 225-86 of the Commercial Code.

8 April 2004,
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin
Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

Legal information

1. CORPORATE GOVERNANCE

1.1 COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Métropole Télévision is a limited liability company with a Management Board and a Supervisory Board.

■ COMPOSITION OF THE MANAGEMENT BOARD

The Management Board is appointed for a period of five years and it comprises five individuals designated by the Supervisory Board and who are employees of the Métropole Télévision Group and under 65 years old.

The Management Board has the greatest powers with regard to third parties to act in all circumstances on behalf of the Company. Investments and divestments in excess of € 20 million, however, remain subject to the approval of the Supervisory Board.

Nicolas de Tavernost, Chairman of the Management Board

• Member of the Supervisory Board of Ediradio RTL SA

• Chairman of the Board of Directors of Home Shopping Service SA

• Director - Extension TV S.A; TF6 Gestion SA; Société Nouvelle de Distribution SA; Antena 3 (Spain)

• Permanent representative of: M6 Publicité, on the Board of Directors of Tecipress SA; Home Shopping Services, on the Board of Directors of Télévente Promotion SA; M6 Numérique, on the Board of Directors TPS Gestion SA; Métropole Télévision, on the Board of Directors of SASP Football Club des Girondins de Bordeaux; Métropole Télévision, on the Board of Directors of M6 Thématique SA

• Permanent representative of: Métropole Télévision, Chairman of M6 Interactions SAS; Métropole Télévision, Chairman of M6 Publicité SAS; M6 Thématique, Chairman of M6 Affaires SAS; M6 Interactions, Chairman of M6 Développement SAS; M6 Interactions, Chairman of M6 Création SAS; Métropole Télévision, Chairman of M6 Toulouse SAS; Métropole Télévision, Chairman of M6 Bordeaux SAS; Métropole Télévision, Chairman of M6 Foot SAS

• Permanent representative of M6 Thématique: Managing Partner of Sedi TV SNC. Managing Partner of M6 Numérique SNC. ; Managing Partner of Edi TV SNC

• Permanent representative of Métropole Télévision, Managing Partner of SCI du 107 av. Charles de Gaulle

Thomas Valentin, Vice-Chairman of the Management Board, in charge of programmes

• Chairman and Chief Executive Officer of M6 Films SA

• Chairman of: Métropole Production SA; C. Productions SA

• Director of: Société Nouvelle de Distribution SA; Extension TV S.A; TF6 Gestion SA

• Permanent representative of: Métropole Production, on the Board of Directors of M6 Diffusion SA; Métropole Production, on the Board of Directors of M6 Thématique SA; M6 Thématique on the Board of Directors of TPS Gestion SA

• Chairman of: Mandarin SAS; M6 Studio SAS; W9 Productions SAS

Eric d'Hotelans, Vice-Chairman of the Management Board, in charge of operations

• Vice-Chairman of the Management Board of Métropole Télévision

• Chairman of the Board of Directors of Société Nouvelle de Distribution SA

• Director of SASP Football Club des Girondins de Bordeaux

• Permanent representative of M6 Publicité, on the Board of Directors of Home Shopping Service SA

• Permanent representative of Métropole Télévision: on the Board of Directors of Tecipress SA; on the Board of Directors of Unité 15 Fulfilment SA

• Permanent representative of Unité 15 Fulfilment, on the Board of Directors of Télévente Promotion SA

• Permanent representative of Télévente Promotion, as Managing Partner of Club Téléachat SNC

Catherine Lenoble, Member of the Management Board in charge of Advertising

• Permanent representative of: Métropole Télévision, on the Board of Directors of M6 Droits Audiovisuels SA; M6 Publicité, on the Board of Directors of M6 Diffusion SA; M6 Publicité, on the Board of Directors of M6 Editions SA; M6 Publicité, on the Board of Directors of M6 Evénements SA; M6 Publicité, on the Board of Directors of Unité 15 Fulfilment SA; M6 Publicité, on the Board of Directors of M6 Thématique SA

• Permanent representative of M6 Publicité, as Partner of Sedi TV SNC

Jean d'Arthuys, Member of the Management Board in charge of digital TV and business development

• Chairman and Managing Director of M6 Thématique

• Director of Extension TV SA; TF6 Gestion SA; C.Productions SA

• Permanent representative of: Métropole Télévision; on the Board of Directors of TPS Gestion; M6 Foot, on the Board of Directors of SASP Football Club des Girondins de Bordeaux; Métropole Télévision, on the Board of Directors of C. Productions SA; Métropole Télévision, on the Board of Directors of M6 Films SA; Métropole Télévision, on the Board of Directors of Métropole Production SA

• Permanent representative of Métropole Télévision, as Partner of Sedi TV SNC M6 Thématique, Managing Partner of Fun TV SNC

• Permanent representative of M6 Thématique, Chairman of M6 Conseils SAS; Chairman of M6 Opérations SAS; Chairman of M6 Communication SAS

■ COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board currently comprises twelve individuals appointed by the Annual General Meeting for a period of one year with the exception of two members indicated in the table below.

There was no independent Director in 2003 in accordance with the criteria proposed by the Bouton report, due mainly to the modest spread of shareholders and the presence of 2 equal blocks of shareholders set up by the text of the CSA authorisation.

Taking account of changes in shareholders in Métropole Télévision and the signature of an addendum to the CSA Agreement that imposes the presence of at least one third as independent Directors, the Supervisory Board called on a specialist firm to establish independence criteria applicable to the Company and to consider the position of each Director with regard to these criteria.

Since February 2004, the Board has comprised at least 1/3 independent Directors.

Composition of the Supervisory Board	Age	Principal Function exercised	Date of first appointment	Expiry date of appointment	Date of departure	Attendance rate 2003
Albert Frère	78 years	President	26 May 2000	2004		86%
Gérard Worms*	67 years	Vice-President	26 May 2000	2004		71%
Axel Ganz	66 years	Member	7 March 2003	2004		83%
Jean Charle de Keyser	55 years	Member	26 May 2000	2004		71%
Yves-Thibault de Silguy*	55 years	Member	7 March 2003	2004		67%
Remy Sautter	59 years	Member	26 May 2000	2004		100%
Gerhard Zeiler	48 years	Member	8 March 2002	2004		100%
Jean Drucker	deceased	President	26 May 2000	-	18 April 2003	100%
Valérie Bernis	45 years	Member	26 January 2001	-	2 February 2004	71%
François Jaclot	54 years	Member	26 May 2000	-	12 November 2004	80%
Patrick Ouart	44 years	Member	8 December 2003	-	2 February 2004	100%
Xavier Moreno	55 years	Member	26 May 2000	-	2 February 2004	86%
Guy de Panafieu (1)*	61 years	Vice-President	18 February 2004	2004		-
Bernard Arnault (2)*	55 years	Member	18 February 2004	2004		-
Jean Laurent (3)*	59 years	Member	18 February 2004	2004		-
Thomas Rabe (4)	39 years	Member	18 March 2004	2007		-
Vincent de Dorlodot (4)	39 years	Member	18 March 2004	2007		-

(1) coopted as replacement for Patrick Ouart by the Supervisory Board on 18 February 2004
(2) coopted as replacement for Valérie Bernis by the Supervisory Board on 18 February 2004
(3) coopted as replacement for Xavier Moreno by the Supervisory Board on 18 February 2004
(4) appointed at the Combined General Meeting of 18 March 2004 for a period of four years

* Independent Director
"A member of the Supervisory Board is deemed to be independent when he/she has no relationship with the Company, the Group or its management, in a manner that would comprise their freedom of judgement".
(source: Bouton report, that determines a list of criteria which the Supervisory Board had considered at its meeting of 4 March 2004).

Other appointments and functions [1] of the members of the Supervisory Board

Albert Frère

• Chairman of the Board of Directors and Director of Groupe Bruxelles Lambert SA (Belgium)
• Chairman of the Board of Directors of Frère-Bourgeois SA, ERBE SA, Financière de la Sambre (Belgium)
• Vice-Chairman, Director, and member of the Management Committee of Pargesa Holding SA (Switzerland)
• Vice-Chairman of the Board of Directors of Suez (Paris) Director of LVMH SA, Château Cheval Blanc SA (France)
• Member of the International Consultative Council of Power Corporation of Canada (Canada) and of the International Committee of Assicurazioni Generali S.p.A. (Italy) Honorary Regent of Banque Nationale de Belgique
• Honorary Chairman of the Charleroi Chamber of Commerce and Industry.

Albert Frère holds 100 shares in the Company in a personal capacity.

Axel Ganz

• Manager of Prisma Presse, PP1
• Director of Guide TV, MEDIA Communication

Axel Ganz holds 100 shares in the Company in a personal capacity.

Jean Charles de Keyser

• Director of Broadcasting Center Europe SA; CLT-UFA SA; Filmlux SA; IPN SA RTL / of Holland Media Groep SA; Télésparks SA; RTL 4 Finance SA (Luxembourg)
• Director of IP France SA; Société Immobilière Bayard d'Antin SA (France)
• Director of TVI SA; Inadi SA (Belgium)
• Director of M-RTL Rt (Hungry)
• Director of RTL 4 Beheer BV; RTL 4 Productions BV; Spott Holding BV; Yorin TV BV (Pays-Bas)
• Member of the Supervisory Board of Ediradio (RTL) SA (France)
• Member of the Management Committee of RTL d.o.o. (Croatia)

Jean-Charles de Keyser holds 100 shares in the Company in a personal capacity.

Yves-Thibault de Silguy

• Chairman of Société Polynésienne d'Eau et d'Assainissement – SPEA
• Director of Electricité de Tahiti – EDT, Marama Nui, Ondeo, Ondeo Degrémont, Vinci, Suez Environnement
• Member of the Supervisory Board of Elyo, Sofisport
• Chairman of the Board of Directors of Calédonienne des Eaux – CDE, Société des Eaux de Tontouta – SADET, (New Caledonia)
• Director of Electricité et Eau de Calédonie – EEC, Socif 4, (New Caledonia)
• Chairman of Aguas Argentinas (Argentina)
• Chairman of Sino French Holdings (Peoples Republic of China)
• Director of Société Générale de Belgique (Belgium), Unelco Vanuatu (Vanuatu)

Yves-Thibault de Silguy holds 100 shares in the Company in a personal capacity.

Rémy Sautter

• Chairman of the Supervisory Board of EDIRADIO / RTL
• Chairman and CEO of Bayard d'Antin
• Member of the Supervisory Board of Insert Communication Centre Ville
• Director of RTL 2, FUN Radio, IP, Wanadoo
• Chairman of SICAV Multimédia et Technologie

Remy Sautter holds 300 shares in the Company in a personal capacity.

Gérard Worms

• Managing Partner of Rothschild & Cie Banque and Rothschild & Cie S.C.S.
• Chairman of S.G.I.M SA
• Director of Mercapital S.A (Spain), Editions Atlas SA
• Member of the Supervisory Board of Publicis SA
• Censor of ONDEO Degrémont SA; Paris-Orléans SA, Francarep SA; SIACI SA

Gérard Worms holds 200 shares in the Company in a personal capacity.

[1] in accordance with Articles L. 225-77 and L. 225-94 of the Commercial Code on cumulative appointments.

Gerhard Zeiler
• Director of RTL Group SA, CLT-UFA SA, RTL / de Holland Media Groep SA (Luxembourg)
• Director – CEO of RTL Group SA, CLT-UFA SA (Luxembourg)
• CEO of RTL Télévision GmbH, UFA Film und Fernseh GmbH (Germany)
• Member of the Board of Bertelsmann Foundation (Allemagne)
• Member of the Supervisory Board of EDIRADIO SA (France)
• Mitglied des Beirats de IP Deutschland GmbH, RTL Enterprises GmbH, RTL Shop GmbH (Germany)
• Vorsitzender des Aufsichtsrats de RTL NEWMEDIA GmbH, VOX Film-und Fernseh Gesch GmbH. (Allemagne)
Gerhard Zeiler holds 100 shares in the Company in a personal capacity.

Bernard Arnault
• Chairman and CEO of LVMH Moët Hennessy Louis Vuitton SA; Montaigne Participations et Gestions SA (France)
• Chairman of the Board of Directors of Christian Dior SA; Société Civile du Cheval Blanc (France)
• Chairman of Groupe Arnault SAS (France)
• Director of Christian Dior Couture SA (France); LVMH Moët Hennessy Louis Vuitton (Japan); KK (Japan); Moët Hennessy Inc. (United States of America)
• Permanent Representative of Montaigne Participations et Gestions SA, Director of Financière Agache SA (France)
• Legal representative of Montaigne Participations et Gestions SA, Chairman of Gasa Développement SAS (France); Financière Saint Nivard SAS (France)
• Member of the Supervisory Board of Financière Jean Goujon SAS (France)
Bernard Arnault owns 100 shares in the Company in a personal capacity.

Jean Laurent
• Director and Vice-President of BANCA INTESA SPA (Italy), BANCO ESPIRITO SANTO SGPS (Portugal)
• Chairman of the Board of Directors of CREDIT AGRICOLE INDOSUEZ SA, CREDIT LYONNAIS SA
• CEO of CREDIT AGRICOLE S.A
Jean Laurent owns 100 shares in the Company in a personal capacity.

Guy de Panafieu
• Chairman of the Supervisory Board of Gras Savoye
• Member of the Supervisory Board of IDI
Guy de Panafieu owns 100 shares in the Company in a personal capacity.

Thomas Rabe
• Chairman of the Board of Directors of Broadcasting Center Europe SA; CLT-UFA Holding S.A (Luxembourg)
• Vice-President of the Board of Directors of RTL Group Central & Eastern Europe SA (Luxembourg)
• Vice-President of the Supervisory Board of Ediradio SA (France)
• Director of Channel 5 Télévision Group Ltd (England)
• Director of RTL 4 Beheer BV (Netherlands)
• Director of Audiomédia Investments SA; TVI SA (Belgium)
• Director of CLT-UFA SA; Media Assurances SA; RTL 4 Radio SA; RTL Plus SA; RTL/de Holland Media Groep SA (Luxembourg)
• Manager of CLT Media Services GmbH; CLT Multi Media GmbH; RTL Group Vermögensverwaltungs GMBH; RTL Group Verwaltungs und Holding GmbH; RTL Television GmbH; UFA Film und Fernsehn GmbH (Germany)
• Representative of B & CE S.A, Manager of Immobiliere Bayard d'Antin SA (France)
• Manager of SportFive SA (France)
• Representative of RTL Group S.A., Manager of Antena 3 de Télévision SA (Spain)
• Member of the Supervisory Board of RTL d.o.o. (Croatia)
Thomas Rabe owns 100 shares in the Company in a personal capacity.

Vincent de Dorlodot
• Chairman of the Management Board of B & CE SA, RTL UK Holdings SA (Luxembourg)
• Manager of CLT-UFA holding SA, RTL Radio SA (Luxembourg)
• Manager of Audiomedia Investments SA, Suprafin SA (Germany)
• Manager of Sportfive SA (France)
Vincent de Dorlodot owns 100 shares in the Company in a personal capacity.

FUNCTIONING OF THE SUPERVISORY BOARD

The Supervisory Board exercises permanent control over the management of the Company by the Management Board and provides the latter with the prior approval to complete transactions that it may not do without such authorisation.
At all times of the year, the Supervisory Board makes the verifications and checks it considers appropriate and may call for those documents it requires to fulfil its mission.

In its first meeting of 26 May 2000, the Supervisory Board adopted an internal regulation with the objective of specifying and completing the Company's bylaws as regards its organisation and functioning.
Reaffirming its adherence to corporate governance rules, the Supervisory Board, in its meeting of 30 April 2003, completed its internal regulation which gave it the ways and means to operate effectively on behalf of the Company and its shareholders.

In addition, the Board considers its own functioning once a year at one of its meetings.
At its meeting of 4 March 2004, when it reviewed its own functioning, it appeared that the Board had the necessary independence, that there was a good quality to the participation by the members in the debates, and that the number and the role of committees were satisfactory.

The information available to Board members is satisfactory mainly due to the quality of the quarterly operating report by the Management Board and the presence of members of the Management Board at meetings which provide a detailed insight into the Group's operations.
The Supervisory Board will study in 2004 the possibility of appointing an independent firm to review its functioning.

The Supervisory Board meets as often as required in the interest of the Company and at a minimum quarterly.
It met 7 times in 2003 and the overall attendance rate was 83%.

Shares in the Company held by members of the Supervisory Board

In accordance with the bylaws, the members of the Supervisory Board of Métropole Télévision must hold at least 100 shares in the Company.

Directors' fees

The Combined General Meeting of 26 May 2000 set at € 50,000 the total fees to be allocated to members of the Supervisory Board in respect of 2001 and subsequent years until decided otherwise. In 2003, the individual annual amount of fees, split among the members pro rata to their period in office, was € 4,545.

Committees of the Supervisory Board

There are two committees within the Supervisory Board:

An **Audit Committee**, comprising three members, one of whom is independent, meets at least twice a year and its mission is:
• To review the annual financial statements as well as the interim and preliminary results of the Group,
• To evaluate the proposals for appointing the Statutory Auditors and setting their remuneration, and to consider their conclusions.

COMITE D'AUDIT

Committee members		Date originally appointed	Expire of term of office	Date of resignation	Attendance rate 2003
Guy de Panafieu*	Chairman of Committee	18 February 2004	2004		
Remy Sautter	Member	26 may 2000	2004		100%
Jean Charles de Keyser	Member	8 march 2002	2004		0%
Xavier Moreno	Chairman of Committee	26 may 2000		2 February 2004	100%
François Jaclot	Membre	26 may 2000		12 November 2003	100%

* appointed to replace Xavier Moreno

The Committee met 3 times in 2003.
The attendance rate by members was 75%.

The Remuneration and Appointment Committee, comprising two members, one of whom is independent, meets at least once a year, and:

- proposes the remuneration of the members of the Supervisory Board and Management Board,
- ensures that the concept of independence of the Supervisory board is respected.

REMUNERATION AND APPOINTMENT COMMITTEE

Committee members		Date originally appointed	Expire of term of office	Date of resignation	Attendance rate 2003
Gérard Worms	Chairman of Committee	26 May 2000	2004		100%
Gerhard Zeiler	Member	30 April 2003	2004		100%
Didier Bellens	Member	26 May 2000		28 February 2003	100%
François Jaclot	Member	26 May 2000		12 November 2003	100%

The Committee met 3 times in 2003.
The attendance rate by members was 100%.

REPORTS BY THE COMMITTEES OF THE SUPERVISORY BOARD

Report by Audit Committee

The Audit Committee's work concerned mainly:
- a review of the 2003 preliminary financial statements,
- the assignments and fees paid to Statutory Auditors and consultants,
- the financial statements at 30 June 2003,
- consideration of the position of casual workers,
- the application of the Financial Security Law and work scheduling,
- the new international accounting standards (IFRS),

To complete its mission, the Audit Committee met with the Statutory Auditors, the Financial Director and the senior accounting and control staff.

Report by the Remuneration Committee

The Committee proposed, to the Supervisory Board, the granting of options to subscribe for shares and issued its recommendation on the list of beneficiaries of such options on 25 July 2003 and 14 November 2003.
Also, the Remuneration Committee gave its opinion on the principles and terms and conditions of the employment contracts of the Chairman and the members of the Management Board.

1.2 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

In accordance with Article L 225-68 of the Commercial Code, I have the pleasure of reporting on the preparation and organisation of the Supervisory Board of Métropole Télévision (hereafter "the Company"), as well as the internal control procedures set up by the Company.

I. Company objectives for internal control procedures

A. Control of management acts and completion of transactions

The Métropole Télévision Group ensures that management acts and the completion of transactions, as well as the behaviour of its employees are within the framework defined by:

• the directions given in respect of the Group that reflect, in addition to applicable law and regulation, the values, standards and internal regulations of the Group,

• the specific features of each of the three major business units, which are Free to air television, Digital television and Diversification activities,

• the existence of a number of functional services that operate within the Group. These functional duties are carried out by a group of experts within each business unit.

Internal control procedures can be presented in accordance with the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

a / Control environment

The Métropole Télévision Group has created an internal control environment in its business that is based on:

• fundamental ethical values set out in an Ethics Charter that defines and establishes the professional principles that group executive management and employees must observe in performing their duties and to guide them in any action they take,

• the separation of the management of the Company and the control of this management by the adoption of a legal corporate form with a Management Board and a Supervisory Board,

• the management of careers and human resources based on the development of skills and the encouragement of new talents,

• the functioning of management and an organisation based on:

- the establishment of a management and control style for each department, according to each market's specific features:
- programmes guaranteeing control of costs and content risks,
- advertising seeking quality partnerships and ensuring the homogeneity of marketing according to the programme schedule,
- diversified activities ensuring the quality of their partners and supervising the development of labels created by the network
- a technique to ensure reliability and security.
- the managers of each operation, subject to control by the Management Board of Métropole Télévision, are responsible for conducting the business and achieving operating results within the defined objectives. The Management Board of Métropole Télévision meets once a week to direct and control the various businesses of the Group.

• a system of delegation of power within the Group to ensure efficiency of what is done and that this conforms to the decision making process of corporate governance principles. The delegations of powers are defined within each group company and take account of the management principles defined by Métropole Télévision, as well as the corporate governance principles that apply, among others, to listed companies.

b / Risk evaluation

The Métropole Télévision Group is developing a methodology to identify and analyse risks to ensure an adequate control of the major risks as a function of the nature of the business and the objectives established.

This methodology is based on operating and functional management, who:

• develop a risk management process to improve the analysis of risks and related decision- making;

• communicate their analyses and recommendations to their senior management.

The strategic decisions, as well as the analysis of major risks, are considered by the Company, with the Management Board basing its decisions on these recommendations.

c / Control

The internal control system of the Métropole Télévision Group is designed to enable management to guarantee that instructions are followed within the Group and that the necessary action is taken to ensure that objectives are met. It is based on all the defined policies and procedures either at group level or at each business unit:

• the internal control procedures in the areas managed at group level are defined by functional management at head office. They relate mainly to Programme Management, Financial Management, Human Resource Management, Communication Management, Strategy and Development Management, and Legal Management, as well as Technical Management,

• the internal control procedures in the sales and marketing area, set up mainly by subsidiary management and personnel, in line with the requirements and specific features of the group's businesses, and in particular for advertising and diversification activities, have been defined.

The efficiency of the internal control system will be analysed and tested in 2004 by the "corporate governance" department, which has just been set up, and reports directly to the Management Board.

d / Information and communication

In view of the control and analysis of the efficiency of its operations, the Métropole Télévision Group has set up:

• an information system dedicated to the collection of key data
• communication resources that provide staff with the information required to carry out their duties.

e / Monitoring

The group has gradually established a methodology to evaluate the quality of internal control throughout the period:

• medium-term plan, annual budget and "targets" are defined by the Executive Committee in line with the overall strategy set up by the Management Board,
• the plan, budget and "targets" are followed up monthly at all levels in the Group, mainly via operational and financial approaches.

B. Quality of accounting, financial and management information

Accounting, financial and management information communicated to the executive management of the Company:

• is based on a set of systems and procedures that are in widespread use throughout the Group,
• that accurately reflects the operations and financial position of the Company.

All these tools and procedures are designed to provide management with the means of preventing and controlling risks arising in the business and the risk of errors and fraud, particularly in the accounting and financial area.
Group Financial Management sets the nature, extent, form and frequency of financial information relevant to the group that must be provided by subsidiaries and departments. It sets out the standards for financial reporting, the accounting procedures and standards, performance indicators and standardised consolidation packages.
The adoption programme for the new accounting standards, IFRS, has contributed to a fundamental reassessment of the process and content of financial information.

II - Summary of internal controls in place

A. General overview of internal control procedures

In order to achieve the operating and financial objectives that have been set, the Group has set up certain organisational and internal control functions that are part of the general organisation described above.

a / Presentation, role and general conditions concerning individuals or bodies exercising control

i > Corporate governance form and conditions

Since 2000, the Métropole Télévision Company has operated as a limited company with a Management Board and a Supervisory Board. This legal form ensures separation between management and control of the Company. Beyond the operating conditions described below, the legal form complies with regulatory constraints required by the covenant agreed with the CSA, which gives a framework to the operating and broadcasting regulations of the network.
All the regulations concerning the corporate governance of Métropole Télévision Group are set out in the bylaws (Articles 14 to 19 as regards to the Management Board and 20 to 25 as regards to the Supervisory Board).
The following details relate more specifically to the form and conditions that contribute to the effectiveness of internal control.

■ MANAGEMENT BOARD

• Its term of office runs for five years. It comprises five individual members, appointed by the Supervisory Board, receiving a salary from the Métropole Télévision Group, each less than 65 years of age and responsible for the Métropole Télévision Group larger business units or sectors.

The rules concerning multiple Directorships have been complied with.
• The Management Board meets once a week, and reports are drafted for all meetings. Only compulsory decisions taken by a majority of members, are subject to a formal report, signed by the members attending the meeting.
• The Management Board is granted all powers to act in any circumstances with third parties in the name of the Company. However, investments or divestments for a unit amount exceeding € 20 million remain subject to approval by the Supervisory Board.

■ SUPERVISORY BOARD

• The Supervisory Board comprises twelve individual members, of which four are independent in accordance with the Bouton report. They are appointed by the Annual General Meeting for a four year term of office.
The rules concerning multiple Directorships have been complied with.

• Within the framework of conditions provided by the bylaws, the Supervisory Board meets at least once every quarter. Its Chairman is in charge of calling these meetings.
Decisions taken by a majority vote, are formally recorded, and an attendance register is signed by the members attending.
The Annual General Meeting has allocated a fixed amount of € 50,000 in relation to Directors' fees to the Supervisory Board members. This amount was recorded as an expense of

Métropole Télévision.

In 2003, the attendance rate of Supervisory Board members was 83%.

• The Supervisory Board exercises permanent control over the management of the Company by the Management Board, and grants prior authorisation to conclude transactions that the Management Board cannot carry out without authorisation from the Supervisory Board, thus abiding strictly by the provisions of the bylaws.

The Supervisory Board rules are codified in an internal set of rules which states:

- that the Audit Committee, comprising three members and meeting twice yearly:
  • reviews full-year financial statements, as well as interim and preliminary results,
  • considers accounting principles and rules used by the Group,
  • evaluates Statutory Auditors' appointment proposals, their remuneration and reviews their conclusions,
- that the Remuneration and Appointments Committee, comprising two members and meeting once yearly:
  • proposes remuneration for Supervisory Board and Management Board members, and monitors respect of collective and individual value principles and rules of conduct applicable to employees upon which the Group's actions are based,
  • ensures that the concept of independent Supervisory Board member is adhered to.

ii > Operational control key players

Beyond corporate governance, the Group has entrusted several collegial bodies or functional departments with powers of control.

AT GROUP LEVEL:

• The Executive Committee meets twice monthly and has as an object to anticipate the main operational risks. It comprises twelve members, including Management Board members, and brings together the main functional and operational departments of the Group: the office of Programming General Secretary, the Research Department, the Financial Department, the Human Resources Department, the Legal Department, the Technical Department and the Programming Department,

• The Management Committee meets once a week and brings together members of the Executive Committee as well as representatives of the main subsidiaries. Its object is to inform the group of the major decisions taken.

AT SUBSIDIARY LEVEL:

• A Finance Committee is set up in subsidiaries where the Group does not own a majority interest, and reports the major decisions and direction taken to the Group,

• The weekly and monthly reporting of subsidiaries where the Group owns a majority investment, thus ensuring a regular financial follow-up to the group.

THE FINANCE DEPARTMENT:

• Ensures coordination of certain financial transactions of some significance to the Group,

• Manages, after consultation with subsidiaries, the Group's cash and foreign currency risks, by use of financial indicators and hedging instruments it deems appropriate,

• Controls the management of direct and indirect taxes within a tax plan,

• Sets up, after consultation with subsidiaries, a network of management controllers familiar with the specific features of the Group's businesses,

• Secures the process of accounting information and the transfer of information used in consolidation.

THE LEGAL DEPARTMENT :

• Carries out a consultancy assignment for the Group, and submits legal advice when appropriate,

• Takes part, together with subsidiaries and other functional departments, in preparing and negotiating standard legal documentation, in order to obtain a unified point of view with regards to this documentation,

• Sets up a network of lawyers in charge of the follow-up and management of the group's legal risks.

b / Internal company references

• The Company has established a code of ethics applicable to all employees of the Métropole Télévision Group. This code of ethics was updated in May 2000 and has been circulated to all employees. It sets out all the professional principles required to be observed by employees as regards their personal conduct, and enables all staff members, whatever their status or rank in the hierarchy, however high it is, to direct their choice of actions.

• Additionally, the Company has made available to the various departments descriptive instruction manuals for operational and administrative processes applicable to each kind of operation carried out.

• The Company has also implemented a control procedure of commitments, along with a system of delegation of signatory powers.

• The Company has also introduced a procedure of artistic validation of programme content, which ensures that editorial and ethical values, as well as legal standards are respected. This procedure takes the form of written recommendations forwarded to the Programming Department and the Management Board.

c / Preparation of shareholder financial and accounting information

• Internal control procedures relating to the preparation and processing of financial and accounting information are mainly implemented by the accounting, consolidation, financial reporting and management control departments, within the Group's Financial Department. The majority of these procedures are subject to deployment at Headquarters and subsidiaries in order to better take into account the Group's current method of operating.

• The Group's Financial Department ensures the implementation of:

- The standardisation of accounting principles, taking into account the complexity of managing several accounting standards at the same time within the Group: current and future (IFRS standards) French standards, standards applicable to multi-stage sub-consolidation, standards used by the Group's shareholders,
- The standardisation of reporting tools (parameter setting, maintenance, communication and control of compliance with instructions), ensuring adaptability and ensuring that safety requirements are met,
- The development of the reporting process, in order to improve the frequency and relevance by including performance indicators,
- The communication of accounting and financial information to the Group's administration and management bodies and statutory auditors.

B. Presentation of summary information relating to internal control procedures

a / Main internal control procedures established by the Group

• Internal control procedures of the Métropole Télévision Group are centralised, with a strong hierarchical control based on an a priori control of decisions and the strict monitoring of individual objectives.

• Within the Group, operational control procedures are expressed in terms of follow-up commitments, programming, content, and quantity, as well as compliance with regulations (CSA, CNC...).

• The following are examples of the essential procedures and principles applied by the group:

- the gradual establishment of a new management information system, an integrated tool for operational follow-up dedicated to the audiovisual business:
  - adapted to the purchasing and broadcasting of programmes
  - as well as to selling advertising space
  - which gave rise to the redefinition of all group processes to have a better control over the various steps and to achieve greater rationalisation
- the creation of a financial information control system and a procedure dedicated to general expense purchases
- strict procedures for treasury management, due to:
  - centralised treasury control for the group,
  - strict separation of duties, to guarantee an effective means of fraud prevention
  - a regularly updated system of authorisations and signatures,
  - controls over computer access,
  - security for payment systems

b / Preparation and processing of financial and accounting information

Internal controls exercised by the group in the preparation and processing of financial and accounting information is achieved using a number of procedures.

i > Accounting procedures

The accounting department collects and fully records transactions and accounting documentation for the year:
- by use of financial information systems, under the control of systems administrators who ensure their correct use and work closely with the user
- by document circulation, that gives the accounting department a leading role
- by adherence to accounting standards and the group's internal rules in force.

Internal procedures provide an after the event control over the consistency of accounting entries and reviews are carried out at every closing to check on work done.

ii > Procedures for the preparation of the consolidated financial statements

The consolidation unit, fully committed to the consolidation of the group's financial statements, is based within the Financial Management section.
Head office uses consolidation software that is kept up to date by internal and external personnel, and data is collected from the subsidiaries.
The consolidation unit, which is in regular contact with the subsidiaries' accounting departments, ensures that standard accounting principles are applied throughout the group.
It also collects and checks the non-accounting data referred to in financial press releases and related to the consolidated financial statements.
These data are verified by the Company and the Statutory Auditors.
The group releases sales figures quarterly and profits every half year. Every year, the group issues a complete set of financial documentation.

iii > Reporting procedures

The reporting department is within the management control section. It sets up the data collection and analysis process on a weekly or monthly basis depending on the business.
There is a monthly review with operating staff.
The reporting system provides operating staff with the means of measuring progress in achieving their objectives.
The reporting team checks on the correct allocation within the management and control software and controls the faithful transcription into the accounting records of information from the operating staff.
At every closing, the reporting package is reconciled to the accounts and the consolidation.
Actual results in the reporting package are compared monthly to the budget and the previous year. They are also presented to the Audit Committee, Supervisory Board and, on occasion, the Financial Committees.

iv > Follow up procedure for off-balance sheet commitments

Every commitment requires an authorisation procedure.
At every accounting closing, the information required to establish the consolidated off-balance sheet commitments is collected by Financial Management from all group departments (mainly the departments for audiovisual rights acquisition and technical services).
This information is summarised and checked by the accounting and consolidation departments before being included in the off-balance sheet commitments of the group.
The Statutory Auditors check in detail the off-balance sheet commitments as part of their opinion on the financial statements.

v > Follow up procedure for operating assets

Group assets are accounted for by an asset software package with an application dedicated to the management of audiovisual rights.
The asset software package receives input and overview by the accounting department, after a check on the paperwork by the departments concerned (mainly the technical department).
The application for management of the audiovisual rights is run by the broadcasting rights department
Every closing of information from this software is reconciled to the accounting records.
Regularly, physical inventories and asset reviews are carried out to ensure the reality of and the correct valuation of operating assets.

vi > Valuation procedure for subsidiaries and investments

The principal acquisitions made by the group are subject to an annual impairment test to ensure the carrying value of the investment is lower than its operational value.
The operational value is the higher of its basic value and its value in use, which is determined on the basis of discounted cash flow according to the principles detailed in the group financial statements.

Neuilly, 4 March 2004

KPMG AUDIT
Division of KPMG S.A.
Immeuble KPMG – 1, cours Valmy
92923 Paris-La Défense Cedex

Statutory Auditors
Member of the
Compagnie de Versailles

BARBIER FRINAULT & AUTRES
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Financial year ending 31 december 2003

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE APPLICATION OF THE LAST SECTION OF ARTICLE L.225-235 OF THE COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS REGARDING INTERNAL CONTROL PROCEDURES USED IN THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

To the shareholders of Métropole Télévision SA,

As Statutory Auditors to your Company and in application of the last section of Article L. 225-235 of the Commercial Code, we hereby present to you our report on the report prepared by the Chairman of the Supervisory Board of your Company in accordance with the provisions of Article L. 225-68 of the Commercial Code for the financial year ending 31 December 2003.

The Supervisory Board is responsible for defining and implementing adequate and effective internal control procedures. It is the Chairman's responsibility to account, in his report, notably on the conditions of preparation and organisation of the work of the Supervisory Board and of the internal control procedures implemented within the Company.

It is our duty to communicate any observations we may have on the information contained in the report of the Chairman concerning internal control procedures regarding the preparation and processing of accounting and financial information.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of diligence procedures to assess the fairness of information presented in the Chairman's report, regarding internal procedures for the preparation and processing of accounting and financial information. These procedures notably consist of:
- becoming familiar with the objectives and general organisation of the internal control, as well as internal control procedures regarding the preparation and processing of accounting and financial information, as presented in the Chairman's report;
- becoming familiar with the work from which the data and information in this report are derived.

On the basis of our work, we have no observations to formulate on the description of internal control procedures regarding the preparation and processing of accounting and financial information contained in the report of the Chairman of the Supervisory Board, prepared in application of the provisions of the last section of Article L. 225-68 of the Commercial Code.

Neuilly-sur-Seine and Paris-La-Défense, 8 April 2004
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin
Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

B. Bizet

2. GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

2.1. INFORMATION ON THE COMPANY

2.1.1 Bylaws

COMPANY NAME
MÉTROPOLE TÉLÉVISION - Acronym M6

HEAD OFFICE AND REGISTERED OFFICE
89 avenue Charles de Gaulle
92575 NEUILLY SUR SEINE Cedex

LEGAL FORM
Public Limited company (Société Anonyme) under French Law with a Management Board and Supervisory Board governed by the Commercial Code, unrepealed provisions of the Decree of 23 March 1967 and subsequent texts on commercial companies.

DATE ESTABLISHED - DURATION
The Company was established on 13 October 1986 for a period of 99 years unless subject to early dissolution or extension.

REGISTER OF COMMERCE - SIRET – APE CODE
The Company is registered in the Register of Commerce and Companies under the number:
339 012 452 RCS Nanterre
SIRET no. 339 012 452 00084 - Code APE 922D

INSPECTION OF DOCUMENTS
Legal documents concerning the Company may be inspected at its registered office.

FINANCIAL YEAR
From 1 January to 31 December.

COMPETENT COURTS
The competent courts will be those of the Company's registered office in the event of litigation where the Company is the defendant and these courts will be designated in accordance with the location and nature of the litigation, unless otherwise specified by the New Code for Civil Proceedings.

COMPANY OBJECTS (ARTICLE 3 OF BYLAWS)
The Company's objects are:
– to operate one or more audiovisual communication services broadcast or transmitted on terrestrial TV, cable TV, satellite TV or by any other means that may be authorised, as applicable, by the Conseil Supérieur de l'Audiovisuel (CSA), comprising notably the design, production, programming and broadcasting of television programmes, including all advertising and publicity.
– to undertake all industrial, commercial, financial and property transactions that relate directly or indirectly to this object or similar objects, connected to or complementary to or likely to facilitate their production or development, or to all corporate assets.

STATUTORY ALLOCATION OF NET PROFITS (ARTICLE 40 OF BYLAWS)
5% of the profit of the year, net of any prior losses, shall be allocated to the legal reserve. This allocation ceases to be mandatory once the legal reserve amounts to 10% of the share capital.
The balance, less any transfers to other reserves as required by law, together with any profits carried forward comprise the distributable profit.
As applicable, the following may be deducted from the distributable profit:
a) The amounts declared by the General Meeting, upon the recommendation of the Management Board, to be allocated to optional ordinary or extraordinary reserves or to be carried forward.
b) The amount necessary to give shareholders, by way of first dividend, 5% of the amount paid and not written down on their shares so that, if there is insufficient profit in a year to effect this payment, the shareholders have a claim on the profits of subsequent years.

The balance of distributable profit, after the above deductions, shall be split equally among all shares by way of an additional dividend.
If the Meeting decides to distribute amounts from the reserves that are available, the decision shall expressly indicate which reserves are to be used.
The General Meeting considering the accounts of the year may grant shareholders, for all or part of the dividend or interim dividend payment, the option of receiving payment in cash or in shares in accordance with legal provisions.

GENERAL MEETINGS (ARTICLES 27 TO 29 OF BYLAWS)

Notification, admission, voting rights

Notification requires, at least thirty days before the proposed date of the Meeting, the publication of a notice in the Bulletin des Annonces Légales Obligatoires, in accordance with the regulations in force.

Specific notifications are issued at least fifteen days before the proposed date of the Meeting. The timeframe is reduced to six days for reconvened Meetings.

Notification is by way of standard letter addressed to every nominative shareholder and by publication of a notice in a legal newspaper at the registered office, and in the Bulletin des Annonces Légales Obligatoires.

Notification will specify the place, date and time of the Meeting, as well as the purpose of the Meeting and matters included in the agenda.

A General Meeting comprises all shareholders whose shares are fully paid to date. No one may represent a shareholder unless he/she is a shareholder or the spouse of the shareholder represented.

The right to attend Meetings is subject to the nominative shares being recorded in the Company records, at least five days prior to the proposed date of the Meeting or, where it relates to identifiable bearer shares, the deposit, within the same timeframe, of a certificate prepared by the share registrar noting that the shares are unavailable until the date of the meeting.

Proxy and postal voting forms are prepared and addressed in accordance with legislation in force.

The holders of securities referred to in the third paragraph of Article L 228-1 of the Commercial Code may be represented by a registered intermediary in accordance with the provisions of the said Article.

The intermediary who has satisfied the provisions of the third and fourth paragraphs of Article L 228-1 may, by virtue of a general mandate of securities management, assign for one Meeting the vote or the powers of a holder of shares as defined in paragraph three of the same Article.

VOTING RIGHTS LIMITATIONS (ARTICLE 35 OF BYLAWS MODIFIED BY GENERAL MEETING OF 18 MARCH 2004)

Subject to the provisions below, the voting right attached to shares is proportional to the share capital they represent, and every share carries the right to one vote.

No shareholder, or group of shareholders acting in concert, may hold more than 34% of the total number of voting rights.

In the event that a shareholder holds, either alone or in concert with others, over 34% of the share capital, the number of votes available to each shareholder in Meetings is restricted to 34% of the total number of shares in the Company and/or the attached voting rights.

This restriction ceases to have effect in the event of the elimination of the need for such a restriction, either following a decision by the CSA or as part of a revision to the Agreement between the Company and the CSA.

CROSSING OF EQUITY OWNERSHIP THRESHOLD (ARTICLE 11 OF BYLAWS, MODIFIED BY THE GENERAL MEETING OF 18 MARCH 2004)

The Company's bylaws allow for the following:

- Shares can be freely transferred.
- Shares are transferred by transfer from one account to another in accordance with the law in force. In the event of an increase in share capital, shares may be traded as soon as it is completed.
- All persons, whether they be individuals or corporate entities, acting alone or in concert, who come into possession of a number of shares representing at least 1% of the share capital and/or voting rights or any multiple of this percentage without restrictions, are required to declare to the Company the number of shares and/or voting rights held, within a period of five stock market trading days from the moment this threshold is crossed, by registered letter with proof of delivery addressed to the registered office.
- In the determination of the above thresholds, the following is also considered: shares and/or voting rights held indirectly and shares and/or voting rights similar to shares and/or voting rights held, such as are defined by Articles L233-7 and subsequent of the Commercial Code.

This requirement to declare also applies in the same conditions in the event that a shareholding expressed in shares and/or voting rights falls below one of these thresholds.

In the event of failure to make the required declaration within the terms stipulated above, the shares exceeding the fraction that should have been declared are deprived of a vote, in accordance with the provisions of the Commercial Code concerning the crossing of legal thresholds.

The intermediary registered as the holder of securities in accordance with the third paragraph of Article L228-1 of the Commercial Code is required, notwithstanding the obligations of the holders of these shares, to make the declarations provided for in the present Article, for all of the shares of the Company for which he/she is registered.

The requirements of this Article are not an obstacle to the application of the provisions of the Law of 30 September 1986 on freedom of communication and in respect of the holding of share capital or voting rights in companies that are authorised to provide an audiovisual communication service, or any other provisions arising from the legislation in force.

2.1.2 Legal environment

SHAREHOLDERS

According to the provisions of Article 39 of law n°86-1067 of 30 September 1986, as modified, one person, individual or corporate, acting alone or in concert, cannot hold, directly or indirectly, more than 49% of the share capital or voting rights of a company that is authorised to provide a national terrestrial television service.
This provision was modified by law n°2001-624 of 18 July 2001.This clause limits the 49% rule only to terrestrial networks whose average annual audience (terrestrial, cable and satellite) exceeds 2.5% of the total television audience. Thus, this only concerns the new terrestrial digital networks.

BROADCASTING LICENCE APPLICABLE LEGISLATION

M6 is a privately owned terrestrial free TV network, which initially was granted a broadcasting licence for a period of 10 years from 1 March 1987 to 28 February 1997, within the framework set by Article 30 of the law of 30 September 1986 as modified in respect of freedom of communication.
Financed exclusively by advertising, it is subject to the general requirements of this legal classification and the particular requirements of its agreement.

M6's broadcasting licence was renewed in July 1996 and July 2001, for two consecutive terms of five years from 1 March 1997 and 1 January 2002.
These broadcasting licence renewals were the subject of negotiations with the CSA in accordance with the provisions of the Law of 30 September 1986.
The agreement of 24 July 2001 may cover an additional term of five years, that is, until 1 January 2012, in the event that M6 elects to use its rights of priority to provide digital terrestrial service, as stipulated for in the modified Law of 1986.
The new broadcasting licence sets out particular obligations for the Network.
In particular, it determines its requirements to invest in the production of audiovisual programmes:
– 18% of the annual net sales of the previous year must be invested in the production of French and European audiovisual programmes, of which 13.5% must be dedicated to programmes originally produced in French.
– Of this 18%, M6 must reserve two-thirds for programmes originally produced in French or Europe.
– Of this 18%, M6 must reserve at least two-thirds for programmes that are independently produced.
– 100 hours of audiovisual programmes must have been produced originally in French or in Europe, must not previously have been publicly broadcast on a free terrestrial TV network nationwide and must have a starting broadcast time of between 8 pm and 9 pm.
– At least 1% of the annual net sales of the previous year must be dedicated to the production of cartoons originally produced in French or in Europe

The network's production obligations are also governed by the modified decree of 9 July 2001.

Pursuant to the application of the aforementioned decree, the network must also dedicate 3.2% of its sales to the production of European films for movie theatre distribution.

The agreement also determines the music requirements of the network (per year: broadcast of a minimum of 30% music per 24-hour period, with 50% of music broadcasts containing content originally produced in French, and the investment of € 21.34 million in music programmes and in the production and broadcast of 150 music videos dedicated to francophone artists).
The network's music offer may be re-examined in light of the music offer broadcast free on terrestrial digital networks.

All of the programmes are subject to a classification system consisting of 4 categories of viewing audience, enabling one to specify the audience segment being addressed by each programme.

The general requirements relating to the broadcast quotas arise primarily from decree 90-66 as modified on 17 January 1990:
– Of the audiovisual programmes broadcast over a 24-hour period, 40% must have been originally produced in French and 60% must have been produced in Europe and the same requirements apply to peak viewing periods, set annually by the CSA, namely between 2 p.m. and 11 p.m. on Wednesdays and between 5 pm and 11 pm on the other days
– M6 must not broadcast more than 192 films during the year and not more than 104 films during the prime time hours of 8.30 pm to 10.30 pm, with 40% and 60% of all such films broadcast having been originally produced in French and in Europe respectively, throughout the day and at peak times.

Concerning advertising, Law No. 93-122 of 22 January 1993 (known as the Sapin law) regulates the relationship between advertisers, their agents and the advertising media.
Other regulations concerning the broadcast of advertisements arise primarily from decree 92-280 of 27 March 1992.

2.2 GENERAL INFORMATION ON SHARE CAPITAL

TERMS AND CONDITIONS IN THE BYLAWS RELATIVE TO CHANGES IN SHARE CAPITAL AND ATTACHED RIGHTS

All changes in share capital or rights attached to securities comprising the share capital are contained in the Bylaws. Only an Extraordinary General Meeting is authorised to increase the share capital, following a report by the Management Board.

If the share capital is increased by way of incorporation of reserves, profits or share premiums, a General Meeting can decide, subject to the quorum and majority requirements of Annual General Meetings.

FULLY PAID-UP CAPITAL, SHARE NUMBERS AND CLASSES

At 31 December 2003, taking into account the reduction in the par value of the Company's shares to € 0.40 from € 4.00, the fully paid share capital amounted to € 52,755,476 consisting of 131,888,690 shares, each with a par value of € 0.40 and of the same class.

SHAREHOLDERS AGREEMENT

None

SHARES PLEDGED

None

CAPITAL AUTHORISED BUT NOT ISSUED AND COMMITMENTS TO INCREASE SHARE CAPITAL

None

POTENTIAL CAPITAL (€)					
AGM authorisation date	26 May 2000	26 May 2000	26 May 2000	26 May 2000	26 May 2000
Board allocation dates	30 June 2000	30 June 2000	30 June 2000	30 June 2000	30 June 2000
Beneficiaries	88	146	158	117	1
Maximum numbers of shares that can be subscribed to through exercise of options	255 000	445 300	642 000	691 000	20 000
Options exercise opening date	30/06/04	7/06/05	7/06/06	25/07/07	14/11/07
Options exercise expiry date	30/06/07	7/06/08	7/06/09	25/07/10	14/11/10
Potential share capital increase arising from the exercise of options	**102,000**	**178,120**	**256,800**	**276,400**	**8,000**
Subscription price	58.58	30.80	28.06	22.48	23.82
Number of shares comprising share capital	131,888,690	131,888,690	131,888,690	131,888,690	131,888,690
Par value	0.4	0.4	0.4	0.4	0.4
Share capital value	52,755,476	52,755,476	52,755,476	52,755,476	52,755,476
Number of shares comprising share capital after exercise of options	132,143,690	132,333,990	132,530,690	132,579,690	131,908,690
Share capital value after exercise of options	52,857,476	52,933,596	53,012,276	53,031,876	52,763,476
Potential dilution rate	**0.19 %**	**0.34 %**	**0.48 %**	**0.52 %**	**0.02 %**

SHARE SUBSCRIPTION OPTIONS

Pursuant to the authorisation vested in it by the Combined General Meeting of 26 May 2000, the Management Board, over a 4-year period, may grant to designated staff and managers of the Company and its subsidiaries, for their benefit, share subscription options in the Company up to a maximum total of 3,000,000 shares (after taking into account the 10 for 1 share split).

The share subscription option plan expires at the end of the General Meeting called to consider the financial statement for 2003.

RIGHTS ATTACHED TO SHARES

There is only one class of shares with identical rights for all shares, in both the allocation of profit and the distribution arising from liquidation.

Every share carries one vote at all Meetings. There are no shares with double voting rights.

The right to dividends and interim dividends payable lapses after 5 years to the benefit of the State.

TRADING IN SHARES

All shares may be freely traded on the Paris Stock Exchange Second Market.

FORM OF SHARE REGISTRATION

Since its Stock Market launch, M6 share ownership has been registered as follows:

– in a pure nominative account held by Crédit Agricole Indosuez,
– in an administered nominative account,
– as an identifiable bearer with a standard intermediary.

The shares have been approved for EUROCLEAR-SICOVAM transactions.

SHAREHOLDERS' IDENTIFICATION

The Company is authorised to use the legal means provided to identify the holders of those securities that give the right, immediately or over time, to vote at its Shareholders' Meetings.

WITHHOLDING TAX ON DIVIDENDS

A) SHAREHOLDERS RESIDING IN FRANCE

• Individual Shareholders

Dividends :

Dividends earned from French shares are subject to the following tax considerations:

. an income tax charge at progressive rates;
. a 7.5% general social security deduction (Article 1600 - OE of the General Tax Code);
. a 2% social contribution deduction;
. a 0.5% social welfare debt repayment deduction.

In addition, dividends benefit from a total annual exemption of € 2,240 per married couple or partners, being jointly assessed to tax, and € 1,220 for single people, widow(er)s, divorcees, or spouses filing separate tax returns.

Dividends benefit from tax credits

Capital gains:

Capital gains arising from the disposal of the Company's securities are subject to a tax rate of 26% [(1)] comprising:

– a 16% general income tax charge (Article 200A 2e of the General Tax Code);
– a 7.5% general social security deduction;
– a 2% social contribution deduction;
– a 0.5% social welfare debt repayment deduction.

• Corporate entities Subject to Corporate Income Taxes

Dividends received are assessed in accordance with the general law and carry the right to a tax credit restricted to 10%.

All corporate entities restricted to 10% and that meet the conditions to benefit from the parent/ subsidiary regime may retain the benefit of a 50% tax credit.

b) SHAREHOLDERS NOT RESIDING IN FRANCE

Dividends distributed by companies whose registered offices are located in France are subject, in principle, to a withholding tax of 25% where the tax domicile or registered office of the beneficiary is located outside France. The withholding tax may be reduced, even eliminated, and the right to a repayment of the tax credit may be granted, in accordance with international double-tax agreements; dividends distributed to parent companies of countries that are members of the European Union may, under certain conditions, be exempt.

[(1)] If the annual amount of sales of marketable securities by the shareholder exceeds € 15,000 for transactions realised in 2003. In the opposite case, the capital gain is exempt.

MOVEMENTS IN SHARE CAPITAL

Date	Share Capital Transactions	Amount of the share capital increase	Number of shares	Amount of the share capital after transaction	Number of shares
15.09.86	Establishment of Company	10,000,000.00 F	100,000	10,000,000	100,000
16.05.87	Subscription	190,000,000.00 F	1,900,000	200,000,000	2 ,000,000
21.05.90	Capital Reduction	(198,000,000.00 F)	(1,980,000)	2,000,000	20,000
21.06.90	Share subscriptions	200,000,000.00 F	2,000,000	202,000,000	2,020,000
31.12.93	Share subscriptions exercised by employees (1)	6,900,000.00 F	69,000	208,900,000	2,089,000
06.09.94	5 for 1 share split	-	-	208,900,000	10,445,000
31.12.95	Share subscription options exercised by employees (1)	4,337,000.00 F	216,850	213,237,000	10,661,850
31.12.95	Conversion of bonds (2)	50,387,700.00 F	2,519,385	263,624,700	13,181,235
03.12.99	Conversion of Share Capital into €	12,535,613.57 €	-	52,724,940 €	13,181,235
30.12.99	Conversion of bonds	30,536.00 €	7,634	52,755,476 €	13,188,869
26.05.00	10 for 1 Share Split	-	-	-	131,888,690

(1) Par value subscription

(2) FRF 158,050,720 share premium

SHARE OWNERSHIP ANALYSIS

Shareholders	31/12/03	% capital	Voting right	% voting right	31/12/02	% capital	31/12/01	% capital
RTL Group*	63,816,796	48.39	44,842,154	**34**	62,646,169	**47.50**	59,634,781	45,22
SUEZ*	45,116,229	34.21	44,842,154	**34**	49,619,098	**37.62**	49,242,638	37,34
Financial Institutions and General Public	21,565,313	16.35	21,563,801	**16.35**	17,973,421	**13.63**	21,141,269	16,02
Treasury shares	1,390,352	1.05			1,650,002	**1.25**	1,870,002	1,42
	131,888,690		**111,248,109**		**131,888,690**	**100.00**	**131,888,690**	**100,00**

* voting rights limited to 34 %.

At 31 December 2003, there were 14,539 shareholders.
At this date, members of the M6 Management Board held 178,488 shares representing 0.14% of the Company's share capital and members of the Supervisory Board of M6 held 1,500 shares.
To the Company's knowledge, no shareholder in the 'Financial Institutions and General Public' category held, either directly or indirectly, more than 5% of the share capital and voting rights.

There was no shareholders' agreement between RTL Group and SUEZ, who did not act in concert. As regards the other shareholders, there was no action in concert, to the Company's knowledge.

Following Suez's disengagement in February 2004, the Company's share capital is owned as follows: RTL Group: 48.39%, Suez: 5%, Financial Institutions and Public: 45.56% and Treasury Shares: 1.05%.

SHAREHOLDERS' AGREEMENT

All existing agreements concerning subsidiaries not majority-owned by M6, to which the Company is a party, were reviewed as part of the selection of consolidation method as well as for the preparation of the note on off-balance sheet commitments. There are no clause(s) in these agreements likely to have a significant impact on the Métropole Télévision share price.
M6 and TF1 concluded a shareholders' agreement stipulating that the management of TPS be undertaken by TPS Gestion (sole statutory manager). The TPS Gestion Board of Directors comprises 8 members, of which 5 are designated by TF1 and 3 by M6. The strategic decisions that are essential to the achievement of the TPS financial and operational objectives are taken by a 75% qualified majority of the Board of Directors. In particular, these decisions include the approval of the TPS annual functional budget, and investments or expenditures representing a commitment in excess of € 6 million.

M6 SHARES MUTUAL INVESTMENT FUND

The M6 Shares Mutual Investment Fund was created in September 1994 (value: FRF 10 (€ 1.52), corresponding to a share price of FRF 260 (€39.64). Employees were able to subscribe to the Company Savings Plan in 2001, 2002 and 2003. At 31 December 2003, the Funds' net assets, which are held exclusively by Group personnel, were € 3,707,000 (668 stakeholders/ share price €26.02).

PROFIT SHARING

Two profit sharing agreements are in place: one for the Home Shopping Service and the other for Métropole Télévision and its subsidiaries.

These allow for a pooling of profit sharing for the companies concerned, to the benefit of all personnel. This is split on the basis of 30% for the time present in a year (minimum 3 months) and 70% on the basis of annual remuneration (with a ceiling of €116,736).

ANALYSIS OF VOTING RIGHTS

The allocation of voting rights is identical to the shareholdings, subject to Article 35 of the Bylaws concerning voting right restrictions.

There are no shareholders' agreements.

MARKETS ON WHICH ISSUER'S SECURITIES ARE TRADED

Stock Exchange

The Métropole Télévision share has traded on the Paris Stock Exchange Second Market (RGA code 5322) since its launch there on 28 September 1994 at a price of FRF 260 per share.

Since 9 February 1995, the share has been a component of the SBF 250 Index.

Since 14 November 1995, the share has also been a component of the SBF 120 Index.

At 31 December 2003, the share's closing price was € 26.02.

2.3 SUBSIDIARIES AND AFFILIATES OF THE COMPANY AND CONTROLLED COMPANIES

2.3.1. Taking account of direct shareholdings in excess of a twentieth, a tenth, a fifth, one third or half of the share capital and taking control (Art.L 233-6 of the Commercial Code).

The following table contains information required to be reported by law:

Corporate Name	Legal Form	Holding Direct	Holding Indirect	Total %
TV STORE	SA	-	100	100
27, bd Hippolyte – 94853 Ivry sur Seine Cedex				

2.3.2. Parent Company – Subsidiaries relationships

Métropole Télévision has its own business and also defines the major strategic direction of the Group.

It directs the various group entities within a framework that it defines and sets:

• by directions given to the Group activities

• by the specific features of the Group's three major business areas that are Free to Air Television, Digital Television and Diversification Activities.

• by the existence of some functional departments that have a group-wide responsibility. These functional duties are fulfilled by experts within each group business.

At 31 December 2003, Métropole Télévision held 70 subsidiaries and affiliates.

Significant consolidated subsidiaries (22)	Country	Financial transactions with Métropole Télévision			Holding (rounded)	Impact of minority interests
		Loans/ guarantee	Treasury centralisation	Significant transactions (Transactions in excess of € 500 thousand)		
C. Productions	France		Yes	- purchase of rights - technical assistance or services - reinvoicing and various sub-contracts	100 %	-
Edi TV	France		Yes	NS	100 %	-
Extension TV	France		Yes	- technical assistance or services	50 %	-
Fun TV	France		Yes	- technical assistance or services	100 %	-
Studio 89 Productions	France		Yes	- purchase of rights - technical assistance or services	100 %	-
W9 Productions	France		Yes	- receipts from co productions	100 %	-
Football Club des Girondins de Bordeaux	France		Yes	- technical assistance or services	99.76 %	No particular impact
Home Shopping Service	France		Yes	- commission on sales - technical assistance or services	100 %	-
M6 Droits Audiovisuels	France		Yes	- purchase of rights - sale of rights	100 %	-
M6 Editions	France		Yes	NS	100 %	-
M6 Evénements	France		Yes	- various sub-contracts	100 %	-
M6 Films	France		Yes	NS	100 %	-
SND	France		Yes	- purchase of rights	100 %	
M6 Interactions	France		Yes	- commission on sales - technical assistance or services - advertising - various reinvoicing	100 %	-
M6 Publicité	France		Yes	- technical assistance or services - payment broadcast schedule	100 %	-
M6 Thématique	France		Yes	NS	100 %	-
M6 Web	France		Yes	- advertising - technical assistance or services	100 %	-
Métropole Production	France		Yes	- external personnel - technical assistance or services - various income from management	100 %	-
SediTV	France		Yes	- technical assistance or services	51 %	No particular impact
TCM Droits Audiovisuels	France			- sale of rights	50 %	-
TF6 SCS	France			NS	50 %	-
TPS	France	Yes		- fees - advertising	34 %	-

Insignificant subsidiaries consolidated (35)

Culture Mag Editions
Immobilière M6
Live stage
M6 Bordeaux
M6 Diffusion
M6 Foot
M6 Numérique
M6 Studio
M6 Toulouse
Mandarin
SCI du 107
TF6 Gestion

Sous-Groupe HSS :
Club Téléachat
HSS Belgique
HSS Hongrie
SETV Belgique
Tecipress
Télévente promotion
Unité 15 Belgique
Unité 15 France
Home Travel Services
TV Store
RTL SHOP

Sous-Groupe TPS
Multivision
TPS Cinéfaz
TPS Cinéstar
TPS Cinétoile
TPS Cinéma
TPS Entreprises
TPS Foot
TPS Interactif
TPS Jeunesse
TPS Motivation
TPS Sport
TPS Terminaux

Non consolidated subsidiaries (13)

Athleteline
ENEX
Labo ProductionS
M6 Affaires
M6 Communication
M6 Création
M6 Développement
M6 Opérations
Métropolest
Multiplex R4
Paris Première
TCM Gestion
TPS Gestion

2.4 OTHER INFORMATION CONCERNING THE PARENT COMPANY FINANCIAL STATEMENTS

2.4.1. TAX INFORMATION

FINANCIAL STATEMENTS at 31.12.2003	AMOUNT (€ thousands)
Total amount of non-deductible expenses and charges (Article 39-4 of the French General Tax Code)	9.2
Total amount of non-deductible fees (Article 210 of the French General Tax Code)	0
> Remuneration and other charges relating to the highest paid staff	4,233
> Gifts and hospitality expenses	374
Total amount of expenses appearing in the Special Statement of General Expenses (Article 223.5 of the French General Tax Code)	**4,179**
> Amount of the above expenses incorporated in taxable profit	9.2

2.4.2. CORPORATE INFORMATION

The Company will make available to all shareholders on request the parent company financial statements as prescribed by Articles L.438-1 and subsequent of the Labour Code.

Combined General Meeting

AGENDA

for the Combined General Meeting of 28 April 2004

1. In Extraordinary Session

- Management Board Report
- Statutory Auditors' Special Report
- Establishment of a new stock option plan covering 2,700,000 options to subscribe for shares
- Delegation to the Management Board to reduce the share capital through cancellation of shares
- Share capital increase reserved for employees

2. In Ordinary Session

- Management report
- Comments of the Supervisory Board
- Statutory Auditors' Report on the financial statements for the year ended 31 December 2003
- Approval of the parent company financial statements for the year ended 31 December 2003
- Statutory Auditors' Special Report on the Agreements covered by Article L 225-86 of the Commercial Code
- Allocation of 2003 financial year net profit and setting of dividend amount
- Approval of the consolidated financial statements for the year ended 31 December 2003
- Discharge
- Reappointment of members to the Supervisory Board
- Setting of attendance fees for members of the Supervisory Board
- Authorisation to grant the Management Board powers to transact in the Company's shares
- Powers to complete formalities

1. MANAGEMENT BOARD REPORT TO THE COMBINED GENERAL MEETING

1.1 REPORT TO THE EXTRAORDINARY SESSION OF THE GENERAL MEETING

Establishment of a new stock option plan concerning 2,700,000 shares (1st and 2nd Resolution)

The stock option plan to subscribe for shares approval by the Combined General Meeting of 26 May 2000 will expire at the end of the present Meeting, and it is requested to approve, for 3 years from today, the grant of options to subscribe for shares in the company Métropole Télévision, giving the right to subscribe for 2,700,000 shares with a par value of € 0.40, which can be granted at the rate of 900,000 shares for each of the years.

The share subscription price payable by the beneficiaries of the options may not be less than the average price quoted on twenty stock market trading days preceding the date on which the options are granted.

Delegation to the Management Board to reduce the share capital through cancellation of shares (3rd Resolution)

You are requested, subject to the approval of the share buyback plan, to authorise the Management Board to reduce the share capital by cancellation of shares acquired by the company itself. The Management Board will thus be able to proceed within the provisions of the law to reduce the share capital by up to 10% of its amount

Share capital increase reserved for employees (4th Resolution)

Article L.225-129 VII para. 1 and 2 of the Commercial Code, as modified by the Law of 19 February 2001, imposes on companies a requirement to consider every three years a share capital increase reserved for employees that are members of a Company Savings Plan (CSP), when employees collectively do not own at least 3 % of the share capital.

In addition, para. 1 of this Article L.225-129 VII of the Commercial Code prescribes that it is necessary, during any share capital increase, that the Extraordinary General Meeting must decide, in relation to a Statutory Auditors' Special Report, on a draft resolution providing for an increase in share capital reserved for the benefit of employees belonging to a CSP or a Partnership Salary Savings Plan. The 1st Resolution will result in the likely application of this article, thus offering another reason for proceeding with a share capital increase reserved for employees belonging to a CSP.

Although the Management Board believes that this is not an opportune time for such a share capital increase, you are requested, in accordance with the law, to authorise a share capital increase by the issue of new shares, to be subscribed in cash, and to be made in accordance with Article L443-5 of the Labour Code.

This relates to a share capital increase with a maximum nominal value of € 1,000,000 through the issue of 2,500,000 shares with a par value each of € 0.40 reserved for employees or former employees that are members of the Groupe Métropole Télévision savings plan.

The share subscription price, determined in accordance with the law and particularly Article L443-5 of the Labour Code, will be equal to the average price quoted in the twenty stock market trading dates preceding the date of the decision that set the date for the opening of subscription.

The new shares will be fully paid on subscription.

They will be assimilated with the existing shares and will have the same rights from their date of issue.

Employees and former employees who are members of the Company's Savings Plan will have thirty days to subscribe from the opening date of subscription.

The share capital increase will not proceed unless the complete capital increase is fully subscribed.

The employees can arrange among themselves for the share subscription. A list of subscribers will be filed at the registered office within the subscription period provided, together with the amount of their subscription.

This proposal implies the waivers by shareholders of their pre-emption rights to subscribe. The waiver of the pre-emption right to subscribe is justified by the need to reserve the capital increase to employees in accordance with Article L225-129 VII of the Commercial and Article L443.5 of the Labour Code.

As a result, if these proposals are approved, it is necessary to approve the resolution as submitted after consideration of the Statutory Auditors' Special Report that contains their opinion on the waiver of the pre-emption right to subscribe.

1.2 REPORT TO THE ORDINARY SESSION OF THE GENERAL MEETING

Approval of the financial statements and transactions for the 2003 financial year (5th Resolution)

The General Meeting is requested to approve the transactions and the financial statements for the 2003 financial year as presented.

Agreements covered by Article L.225-86 of the Commercial Code (6th Resolution)

The Statutory Auditors' special report relates to regulated agreements covered by Article L.225-86 of the Commercial Code. This Special Report is attached to the Reference Document. No new agreements have been concluded since the end of the financial year.

Allocation of 2003 financial year profit and setting of dividend amount (7th Resolution)

2003 Company net profit	**105,525,515** €
Retained earnings opening balance	399,069,536 €
Total amount distributable	**504,595,051** €
We propose:	
• A cash dividend per share of 0.67 € for all 131,888,690 shares comprising the Company's share capital	88,365,422 €
• Retained earnings closing balance	416,229,629 €

If the Meeting approves this proposal, the cash dividend for the 2003 financial year will be set at € 0.67 per share, to which is added a tax credit of € 0.335 per share, yielding a gross dividend of € 1.005 per share.

Approval of the consolidated financial statements at 31 December 2003 (8th Resolution)

The General Meeting is requested to approve the consolidated financial statements at 31 December 2003 as presented, as well as the transactions included in these statements or summarised in the Group Management Report included in the Management Report.

Discharge (9th Resolution)

It is thus proposed to discharge the members of the Management Board and the Supervisory Board for completion of their term of office for the year just ended.

Reappointment of members of the Supervisory Board (10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th and 19th Resolutions)

The term of office of the following members of the Supervisory Board:

- Albert Frère
- Axel Ganz
- Jean-Charles de Keyser
- Remy Sautter
- Yves-Thibault de Silguy
- Gérard Worms
- Gerhard Zeiler
- Bernard Arnault
- Jean Laurent
- Guy de Panafieu

expire at the end of the present Meeting.

It is proposed that the General Meeting reappoints the members of the Supervisory Board for a period of four years expiring at the Meeting called to consider the financial statements for the year then ended.

Directors' Fees (20th Resolution)

It is proposed that the General Meeting sets the Directors' fees for the members of the Supervisory Board for 2004

Authorisation given to the Manager Board to trade in the Company's shares (21st Resolution)

The General Meeting of 30 April 2003 authorised the Company to trade in the Company's own shares.

The Company did not acquire any of its own shares on the open market between 30 April 2003 and 28 February 2004.
Shares already acquired will be used to cover share purchase options allocated to employees. At 31 December 2003, share purchase plans relating to 1,390,352 shares are fully covered.

The authorisation granted to the Management Board by the General Meeting of 30 April 2003 to transact in its own shares having expired, we propose to you today that you grant the Management Board a new authorisation to transact in the shares of the Company with the following objectives, in descending order :

- purchasing and selling shares depending on market conditions,
- stabilising the stock market price of the share against the trend by continuously trading,
- cancellation of treasury shares to improve earnings per share,
- retention of shares to optimise asset and financial management of the share capital and equity,

• utilisation of shares as part of development and acquisitions or the issue of compound marketable securities to minimise the cost of an acquisition or to improve the terms of a transaction,
• allocation of shares to employees and senior executives under the terms and conditions provided by law, particularly as part of sharing the benefits of the expansion of the business, share purchase options, or a business saving plan, or any other form provided by the legislation in force.

The number of shares that may be acquired represent a maximum of 10% of the Company's share capital at the date of implementation of share buyback programme.
The acquisition, disposal, transfer or exchange of these shares can be made by every means, particularly on or off market, over-the-counter, and where appropriate, by combinations of derivative instruments (particularly options to sell) to the extent that these latter do not significantly affect the volatility of the share price, with the exclusion of the purchase of options to buy: the part that may be achieved by block trading is not limited and may represent the complete programme.

These transactions may occur at any time, including a period of a public offer within the limit permitted by the stock market regulations in force.

Terms and conditions proposed:
– purchase of shares to stabilise the price may not exceed 3% of the share capital
– maximum purchase price: € 50
– minimum selling price: € 10
– maximum holding: 10 % of share capital.
The maximum amount to complete the buyback programme is restricted to the amount of free reserves: € 454,305,946.39.
This authorisation is granted for a period expiring at the end of the Meeting called to consider the financial statements for 2004 although this period of time may not exceed 18 months.

We hope these proposals will receive your support.

2. COMMENTS OF THE SUPERVISORY BOARD

COMMENTS OF THE SUPERVISORY BOARD ON THE MANAGEMENT BOARD REPORT AND THE 2003 FINANCIAL YEAR FINANCIAL STATEMENTS

We would like to bring to your attention that, pursuant to the application of Article L. 225-68 of the Commercial Code, the Supervisory Board must present to the Annual General Meeting of shareholders its observations on the financial statements approved by the Management Board as well as on the Management Board Report submitted to the Meeting.

We would also like to bring to your attention that the annual financial statements for the 2003 financial year, as well as the Management Board Report, have been communicated to the Supervisory Board within the time periods set by legal and regulatory provisions.

The Supervisory Board, at its 4 March 2004 meeting, reviewed the report presented by the Management Board to the General Meeting, as well as the 2003 financial year financial statements, in the presence of the Statutory Auditors.

These financial statements had been previously approved by the Management Board and certified without observations by the Statutory Auditors.

M6 Group net profit increased by 17.7% to € 131.6 million and sales increased by 24.1% to € 1,176.9 million. Advertising revenues accounted for 48.9% of M6 Group sales and enjoyed an increase of 3.3%. M6 Group net profit on ordinary activities increased by 7.5% to € 137.9 million.

M6 Group net exceptional expense amounted to (6.2 M€). Cash flow from operations was € 261.4 million. Group equity increased to € 419.5 million.

Métropole Télévision parent company financial statements reported a net profit of € 105,525,515, enabling the Company to propose a € 0.67 cash dividend per share, amounting to a € 1.005 gross dividend per share.

In addition, the Supervisory Board recognises that it had been informed with regard to the consolidated financial statements.

Taking into account all of the preceding items, we have no observations to formulate with regard to either the Management Report of the Management Board or the 2003 financial statements.

At all times, the Supervisory Board was fully able to exercise its mission of controlling the management of the Group by the Management Board. The Supervisory Board has been informed by the Management Board on a timely basis of all important developments occurring within the Group.

KPMG AUDIT
Division of KPMG S.A.
Immeuble KPMG – 1, cours Valmy
92923 Paris-La Défense Cedex

Statutory Auditors
Member of the
Compagnie de Versailles

BARBIER FRINAULT & AUTRES
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Extraordinary General Meeting of 28 april 2004

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE ESTABLISHMENT OF SHARE SUBSCRIPTION OPTIONS FOR THE BENEFIT OF CERTAIN MEMBERS OF PERSONNEL

To the shareholders of Métropole Télévision SA company,

As Statutory Auditors to your company and in execution of our assignment, as covered by Article L 225-177 of the Commercial Code and Article 174-19 of the Decree of 23 March 1967, we have prepared this report on the establishment of share subscription options for the benefit of certain employees and executive officers.

It is the responsibility of the Management Board to prepare a report on the reasons for establishing a share subscription options as well as the proposed procedures for setting the subscription price. It is our responsibility for providing assurance on the procedures proposed for setting the subscription price.

We have performed our work in accordance with applicable standards in France. These standards require that we carry out due diligence procedures in order to verify that the proposed procedures for setting the subscription price are mentioned in the Management Board report, that they conform with the provisions prescribed by law, in order to inform the shareholders, and that they do not appear to be clearly inappropriate.

We have no observations to make on the proposed procedures.

8 April 2004,
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

KPMG AUDIT
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SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the
Compagnie de Versailles

Extraordinary General Meeting of 28 april 2004

SPECIAL REPORT OF THE STATUTORY AUDITORS ON SHARE CAPITAL REDUCTION THROUGH THE CANCELLATION OF PURCHASED SHARES

To the shareholders of Métropole Télévision SA company,

As Statutory Auditors to your company and in execution of our assignment, as covered by Article L 225-209 paragraph 4 of the Commercial Code in the event of capital reduction arising from the cancellation of shares purchased, we present to you our report on the reasons for and terms and conditions of the proposed share capital reduction.

We have performed our work in accordance with applicable standards in France. These standards require that will carry out due diligence procedures in order to verify whether the reasons for and terms and conditions of the proposed share capital are regular.
This transaction arises from your company's share buyback programme, allowing it to purchase up to 10% of its share capital, in accordance with the provisions of Article L 225-209 paragraph 4 of the Commercial Code.

This purchase authorisation is subject to the approval of the General Meeting and will be for a period ending on the day of the Annual General Meeting convened to consider the financial statements for the 2004 financial year, and such period may not be greater than eighteen (18) months.

Your Management Board proposes that you delegate to it, for the period that expires at the end of the General Meeting convened to consider the financial statements for the 2004 financial year, all powers to cancel the shares thus purchased, up to the limit of 10% of the share capital, by implementing the authorisation for the share buyback programme.

We have no comments to make on the reasons for and the terms and conditions of the proposed capital reduction, it being noted that this cannot be carried out unless the Meeting first of all approves the share buyback programme

8 April 2004,
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

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SAS with a variable share capital of € 37,000

Statutory Auditors
Member of the Compagnie
de Versailles

General Meeting of 28 april 2004

SPECIAL REPORT OF THE STATUTORY AUDITORS ON SHARE CAPITAL INCREASE RESERVED FOR EMPLOYEES WITH CANCELLATION OF PRE-EMPTION RIGHT OF SUBSCRIPTION

To the shareholders of Métropole Télévision SA company,

As Statutory Auditors to your company and in execution of our assignment, as covered by Article L 225-135 of the Commercial Code, we present to you our report on the planned share capital increase, which may not exceed € 1,000,000, reserved for current and former employees of the M6 Group Savings Plan, on which you are asked to decide.

This increase in share capital is submitted for your approval in application of the provisions of Articles L. 225-129 VII of the Commercial Code and L. 443-5 of the Labour Code.
Your Management Board recommends, on the basis of its report, that you delegate it the power to establish procedures for this operation and to cancel your pre-emption right of subscription.

We have performed our work in accordance with applicable standards in France. These standards require that we carry out due diligence procedures in order to verify the procedures to be used in setting the issue price.
Subject to a final review of the conditions of the proposed share capital increase, we have no observations to formulate on the procedures used to determine the issue price, as disclosed in the Management Board report.
As the value of the issue price was not set, we do not provide any assurance on the final conditions in which the share capital increase will be realised, and accordingly, on the proposal to cancel the pre-emption right of subscription that has been made to you, whose principle is reflected in the logic of the operation submitted to you for your approval.

Pursuant to Article 155-2 of the Decree of 23 March 1967, we shall prepare a supplementary report when you Management Board realises the share capital increase.

8 April 2004,
Statutory Auditors

KPMG AUDIT
Division of KPMG SA
Frédéric Quélin Grégoire Menou

BARBIER FRINAULT & AUTRES
Bruno Bizet

Résolutions

1. SUBMITTED TO THE GENERAL MEETING CONVENED IN EXTRAORDINARY SESSION

1st Resolution

(Establishment of a new stock option plan covering 2,700,000 options to subscribe for shares)

The Extraordinary General Meeting having considered the Management Board Report and the Statutory Auditors' Report, authorises, for a period of 3 years, the Management Board, to grant for the benefit of those it designates from the employees and senior executives of Métropole Télévision and its subsidiaries, options with the right to subscribe for up to 900,000 shares per year concerned, which is a maximum of 2,700,000 shares over 3 years:

The share subscription price will be set by the Management Board on the day the options are granted and shall be at least equal to:

• the average of the price quoted in twenty stock market trading days preceding the day the options are granted,

• the options may be exercised up to 7 years from the date of grant.

All powers are given to the Management Board within the limits described above to determine all the terms and conditions of the transactions, and particularly:

• approve the list or categories of beneficiaries;

• set the conditions under which the options are to be granted within the limit of 900,000 shares every years;

• set the time(s) the options may be exercised as well as the conditions to be met by the beneficiaries;

• possibly provide for clauses forbidding the immediate resale of all or parts of the shares. However this timeframe where shares must be retained may not exceed three years from the dates of exercise of the options;

• decide on the conditions where the price or the number of shares to be subscribed may be revised in a number of cases provided by Articles 174-8 and subsequent of Decree N° 67-236 of 23 March 1967, and in which cases the exercise of options may be suspended, where appropriate.

The Management Board will inform the Annual General Meeting each year of transactions carried out under the present resolution.

Shares to be issued by the Company as a capital increase have a maximum nominal value of € 1,080,000, corresponding to 2,700,000 shares of € 0.40 par value.

The present authorisation carries, for the benefit of beneficiaries of options to subscribe, the express waiver by shareholder of their pre-emption right to subscribe for new shares issued in line with the exercise of options.

The capital increase arising from the exercise of options to subscribe will be achieved by the declaration of the exercise of the option, together with a note of subscription and the payment in full which can be in cash or by offset by debts against the Company.

2nd Resolution

(Powers of the Management Board)

Within the limits set by the previous resolution, the Management Board will have all powers required to note, where appropriate, successive capital increases, revise the bylaws as a result and complete all related formalities.

3rd Resolution

(Delegation to be given to the Management Board to reduce share capital through cancellation of shares)

The Extraordinary General Meeting, having considered the Management Board Report and the Statutory Auditors' Report, and pending the adoption of the 21st Resolution, authorises the Management Board to reduce the share capital by cancellation of all or some of the shares in the Company that it may hold, notably through the acquisitions effected within the framework of the 20th Resolution and within 10% limit of the share capital of the Company.

The Extraordinary General Meeting grants the Management Board all powers to modify the bylaws accordingly in the event the present authorisation is used and complete the formalities required.

This authorisation expires at the end of the Meeting convened to approve the 2004 financial statements.

4th Resolution

(Increase in share capital reserved for employees)

The Extraordinary General Meeting, having considered the Management Board Report and the Statutory Auditors' Report, and in accordance with Article L. 225-129 VII para.1 and 2 of the Commercial Code and Article L. 443-5 of the Labour Code, decides to increase the share capital by a maximum nominal amount of € 1,000,000 by the issue of 2,500,000 new shares with a par value of € 0.40 with the waiver by shareholders of their pre-emption right to subscribe in favour of the employees and ex-employees that are members of Savings Plan of the Métropole Télévision Group.

The share subscription price, determined in accordance with the law and particularly Article L. 443-5 of the Labour Code shall be equal to the average of the share price quoted in 20 stock market trading days preceding the date of the decision that set the date of opening the subscription.

The new shares shall be fully paid on subscription.

They will be assimilated with the existing shares and will have the same rights from their date of issue.
Employees and ex-employees who are members of the Company's Savings Plan will have thirty days to subscribe from the opening date of subscription.

The capital increase will not proceed unless the complete capital increase is fully subscribed.
The employees can arrange among themselves for the share subscription. A list of subscribers will be filed at the registered office within the subscription period provided, together with the amount of their subscription.
The Extraordinary General Meeting gives all powers to the Management Board to carry out the capital increase within the timeframe set, to receive subscriptions and payments due, to note that shares are fully paid, to note the final completion and to proceed with the related change to the bylaws.

2. SUBMITTED TO THE GENERAL MEETING CONVENED IN ORDINARY SESSION

5th Resolution
(Approval of parent company financial statements for the year ended 31 December 2003)
The General Meeting in Ordinary Session, having considered the Management Report prepared by the Management Board and the Statutory Auditors' Reports, as well as the comments of the Supervisory Board:
• approves the financial statements for the year ended 31 December 2003 as presented, and which disclose a net profit of € 105,525,515;
• and by this act approves the transactions reflected in these financial statements and/or summarised in these reports.

6th Resolution
(Statutory Auditors' Special Report)
The General Meeting, having considered the Statutory Auditors' Special Report on the regulated agreements covered by Article L 225.86 of the Commercial Code.

7th Resolution
(Allocation of financial year profit and setting of dividend amount)

2003 Company net profit:	105,525,515 €
Retained earnings opening balance :	399,069,536 €
Total amount distributable :	**504,595,051 €**
We propose:	
A cash dividend per share of 0.67 € for all 131,888,690 shares comprising the Company's share capital :	88,365,422 €
Retained earnings closing balance :	416,229,629 €

The General Meeting approves the allocation of profit as proposed by the Management Board and, as a result, sets the 2003 financial year dividend at € 0.67 per share, to which is added a tax credit of € 0.335 per share, thereby yielding shareholders a gross dividend of € 1.005 per share.
The cash dividend will be paid on 5 May 2004.
We bring to your attention that, in the event that the Company holds some of its own shares at the time of this dividend payment, the amount corresponding to dividends, which are not payable on these shares in accordance with Article L 225-210

paragraph 4 of the Commercial Code, will be allocated to retained earnings.
In accordance with Article 47 of the Law of 12 July 1965 (Article 243 bis of the General Tax Code), the General Meeting notes that the dividends and related tax credits payable during the five previous financial years were as follows:

Financial Year	Number of Shares	Gross Dividend per share	Cash Dividend per Share	Tax Credit per share
1999	131,888,690	0.62 €	0.41 €	0.21 €
2000	131,888,690	0.755 €	0.51 €	0.255 €
2001	131,888,690	0.855 €	0.57 €	0.285 €
2002	131,888,690	0.855 €	0.57 €	0.285 €
2003	131,888,690	1.005 €	0.67 €	0.335 €

8th Resolution
(Approval of the consolidated financial statements for the year ended 31 December 2003)

The General Meeting, having considered the report of the Management Board on the management of M6 Group as contained in the management report, and the Statutory Auditors' report on the consolidated financial statements, approves:
– the consolidated financial statements for the year ended 31 December 2003 prepared in accordance with Articles L 233-16 and subsequent of the Commercial Code, as presented to it and which disclose a net profit of € 131.6 million,
– as well as the transactions reflected in these financial statements or summarised in the group management report included in the Management Report.

9th Resolution
(Discharge)

The Annual General Meeting grants a discharge to members of the Management Board and Supervisory Board for the execution of their duties for the year just ended.

10th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Albert Frère as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

11th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Axel Ganz as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

12th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Yves-Thibault de Silguy as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

13th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Rémy Sautter as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

14th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Yves-Thibault de Silguy as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

15th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Gerard Worms as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

16th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Gerhard Zeiler as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements the year ending in 2007.

17th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Bernard Arnault as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

18th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Jean Laurent as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

19th Resolution
(Reappointment of a member of the Supervisory Board)

The General Meeting, noting that the term of office of Guy de Panafieu as a member of the Supervisory Board is to expire, decides to reappoint him for a further period of 4 years, which is until the end of the General Meeting to consider the financial statements for the year ending in 2007.

20th Resolution
(Directors' fees for the members of the Supervisory Board)

The General Meeting sets at € 120,000 attendance fees for the Members of the Supervisory Board for 2004. This decision applies to the current year and will be maintained until changed.

21st Resolution
(Authorisation to grant the Management Board powers to trade in the Company's shares)

The General Meeting, having noted the report of the Management Board in accordance with Articles L.225-209 and subsequent of the Commercial Code, authorises the Management Board to purchase, on one or more occasions, a number of shares representing a maximum of 10% of the share capital of the Company on the day of implementation of the share buyback programme.

The General Meeting decides that the shares may be acquired specifically in light of the following objectives in descending order of priority:

- purchasing and selling shares depending on market conditions,
- stabilising the stock market price of the share against the trend by continuously trading,
- cancellation of treasury shares to improve earnings per share,
- retention of shares to optimise asset and financial management of the share capital and equity,
- utilisation of shares as part of development and acquisitions or the issue of compound marketable securities to minimise the cost of an acquisition or to improve the terms of a transaction,
- allocation of shares to employees and senior executives under terms and conditions provided by law, particularly as part of sharing the benefits of the expansion of the business, share purchase options, or a business saving plan, or any other form provided by the legislation in force.

The Annual General Meeting decides that the acquisition, disposal, transfer or exchange of these shares can be made by every means, particularly on or off market, by mutual agreement, and where appropriate, by derivative and complex financial instruments (particularly options to sell) with the exclusion of the purchase of options to buy: the part that may be achieved by block trading is not limited and may represent the complete programme.

These transactions may occur at any time, including a period of a public offer, within the limit of stock market regulations in force.
As part of this authorisation, the Annual General Meeting decides that:

- the purchase of shares to stabilise the price should not exceed 3% of the share capital;
- in all cases, the unit purchase price cannot be higher than € 50, and the unit selling price cannot be lower than € 10 excluding disposal costs.

The Annual General Meeting decides that the Management Board may, however, revise the above mentioned purchase and selling price in the event, particularly, of a change in the nominal value of the share, the increase in capital by incorporation of reserves and the issue of bonus shares, the split or consolidation of shares, the write down or reduction in capital, the distribution of reserves or other assets and any other transactions relating to the equity, to take account of the effect of these transactions on the value of the share.

The maximum amount that may be used in the share purchase programme is limited to the amount of the free reserves of € 454 million included in the equity and liabilities section of the parent company financial statements at 31 December 2003.

At the time of their acquisition, these shares must be put into nominative form and be fully paid up.
On the day of acquisition, the Company must have reserves other than the legal reserve, of an amount at least equal to the value of all treasury shares it holds.
The shares thus held by the Company carry no right to dividend and are deprived of the right to vote.
In the event of an increase in share capital in cash, the Company may not exercise its pre-emption right.

The Meeting also grants powers to the Management Board, with the right to delegate in order to:
• issue instructions to trade on the stock market;
• adjust the purchase or selling price of shares to take account of transactions that relate to the value of the share;
• conclude all agreements;
• comply with all formalities and make every declaration to all organisms and, in general, do everything that is required.

The Management Board will also inform the Annual General Meeting of all transactions carried out under this authorisation.

This authorisation is given to the Management Board for a period that expires at the end of the Annual General Meeting called to consider the financial statements for 2004; however, this time period may not exceed eighteen (18) months.

22nd Resolution
(Powers to complete formalities)

The Combined General Meeting grants all powers to a bearer of copies or certified extracts of the minutes of the current Meeting to carry out all filing and publicity and complete all legal and administrative formalities as required, in accordance with the law.

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

To the best of my knowledge, the information presented in this reference document fairly reflects the current situation and includes all information required by investors to assess the net assets, operations, financial position, profits and future prospects of METROPOLE TELEVISION; there are no omissions of such a nature as to change these.

The above representations are the sole responsibility of Company management.

Nicolas de Tavernost

Chairman of the Management Board

REPORT OF THE STATUTORY AUDITORS
ON THE REFERENCE DOCUMENT
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003

As Statutory Auditors of the Métropole Télévision SA company and pursuant to the application of COB Regulation 98-01, we have conducted, in accordance with professional standards in France, the verification of information concerning its financial position and historical financial statements as contained in the present reference document.

This reference document has been prepared under the responsibility of the Management Board. It is our duty to offer an opinion on the fairness of the information it contains relating to the financial position and financial statements.

The due diligence procedures we performed, in accordance with professional standards in France, consisted of assessing the fairness of the information presented concerning the financial position and financial statements and verifying their consistency with the financial statements which were already the subject of an audit report. They also consisted of reading other information contained in the reference document, in order to identify, where applicable, significant anomalies with information concerning the financial situation and financial statements, and to bring to your attention information that is clearly incorrect as a result of our general knowledge of the Company acquired during the course of our assignment. This document does not contain any specific forecast data resulting from a structured elaboration process.

The parent company and consolidated financial statements for the financial year ended 31 December 2001, which were prepared by the Management Board, were the subject of an audit conducted by us in accordance with professional standards in France, and were certified without any qualifications or observations.

The parent company and consolidated financial statements for the financial year ended 31 December 2002, which were prepared by the Management Board, were the subject of an audit conducted by us in accordance with professional standards in France, and were certified without any qualifications. They were the subject of an observation concerning the change in accounting method arising from the first-time application of CRC Regulation N°2000-06 of 7 December 2003 on liabilities.

The parent company and consolidated financial statements for the financial year ended 31 December 2003, which were prepared by the Management Board, were the subject of an audit conducted by us in accordance with professional standards in France, and were certified without any qualifications or observations.

For the financial year ended 31 December 2003, in application of the provisions of Article L. 225-235 of the Commercial Code relative to the justification of our assessments, which were applied for the first time this financial year, we brought to your attention the following matters in our reports on the parent company and consolidated financial statements:

Regarding our report on the Parent Company Financial Statements:

“Notes 2.1.2 and 2.3 disclose the principles and methods for accounting for its audiovisual rights (co-productions) and broadcast rights. Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application.”

Regarding our report on the Consolidated Financial Statements:

“Notes 1.2.2 and 1.2.5 disclose the Group’s principles and methods for accounting for its audiovisual rights and broadcast rights. Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application.”

“Notes 1.1, 1.2.1, 1.2.2 and 7 disclose the accounting methods and rules used concerning the consolidation of TPS: proportional consolidation method, partial revaluation of business goodwill corresponding to market shares, valuation methods for the value in use of this business goodwill, and presentation of proforma accounts for 2002. We have assessed the appropriateness of these accounting methods and of the information disclosed in the Notes, and we have assured ourselves of their correct application.”

These assessments were made within the framework of our audit, which focus on the parent company and consolidated financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of both reports.

On the basis of our due diligence procedures, we have no comments to make regarding the fairness of the information concerning the financial position and financial statements as presented in this reference document.

Neuilly-sur-Seine and Paris-La-Défense, 8 April 2004
Statutory Auditors

KPMG AUDIT
Département de KPMG SA
Frédéric Quélin   Grégoire Menou

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INFORMATION POLICY

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AMF REFERENCE DOCUMENT TABLE OF CONTENTS

Métropole Télévision
Société anonyme
with a Management and Supervisory Board
and share capital of 52 755 476 €
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